

PICTOU COUNTY REGIONAL ENTERPRISE NETWORK

March 31, 2020

Letter to Tenants & Landlords re Commercial Rent Deferrals

The COVID-19 pandemic has created an unprecedented situation, not only in our local economy, but around the world. At the Pictou County Regional Enterprise Network (PCREN), we have been tasked with finding creative and collaborative ways to support and foster the health of our local economy. Particularly in the context of this pandemic, that is no small task. However, one of the silver linings of living in Pictou County is that we tend to make a point of getting to know our neighbors, and we understand the importance of supporting local businesses. Our commitment to supporting local in the days, weeks and months ahead is what will make the difference of closure or survival to some in our business community.

For now, many small businesses now are facing uncertainty and financial strain related to COVID-19 and are worried about how they will be able to pay commercial rent and utilities, in addition to operational and staffing challenges or layoffs. In an effort to address this issue, the Province of Nova Scotia has established the **COVID-19 Rent Deferral Support Program**. This Program is not mandatory for either tenants or landlords, but landlords are being encouraged to consider registering in the Program if they have tenants whose revenues have been negatively impacted by the COVID-19 pandemic, particularly for those tenants whose closures have been mandated by the Province. On March 31st, the Premier of Nova Scotia stated, ***“We are asking all commercial landlords to be part of this solution”***.

We recognize that this situation is complex, as many landlords are small business owners themselves. However, for landlords who are in a position to do so, we strongly encourage them to review the details of the Program ([found here](#)) and to consider participating if they are able. In addition to the financial guarantees being offered by the Province to qualifying landlords, we remind landlords that banks and financial institutions have been encouraged by the Federal government to exercise flexibility with potential mortgage and loan repayments or deferrals as well.

Key highlights of the Program:

- *Landlords are encouraged to defer rent payments from their commercial tenants for 3 months, spreading the deferred rent amount over the rest of the lease term.*
- *Landlords who are deferring rent because their tenant’s business is closed due to the Health Protection Act order, could be eligible for coverage (up to a maximum of \$50,000 per landlord and \$15,000 per tenant) if they later are unable to recover the deferred rent; and*
- *Landlords and tenants must have a Rent Deferral Agreement in place by **April 1st**, and to be eligible for the COVID-19 Small Business Rental Deferral Guarantee Program, landlords must register with the Department of Business by **April 3rd** by emailing NSRentDeferral@novascotia.ca (Note – the PCREN has inquired whether these deadlines may be extended.)*

For more details on the Program, please visit <https://novascotia.ca/coronavirus/#support> and scroll down to the “Commercial Rent Deferral” section where you can find links to Program details, guidelines, and template Rent Deferral Agreements.

We encourage Pictou County’s commercial tenants and landlords to work collaboratively to find solutions that make the best of a difficult situation. Please do not hesitate to reach out if the PCREN can assist.

Sarah MacIntosh-Wiseman
CEO, Pictou County Regional Enterprise Network