

## Commercial rent arrears protections extended until March 2022



Following representations from the [British Property Federation](#) (BPF) and [British Retail Consortium](#) (BRC) amongst others, the government has announced that the [statutory protection from eviction for commercial tenants](#) is to be extended for a further 9 months to 25 March 2022.

This is along with the restrictions on landlords' rights to use Commercial Rent Arrears Recovery to seize tenants' goods.

When combined with the three month extension of the restrictions on statutory demands and winding up petitions, the government has provided tenants with a wide range of protection even as they continue to return to previous levels of trading.

That said, the government has made it clear that tenants should pay when they are able to, which links in with the guidance provided in the [Code of Practice for commercial property](#) relationships.

Landlords' ability to issue debt recovery proceedings remains unaffected.

The press release also announces that the government will introduce legislation in the current parliamentary session seeking to ringfence arrears which have accrued during the periods tenants have been required to close.

The government's expectation under this legislation appears to be for:

- a) landlords and tenants to work together to share the impact of the closures

b) tenants to pay quarterly rents falling due in June and July as per their leases

The purpose of the new legislation is to “*help tenants and landlords work together to come to an agreement*” on how to handle the arrears, and provide for a binding arbitration procedure in the event that an agreement cannot be reached. We await further detail.

The indications are that the legislation may follow the common ground in the representations made by the BPF and BRC. In May, we considered these proposals and indicated what might constitute current good practice between landlords and tenants.

Further information from the government is due which we are following with interest. In the meantime, the position effectively remains (possibly slightly predictably) “as you were”.

## How we can help

If you'd like advise on a rent dispute please contact our [property disputes](#) team.

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