Property Council New Zealand

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Dear All

RE: Landlord and Tenant Rental Subsidy Proposal

Background

1. New Zealand's commercial property sector will play a vital role in supporting small and large businesses to manage through the economic impacts of COVID-19.

2. We are all in this together and have a shared interest in seeing businesses make it through this very difficult time. We need a NZ Inc perspective as we need to ensure a continuation of the entire property eco-system. If a part of the eco-system fails, everything is impacted.

3. Property Council New Zealand, as the key body representing both New Zealand's large and small commercial property owners, is keen to ensure that appropriate support is available to tenants during this difficult time. Property Council New Zealand therefore commissioned a working group of its members (with assistance from advisors) to develop practical solutions for discussion with Government and officials. This has included input from all sectors – office, retail and industrial as well as large and small organisations and geographically spread. As you will appreciate, this has been convened at short notice and whilst we have attempted to develop our recommendations as fully as possible, we recognise that not every matter of detail will have been considered. We look forward to engaging with Ministers and Officials on this critical issue.

Current Issues

4. We are hearing of a multitude of scenarios regarding rental payments. At one end of the spectrum there are many landlords working constructively through with tenants on their particular situations and discussing rent relief such as postponement or other relief measures. However, there are many examples of large tenants sending letters announcing they are refusing to pay rent with no consultation. This move could devastate the commercial, industrial and retails property sectors making a post-COVID-19 restart of the NZ economy more challenging.

5. According to the RBNZ (November 2014 Financial Stability Report)[1], the NZ commercial property sector is estimated to be worth $145 billion (excluding residential investors). Approximately one third of the sector is owner occupied, leaving approximately $86 billion which is leased to businesses throughout NZ. From this $86 billion, around 90% of the market is owned by investors holding between one and three properties, while 10% is owned by the NZ listed property sector. Furthermore, the commercial property sector holds a significant portion of lending the banking system. RBNZ estimates that commercial property accounts for

1 https://www.rbnz.govt.nz/financial-stability/financial-stability-report/fsr2014-11/the-new-zealand-commercial-property-sector-and-financial-stability

20% of NZ banks' risk-weighted assets. A significant impact to this sector will therefore have significant impacts to the financial stability of the NZ economy.

6. The current shutdown has devastated revenues for many businesses, especially those "non-essential" businesses that form large sectors of NZ's economy including services, retailing, manufacturing among many others. In most cases, these businesses currently have no revenue and are relying on reserves or extending loans to maintain solvency. In very many cases, these businesses do not have liquidity to maintain solvency, or the profitability on a normal "stabilised" basis to service higher levels of debt.

7. Under Alert Levels 3 and 4, businesses are able to manage variable costs, however fixed costs continue. Fixed costs for most of these impacted businesses comprise wages and salaries, and occupation costs. For many businesses, occupation costs can comprise 40% or more of a businesses fixed costs, with profitability often less than 5%. Occupation costs are rentals or mortgage payments, and property operating expenses (such as rates, fire insurance levies, insurance etc). The Governments economic packages to date have helped to support salaries and wages, however fixed occupation costs, in particular rental and operating expenses have not been addressed.

8. It is our very strong concern that without some support for occupation costs, many NZ businesses will become insolvent within a short period of time, resulting in high levels of unemployment and welfare liability to NZ tax payers.

9. Once these current lockdown restrictions are lifted and tenants can return to the premises, we want to ensure they have businesses to return to and their employees still have jobs. Conversely, we want to ensure that NZ businesses and landlords are able to survive this period and all industries aren't faced with mass foreclosures. In the case of the property industry, it will still have mortgages, dividends, and other bills to pay, including local government rates.

10. If occupation costs are not able to be met by tenants, property owners are not paid, then banks and other debt providers cannot be paid interest on any borrowings against those properties. This could add very significant stress to banks' balances sheets, with significant follow on impacts to the NZ economy, as we saw in the Global Financial Crisis, which was primarily a property sector driven recession via the banking market. In addition dividends cannot be paid to property owners, many of the whom are retirees investing via syndicates or listed property vehicles. These retirees often rely on those funds to live. It will also impact KiwiSaver funds, which typically invest in the listed property sector equity and debt.

11. There is no one standard situation that covers all landlords and tenants. Contractual arrangements vary between individual properties and tenancies.

Financial support measures for tenants and landlords

12. Given the unprecedented economic disruption facing New Zealand businesses, we believe that a targeted support package is needed to assist with what will be the single biggest fixed cost for many, rental/lease costs, while government restrictions associated with COVID-19 preclude or severely impacts the use of premises by all but certain "essential" businesses.

13. Our guiding principle is that Government, landlords and business tenants each have a role to play in mitigating the immediate term economic pain as much as possible, to ensure that New Zealand businesses are adequately supported during the COVID-19 lockdown period to

survive, but also so that commercial, office and industrial property owners, who are the backbone (and driver) of critical infrastructure, can continue to invest in such projects by having a sustainable revenue stream. This will be key to contributing to New Zealand's economic recovery and a vibrant construction sector in coming years.

14. We have outlined below a support package for commercial tenants comprising multiple components, for consideration by Government. We consider there is no single silver bullet that will address all concerns. Where possible we have attempted to quantify the potential fiscal cost to Government of different measures, but in the time available these are necessarily high-level. We are happy to work with Officials to further refine these costings, as required.

15. As a general comment, while we commend the Government moving to address the inequity in the tax system by reinstating tax depreciation on non-residential buildings, the benefit of which will be passed on to tenants in the 2021 and following income years, we do not believe this meets the objective of delivering immediate cash-flow relief to COVID-19 affected businesses.

16. This is because the tax system requires a tax return (or a tax position to be taken) before any relief can be claimed. And where a business suffers a loss due to COVID-19 related disruption, because tax losses are not cashed-up, there will be no tax refund generated. (At best, only provisional tax already paid will be refunded.) This will not assist with either the timing or need for cash-flow.

Recommendation 1: Rent deferral for tenants through the tax system

17. A recommendation we strongly support to deliver immediate cash-flow relief for tenants through the tax system is to allow tenants to claim relief for the tax effect of their rental payments, if they are significantly adversely financially affected by COVID-19 during a rent period.

18. We believe this measure can be implemented without the need for application by the tenant to Inland Revenue, by allowing affected businesses to only pay the <u>after-tax effective rental amount</u> to the landlord. This would need to be communicated to the landlord at the time, to ensure both parties are aware of the tax status of the payment.

19. This measure can be described as a deferral of rent by landlords, facilitated through the tax system. It would allow tenants to defer 28% of their 2021 rental liability, but this will be clawed-back by a higher future tax liability. (This is because, under the normal rules, the deduction for rent would give rise to tax loss, available to offset future income.) Landlords are effectively deferring the benefit of receiving the cash (which they would ordinarily hold until it needs to be paid to the Government in tax). Government would be facilitating the deferral and is also taking some credit risk on the rent portion deferred. The landlord however is largely funding the deferral.

20. Due to the likely low fiscal cost of this recommendation (discussed below), we believe it can be made available to all businesses to provide some immediate relief during this unprecedented economic disruption. If, however, there are concerns around integrity, the ability to make use of this measure could be linked to the criteria for the wage subsidy scheme, which requires a taxpayer to statutorily declare that have experienced or will experience a 30% or greater revenue loss as a result of COVID-19.

21. An example illustrates how this tax measure would work:

Retail Co leases premises from ABC Landlord for $20,000 per month (GST exclusive). Due to being a non-essential business, Retail Co is required to cease trading under Alert Level 4, meaning for April 2020 it has no gross revenue but a gross rental cost of $20,000. For simplicity, assuming this is the only expense (and treating that month as illustrative of the rest of Retail Co's income year), it will have a net loss of $20,000 which for tax purposes is not cashed up but can be carried forward to offset future income. ABC Landlord will have rental income of $20,000 and tax to pay of $5,600 (at the 28% tax rate). In a net sense, however the tax of $5,600 collected from ABC Landlord needs to be offset again the tax effect of the loss available to Retail Co (which is also $5,600 assuming a 28% tax rate). So, there is no overall "gain" to the tax base. [The obvious exception is where the tenant is tax-exempt.]

*Under our proposed approach, Retail Co would treat the $20,000 rental as fully creditable for tax and **pay the after-tax amount** of $14,400 (i.e. gross rent of $20,000 less tax effect of $5,600) to ABC Landlord. Retail Co would not receive any tax deduction for the rent paid (there would be a statutory limitation on claiming a deduction). In turn, ABC Landlord would treat the net rent of $14,400 as fully non-taxable (i.e. excluded income).*

This would have the same effect as Inland Revenue refunding the tax effect of the rental payment (i.e. cashing up this "loss") to Retail Co, but without Retail Co having to file a return and wait until the end of the year to claim. Landlord Co would be in the same position as having received $20,000 gross rent but ordinarily having to pay tax of $5,600 on that.

22. The above approach has the benefit of not requiring any major additional administrative mechanisms for delivery of relief (including changes to the existing tax administration). As part of the 2021 tax return filing, there could be an additional disclosure requirement for both tenants and landlords who have availed themselves of this measure. There would need to be legislative change to clarify the tax position of tenants (non-deductible) and landlords (non-assessable) in relation to rental payments in the affected periods.

23. It also has the added benefit that the fiscal cost for Government should not be significant. While this measure would be equivalent to cashing up tax losses to tenants (to the extent these are generated by rental deductions), the assumption should be that these losses would otherwise be available to offset their future taxable income (and therefore reduce tenants' future tax payments). So, the cost is effectively providing a cash-flow timing advantage for tenants, which is funded largely by the landlord. *[We recognise to the extent businesses do not survive the lockdown, those tax losses would be extinguished, however, we believe the overall objective of preserving as many businesses as possible should be paramount.]* Where the tenant is a tax-exempt organisation, there will be a net fiscal cost. We have not attempted to estimate this, but believe that tax exempt organisations should also be within scope. There are likely to be a number of charitable organisations who contribute greatly to the community that are struggling with rental obligations.

24. Because we do not expect the measure to have significant negative fiscal implications, it should be made available not just for the immediate lockdown period, but also some of the initial recovery phase. Therefore, we recommend that it be available for **6 months**, commencing April 2020, with the ability to extend if the recovery of the economy is slow. While this could extend to periods where COVID-19 restrictions are reduced (i.e. NZ's Alert Level drops), and businesses are able to re-start operating, we believe there is a benefit from

making this cash-flow assistance available when businesses are still likely to be financially fragile.

Recommendation 2: Rent subsidy for tenants

25. We believe that allowing businesses to claim an immediate rent tax credit (rather than a tax deduction when the tax return is filed) should assist some businesses to mitigate the cash-flow impacts of COVID-19. However, based on discussions with a range of tenants, we do not believe this is likely to be sufficient, in and of itself, given the scale of economic loss.

26. In addition to support through the tax system, consideration should be given to providing direct financial assistance to tenants via a mechanism similar to the Government's wage subsidy to assist businesses to retain their employees during the COVID-19 lockdown period.

27. This has the benefit of utilising a model that is now well known to both business and the Government and its key responsible agencies – Ministry for Business, Innovation and Employment (MBIE), Ministry of Social Development (MSD) and Inland Revenue.

28. It should operate on the same "high-trust" basis – that is, businesses should be in genuine financial distress to access rent relief and need to statutorily assert that they are significantly financially affected by COVID-19. Government and its agencies would be able to audit the application and seek additional information, if required, from tenants (and their landlords).

29. Like the wage subsidy, we believe this will help those businesses directly (and indirectly) impacted by operating restrictions to manage an immediate and large cash-flow cost.

30. There are a number of design features that will need to be more fully developed, but as a starting point we have set out some design parameters for consideration below:

Design feature	Recommendation	Comment / rationale
Eligibility for the subsidy	Any business or organisation that experiences a **50% or greater** reduction in gross revenue attributable to COVID-19. (Similar to the wage subsidy, this would be measured against the same calendar month in the prior year, for any month between January and June 2020, and against a prior month for new businesses.)	The proposed eligibility test is broadly based on the reduction in revenue test under the wage subsidy. We recommend a higher eligibility threshold (50% versus 30%) to ensure that any direct financial assistance is appropriately targeted to businesses that are most in need. This is partly based on the above rent tax credit mechanism also providing some cash-flow assistance and also to help manage fiscal cost. We expect that during the Alert Level 3 and 4 restrictions, this revenue test is likely to be met by most retail businesses (other than supermarkets and some other essential businesses) and industrial businesses, which require access to premises to trade. Some businesses that can operate without access to premises (i.e. can have staff working from home) may also qualify if their revenue drop is significant due to lack of access to customers or slowdown in the wider economy. In most cases, we expect that tenants who suffer a 50% or greater reduction in revenue are likely to have little or no revenue.
Level of the subsidy	We recommend the level of the subsidy be set at **50% of the gross rental payment** for a calendar month and be available for an initial period of **3 months** (i.e. April, May and June 2020). The subsidy would be calculated on the gross rental payment excluding GST (if any) and, if the rent tax deferral mechanism is applied, on the <u>after-tax amount.</u> In the example under recommendation 1 above, the subsidy would be calculated at 50% of $14,400, not $20,000. This would mean the actual subsidy rate would reduce to **36%**, if recommendation 1 is also accepted.	As a starting point, we believe a 50% rental subsidy is appropriate given our proposed higher eligibility threshold would require a business to have suffered a material revenue reduction to access this relief. We do not believe the subsidy should be capped, since occupation costs are almost always directly proportional to operations. Once eligibility is established, to provide certainty upfront, the subsidy should available for a minimum initial period of at least 3 months (similar to the wage subsidy, which is available for at least 12 weeks). This duration of the subsidy should be reviewed by Government alongside any Alert Level changes.

Status of existing lease agreements	Receipt of the subsidy by a tenant (the lessee) should not alter a landlord (the lessor's) existing rights under a lease agreement. As each tenancy will be different, it should be left to the tenant and landlord to commercially agree how the residual obligations can best be dealt with.	We recognise that in providing a rent subsidy, the Government will be sharing in the financial risk with landlords. In practice, we expect that most landlords will use best endeavours to support their tenants during the COVID-19 lockdown and subsequent recovery phase. We believe there are clear financial incentives for landlords to do so (such as the high cost of replacing existing tenants and having their buildings sitting vacant for what could be an extended period of time). Further, landlords will still carry financial risk for the 50% of the rent that is not covered by the subsidy (as well as the need to cover any operating expenses relating to the property, if this is charged additional to gross rent, and could otherwise be passed on separately to the tenant). Under our proposed rent tax credit, the cash-flow benefit to the tenant will come at the cost of that cash-flow to the landlord, prior to payment of tax to Inland Revenue. Therefore, we believe there will be appropriate sharing of the economic risk with Government. We believe that the best approach is to allow tenants and landlords to reach agreement on how the "residual" rental obligations will be dealt with in a commercial manner, rather than being prescriptive on how that cost should be shared. In particular, we believe it would be counter-productive for a condition of the subsidy to be a rent waiver or a blanket prohibition on evictions (and as a practical matter we note that under Alert Level 4 restrictions, it would not be possible for landlords to access premises either, to enforce evictions). **However, if some preconditions are considered necessary to progress such a recommendation, we would appreciate the opportunity to discuss these, to ensure they are practical.**

Application process	This should be modelled, as largely as possible, on the existing application process for the wage subsidy (e.g. applications to be lodged online with payment facilitated by MSD or another agency).	Our preference is for the subsidy application to be made by a tenant as this would be for their direct benefit and they would be in the best position to judge their financial circumstances. In terms of how the application process could work: — The affected business would apply for the rent subsidy making appropriate statutory declarations (e.g. that they have suffered or expect to suffer a 50%+ revenue reduction) and providing relevant information (such as their IRD number, details of their landlord, and the gross rent payable for the month). — MSD (or other responsible Government agency) could make appropriate inquiries of the landlord to cross-check any applications (including requesting copies of the lease agreement) prior to payment, if required. — Similar to the wage subsidy, there should be best endeavours for the subsidy to be paid to the applicant within 5 working days of receipt of an application. — The tenant would be legally responsible for passing on the subsidy to their landlord. If the subsidy is not passed on, there would be an obligation on the tenant to repay this amount in full to Government. The Government could list tenants who have applied for the rent subsidy, similar to the wage subsidy, to provide maximum transparency. — The application would cover the applicable month’s rent (i.e. April 2020). This would automatically be rolled-over during the initial 3-month period (or longer if extended), with an onus on the tenant

		to inform MSD (or other responsible agency) if their circumstances change. (Again, this is modelled on the wage subsidy scheme requirements.)
Tax impacts of the subsidy	The rent subsidy would be: (a) **Non-taxable and non-deductible** to the tenant on receipt. (b) **Excluded income** to the landlord if the rent tax deferral (recommendation 1) applies and **taxable** to the landlord if not.	The tax implications of the subsidy for the landlord will depend on whether recommendation 1 is also accepted. If it is accepted, then the subsidy will be calculated on the after-tax rental cost. Under such a scenario, as the landlord will only ever receive the after-tax rent value (with the subsidy simply topping up the tenant's payment to this amount), the subsidy should not be taxable when passed on to the landlord. If, however, recommendation 1 is not accepted, the subsidy should be taxable, as it will be calculated on the pre-tax rent, and represents a replacement of some of the rental income for landlords. A business receiving the benefit of having a portion of their rental cost covered by Government should not receive a tax deduction for these costs.
GST	The subsidy should be zero-rated for GST purposes.	This would ensure there are no adverse GST implications for either the tenant or landlord.
Insurance proceeds	If a tenant has business interruption insurance which covers rental payments, no subsidy should be paid. If a landlord is covered for loss of rental income via insurance, any subsidy passed on to the landlord should be repaid to the tenant.	Our understanding is that most insurance policies will not cover business interruption costs, nor loss of rental income due to COVID-19. However, to the extent there is cover, receipt of the subsidy where there is also a payout that compensates for loss of rental should be repaid. The tenant would then have an obligation to repay the subsidy to the Government.
Fiscal cost estimate	We have estimated the fiscal cost of a rent subsidy for a period of 3 months could range from:	We commissioned CBRE to calculate the weekly total rent roll for office, retail and industrial property in New Zealand, in order to attempt to develop a fiscal costing for the subsidy.

	— **$600 million to $1.1 billion** in the absence of the rent tax deferral mechanism (recommendation 1) — **$500 to $800 million** with the rent tax deferral mechanism also in place. This is based on a 50% subsidy rate and various assumptions around the number of businesses suffering a revenue reduction of 50% or greater.	CBRE has calculated the total NZ weekly total rental roll at approximately $141 million (net of operating expenses recoveries) and $181 million (gross, i.e. inclusive of operating expense recoveries). Appendix 1 contains our full costing details and assumptions. Our **high-level** fiscal costing is based on the following sensitivity testing: — If 2/3rds of all businesses face or are expected to suffer a revenue reduction of 50% or greater. — If different assumptions are made around the disruption facing different businesses operating in the retail, industrial and office sectors, this will obviously impact the costings. For example, if retail and industrial businesses are more severely adversely impacted during the Alert Level 4 lockdown, compared to businesses that use office space. Appendix 1 contains a scenario which attempts to draw out these distinctions. — As a potential upper estimate, if 95% of all businesses face or are expected to suffer a revenue reduction of 50% or greater.

Recommendation 3: Zero-rating GST on rental payment

31. Over the coming weeks, landlords will face a number of tax costs, including income tax (provisional tax) obligations and GST on rental payments. It would be helpful if there is the ability to remove or delay these costs, including without interest and penalties

32. In the case of GST on rental payments, to the extent the landlord and tenant are both GST registered, GST should be able to be zero-rated. This aligns with the supply of land rules and precludes the need for landlords to pay GST and for tenants to have to claim this back by filing GST returns (which can take more than a month after payment). At a time when businesses will be increasingly focussed on cash-outgoings this will help them to better manage cashflow.

Recommendation 4: Provisional tax deferrals

33. In the case of provisional tax, the ability to defer upcoming payments (for example 7 May for March balance date taxpayers) would be helpful to enable landlords to manage their cash flow in the immediate period, when they may be facing significant tenant default.

34. There should also be the ability to estimate 2021 provisional tax (recognising that it will be very difficult for taxpayers to get it right given the uncertainties about the duration and economic impact of the COVID-19 restrictions) without any penalty and interest exposure.

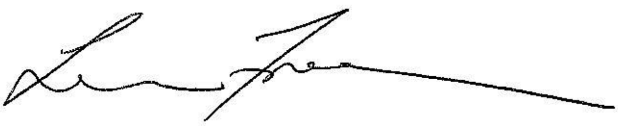
Effect of package on a tenant's cash flow

We have attempted to set out in the table below the individual and cumulative cash-flow relief from the various recommendations above for a tenant who has a monthly rent bill of $20,000.

Reduction in revenue		**Less than 50%**			**50% or greater**			
	Status quo	**Tax deferral**	**GST zero-rating**	**All measures**	**Subsidy**	*plus* **tax deferral**	*plus* **GST zero-rating**	**All measures**
Gross rent (ex GST)	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**	**$ 20,000**
Reduction in rent	$ -	-$ 5,600	$ -	-$ 5,600		-$ 5,600	$ -	-$ 5,600
Subsidy, if applicable	$ -	$ -	$ -	$ -	-$ 10,000	-$ 7,200	-$ 10,000	-$ 7,200
Rent paid by tenant (ex GST)	**$ 20,000**	**$ 14,400**	**$ 20,000**	**$ 14,400**	**$ 10,000**	**$ 7,200**	**$ 10,000**	**$ 7,200**
GST payable	$ 3,000	$ 3,000	$ -	$ -	$ 3,000	$ 3,000	$ -	$ -
Rent paid by tenant (incl GST)	**$ 23,000**	**$ 17,400**	**$ 20,000**	**$ 14,400**	**$ 13,000**	**$ 10,200**	**$ 10,000**	**$ 7,200**
Total cash flow relief to tenant ($)	$ -	-$ 5,600	-$ 3,000	-$ 8,600	-$ 10,000	-$ 12,800	-$ 13,000	-$ 15,800
Cash flow relief as %	**0.0%**	**-24.3%**	**-13.0%**	**-37.4%**	**-43.5%**	**-55.7%**	**-56.5%**	**-68.7%**

We look forward to engaging with Ministers and Officials on this critical issue and please do not hesitate to contact me should you have any further queries or questions.

Yours sincerely
Property Council New Zealand



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Appendix 1 – high-level fiscal costing of rent subsidy

		theoretical main city rent exposure (based on occupied NLA and market rent)	estimated non owner occupier proportion	main city investor stock rent roll (annual)	main city investor stock rent roll (weekly)	estimated proportion in main cities	total NZ investor stock rent roll (weekly)
Office	net	$ 1,354,095,648	95%	$ 1,286,390,866	$ 24,738,286	60%	$ 41,230,476
	gross	$ 1,898,267,697	95%	$ 1,803,354,312	$ 34,679,891	60%	$ 57,799,818
Industrial	net	$ 2,450,818,498	70%	$ 1,715,572,949	$ 32,991,787	60%	$ 54,986,312
	gross	$ 3,064,097,756	70%	$ 2,144,868,429	$ 41,247,470	60%	$ 68,745,783
Strip retail	net	$ 743,537,286	80%	$ 594,829,829	$ 11,439,035	50%	$ 22,878,070
	gross	$ 902,776,110	80%	$ 722,220,888	$ 13,888,863	50%	$ 27,777,726
Centre based retail	net						$ 12,009,552
	gross						$ 16,630,251
Standalone retail	estimate						$ 10,000,000

Combined total NZ investor stock weekly rent roll for office, industrial, strip retail and centre based retail

	net	$ 141,104,412
	gross	$ 180,953,578

Scenario 1 - proportion of tenants with 50% or greater reduction in revenue for each property class

		Net		Gross	
Office	70%	$	28,861,334	$	40,459,872
Industrial	80%	$	43,989,050	$	54,996,626
Strip retail	65%	$	14,870,746	$	18,055,522
Centre retail	85%	$	10,208,120	$	14,135,713
Standalone retail	90%	$	9,000,000	$	9,000,000
Total NZ (week)		$	106,929,249	$	136,647,734
Total NZ (week) – with rent tax deferral		$	76,989,059	$	98,386,369
50% subsidy - 3 months		**$**	**687,402,314**	**$**	**878,449,720**
50% subsidy - 3 months (with rent tax deferral)		**$**	**494,929,666**	**$**	**632,483,798**

Scenario 2 - 67% of tenants face a 50% or greater revenue reduction

Total NZ (week)	$	94,539,956	$	121,238,897
Total NZ (week) – with rent tax deferral	$	68,068,768	$	87,292,006
50% subsidy - 3 months	**$**	**607,756,859**	**$**	**779,392,911**
50% subsidy - 3 months (with rent tax deferral)	**$**	**437,584,939**	**$**	**561,162,896**

Scenario 3 - 95% of tenants face a 50% or greater revenue reduction

Total NZ (week)	$	134,049,191	$	171,905,899
Total NZ (week) – with rent tax deferral	$	96,515,418	$	123,772,247
50% subsidy - 3 months	**$**	**861,744,800**	**$**	**1,105,109,351**
50% subsidy - 3 months (with rent tax deferral)	**$**	**620,456,256**	**$**	**795,678,733**