

## NSW State Rental Concessions

Financial obligations have been placed under increased pressure by reason of the COVID-19 pandemic. As a result, cash inflows for commercial and residential renters, as well as landlords are coming under increased pressure, with landlords feeling obligated to evict their tenants.

Therefore, the NSW Government have taken action to provide relief to both residential and commercial renters, and landlords, to ensure those affected by COVID-19 can still stay in the property they are renting. This announcement will be a total of **\$440 million** with 50% of the package being allocated to the renters and the other, to the landlords.

### I'm a tenant. How can I benefit from this?

The NSW Government will be providing a moratorium on eviction for tenants who are financially disadvantaged by COVID-19. This will include:

- A **6-month moratorium** on landlords making application for evictions due to rental arrears;
- A **60 day stop** on new termination notices and terminations to the NSW Civil and Administrative Tribunal for terminations related to rental arrears associated with COVID-19;
- Extend notice period for certain other lease termination reasons to **90 days**.

**All landlords** must enter into negotiations with a tenant who is struggling to make rental payments to ensure stability within the economy.

### Eligibility

To be eligible for the relief, the tenant can be either a commercial or residential tenant. However, their eligibility requirements will be slightly different.

A **commercial tenant** with turnover of less than \$50 million must have at least a **30% reduction** in revenue as a result of this pandemic.

A **residential tenant** will be eligible for the relief if they have lost **25% or more of their income**.

## I'm a landlord. How can I benefit from this?

For a landlord to benefit from this relief package, they are **required** to negotiate a rent reduction in good faith with both the residential and commercial tenants who **pass** the eligibility test mentioned previously.

The benefit will take the form of either **waiving land tax** or providing a **rebate of up to 25%** for the rest of 2020 calendar year, on the property **directly related** to which the tenant is under financial stress.

However, for **commercial landlords**, they are **only** eligible for this concession if the rent of the affected tenant(s) is reduced by **at least** the tax reduction.

Furthermore, landlords can apply for a **deferral** for any outstanding amounts for a **3-month period** once they are eligible for the concession.

## We are here for you

The risks associated with COVID-19 is well and truly significant. We are passionate about **your** business and we can assist **you** in numerous ways to ensure that your business is resilient. Please do not hesitate to contact one of your Walker Wayland NSW advisors for any assistance.

### **Disclaimer**

#### **General Advice Warning**

*The information contained on this document is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice.*

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