

CLIENT COVID LEVEL 4 and 3 UPDATE

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As you will no doubt be aware, the Prime Minister this afternoon announced a likely move to Covid19 level 3 for New Zealand south of the Northland and Auckland region from 11.59pm Tuesday 31 August 2021.

The indications are that Auckland will be at Level 4 for at least 2 more weeks depending upon the rate of case numbers, and Northland will still be at Level 4 but likely for a shorter period.

Leases

As in the previous Level 4 lockdown, the lease position will depend on the terms of your lease.

If you have a post-Christchurch earthquake standard Auckland District Law Society lease you should check that there is a [clause 27.5](#) relating to "No Access in an Emergency" in your lease.

If that is the case, you should liaise with your landlord as soon as practical, as the Level 4 Covid19 status is a prevention of occupation by a competent authority restricting access to the leased premises. In such a situation "a fair proportion of the rent and outgoings shall cease to be payable for the period commencing on the date that the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases".


Level 4 in the current Covid19 Delta variant lockdown commenced 11.59pm Tuesday 17 August 2021.

What constitutes a typical reduction in the tenant's obligation to pay rent will be determined by the type of business and the type of lease, amongst other factors.

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Do not forget that outgoings will continue as well – during previous lockdowns they often have continued at the current rate with a discount of rental agreed between the landlord and tenant.

Property settlements

As from the previous lockdown, property settlements and physical movement between property can occur under Level 3. That is good news for New Zealand outside Auckland and Northland from 1 September 2021.

Auckland and possibly Northland will remain at Level 4 for a minimum of another 14 days; settlements should not occur until Level 3 is reached in those regions, around 13 or 14 September at earliest but the actual date is a watching brief.

If you have any queries, please do not hesitate to contact anyone in our commercial team at our Auckland office or Hamilton office for further advice or assistance.

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