

Rental relief framework

The new rental relief framework aims to help affected SMEs which need more time and support to recover from the impact of Covid-19, by providing mandated co-sharing of rental obligations between the Government, landlords and tenants.

	Type of relief	Commercial	Industrial/office
Rental relief for all SMEs (government assistance*)	Rental waiver	2 months (for April to May)	1 month (for April)
Additional rental relief for eligible SMEs (borne by landlord)	Rental waiver	2 months (for June to July)	1 month (for May)
Total		4 months (for April to July)	2 months (for April and May)



GOVERNMENT ASSISTANCE

Occupying SME tenants in qualifying commercial properties and industrial/office properties will receive the rental relief through a waiver of rent from their landlords. The property owner will receive support through the:

- **Property tax rebate** for Year 2020 announced in the Unity and Resilience Budgets; and
- **Government cash grant** announced in the Fortitude Budget.



ADDITIONAL RENTAL RELIEF PROVIDED BY LANDLORDS

Tenants (including subtenants and licensees) will be eligible for the additional rental relief provided by landlords if they meet all the criteria below:

Eligibility of tenant	<ul style="list-style-type: none"> • SME at the group level (at most \$100 million turnover in 2019) • At least 35% drop in average monthly revenue on an outlet level from April to May 2020, compared with April to May 2019 • Tenancy must be in force on April 1, 2020 and must have been: <ol style="list-style-type: none"> entered into before March 25, 2020; or entered into before March 25, 2020 but expired and was renewed automatically, or in exercise of a right of renewal in the contract.
Application for assessment	<ul style="list-style-type: none"> • Landlord can request tenant to provide documentation • Landlord can apply for an assessment of the tenant's eligibility for the relief • Landlord can apply for an assessment of his/her own grounds of financial hardship



REPAYMENT SCHEME FOR RENTAL ARREARS

To allow for more time to repay arrears, eligible tenants can opt for a restructuring of accumulated rental arrears in equal instalments, with interest capped at 3% per annum

Eligibility	Tenants who qualify for additional rental relief provided by landlords
Period of rental arrears	Feb 1 – Oct 19, 2020
Maximum accumulated arrears	<ul style="list-style-type: none"> • 5 months' base rent (commercial properties) • 4 months' base rent (industrial/office properties)
Number of months for repayment	Over the remainder of the lease (Maximum of 9 months)
How to apply	Tenants must serve notice on their landlords before Oct 19, 2020 and start payment of the first instalment no later than Nov 1, 2020