

## **Victorian Government COVID-19 Response: Moratorium on Evictions and Rent Increases Extended**

On Thursday 20 August, Treasurer Tim Pallas announced an extension to the State's moratorium on evictions and rental increases.

Under the extension, evictions will continue to be banned for residential and commercial tenants until 31 December, unless in rare and specific circumstances.

The extension aims to provide certainty to Victorian's who are vulnerable to losing their homes or their businesses, as a result of the prolonged restrictions brought in to mitigate the spread of COVID-19.

Treasurer Pallas emphasised the Government intends to play a role in helping tenants and landlords find common ground. As such, the extended moratorium will be complimented with additional support for both tenants and landlords.

These Include:

- Land tax relief for eligible residential and commercial landlords, and the potential discount may be doubled from 25 per cent to 50 per cent.
- A \$60 million fund to support small commercial landlords, who may be eligible for payments of up to \$3,000 per tenancy.
- Tenant advocacy services which will receive funding as part of a new \$600,000 package.

### **Proportionality**

The Victorian Government plans to introduce some additional measures, with commercial landlords required to provide rent relief that would better reflect the proportion of the loss in a tenant's turnover.

Previously, the proportionality principle has been aspired to – the Treasurer indicated that going forward the Government intends to cement the principle into its determinations.

### **Land-Tax Relief**

Pallas also noted that the land-tax relief extension will be easier to access, and that Treasury expected to see claims in excess of \$100 million. Access, and the extent of land-tax relief will be dependent on landlords striking appropriate arrangements with tenants.

The Treasurer reported that in the last four months, approximately 26,000 agreements for reduced rent have been registered with Consumer Affairs Victoria, and The Victorian Small Business Commissions has assisted with approximately 8,000 rent-related inquiries.

The moratorium was introduced in late March to protect tenants suffering financial distress due to the pandemic and was due to expire on 29 September.

### **Further Information**

For more information, please contact your Hawker Britton consultant, Victorian Director, JP Blandthorn on +61 407 366 304 or Policy and Business Analyst, Raphael Mengem at [rmengem@hawkerbritton.com](mailto:rmengem@hawkerbritton.com).

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For further coverage of Labor Government Responses to the COVID-19 Pandemic see Hawker Britton Briefs [here](#). For further coverage of Liberal Government Responses to the COVID-19 Pandemic see Barton Deakin Briefs [here](#).