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Canada Emergency Rent Subsidy Update

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Below is a summary of the Government of Canada's announcement regarding the introduction of the Canada Emergency Rent Subsidy, which will provide rent support to organizations that are experiencing declines in revenue as a result of the COVID-19 pandemic.

Canada Emergency Rent Subsidy

On October 9, 2020, the Government of Canada announced the introduction of the Canada Emergency Rent Subsidy ("CERS"), which replaces the Canada Emergency Commercial Rent Assistance Program. The federal government provided the following details:

- CERS will provide rent and mortgage support until June 2021. CERS will provide a subsidy for eligible fixed property expenses, including rent and interest on commercial mortgages. The federal government did not elaborate on other types of eligible expenses.
- The subsidy will be provided directly to tenants through Canada Revenue Agency, while also providing support to property owners. The federal government did not expand on how support would be provided to landlords.
- The subsidy will fund up to a maximum of 65% of eligible expenses for businesses, charities and non-profits experiencing a revenue decline of 70% or more. For organizations experiencing a revenue decline of less than 70%, there will be a gradually decreasing subsidy available, in line with the revenue decline.
- Organizations will be able to make claims retroactively for the period that began on September 27, 2020 and that ends on October 24, 2020.
- A top-up subsidy of 25% will be available for organizations temporarily shut down by a mandatory public health order issued by a qualifying public health authority, in addition to the 65% subsidy.
- The foregoing parameters apply until December 19, 2020. Future parameters in 2021 will be adapted as needed.

Further details regarding CERS have yet to be provided by the Government of Canada but are expected to be announced soon. We will provide further information once details are announced.

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