

RENTAL RELIEF FRAMEWORK

The new rental relief framework aims to help affected SMEs who 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	Duration of Rental Relief	
	Qualifying Commercial Properties	Industrial / Office Properties
(A) Rental Relief for eligible SMEs (supported by Government Assistance)		
Rental Waiver	2 months (for April – May 2020)	1 month (for April 2020)
(B) Additional Rental Relief for eligible SMEs (borne by Landlord)		
Rental Waiver	2 months (for June – July 2020)	1 month (for May 2020)
Total	4 months (for April – July 2020)	2 months (for April – May 2020)



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: (a) Property Tax Rebate for Year 2020 announced in the Unity and Resilience Budgets; and (b) 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

- SME at the group level (\leq \$100 million turnover in 2019)
- \geq 35% drop in average monthly revenue on an outlet level from April to May 2020, compared to April to May 2019
- Tenancy must be in force on 1 April 2020 and must have been:
 - (i) entered into before 25 March 2020; or
 - (ii) entered into before 25 March 2020 but expired and was renewed automatically, or in exercise of a right of renewal in the contract.

Application for assessment

- Landlords can request for tenants to provide documentation
- Landlords can apply for an assessment of the tenant's eligibility for the relief
- Landlords 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% p.a.

Eligibility	Tenants who qualify for additional rental relief provided by landlords
Period of rental arrears	1 February – 19 October 2020
Maximum accumulated arrears	5 months' base rent (commercial properties) 4 months' base rent (industrial/office properties)
No. 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 19 October 2020 and start payment of the first instalment no later than 1 November 2020