

ANNEX B-2: RENTAL RELIEF FOR TENANTS IN GOVERNMENT AND PRIVATE NON-RESIDENTIAL PROPERTIES

In light of the difficult situation in the past few months, the Government will provide more support to our SMEs on rental costs post-Circuit Breaker.

Rental Relief for SME Tenants in Private Non-Residential Properties

For SME tenants (i.e. with not more than \$100 million in annual turnover¹) with qualifying leases or licences commencing before 25 March 2020, the Government will provide a new cash grant to offset their rental costs as stated in **Table 1**. This is in addition to the Property Tax Rebate for 2020 announced earlier.

- a) For qualifying SME tenants of qualifying commercial properties (e.g. shops), the Government will provide a new government cash grant of about 0.8 month's of rent. Together with the Property Tax Rebate announced earlier for 2020 which property owners are required to pass on fully, this brings total government support to about two months for SME tenants of qualifying commercial properties.
- b) For qualifying SME tenants of other non-residential properties (e.g. industrial and office properties), the Government will provide a new cash grant of about 0.64 month's of rent. Together with the Property Tax Rebate announced earlier for 2020, this brings total government support to about one month for SME tenants of other non-residential properties.

SME property owners who run a trade or business on their own property will also be eligible for the new cash grant. Vacant property and land under development will not be eligible.

Table 1: Rental Relief Schemes

No	Rental relief schemes	Qualifying criteria	Amount of relief for qualifying commercial property	Amount of relief for other non-residential properties (e.g. industrial and office properties)
1	Property Tax Rebate for non-residential properties, announced earlier	The rebate is given to property owners, who are required to pass it on fully to their tenants ² .	100% Property Tax Rebate (equivalent to about 1.2 month's of rent)	30% Property Tax Rebate (equivalent to about 0.36 month's of rent)

¹ This will be based on Corporate Tax and Individual Income Tax returns for the Year of Assessment 2019.

² In accordance with the COVID-19 (Temporary Measures) Act and the COVID-19 (Temporary Measures) (Transfer of Benefit of Property Tax Remission) Regulations 2020.

No	Rental relief schemes	Qualifying criteria	Amount of relief for qualifying commercial property	Amount of relief for other non-residential properties (e.g. industrial and office properties)
	in the Unity and Resilience Budgets			
2	[New] Government cash grant	SME tenants in private properties ³	Cash grant of ~0.8 month's of rent, which will be automatically disbursed to property owners from end-July 2020. Landlords are required to pass on the benefit to their SME tenants.	Cash grant of ~0.64 month's of rent, which will be automatically disbursed to property owners from end-July 2020. Landlords are required to pass on the benefit to their SME tenants.

The new government cash grant is about \$2 billion. This comes on top of the \$1.8 billion allocated for the Property Tax Rebate.

Implementation of the New Government Cash Grant

The new government cash grant will be disbursed automatically by IRAS to the qualifying property owners.

The amount of grant will be calculated based on the Annual Values of properties for 2020, as determined by IRAS at 13 April 2020.

For property owners whose properties are only partially let out, or whose properties are let out to both SME and non-SME tenants under a single property tax account, they will not automatically receive the government cash grant. In such instances, the property owner should submit an application to IRAS, and provide supporting documents, including proof of SME tenants within its property. IRAS will pro-rate the government cash grant accordingly.

IRAS will provide more details of the new cash grant on its website by end-June 2020.

³ SME property owners who run a trade or business on their own property will also be eligible for the new cash grant.

Mandated rental waiver by landlords

Separately, the Ministry of Law will also be introducing a new Bill mandating that landlords grant rental waivers to qualifying SME tenants. If the new Bill is passed by Parliament, SME tenants of qualifying commercial properties who have suffered a significant revenue drop will benefit from a total of four months of rental relief shared equally between the Government and landlords. SME tenants of industrial and office properties will also be given some relief. More details will be provided in June 2020.

Rental Relief for Tenants in Public Properties

To help alleviate costs for businesses located in Government-owned/managed non-residential premises, the following tenants will qualify for rental waivers:

- a) Stallholders in Hawker Centres and Markets. Stallholders who earlier qualified for three months' worth of rental waiver will now get five months' worth of rental waiver in total (i.e. two additional months), with a minimum waiver of \$200 per month.
- b) Commercial Tenants. Commercial tenants who earlier qualified for two months' worth of rental waiver will now get four months' worth of rental waiver in total (i.e. two additional months). Eligible tenants/lessees may include those providing commercial accommodation, retail, F&B, recreation, entertainment, healthcare, and other services.
- c) Other Non-Residential Tenants. Other tenants of non-residential premises who earlier qualified for one month's worth of rental waiver will now get two months' worth of rental waiver in total (i.e. one additional month). Eligible tenants/lessees may include those in premises used for industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.

The rental waivers do not apply to any rented premises, or a part of any rented premises, used for residential purposes. The rental waivers also do not apply to tenants who pay property tax. Tenants/ lessees paying property tax will be receiving the Government cash grant instead.

In total, these rental waivers will cost \$365 million.

For more information, please contact the respective landlord agencies providing rental waivers.