

Commercial rent recovery restrictions extended to 31 March 2021 and review of commercial landlord and tenant legislation to be launched

Further to [our update](#) in September, last week the government announced that it will be further extending the forfeiture moratorium deadline, as well as the timeframe on restrictions on a landlord's right to exercise CRAR and issue winding up petitions.

LANDLORD'S REMEDIES

- Landlords will now not be able to forfeit any commercial leases for non-payment of rent, pursue CRAR or issue winding up petitions until the end of March 2021. However, the government has confirmed that this will be the final extension.
- This update will no doubt be welcomed by many tenants but the government made it clear in its announcement that, where tenants can pay any or all of their rent, they should do so.
- The right to forfeit for other breaches of a lease remains, subject to tenant's right to apply for relief from forfeiture.
- Landlords and tenants are expected to still follow the government's Code of Practice notwithstanding this is voluntary and not being followed by many tenants.



- Issuing court proceedings is still possible to obtain judgments that secure 8% per annum interest and can be enforced in certain ways. However, many tenants are seeking to defend claims, particularly where landlords may have pandemic insurance cover or frustration can be claimed.

CONSULTATION ON COMMERCIAL LANDLORD AND TENANT REFORM

The government also announced that it is looking to reform the landlord and tenant legislation in light of the impact of Covid-19 on the market. It intends to review the Landlord and Tenant Act 1954 and different models of rent payment (perhaps with an emphasis on turnover rents?), to enable better collaboration between commercial landlords and tenants.

**“THEY
ARE VERY
GOOD
AT WHAT
THEY DO”**

Chambers UK
2021

RESTRICTIONS ON LANDLORDS' REMEDIES



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