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Government Announcement re small business rent disputes

By Melissa Higham - 3 Jun 2020

There has been much debate regarding what a fair rental reduction is under commercial leases where businesses have been affected by COVID-19. The Government had previously done nothing to assist either Landlords or Tenants in this situation.

This morning Government have announced a compulsory rent dispute process where the Landlord and Tenant have been unable to agree on a fair rent reduction during COVID-19 lockdown, which requires compulsory arbitration with Government subsidising the arbitration by about 75%.

This new process is to come into effect from today (4 June 2020) but will only apply in relation to businesses with 20 or fewer full-time employees on the site.

The process will be put in place by temporary amendments to the Property Law Act.

This will only benefit smaller businesses and does not affect Landlords and Tenants who have previously reached an agreement on rental reduction.

Full details of the scheme have not yet been announced. If you would like to be kept up to date with how the scheme works please contact [Melissa Higham](#).

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