

# GUIDELINES

## Commercial Landlord Hardship Fund Round 2

### Program summary

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](#).

The Victorian Government introduced the Commercial Tenancy Relief Scheme to provide relief to commercial tenants affected by COVID-19 through legislation and regulation. The scheme helps tenants and landlords negotiate reduced rents.

The [Commercial Tenancy Relief Scheme](#) provides:

- a) a moratorium on evictions for non-payment of rent for businesses that have experienced a reduction in turnover due to coronavirus, and a freeze on rent increases during the moratorium (commencing 29 March 2020)
- b) government supported dispute resolution to help tenants and landlords renegotiate lease agreements (including rent relief) through waivers and deferrals.

A deferral or delayed rent payment is not rent relief for the purposes of this grant. A rent waiver or non-payment of rent between 1 January and 28 March 2021 must be agreed.

Total taxable landholdings used to assess eligibility for this grant will be those of the landlord, or the trust in which a property is held.

Small landlords that provide tenants impacted by coronavirus with rent relief may be eligible for Land Tax relief. The State Revenue Office website has information on [Land Tax Relief for landlords](#).

The Commercial Landlord Hardship Fund Round 2 will open for applications on 16 February 2021.

### How the program works

Before applying to the Commercial Landlord Hardship Fund Round 2, landlords must complete the following process under the Commercial Tenancy Relief Scheme:

- Step 1 – Receive a written request for rent relief made by a commercial tenant(s)
- Step 2 – Respond to the tenant(s) in writing within 14 days, or the agreed timeframe
- Step 3 – Provide rent relief in proportion to their tenant's downturn in turnover
- Step 4 – At least 50 per cent of the relief provided must in the form of a rent waiver.

Landlords may then apply for a grant of up to \$3,000 per eligible property in proportion to their ownership share.

## 1. Eligibility criteria

1.1. To be eligible for a grant under the Commercial Landlord Hardship Fund Round 2 applicants must:

- a) be a landlord with total taxable landholdings of less than \$3 million, including part holdings but excluding principal place of residence, or where a property is held on trust, the total taxable landholdings of the trust must be less than \$3 million
- b) be an owner and landlord of the property for which an application is made
- c) be the landlord of a property subject to a [Commercial Tenancy Relief Scheme eligible tenancy](#)
- d) be a landlord with a current lease agreement that provides rent relief to the tenant(s) between 1 January and 28 March 2021 under the Commercial Tenancy Relief Scheme
- e) be an Australian citizen, resident or Australian incorporated entity
- f) attest that financial hardship has or will result from providing rent relief to the tenant(s).

## 2. How to apply

2.1 Applicants must apply online via the Business Victoria website ([business.vic.gov.au](https://business.vic.gov.au)). All questions in the application form must be answered to enable timely assessment and grant payment.

## 3. Application evidence required

3.1 Applicants must attach a copy of one of the following documents to confirm the property location and land value:

- a) a 2020 or 2021 State Revenue Office issued Land Tax Assessment Notice for landholdings of \$250,000–\$3 million

or

- b) a 2020-21 Municipal Rates Notice for landholdings up to \$250,000.

3.2 Applicants must attach a copy of the current lease agreement with their tenant(s) showing:

- a) the total value of pre-COVID rent
- b) tenant(s) contact details
- c) tenant(s) Australian Business Number(s).

3.3 Applicants must submit written details of the rent relief agreed between landlord and tenant(s), including:

- a) rent relief start and end dates
- b) total value and per cent of rent deferred

- c) total value and per cent of rent waived.

3.4 Applicants must submit details of one of the following as confirmation of identify:

- a) Driver Licence
- b) Medicare Card
- c) Health Care Card
- d) Pensioner Care Card
- e) Australian Visa.

3.5 Applicants will be required to attest that:

- a) they meet the Commercial Landlord Hardship Fund Round 2 eligibility criteria
- b) the information provided in the application is true and correct
- c) a current lease agreement has been provided
- d) they hold the written consent of the tenant to provide business and contact details
- e) the rent reduction has or will result in financial hardship to the applicant
- f) they acknowledge and understand the Victorian Government reserves the right to recover any grants paid if any application information is found to be false or misleading, or the grant is not used in accordance with the terms of funding set out in these guidelines.

#### **4. Grant amount**

4.1 The grant will be equal to the value of the rent waiver provided to the tenant between 1 January 2021 to 28 March 2021, to a maximum of \$3,000 per eligible tenancy.

4.2 Grants will be allocated according to ownership share in the property if there are multiple landlords.

**Example:** Three part-owners hold equal shares in a property. Each part-owner is entitled to one third of the grant.

#### **5. Terms and use of funds**

5.1 The Commercial Landlord Hardship Fund Round 2 will be open for applications from 16 February 2021 and close at 11.59pm on 28 March 2021, or until funds are exhausted.

5.2 Landlords that are individuals or incorporated entities are eligible to apply.

5.3 Grant funds must be used by the landlord to offset rent reduction to their tenant(s).

5.4 Grants funds will only be paid to Australian bank accounts.

5.5 Each part-owner in a property must complete a separate application for the grant.

- 5.6 Landlords with multiple properties covered by the Commercial Tenancy Relief Scheme must make a separate application for each property.
- 5.7 Eligible landlords that received a grant under the Commercial Landlord Hardship Fund in operation between 21 August 2020 and 31 October 2020 are able to apply where they meet the Commercial Landlord Hardship Fund Round 2 eligibility requirements.
- 5.8 Landlords that purchased a property in 2020 which is subject to a [Commercial Tenancy Relief Scheme eligible tenancy](#) on 1 January 2021 calendar year are eligible to apply.
- 5.9 Landlords that hold residential property subject to a commercial lease agreement are eligible to apply, provided the Commercial Tenancy Relief Scheme eligibility criteria are met.
- 5.10 Grants are awarded to landlords under the Commercial Landlord Hardship Fund Round 2 at the sole discretion of the state.

## **6. Compliance and audit**

- 6.1 Applicants will acknowledge and agree that information and evidence submitted as part of the application will be verified by government agencies such as the Department of Jobs, Precincts and Regions, the State Revenue Office and others.
- 6.2 Any of the following circumstances may be considered when deciding to approve an application:
- a) any adverse findings by a government agency regarding a landlord
  - b) a landlord or joint landlord being declared bankrupt
  - c) an incorporated entity is placed under external administration
  - d) there is a petition to wind up or deregister an incorporated entity.
- 6.3 Applicants may be subject to audit by the Victorian Government or its representatives for a period of seven years after the grant has been approved. Under audit, applicants will be required to show evidence of hardship, such as income tax assessments.
- 6.4 The grant will be repayable on demand if any application information is found to be false or misleading, or the grant is not used in accordance with the terms of funding set out in these guidelines.

## **7. Other information**

- 7.1 The Department of Jobs, Precincts and Regions reserves the right to amend these guidelines and application terms at any time as it deems appropriate at its sole discretion.
- 7.2 The Department of Jobs, Precincts and Regions is committed to protecting individuals' personal and private information.
- 7.3 The Department of Jobs, Precincts and Regions will endeavour to notify all applicants on the outcome of their submitted application within 20 business days.

7.4 Further information may be obtained at [business.vic.gov.au](https://business.vic.gov.au) or by contacting the Business Victoria Hotline on 13 22 15.

7.5 Applicants can make a complaint or dispute their application outcome by [lodging a complaints form](#) at the Department of Jobs, Precincts and Regions website. The Department of Jobs, Precincts and Regions will endeavour to resolve disputes or complaints within 28 days.