

Barcelona, April 22<sup>nd</sup>, 2020

## COVID-19: New measures concerning commercial leases

Royal Decree-Law 15/2020, of April 21<sup>st</sup>, has added complementary measures concerning economy and employment. Below you will find the most relevant FAQs for commercial tenancy agreements.

### To what lease agreements do the new measures apply to?

The measures adopted apply exclusively to commercial leases, except for those cases where the parties have already reached an agreement on a rent reduction or a moratorium.

### Who are the tenants that can benefit from these measures?

Eligible tenants must be either self-employed workers or SMEs whose activities have either been suspended or their turnover in the previous month reduced by at least 75% compared to the average monthly turnover for the same quarter of the previous year.

To qualify as a SME's companies have to meet at least two of the following three criteria:

- Average employees below 50 throughout the previous financial year.
- Total balance sheet not exceeding EUR 4 million.
- Annual net turnover not exceeding EUR 8 million.

### What are the measures available to the eligible tenants?

At tenant's request, landlords that are either private large owners (those owning ten or more urban real estate properties or a built surface over 1,500 sqm) or a publicly owned company or entity, will be obliged to grant a rent payment moratorium for the duration of the state of alarm and for a maximum of four months thereafter. The rent will then be deferred for two years, through installment payments free of penalties and interest.

For lease agreements concluded with landlords not meeting the requirements above, the eligible tenants may request a temporary rent payment moratorium, the decision on the request being discretionary on the landlord. If the landlord agrees, he may be entitled to use, the lease security deposit to cover the deferred rents. In such case the tenant will have to



provide again the full amount of the security deposit within one year (or within the remaining term of the lease if shorter than one year).

**Is there a timeframe for tenants to request these benefits?**

Yes, before **May 23<sup>rd</sup>, 2020**.

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