

Commercial Landlord Hardship Fund Round 2 FAQs

Questions and answers about the Victorian Government's Commercial Landlord Hardship Fund Round 2.

Frequently asked questions

What is the Commercial Landlord Hardship Fund Round 2?

The Commercial Landlord Hardship Fund Round 2 provides grants of up to \$3,000 to eligible small landlords who may experience hardship as a result of reducing rent for their tenant(s) under the [Commercial Tenancy Relief Scheme](#)[External link \(opens in same window\)](#).

Am I eligible for a grant?

You are eligible for a payment under this fund if you are a small landlord with a total taxable landholding of under \$3 million and have provided rent relief to tenant(s) in the form of a waiver under a commercial lease subject to the [Commercial Tenancy Relief Scheme](#)[External link \(opens in same window\)](#).

Who can apply for a grant?

Individuals and incorporated entities that meet the program eligibility criteria may apply for a grant.

Can I apply for a grant under round two if I got this grant under round one?

Yes. Small landlords who received a grant in round one are eligible to apply under the second round.

What has changed since the round one of the Commercial Landlord Hardship Fund?

Key updates in the Commercial Landlord Hardship Fund Round 2 include:

- \$3 million total taxable landholding, increased from \$1 million
- a small landlord may be an incorporated entity under this fund, changed from individuals only
- applications are made per eligible tenancy, instead of per landlord
- applicants must be an Australian citizen, resident or Australian incorporated entity
- the landlord must provide a rent waiver to their tenant(s) for any part of the period of 1 January and 28 March 2021
- forms of acceptable identification have been updated (see forms of identification below).

What forms of identification can I use to prove my identity in my application?

You may have previously used forms of identification that will not be acceptable for an application to the Commercial Landlord Hardship Fund Round 2. This is because we are updating our fraud-prevention system and are currently unable to process some forms of identification.

You can only use the following forms of identification in your application:

- Driver's Licence
- Medicare Card
- Health Care Card
- Pensioner Concession Card
- Visa to enter Australia
- Australian passport.

If you cannot provide any of the above forms of identification or have any trouble completing the application and need help, call the Business Victoria hotline on 13 22 15.

How do I know if my total taxable landholdings are under \$3 million?

Your Land Tax Assessment Notice issued by the State Revenue Office will state the total value of your taxable landholdings. Small landlords with landholding of \$250,000 - \$3 million must use this method.

Your 2020-21 council or municipal rates notice includes a site value. Small landlords with landholding up to \$250,000 should use this method.

Is my principal place of residence included in the taxable landholdings?

No. Your principal place of residence is excluded from taxable landholdings.

I am the small landlord of a property held in trust. How are taxable landholdings considered to assess my eligibility?

Total taxable landholdings used to assess eligibility for this grant will be those of the trust in which a property is held. The total taxable landholdings must be under \$3 million.

Example:

A small landlord holds a property on behalf of a Family Trust with a total taxable landholding under \$3 million. The landlord provides rent relief to a tenant under the Commercial Tenancy Relief Scheme.

The landlord may apply for a grant of up to \$3,000 and the Family Trust taxable landholding will be used to assess eligibility.

Can I apply for this grant if I live outside Victoria and hold properties within Victoria with tenants eligible for rent relief under the Commercial Tenancy Relief Scheme?

Yes. There is no proof of Victorian residency required to apply for this grant. Applicants must however be an Australian citizen or resident.

Can I complete an application on behalf of someone else?

Yes. You can complete an application on behalf of an eligible landlord if you have their permission. You will need to provide evidence the landlord has given you permission to apply on their behalf.

What rent reductions are required to be eligible for the grant?

Small landlords must have provided the tenant(s) with rent relief in accordance with the [Commercial Tenancy Relief SchemeExternal link \(opens in same window\)](#) to be eligible for this fund. At least 50 per cent of the rent relief must be in the form of a waiver. The rent waiver period commences on 1 January 2021.

Future rent waivers beyond the fund dates, that have been agreed with the tenant and are subject to the Commercial Tenancy Relief Scheme, may also be claimed up to 28 March 2021.

The [online calculator](#) can help you figure out these amounts for your application.

How do I provide evidence of a rent waiver?

Small landlords need to provide the following to demonstrate a rent waiver that meets the requirements of the program:

- the commercial lease agreement and rent payable before the property became eligible under the [Commercial Tenancy Relief SchemeExternal link \(opens in same window\)](#)
- the agreement between both parties under the Commercial Tenancy Relief Scheme showing the dollar amount of rent waived and rent relief.

Acceptable evidence includes an original and/or amended lease, correspondence with the tenant or the outcome of a mediation agreement.

Landlords may need to supply evidence covering several months to show they have met the rent waiver requirements of this program.

The [online calculator](#) can help you figure out these amounts for your application.

Can I apply for a grant if I have provided a full rent deferral to my tenant?

No. Only rent waivers will be considered for a grant from this fund. Rent deferrals will not be accepted as these must be repaid to the landlord in future. The rent relief provided through the [Commercial Tenancy Relief SchemeExternal link \(opens in same window\)](#), must be made up of at least 50 per cent rent waiver, to be eligible for both the Commercial Tenancy Relief Scheme and this fund.

What if a rent reduction that has previously been negotiated is not sufficient to qualify for this fund?

The agreement would need to be revised so it complies with the fund and the landlord will need to provide evidence of this in the application.

Small landlords and their tenants may consider accessing free mediation and dispute resolution support via the [Victorian Small Business CommissionExternal link \(opens in same window\)](#) to negotiate a fair outcome.

Can a small landlord that has provided rent reductions to multiple tenancies access more than one grant?

Yes. The landlord may be entitled to more than one grant if they meet all the eligibility criteria for each tenancy. Small landlords must apply for each tenancy grant in a separate application, i.e. one property per application form.

Example:

A landlord has a total taxable landholding under \$3 million and has provided rent reductions to three separate tenant(s) that are eligible for rent relief under the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#). The landlord may apply for up to \$3,000 for each tenancy in three separate grant applications.

Is the grant available to part-owners of properties with tenancies that are eligible for rent relief under the Commercial Tenancy Relief Scheme?

Yes. A small landlord with an ownership share in a property where the tenant has been provided with rent relief under the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#) can apply if they meet the program eligibility criteria. Any grant will be proportionate to their interest in the property.

Example:

A landlord with a 25 per cent share in a property where the tenant(s) receives a rent reduction under the Commercial Tenancy Relief Scheme, may apply for up to \$750 (25 per cent of \$3,000).

Other owners with a share in the property may also apply if they meet the eligibility criteria.

The property value will not impact each part owner’s eligibility for a grant, as long as their individual taxable landholdings are under \$3 million according to the State Revenue Office site valuation.

Can my partner and I put in a joint application if we are joint owners of a commercial property with a tenant who is eligible for rent relief under the Commercial Tenancy Relief Scheme?

No. Each part-owner that meets the program eligibility criteria must submit a separate application for their share. Any grant will be proportionate to their interest in the property.

Can a small landlord obtain more than one grant on a single tenancy?

No. Only one grant is available for a landlord’s interest in any single tenancy eligible for the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#).

Can I still apply for a grant if the commercial property is used for residential purposes?

Yes. If your property is subject to a commercial lease, and meets the other eligibility criteria, it is eligible.

Example:

A landlord owns an apartment that is subject to a commercial lease with a hotel company that operates serviced apartments. If the landlord has provided a rent waiver through the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#), the landlord may be eligible for a grant, providing they meet other criteria.

Can I still apply if my tenant is not eligible for rent relief under the Commercial Tenancy Relief Scheme?

No. To be eligible for a grant, your tenant must be eligible for rent relief under the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#).

How do I know if my tenant is eligible for rent relief under the Commercial Tenancy Relief Scheme?

You and your tenant should refer to the **Commercial Tenancy Relief Scheme**[External link \(opens in same window\)](#) and its regulations for the most up-to-date advice.

What steps can small landlords and tenants take to resolve tenancy matters?

If a commercial tenant is having trouble paying rent as a result of the coronavirus (COVID-19) pandemic, the Victorian Small Business Commission recommends:

- tenants keep paying what they can afford
- landlords work out their financial situation
- both tenants and landlords talk to each other to try and reach an agreement on rent relief.

More information about how to manage dispute resolution can found by visiting the [Victorian Small Business Commission website](#)[External link \(opens in same window\)](#).

What if a small landlord and their tenants are unable to negotiate a rent reduction in accordance with the regulations?

You can apply for [free mediation with the Victorian Small Business Commission](#)[External link \(opens in same window\)](#) to resolve your rent dispute, making sure you include a copy of your lease.

If you are unable to reach agreement, you may apply to [Victorian Civil and Administrative Tribunal](#)[External link \(opens in same window\)](#) for a resolution.

Examples of grant funding eligibility

Single landlord

Example one

Kate owns one property with a site value of less than \$3 million and has a tenant, Angelo, who applied for rent relief under the [Commercial Tenancy Relief Scheme](#)[External link \(opens in same window\)](#).

Kate has provided Angelo with rent relief of \$10,000 over three months, of which at least \$5,000 is in the form of a waiver. The rent relief applies between 4 January and 28 March 2021.

Outcome

- A maximum grant of \$3,000 is payable to Kate, subject to her meeting all eligibility criteria.
- Kate cannot make further applications in relation to this tenancy under this Commercial Landlord Hardship Fund Round 2 program.

Example two

Thao owns a property with a site value of less than \$3 million. Thao's property has two tenancies that meet the requirements of the [Commercial Tenancy Relief Scheme](#)[External link \(opens in same window\)](#).

Thao has provided both tenants with rent relief of \$10,000 each over three months, of which at least \$5,000 each is in the form of a waiver. The rent relief applies after 1 January 2021.

Outcome

- A maximum payment of \$6,000 is payable to Thao (two grants of \$3,000), subject to Thao meeting all eligibility criteria
- Thao cannot make further applications in relation to either tenancy under this Commercial Landlord Hardship Fund Round 2 program.

Example three

Nick owns two properties and together, the properties have a site value of under \$3 million. Only one of Nick's property has a tenancy that meets the requirements of the Commercial Tenancies Relief Scheme.

Nick has provided this tenant with rent relief of \$10,000 over three months, of which at least \$5,000 is in the form of a waiver. The rent relief applies after 1 January 2021.

Outcome

- A maximum payment of \$3,000 is payable, subject to Nick meeting all eligibility criteria.
- Nick cannot make further applications in relation to this tenancy under this Commercial Landlord Hardship Fund Round 2 program.

Multiple landlords

Example four

Two landlords each have a 50 per cent interest in one property with a site value of less than \$3 million. The property has a tenancy that meets the requirements of the [Commercial Tenancy Relief Scheme](#)[External link \(opens in same window\)](#).

The landlords have provided the tenant with rent relief of \$10,000 over three months, of which at least \$5,000 is in the form of a waiver. The rent relief applies after 1 January 2021.

Outcome

- The applicants must submit separate applications to the fund.
- Two \$1,500 grants are payable, one to each landlord, subject to each meeting all eligibility criteria.
- Neither landlord can make further applications in relation to this tenancy.