

New Government Changes to Landlords and Tenants

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- The UK government has extended the Coronavirus Act measures to prevent struggling businesses from forfeiture from 30th September until 31st December 2020.
- This means that a landlord will not be able to forfeit (terminate) a tenant's lease if they fail to pay their rent in the next 3 months (the next quarterly rent payment for many in England and Wales is due on September 29th). The press release can be found [here](#).
- During this period, the government will prevent landlords using Commercial Rent Arrears Recovery (CRAR) unless they are owed 276 days of unpaid rent.
- The government has put before parliament regulations designed to extend the restrictions on statutory demands and winding up petitions being filed against companies. If approved, the restrictions on recovering debts using these insolvency regimes will also be extended to 31 December 2020.
- There is no restriction upon serving statutory demands or bankruptcy petitions upon sole traders or unincorporated partnerships.
- The government continues to encourage landlords and tenants to refer to the Code of Practice for the commercial property sector. It is non-binding, but the guidance is clear: both landlords and tenants should continue to work together to agree rent payment options if businesses are struggling, otherwise businesses that can pay their rent should do so.

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Key Planning Changes

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- A new Use Class E has been introduced and includes shops (formerly A1), financial and business services (A2), restaurants and cafes (A3), and business (B1).
- This means that land or buildings utilised for these uses no longer require planning permission for changes within this new Use Class.
- The planning changes also allow for landlords and developers to increase the height of existing buildings (by two floors) to build flats, and to demolish underused buildings which can be replaced by new blocks of flats, in both cases without the need to obtain planning permission.
- These measures are intended to offer landlords and tenants more flexibility with their use of property and allow them to adjust their business models.
- Careful legal drafting will be required so as not to significantly impact the ability of landlords to control the use of their buildings or tenants to be adversely affected by future rent reviews.

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