

# Commercial (including retail) tenants and landlords

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## Commercial Tenancy Relief Scheme: responding to coronavirus

The Victorian Government has [further extended the Commercial Tenancy Relief Scheme \(the Scheme\)](#) until 28 March 2021. The [Scheme was introduced](#) to relieve financial hardship faced by tenants and landlords as a result of coronavirus (COVID-19).

## What does the Scheme provide?

The Scheme provides the following support for commercial landlords and tenants under an eligible leases:

- A moratorium on commercial tenancy evictions from 29 March 2020 for the non-payment of rent for small to medium enterprises with an annual aggregate turnover under \$50 million that have experienced a minimum 30 per cent reduction in turnover due to coronavirus, where the tenant has followed the [process for applying for rent relief](#)
- A freeze on rent increases during the moratorium
- Rent relief provided by commercial landlords in proportion to (i.e. that matches) their tenants' reduction in turnover due to coronavirus, made up of a minimum 50 per cent rent waiver (the remainder can be made up of a rent deferral)
- A [free mediation service for commercial tenants and landlords](#), accessed through the Victorian Small Business Commission (VSBC), to resolve disputes over rent relief
- The option for commercial tenants to apply to the VSBC for a binding order for rent relief if their landlord fails to respond to the VSBC or doesn't engage in mediation in good faith

The Government is also extending [land tax relief to commercial or industrial landlords](#) that provide rent relief to their tenants in 2021 and owner occupiers of commercial properties.

# Rent relief under the extended Scheme

Small business tenants seeking rent relief from 1 January 2021 to 28 March 2021 will need to apply to their landlord in writing with evidence of their eligibility as soon as possible, as a landlord is only required to provide rent relief from this date of application.

If a tenant has already made a request and is seeking further rent relief for this extended period, then they will need to make another request to their landlord supplying the required evidence.

The Victorian Small Business Commission (VSBC) expects that tenants and landlords will continue to negotiate rent relief, follow the process for the Scheme and, if requested, attend mediation with the VSBC.

Regulations for the Scheme have been made under the *COVID-19 Commercial and Residential Tenancies Legislation Amendment (Extension) Act 2020*. These regulations create temporary requirements for landlords and tenants for the duration of the Scheme.

For more information, see:

- [responses to frequently asked questions](#)
- leasing advice for [tenants](#) and [landlords](#) that includes a scenario showing what rent relief negotiations can look like.

If a landlord or tenant has any queries, they can contact us on 138 722 or email [enquiries@vsbc.vic.gov.au](mailto:enquiries@vsbc.vic.gov.au).

If they can't agree on rent relief or get a response from the other party, they can [apply to the VSBC for help in resolving the matter](#) through free mediation.

## Process for commercial tenants and landlords

Learn more about the [process for commercial tenants and landlords](#) under the Commercial Tenancy Relief Scheme.

## Resources: letter template for requesting rent relief and FAQs

Tenants can use the VSBC's [letter template](#) to guide them in requesting rent relief from their landlord.

Tenants and landlords who have questions are encouraged to read the VSBC's [responses to frequently asked questions](#).

# Tenants and landlords who don't fall under the Scheme

Some commercial tenants may not be eligible for the Scheme's supports where they don't meet the requirements of the [regulations](#) (e.g. some small business owners of pubs, clubs and hotels).

Commercial tenants who have been impacted by coronavirus but don't fall under the Scheme are encouraged to contact their landlord to discuss their situation and negotiate rent relief, as guided by the [Australian Government's Mandatory Code of Conduct for commercial tenancies to support SMEs affected by coronavirus](#).

If an agreement cannot be reached, the tenant or landlord can [apply for free mediation](#) with the VSBC to help resolve their rent dispute.

## Looking after your mental health and wellbeing

As a small business owner, creating a mental health plan is one way to make sure you have the strategies in place to look after your mental health and wellbeing.

Our [mental health and wellbeing page](#) includes our guide to creating your own mental health plan in response to coronavirus, as well as information on wellbeing and mental health support for Victorians in small business.

## General retail leasing information – what tenants and landlords need to know

As a retail tenant or landlord, it's important to understand:

- [your rights and responsibilities](#) and what is and isn't allowed under the *Retail Leases Act 2003* in relation to lease terms and conditions
- [important changes under the \*Retail Leases Amendment Act 2020\*](#) that amended the *Retail Leases Act 2003* in relation to essential safety measures, security deposits (bonds), disclosure statements, option to renew, early rent review and cooling off.