

# COMMERCIAL RENT (CORONAVIRUS) ACT 2022

The Commercial Rent (Coronavirus) Act 2022 (“the Act”) received royal assent on 24th March 2022.

The Act only applies to rent arrears accrued during a prescribed period. Landlords are now able to seek recovery of any arrears accrued outside the prescribed period using the methods available prior to the pandemic.

We have prepared a useful flowchart to assist landlords in understanding their options following the Act coming into force. The Flowchart can be found overleaf.

The intention of the Act is to ringfence and resolve certain outstanding commercial rent debts related to the pandemic. Commercial landlords and tenants are encouraged to negotiate agreements in relation to rent arrears incurred during the pandemic. Landlords are encouraged to negotiate rent free periods and repayment plans in respect of any outstanding rent. If the parties cannot agree a resolution a new binding arbitration must be used as a last resort. The window to apply for arbitration will be six months from the date

the Act came into force. Arbitrators may award a reduction of protected rent debt and/or time to pay, with a maximum period to repay of 24 months.

The Act applies to commercial rent debts of businesses which were mandated to close, in full or in part, from March 2020 until the date restrictions ended for their sector. Debts accrued at other times will not be covered by the Act.

It should be noted the protection extends to service charge, insurance, VAT, interest and rent deposit top-ups.

The protected rent debt is worked out by reference to a protected period. The protected period will be from 21 March 2020 until the last date your tenant faced restrictions. If you are unsure what closure periods applied to your tenant, the table below will assist.

Business Sector	Relevant end date for England	Relevant end date for Wales
Hospitality and Nightclubs	18th July 2021	7th August 2021
Non-essential Retail	12th April 2021	7th August 2021
Garden centres	13th May 2020	22nd March 2021
Personal care	18th July 2021	12th April 2021
Hairdressers	18th July 2021	15th March 2021
Hotels	18th July 2021	17th May 2021
Self-contained tourist accommodation	12th April 2021	27th March 2021
Indoor leisure	18th July 2021	3rd May 2021
Outdoor sports/leisure	29th March 2021	26th April 2021 2021
Theatres and cinemas	18th July 2021	17th May 2021

Please also note if your tenant has made payments during the ringfenced period but arrears have accrued since, any payments must be allocated first to any arrears falling outside of the ringfenced period.

**If you have a commercial tenant with rent arrears that fall inside or outside of the Act, please contact our litigation team on 0161 832 2500 for assistance.**

