

Tenant protections extended again

The government was extending to 31 March 2021 the various tenant protections it has brought in since the pandemic began. However, that announcement of course pre-dated the current lockdown and it will come as a surprise to no-one that, despite this, the protections have been extended again until 30 June 2021.

11 March 2021

Please note: the information contained in this legal update is correct as of the original date of publication.

We mentioned in our article on 14 December (click [here](#)) that the government was extending to 31 March 2021 the various tenant protections it has brought in since the pandemic began. Back in December, the government indicated that this would be the final extension. However, that announcement of course pre-dated the current lockdown and it will come as a surprise to no-one that, despite this, the protections have been extended again until 30 June 2021.

So, in summary, until 30 June 2021:

1. A landlord cannot forfeit (i.e. terminate) a business lease for non-payment of rent (and other sums due under a lease).
2. A landlord cannot exercise the statutory procedure known as Commercial Rent Arrears Recovery (or CRAR) (which allows a landlord to instruct an enforcement agent to take control of a tenant's goods and sell them to recover an equivalent value to the rent arrears outstanding) unless a minimum of 457 days' net unpaid rent is outstanding (where CRAR takes place between 25 March 2021 and 23 June 2021) or 554 days' net unpaid rent is outstanding (where CRAR takes place between 24 June 2021 and 30 June 2021). In effect, this prevents a landlord exercising CRAR even if a tenant has paid no rent since the March 2020 quarter day.

We haven't yet heard if the restrictions on serving statutory demands and presenting winding-up petitions against tenants (and indeed all companies) which were originally brought in last summer have been similarly extended (although we'd have thought such an extension likely).

The government has also announced that it is launching a call for evidence to help monitor the overall progress of negotiations between landlords and tenants for paying or writing off outstanding rents (something the government has encouraged through its voluntary code of practice which it published last June – click [here](#)). This call for evidence will also set out the potential steps the government could take after 30 June. This could range from a phased withdrawal of current protections to legislative options targeted at those businesses most affected by the pandemic.

In December, the government also announced a review of what it described as 'outdated' commercial landlord and tenant legislation. This review will consider a broad range of issues including Part II of the Landlord & Tenant Act 1954, different models of rent payment and the impact of the pandemic on the market. The review was originally going to take place early in 2021. However, the government now states that it will be launched 'later this year'.

These are difficult times for everyone and whilst it is welcome news that the moratorium has been extended, it doesn't mean any of the problems have gone away. It's merely a putting off of the inevitable. Whilst some landlords and tenants have been able to reach mutually acceptable arrangements, this isn't the typical position and the uncertainty is helping nobody – landlords and tenants alike. We need urgent solutions now – not a kicking of the can down the road!

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