

## RENTAL RELIEF FRAMEWORK – KEY FEATURES

The rental relief framework aims to help affected SMEs who need more time and support to recover from the impact of COVID-19, through mandated equitable co-sharing of rental obligations between the Government, landlords and tenants.



### 1. Rental Waivers

Eligible SMEs who are tenant-occupiers will benefit from rental waivers, which will apply once the property owner receives a notice of cash grant from IRAS. The majority of qualifying property owners should receive the notice by mid-August 2020.

The property owner will receive support for part of these waivers through: (a) the Property Tax Rebate for Year 2020 announced in the Unity and Resilience Budgets; and (b) the Government cash grant announced in the Fortitude Budget.

Type of Relief	Duration of Rental Relief*	
	Qualifying Commercial Properties (e.g. Shops)	Other Non-Residential Properties (e.g. Industrial / Office Properties)
<b>(A) Rental Relief (supported by Government assistance)</b>		
Rental Waiver	2 months (for April to May 2020)	1 month (for April 2020)
<b>(B) Additional Rental Relief (supported by landlords / property owners)</b>		
Rental Waiver	2 months (for June to July 2020)	1 month (for May 2020)
<b>Total</b>	<b>4 months</b> (for April to July 2020)	<b>2 months</b> (for April to May 2020)

\* May vary if the tenant-occupier does not occupy the property throughout the relief period.

#### Eligibility criteria

Tenants' leases or licences must be in writing, or evidenced in writing, and:

- (i) Entered into before 25 March 2020; or (ii) entered into before 25 March 2020 but expired and renewed automatically or in exercise of a right of renewal in the contract; and
- In force at any time between 1 April to 31 July 2020 (qualifying commercial properties), or between 1 April to 31 May 2020 (other non-residential properties).

In addition:

<b>(A) Rental Relief</b>	<ul style="list-style-type: none"> <li>• SME at individual/entity level (<math>\leq</math> S\$100 million revenue for FY2018 or later appropriate period)</li> </ul>
<b>(B) Additional Rental Relief</b>	<ul style="list-style-type: none"> <li>• SME at local group level (<math>\leq</math> S\$100 million aggregate revenue for FY2018 or later appropriate period), and</li> <li>• <math>\geq</math> 35% drop in average monthly gross income at outlet level from 1 April to 31 May 2020, compared to 1 April to 31 May 2019 or other period where appropriate</li> </ul>
<b>Application for Assessment</b>	<ul style="list-style-type: none"> <li>• Landlord can request for tenant to provide documentation</li> <li>• Landlord can apply for an assessment of the tenant's eligibility for the relief</li> <li>• Landlord can apply for an assessment of his/her own grounds of financial hardship</li> <li>• Assessor's determination is binding on all landlords and tenants</li> </ul>

Specified Non-Profit Organisations will also be eligible for the rental relief.

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### 2. Moratorium on Enforcement Actions

From 31 July 2020, landlords are prohibited from taking the following actions (among others) on tenant-occupiers, in relation to non-payment of rent:

- Terminating the lease or licence agreement
- Evicting the tenant-occupier
- Starting or continuing court or insolvency proceedings

This moratorium ends when IRAS issues the notice of cash grant to the property owner, or on 31 December 2020 if no such notice is received before then.



### 3. 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.

<b>Eligibility</b>	Tenant-occupier who qualifies for Additional Rental Relief
<b>Period of rental arrears</b>	1 February – 19 October 2020
<b>Maximum accumulated arrears</b>	<ul style="list-style-type: none"> <li>• Qualifying commercial properties: 5 months' rent</li> <li>• Other non-residential properties: 4 months' rent</li> </ul>
<b>Period of repayment</b>	Over the remainder of the lease, maximum 9 months
<b>How to apply</b>	Tenant must serve written notice on their landlord, as well as any guarantor/surety for the tenant's contractual obligations, before 19 October 2020. The first instalment must be paid by 1 November 2020