

GUIDELINES

Commercial Landlord Hardship Grant

Program Summary

The Commercial Landlord Hardship Fund (Fund) has been created to provide assistance to some small private landlords who may not have the financial capacity to provide the rent reduction to their CTRS-eligible tenants.

Through the Fund, the Victorian Government is providing grants of up to \$3,000 per tenancy to eligible small private individual and joint-owner landlords who may be experiencing hardship from providing rent reductions because of the operation of the CTRS.

For the purposes of this grant 'rent reduction' means a waiver (no payment) of rent as opposed to a deferral (or delayed payment) and includes either:

- Rent reduction that has been provided for at least three months prior to application to this grant; or
- Prospective rent reductions that have been negotiated between tenants and landlords.

For further information on other support provided to landlords, including the additional land tax relief, go to the State Revenue Office [Land Tax Relief](#) website.

On 15 April 2020, the Victorian Government announced the [Commercial Tenancy Relief Scheme \(CTRS\)](#) to implement the commercial leasing principles announced by National Cabinet on 29 March providing relief to commercial tenants affected by the COVID-19 crisis through legislation and regulations. The CTRS has supported tenants and landlords to negotiate reduced rents and has offered land tax relief to landlords who extend rent discounts and waivers to tenants. The CTRS was implemented from 29 March 2020.

The [CTRS](#) provides:

- a moratorium on evictions for the non-payment of rent for small to medium enterprises with an annual turnover of under \$50 million that have experienced a minimum 30% reduction in turnover due to coronavirus and freezes on rent increases during the moratorium (commencing 29 March 2020);
- Government-supported dispute resolution mechanisms to help tenants and landlords renegotiate lease agreements, including rent reductions through waivers and deferrals; and
- a land tax waiver and payment deferral for eligible land taxpayers.

Standard Eligibility Criteria

1 To be eligible for the Fund the following criteria apply:

1.1 The applicant must be:

- (a) a private individual (natural person); or
- (b) joint landlords who are natural persons (i.e. not ownership through Self-Managed Superannuation Fund, Trust or any other incorporated entity).

- 1.2 The applicant is a landlord that has total taxable landholdings¹ (which may include part holdings) of less than \$1 million as evidenced by the 2020 State Revenue Office Land Tax Assessment. Where the land does not meet the land tax assessment threshold a 2019-20 Municipal Rates Notice can be used as evidence for the landholding.
- 1.3 The applicant is a landlord in respect of properties where there is a [CTRS eligible tenancy](#) meaning that the tenant is:
 - (a) An SME entity with a turnover under \$50 million with an Australian Business Number (ABN); and
 - (b) Participating in the Federal Government's JobKeeper scheme.
- 1.4 The applicant has provided rent relief to the tenant in accordance with the current regulations, as evidenced in the current lease agreement, that must be at least 30 percent of total rent payable, of which at least 50 percent of the rent relief is in the form of:
 - (a) a waiver for the equivalent of a minimum three-month period before the date of commencement of this Fund; or
 - (b) waiver in terms of rent reductions negotiated after the date of the commencement of this Fund.
- 1.5 Each individual landlord must attest to financial hardship arising from reducing rent for the relevant properties.

2 Other application information and requirements

- 2.1 Funding will be allocated through a grant process, through which eligible individuals are invited to apply for a grant equal to the rent waiver provided, up to \$3,000.
- 2.2 The applicant acknowledges that as part of the assessment process, evidence provided by the applicant will be subject to verification by government agencies such as the Department of Jobs, Precincts and Regions as well as the State Revenue Office.
- 2.3 Any of the following circumstances may be taken into consideration in any decision to award a grant:
 - (a) Any adverse findings by a regulator regarding an individual owner or joint owners; and/or
 - (b) An owner or joint owners being declared bankrupt.
- 2.4 Applicants are required to submit an application online via the Business Victoria website (business.vic.gov.au). All questions in the application need to be completed to ensure timely assessment and grant payment.
- 2.5 Applicants may be subject to audit by the Victorian Government or its representatives and will be required to produce evidence (such as income tax assessments to demonstrate hardship) at the request of the Victorian Government for a period of seven years after the grant has been approved.
- 2.6 If any information in the application is found to be false or misleading, or grants are

¹ Excludes principal place of residence

not applied for the purposes stated in accordance with the terms of funding as set out in these guidelines and attached application, the grant will be repayable on demand.

3 Available funding

- 3.1 Each grant amount will be equal to the amount of the rent waiver provided to the tenant, up to \$3,000 per eligible tenancy. If there are multiple owners, then there will be an apportionment on a pro-rata basis. The maximum funding available per eligible tenancy over the period of operation of the grant scheme is \$3,000.
- 3.2 The Fund will be open for applications from 21 August 2020 for an eight-week period or until funds are exhausted, whichever comes first.
- 3.3 A landlord with multiple CTRS eligible commercial properties can apply for each CTRS eligible property within a single application providing their individual aggregated taxable landholdings have a site value of under \$1 million. The applicant can only make one application for the Fund.
- 3.4 Where there are multiple owners of a premises, grants are apportioned to individual applicants according to individual interests in the property (e.g. if there are three-part owners with equal shares in a property housing an eligible tenant, each part owner is entitled to up to one third of the \$3,000 grant). Each part owner must apply individually for the grant.
- 3.5 Grant funds are to be used by the individual or joint landlords to offset rent reduction to the CTRS-eligible tenant that is in line with the regulations.

4 Documentation and information required for application

- 4.1 The applicant attests that:
 - (a) the information provided is correct and that the eligibility criteria has been met;
 - (b) the grant is needed for them to provide the rent reduction and the rent reduction has caused or will cause them financial hardship; and
 - (c) they acknowledge and understand that the Victorian Government reserves the right to recover any claims made improperly.
- 4.2 Applicants must provide evidence of the location of the eligible commercial premises through the 2020 Land Tax Assessment notice or 2019-20 Municipal Rates Notice as applicable. Where the land has not been assessed for land tax in 2020 a 2019-20 Municipal Rates Notice can be used as evidence for the landholding.
- 4.3 Applicants must provide a copy of the current agreement with the tenant that demonstrates the amount of rent reduction provided in accordance with these guidelines, and attest that this is a current agreement.
- 4.4 Applicants must provide tenant contact details including ABN on the current lease agreement to verify CTRS eligibility.

5 Other information about this Fund

- 5.1 The Department of Jobs, Precincts and Regions reserves the right to amend these guidelines and application terms at any time as it deems appropriate.
- 5.2 Further information may be found at business.vic.gov.au or through the Business Victoria Hotline at 13 22 15.

- 5.3 The Department of Jobs, Precincts and Regions will endeavour to notify all applicants on the outcome of their submitted application within 10 business days.