



UNITED KINGDOM
COVID-19 Rent Collection
Impact Report
Spotlight | Day 60

MARCH 2021

Re-Leased

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OVERVIEW

COVID-19 Rent Collection Impact Report

These new figures analyse rent collection 60 days after commercial rents were due on 25th March 2021.

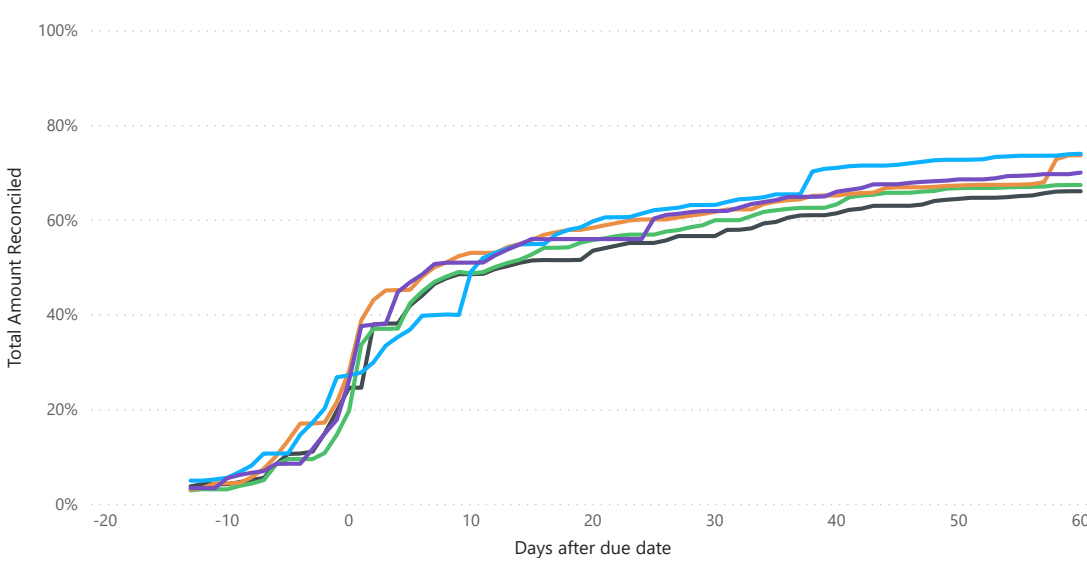
The figures reveal that commercial tenants in the UK have paid 70% of all rents due at the 60-day mark since March quarter day, down -4% from the same point in the previous December quarter. While this marks a rise of 49% on the level of rent collected on the due date of 25 March, it remains lower than the equivalent period in the preceding two quarters.

“Whilst we saw the biggest step so far in the UK’s roadmap out of covid restrictions just prior to day 60 of the March quarter, this progress has not yet been reflected in rental yields. Tenants continue to feel the pressure of fifteen months of disruption, and confidence and financial stability remains uncertain.

“There are however some promising signals the economy is responding to both the vaccine programme and non-essential retail opening back up.”

Caleb Dunn, Commercial Analyst at Re-Leased

United Kingdom Average* | All Commercial as of Day 60 March Qtr 2021

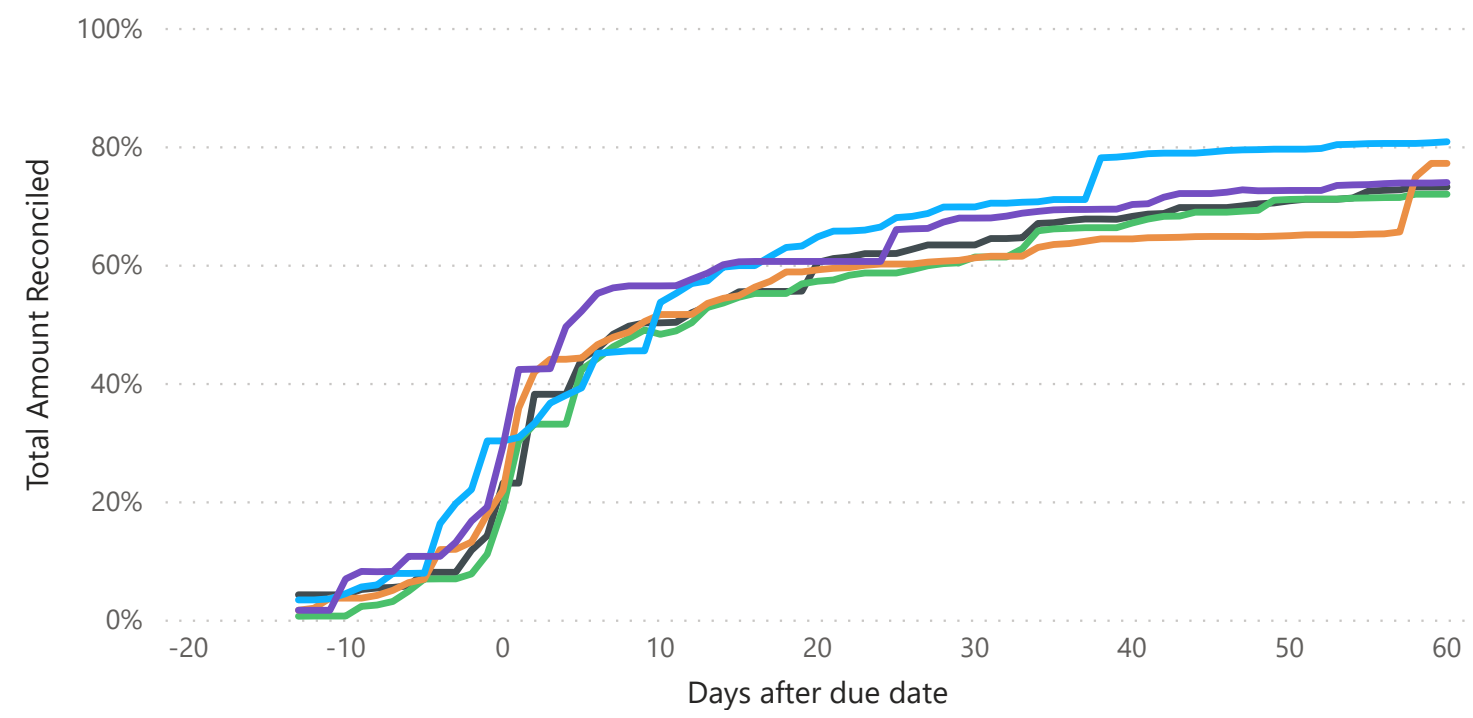


- Legend**
- UK Mar Qtr 2020
 - UK Jun Qtr 2020
 - UK Sep Qtr 2020
 - UK Dec Qtr 2020
 - UK Mar Qtr 2021

*Includes other asset classes with smaller sample sizes (e.g. leisure)

MAR 21 DAY 0	MAR 21 DAY 14	MAR 21 DAY 21	MAR 21 DAY 60
21%	55%	56%	70%
DEC 20 DAY 0	DEC 20 DAY 14	DEC 20 DAY 21	DEC 20 DAY 60
27%	55%	60%	74%
SEP 20 DAY 0	SEP 20 DAY 14	SEP 20 DAY 21	SEP 20 DAY 60
22%	55%	60%	75%

ASSET CLASS BREAKDOWN
Industrial



Industrial asset class rent collection falls 7%

Rent collection for Industrial assets fell by 7% this quarter, contrary to commentary on the resilience of industrial assets during the pandemic. Industrial asset rent collection is now down 16% when compared to the this point in the rent cycle for December 2019 Quarter, the last quarter before the pandemic hit.

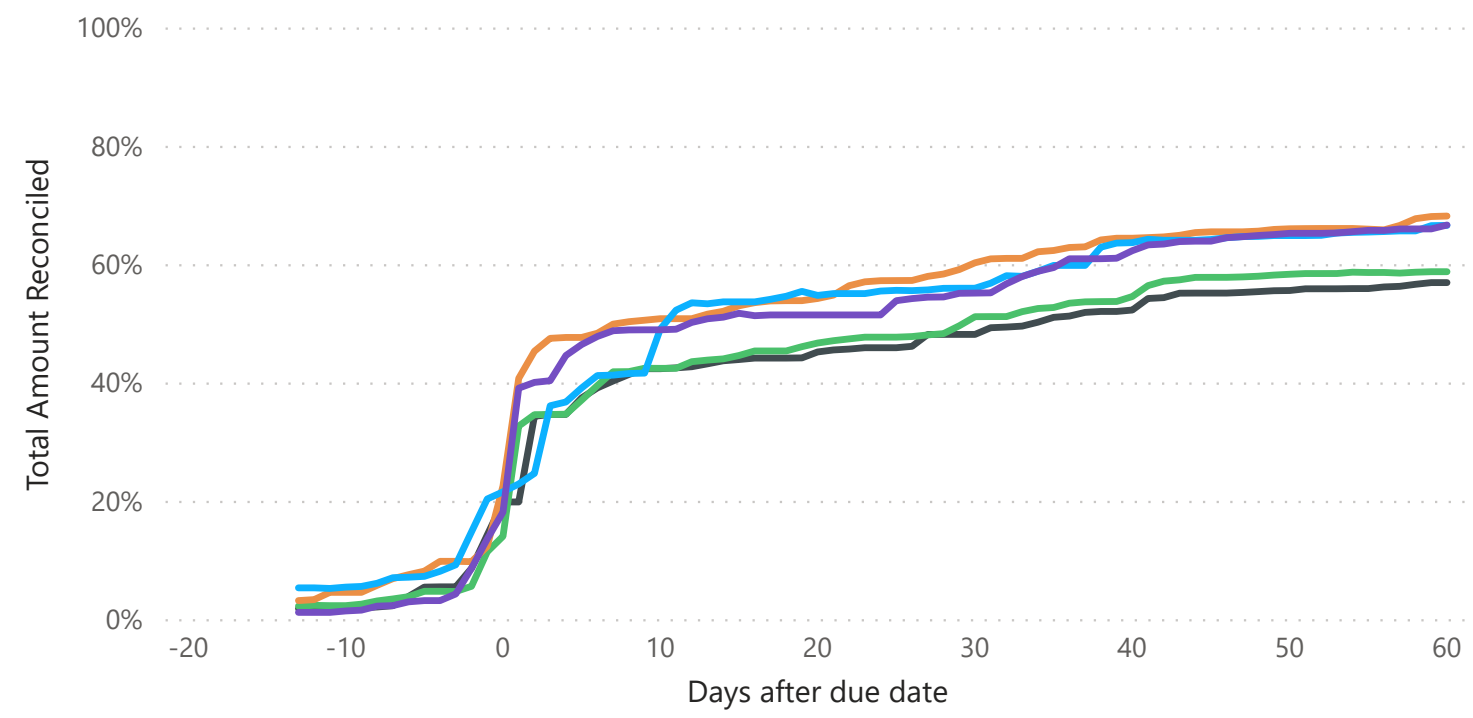
MAR 21 DAY 0 26%	MAR 21 DAY 14 60%	MAR 21 DAY 21 61%	MAR 21 DAY 60 74%
DEC 20 DAY 0 31%	DEC 20 DAY 14 61%	DEC 20 DAY 21 67%	DEC 20 DAY 60 81%
SEP 20 DAY 0 18%	SEP 20 DAY 14 55%	SEP 20 DAY 21 59%	SEP 20 DAY 60 79%

- Legend
- UK Mar Qtr 2020
 - UK Jun Qtr 2020
 - UK Sep Qtr 2020
 - UK Dec Qtr 2020
 - UK Mar Qtr 2021

74% of rent due had been received 60 days after the March Qtr day 2021, in comparison to 81% for December Qtr 2020. In December Qtr 2019, 90% had been collected 60 days after the quarter day.

ASSET CLASS BREAKDOWN

Retail



Retail sector remains hardest hit asset class

Despite footfall and sales recovering, retail continues to be the hardest hit asset class. Landlords collected 67% of rent due, slightly down from the 68% collected at the equivalent period for the December 2020 quarter. Retail rent collection is down 17% on the levels seen a year ago

MAR 21 DAY 0	MAR 21 DAY 14	MAR 21 DAY 21	MAR 21 DAY 60
15%	51%	52%	67%
DEC 20 DAY 0	DEC 20 DAY 14	DEC 20 DAY 21	DEC 20 DAY 60
22%	54%	56%	68%
SEP 20 DAY 0	SEP 20 DAY 14	SEP 20 DAY 21	SEP 20 DAY 60
13%	54%	58%	72%

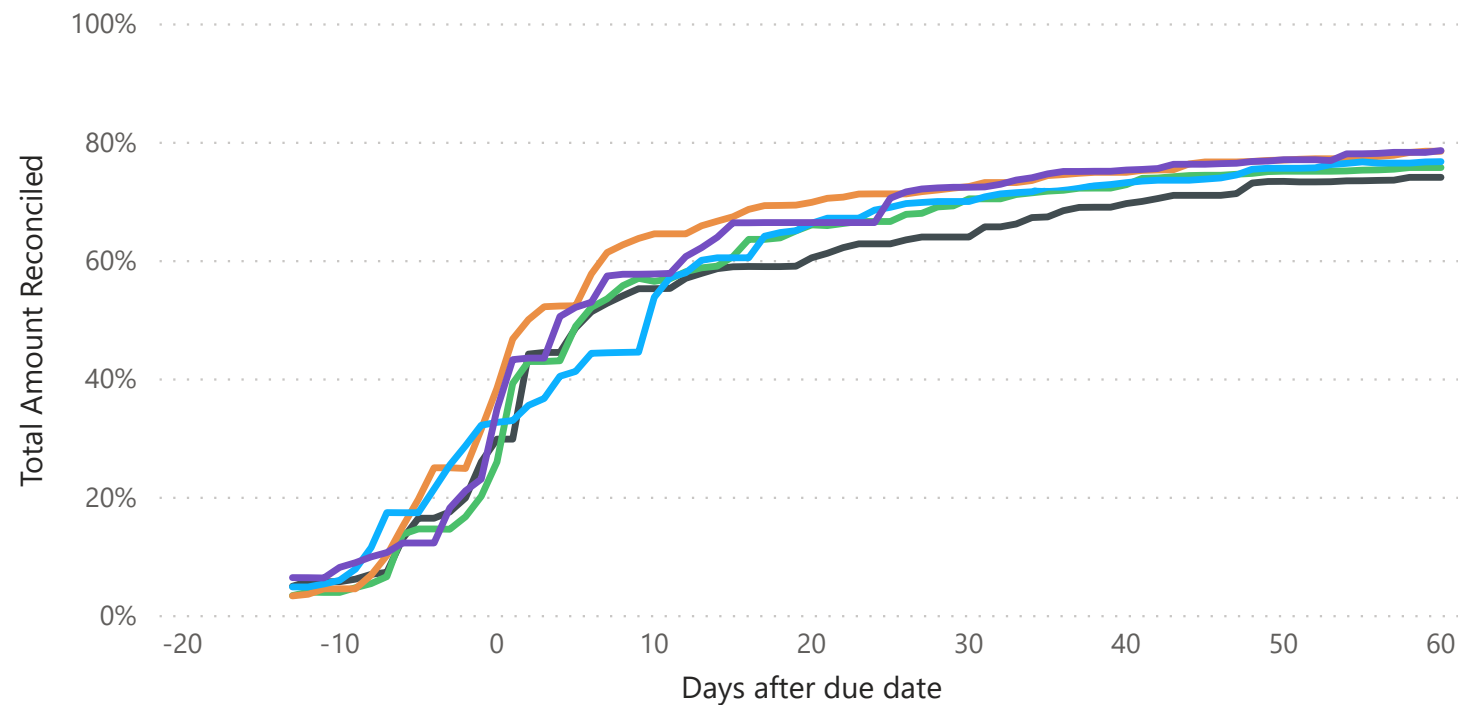
- Legend
- UK Mar Qtr 2020
 - UK Jun Qtr 2020
 - UK Sep Qtr 2020
 - UK Dec Qtr 2020
 - UK Mar Qtr 2021

67% of rent due had been received 60 days after the March Qtr day 2021, slightly down on the prior Qtr. In December Qtr 2019 - day 60, 84% had been collected.

ASSET CLASS BREAKDOWN

Office

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Office continues its trajectory towards recovery

Amidst discussions on the future of the office and hybrid working, the office asset class has posted a slight increase in rent collection, up 3% compared to the equivalent period for the December 2020 quarter. Rent collection levels for office assets are the closest to pre-pandemic levels of all the asset classes, just 3% down on this point in the rent cycle for December Qtr 2019.

MAR 21 DAY 0 28%	MAR 21 DAY 14 64%	MAR 21 DAY 21 67%	MAR 21 DAY 60 79%
DEC 20 DAY 0 33%	DEC 20 DAY 14 61%	DEC 20 DAY 21 67%	DEC 20 DAY 60 77%
SEP 20 DAY 0 32%	SEP 20 DAY 14 67%	SEP 20 DAY 21 71%	SEP 20 DAY 60 79%

Legend

- UK Mar Qtr 2020
- UK Jun Qtr 2020
- UK Sep Qtr 2020
- UK Dec Qtr 2020
- UK Mar Qtr 2021

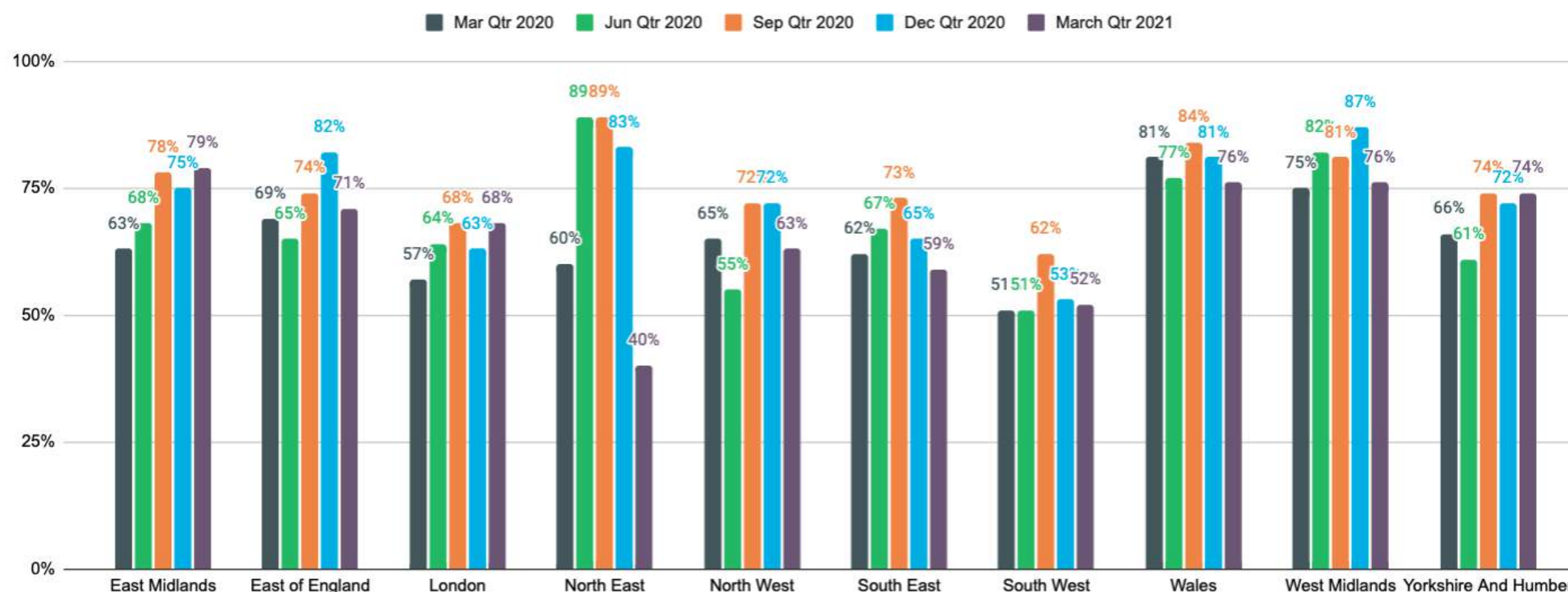
79% of rent due had been received **60 days** after the March Qtr day 2021, in comparison to **77%** for December Qtr 2020. In December Qtr 2019 - day 60, 81% had been collected.

REGIONAL BREAKDOWN | DAY 60

COVID-19 Rent Collection Impact

East Midlands posts strongest performance at day 60 with West Midlands dropping

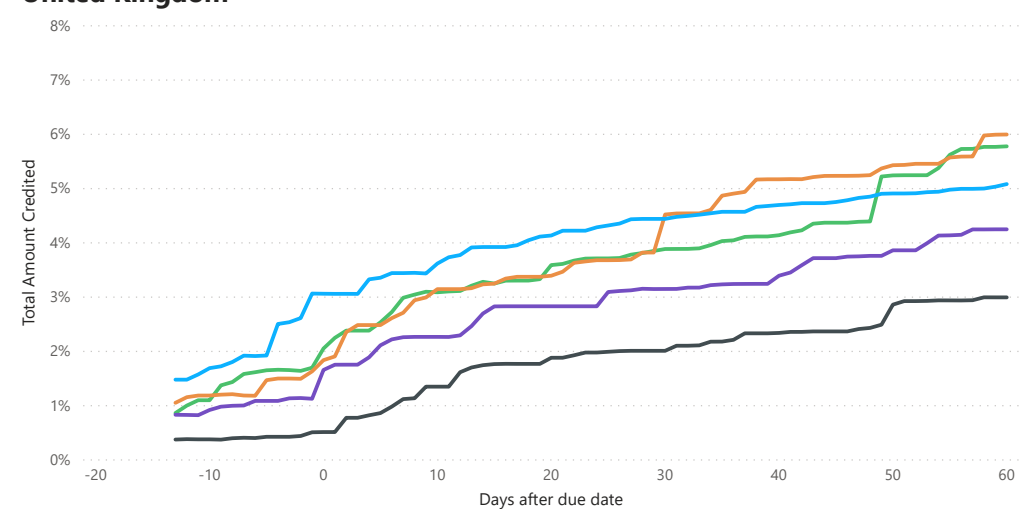
The East Midlands is performing the strongest at day 60 with 79% of rents collected in the region 60 days after the March 2021 quarter day. London experienced the most significant increase, up 5% compared to previous quarter, while the North East experienced a huge drop with rents collected in the area down 43%. West Midlands also dipped notably, down 11% and the South West continues the trend collecting just over half of the rent due with 52% of rents collected so far this quarter.



RENT FREE PERIODS AND SUBSIDIES

Rent Relief Indicators

United Kingdom



Legend

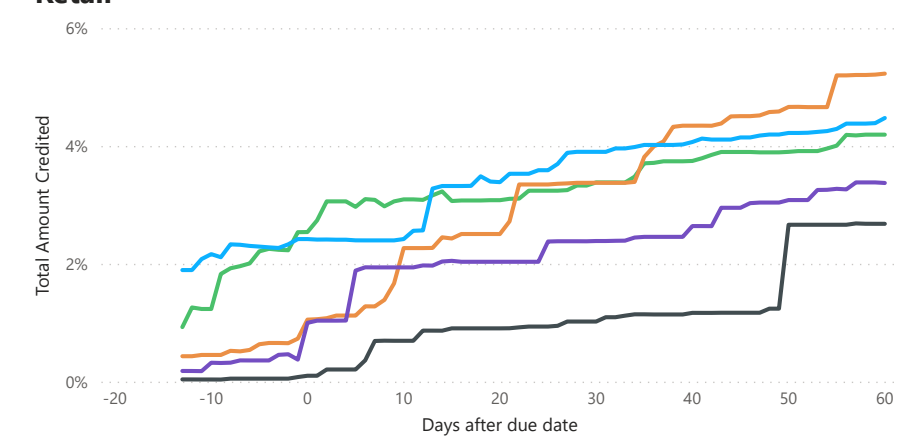
- UK Mar Qtr 2020
- UK Jun Qtr 2020
- UK Sep Qtr 2020
- UK Dec Qtr 2020
- UK Mar Qtr 2021

SEP 20 DAY 60	DEC 20 DAY 60	MAR 21 DAY 60
5.9%	5.2%	4.3%

The pandemic has been a huge instigator for change in the real estate industry. Over one-year on from the outset of the pandemic, our data is showing that credit notes are continue to fall following the peak in September. The office sector has seen the most significant drop in rent credited since this time last quarter.

Caleb Dunn, Commercial Analyst at Re-Leased

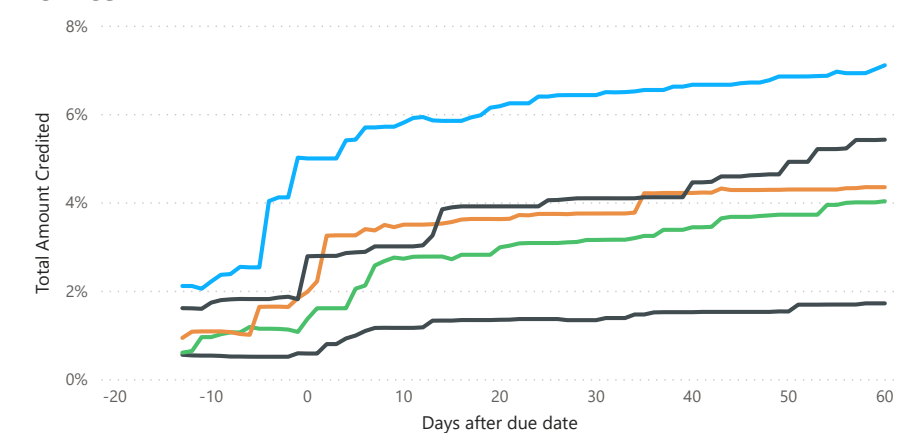
Retail



MAR 21 DAY 60
3.4%

DEC 20 DAY 60
4.5%

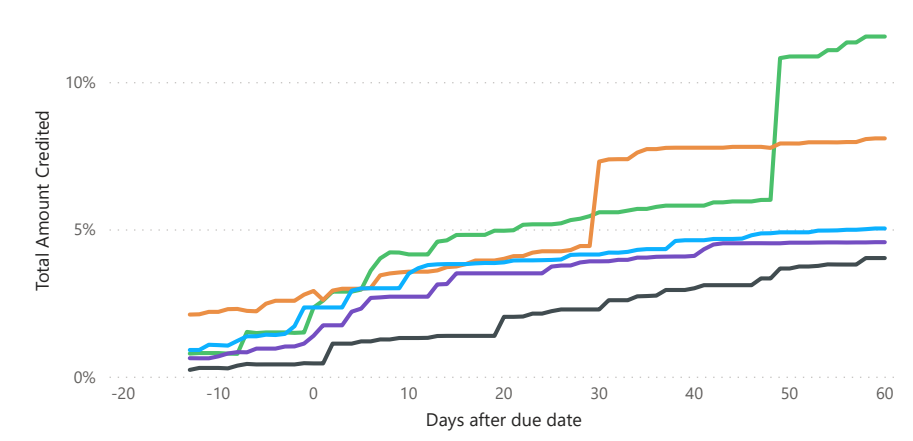
Office



MAR 21 DAY 60
5.4%

DEC 20 DAY 60
7.1%

Industrial



MAR 21 DAY 60
4.6%

DEC 20 DAY 60
5.1%



UNITED KINGDOM

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DATA VALIDATION

Updated Reporting Metric

Our purpose is to continually develop our reporting methods to deliver real-time data with the highest level of data validity for decision-making. Because of this, we have adjusted our leading reporting metric from payment speed in our last March Quarter Report to rent reconciliation.

This data has been collected, anonymised and aggregated directly from over 10,000 properties and 35,000 leases in the UK. It does not rely on surveys or secondary collections.

Re-Leased Software Company Ltd are confident in the validity of this data as its formation is a direct result of bank statements entries being matched and reconciled to rental invoices.

All data that has been aggregated for this report is in line with the following [Re-Leased Terms and Conditions](#) as at the time of publishing.

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