

Further support for commercial and residential tenants

- Ban on commercial evictions extended to 30 June to ensure businesses are supported as they re-open
- Six-month notice periods and bailiff enforced eviction ban extended to 31 May to protect residential tenants
- Follows unprecedented package of support for businesses and renters during pandemic

Business owners – many of whom have had to cease trading entirely during lockdown – are being given extra support after the government extended the ban on commercial evictions for a further 3 months, Housing Secretary Robert Jenrick announced today (10 March 2021).

The decision will help those worst affected by the pandemic, such as bars and restaurants, get back to business in May when doors fully reopen for hospitality no earlier than 17 May.

Residential tenants will also be supported as the ban on bailiff-enforced evictions in all but the most serious circumstances – such as incidents of fraud or domestic abuse – and the requirement for landlords to provide 6-month notice periods to tenants before they evict will also be extended until at least 31 May.

This will ensure residents in both the private and social sector can stay in their homes and have enough time to find alternative accommodation or support as we move through the roadmap.

With around 49% of hospitality workers and 36% of retail workers currently renting, the new measures will protect jobs as businesses reopen and many more renters can return to work.

Housing Secretary, Rt Hon Robert Jenrick MP said:

It is right that as we move through the roadmap, we ensure that businesses and renters continue to be supported.

We have taken unprecedented action to support both commercial and residential tenants throughout the pandemic – with a £280 billion economic package to keep businesses running and people in jobs and able to meet their outgoings, such as rent.

These measures build on the government's action to provide financial support as restrictions are lifted over the coming months – extending the furlough scheme, business rates holiday and the Universal Credit uplift.

Business Secretary, Rt Hon Kwasi Kwarteng MP said:

We're doing everything we can to ensure businesses get the support they need to get through this pandemic and reopen when it is safe to do so.

I know business owners will welcome this latest package of support and the breathing space it will give them to prepare for a safe reopening, and, ultimately, to build back better.

Throughout the pandemic, the government has put in place an unprecedented £280 billion package to support businesses and keep people in work and able to meet their rent and other outgoings and the confirmed 6-month extension to the furlough scheme and Universal Credit uplift will continue to provide financial security for millions.

For those who require additional support, the government has made £180 million of funding for Discretionary Housing Payments available this year for councils to distribute to support renters with housing costs. The £1 billion increase in Local Housing Allowance (LHA) rates – covering the lowest 30% of market rents – brings the total spend on supporting households to meet the cost of rent in the private and social rented sectors to almost £30 billion this financial year.

Ensuring that renters remain protected until the end of May, whilst national restrictions remain in place will align with the broader strategy for protecting public health and will continue to help reduce pressure on essential public services as we start to move out of lockdown. The government will consider the best approach to move away from emergency protections from the beginning of June, taking into account public health advice and the wider roadmap.

The government's current position is to support commercial landlords and tenants to agree their own arrangements for paying or writing off rent debts by 30 June. This is supported by the code of conduct published by the government last year, setting out best practice for these negotiations. But, if these discussions do not happen and there remains a significant risk to jobs, the government is also prepared to take further steps.

We are therefore launching a call for evidence on commercial rents to help monitor the overall progress of negotiations between tenants and landlords. The call for evidence will also set out potential steps that government could take after 30 June, ranging from a phased withdrawal of current protections to legislative options targeted at those businesses most impacted by COVID-19. We would welcome a broad range of feedback to this call for evidence.

The government has made clear that any businesses that can pay all or any of their rent should do so.

The review of commercial landlord and tenant legislation will be launched

later this year and will consider a broad range of issues including the Landlord & Tenant Act 1954 Part II, different models of rent payment, and the impact of Coronavirus on the market.

The Ministry of Justice will also lay a Statutory Instrument to extend the restriction on the use of the Commercial Rent Arrears Recovery (CRAR) process by landlords. This measure will increase the total number of days' outstanding rent required for CRAR to be used to 457 days' between 25 March and 23 June, and 554 days' between the 24 and 30 June. This measure will continue to provide protection to tenants of commercial leases with rent arrears accumulated during the coronavirus period, while protections from forfeiture for business tenancies are in place under the Coronavirus Act 2020.

For the residential sector, court arrangements and rules introduced in September have been extended to the end of July 2021 to ensure that the most serious cases, such as anti-social behaviour or fraud, are prioritised and landlords will be required to provide the courts with information on how the pandemic has impacted their tenants. For claims issued before 3 August 2020 the service of a reactivation notice has been extended to 30 April 2021.

A new free mediation pilot is also under way to support landlords and tenants to resolve disputes without a formal court hearing. This will help tenants at an early stage of the possession process, mitigating the risk of tenants losing their homes and helping to sustain tenancies where possible.

49% of hospitality workers and 36% of retail workers live in rented accommodation (Labour Force Survey, April 2020).

45% of landlords have just one rental property (English Private Landlord Survey 2018).