

If your tenant asks for a reduction in their rent during this crisis, what should you do?

If you understand what the UK government is offering in terms of assistance to individuals, it will make it easier for you to make a decision on what to do. There is currently no law to 'make' you give a discount or to give your tenants rent free periods.

What is the UK government doing to help individuals?

1. Statutory Sick Pay to kick in earlier than normal but this is only £94.25 per week and is payable if the person is sick or has to self-isolate.
2. Employees who have been put on furlough (paid holiday) – the government will pay 80% of his/her salary, up to a maximum of £2,500 per month per person. This has to be Employer led and the Employer has to apply for this aid.
3. Relaxing some rules regarding Universal Credit for the self-employed and other Universal Credit claimants.

What is the UK government doing to help landlords and homeowners?

1. Government has agreed with mortgage lenders to offer repayment holidays of 3 months to landlords whose tenants are experiencing financial difficulty due to Covid-19.
2. Payment holiday offered to customers who are not in arrears
3. No eviction can be started for at least 3 month period
4. Landlords and tenants are expected to work together to establish an affordable repayment plan.

To summarise, I suggest each Landlord should review:

1. Their monthly outgoings for the property/properties – this should include, mortgage or loan payments, insurance payments, building service charges, etc.
2. Work out the minimum necessary to keep a balanced cashflow for the property/properties;
3. Do not forget that the mortgage repayment holiday is a deferment and not a 'forgiveness' – the deferred repayment will likely be added on to your future repayments;
4. Ask for evidence of employment status – have they been put on no-pay leave or are they formally dismissed.