

# TENANT BULLETIN

*November 24, 2020*

## **Canada Emergency Rent Subsidy (“CERS”) – Government Portal Now Open For Applications**

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As a valued business partner of QuadReal Property Group (“QuadReal”) and further to our prior correspondence on government rental assistance, we are pleased to advise that the Federal Government passed Bill C9 late last week, formalizing the new **Canada Emergency Rent Subsidy (“CERS”)**. Applications from tenants/businesses to assist in fulfilling your rent obligations are being accepted **effective Monday November 23**. The program is being implemented retroactive to September 27, 2020.

A link to the application site, containing step-by-step instructions on how all tenants can apply for assistance, is included below:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-rent-subsidy.html>.

As a reminder, the CERS program is intended to apply to a broad range of tenants/businesses Canada-wide and we recommend that ***all tenants who have experienced a sales/revenue decline, review the program application to see whether you are eligible***. In addition, unlike the CECRA program it replaces, ***QuadReal is unable to apply for benefits nor can we administer any CERS application on your behalf***. The program requires you to complete and submit your own application through the link provided above. Also, if you deem necessary, we suggest you contact your accounting or legal professional advisers to assist you in determining eligibility and/or to assist you in making your application.

In summary, the CERS program provides as follows:

### **General Support**

- Subsidies to businesses will be calculated on a sliding scale with a maximum subsidy of 65% of eligible gross rent depending on the level of sales/revenue loss.
- There is no maximum gross monthly rent payable that would exclude certain businesses. However, CERS benefits are capped at \$48,750 per location (being 65% of a maximum allowable eligible gross rent expense of \$75,000 per location). In addition, a tenant (together with its affiliates) can only ***claim a maximum*** of \$300,000 in eligible expenses per month (or “reference period” as described in the



CERS program) in eligible gross rent expense for all locations within its group of companies.

### **Lockdown Support**

- CERS offers an additional benefit of 25% of eligible gross rent to tenants if your business is ***shut down or significantly restricted in activities due to government orders and meets other criteria set out for eligibility for the lockdown benefit. The closure must continue for more than 1 week*** in a reference period (the 25% benefit is added to the up to 65% maximum if eligible). The 25% is a fixed percentage but pro-rated based on the duration of the closure relative to the length of the reference period.
- Up to \$75,000 in eligible expenses per location can be claimed, and there is no Monthly Maximum such as contemplated by non-lockdown scenarios described above.

The above summary is intended to be used for your quick convenience only. Please ensure you familiarize yourself with ***all the pertinent details and eligibility*** of the program by carefully reviewing the federal government's link provided above.

QuadReal remains committed to supporting your access to maximum government benefits available to assist you with your rental obligations. As events and announcements merit, we will do our best to keep you informed on further developments.

Thank you,

QuadReal Property Group GP

