



# CORONAVIRUS

## Landlord & Tenant; Rates; Utility charges

### INTRODUCTION

This is a digest of Government of Gibraltar's policy announcement relating to matters concerning landlord, tenant and business rates.

This update forms part of TSN's series of notes relating to the Covid-19 crisis. Please visit <https://www.tsnlaw.com/covid-19/> to view all of our guides relating to Gibraltar Covid-19 matters.

These notes are current as of the date of publication and may be subject to changes.

### SUMMARY

The Government of Gibraltar has made a few policy announcements concerning the reduction of commercial rents as well as the reduction of business rates as a result of the Covid-19 pandemic. These announcements have been widely made in the Government's press release of the 24<sup>th</sup> March 2020 that can be read here: <https://www.gibraltar.gov.gi/press-releases/chief-ministers-statement-on-business-employee-assistance-terms-the-beat-covid-19-measures-2212020-5735>. A number of these policies have not yet been legislated for.

### Reduction of Commercial Rents & Rates

The Government announced in its press release of the 24<sup>th</sup> March 2020 that in relation to commercial rents of businesses in the Relevant Sector:

- Where the Government is the direct landlord of a business within the Relevant Sector, a waiver of commercial rents of the second quarter of 2020 (to determine if a business is in the Relevant Sector or not, please see our BEAT digest notes);
- Private landlords will be encouraged to provide a waiver equal to either an amount up to 50% of the rent due for the second quarter of 2020 or a waiver of this full rent and a lease extension for 3 months;
- If private landlords do not provide a deduction of commercial rents, the Government will be introducing a penalty against landlords;
- Business rates will be waived for Q2 2020 for all businesses in Gibraltar.

Since these policy announcements have been made it is not yet clear whether the reductions in rent will be expected to be given as a gift in their entirety or whether they may be considered a deferred payment. It is also not clear what penalties will be introduced for landlords who do not provide a reduction.

Furthermore, it is also not clear to whom the business rates reductions will be for the benefit of and this would be subject to further clarification once this is legislated for.

## Utility Charges

The Government has provided in its policy statement of the 24<sup>th</sup> March 2020 that a deferral of utility charges for businesses in the Relevant Sector for the month of April 2020 can be paid over the following 12 month period. This will be reviewed to consider whether it may be extended by further months or not.

## Town Planning

The Government on the 23<sup>rd</sup> April 2020 introduced modifications to the Town Planning Act 2018 (“the Act”) under the Civil Contingencies Emergency (Coronavirus Town Planning) Regulations 2020. These regulations make changes to the way of calculating the period of time for site notices that are required to be posted under section 23(3) of the Act. The regulations also make changes to the meetings of the Development and Planning Commission, the hearing of applications and the hearing of requests to be heard.

Should you have any matters in respect of construction or planning during the Covid-19 pandemic we would suggest speaking to a member of our team to assist with compliance to any new town planning or restriction of construction regulations.

## CONTACTS

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Please contact us if you need a comprehensive and up-to-date statement of the relevant law.