

COVID 19 – UK – SUMMARY OF COVID 19 LEGISLATION / MEASURES IMPACTING LANDLORDS' REMEDIES FOR TENANT DEFAULT

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Measure	Summary	Applicable dates
Moratorium on forfeiture of business leases	<ul style="list-style-type: none"> Landlords unable to forfeit commercial lease for non-payment of all sums due under a lease 	Until 31 December 2020
Residential tenancies – Protection from eviction	<ul style="list-style-type: none"> Most residential tenants must be given at least 6 months' notice to terminate their tenancy (with some limited exceptions) 	Extended (6 month) notice periods must be given until March 2021
Possession proceedings	<ul style="list-style-type: none"> A new Practice Direction 55C, in force from 20 September 2020 (when the stay on all possession proceedings ended) sets out the steps required to reactivate stayed possession claims, as well as procedural changes applying to both existing possession claims and the issue of new claims 	Until 28 March 2021
Restriction on CRAR (commercial rent arrears recovery)	<ul style="list-style-type: none"> CRAR cannot be used unless the tenant has 276 days' worth of rent in arrears where enforcement is exercised between 28 September and 24th December 2020, and 366 days' rent where enforcement takes place between 25th December 2020 and 31 December 2020 (the threshold for exercising CRAR is usually 7 days' rent arrears) These minimum rent thresholds and relevant periods also apply to any s.81 demands for payment from sub-tenants 	Until 31 December 2020
Prohibition on the service of statutory demands on companies	Statutory demands served from 1 March cannot form the basis of a winding-up petition presented at any point after 27 April 2020 (effectively voiding them)	Until 31 December 2020
Restriction on winding up petitions	<ul style="list-style-type: none"> No winding up petition can be presented with effect from 27 April on the basis of an unpaid stat demand served after 1 March 2020 Where no stat demand has been served, creditors <u>cannot</u> present a petition against a company on the grounds that it is unable to pay its debts, <u>unless</u> the petitioner has reasonable grounds for believing (and can persuade the court) that <ol style="list-style-type: none"> COVID-19 has not had a 'financial effect' on the company; or the company would have been unable to pay its debts regardless of the financial effects of COVID-19 	From 27 April to 31 December 2021