

Coronavirus Information Hub: FAQ Real Estate

General Introduction

Do specific rules apply due to the COVID-19 Outbreak?

By means of its Ordinance No. 2 relating to COVID-19, the Federal Council ordered on 16 March 2020 the closing of non-food retail stores, restaurants, bars, barber shops etc. with effect as per 17 March 2020.

This closing order is for the time being limited until 19 April 2020. Before-hand, several cantons had issued similar closing orders which however are no longer in place due to the Federal Ordinance which prevails.

The Federal Council did for the time being not prohibit office work, provided the relevant safety measures will be taken. However, home office work was recommended by the Federal Council.

Moreover, by means of the COVID-19 Ordinance relating to leases (SR 221.213.4), the Federal Council adopted the deadlines landlords have to set to their tenants in case of rental payments arrears for the period between 13 March 2020 until 31 May 2020. The respective minimum deadlines were extended from 30 days to 90 days for tenants which were affected by the closing order dated 16 March 2020 and for tenants of restaurants and/or bars to at least 120 days. In addition, within the same ordinance it was clarified that tenants are allowed to move into newly rented premises by respecting the applicable safety measures. Finally, for furnished apartments and parking leases the deadline to provide notice of termination was extended to at least 30 days.

Impact on Lease Agreements

What impact have these regulations on the rent payment obligations?

There is no court precedent, as to whether landlord or tenant has to bear the financial consequences relating to the closing order issued on 16 March 2020 by the Federal Council.

According to our understanding, the parties under a lease agreement are free to determine which of the parties has to bear such financial consequences of such closing order.

As a consequence, we suggest that each individual lease should be analysed in this respect. In the absence of any clear arrangement between the parties, we suggest landlord and tenant to cooperate in order to find a solution suitable for both parties considering the individual circumstances. In case no

immediate agreement can be reached, we suggest to have the rental payments deferred until it becomes clear how long the closing order will last. Thereafter, new negotiations should take place in order to avoid lengthy litigation with unknown outcome. Tenants facing financial difficulties may request financial support from banks (more information in our [Newsletter No. 136](#) (german version)) or from the competent authority relating to the introduction of short-time work (more information in our [Employment Newsletter No. 46](#) (german version)).

Are Lease Disputes affected by the COVID-19 regulation?

Please see our [FAQ Litigation](#) / chapter civil proceedings.

Impact on Building Activities

Are real estate building activities restricted?

Real estate related building activities are currently in general permitted in Switzerland, to the extent the necessary precaution measures can be respected. However, specific Cantonal regulation may prohibit such building activities due to special situation in the relevant Canton.

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Walder Wyss is committed to supporting our clients through the challenges the pandemic presents. We will be publishing regular insights on this Information Hub.

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