UNITED KINGDOM

COVID-19 Rent Collection Impact Report

Spotlight | Day 0

SEPTEMBER 2021

Re-Leased www.re-leased.com www.crediahq.com/index

CREDIA BY RE-LEASED

OVERVIEW

COVID-19 Rent Collection Impact Report

These new figures analyse rent collection the day after commercial rents were due on 29th September 2021.

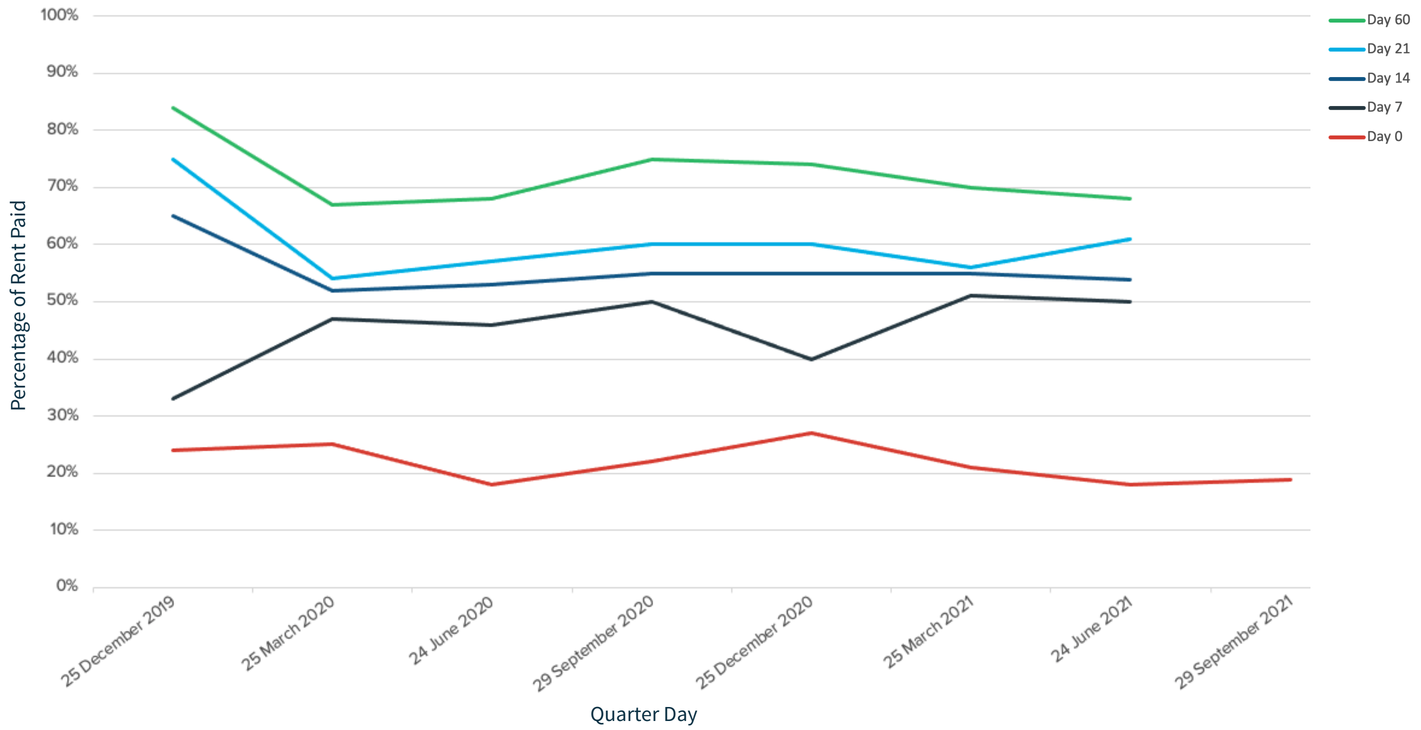
The figures reveal that commercial tenants in the UK have paid 19% of all rents due, up just 1% from the same point in the previous June quarter, despite the easing of all coronavirus restrictions. This shows we are far from 'back to normal' and the weight of 18 months of turbulence cannot be underestimated.

"Rent collection performance continues to give crucial insight into how businesses are weathering the storm of the pandemic. Average rent collection this quarter remains stagnant.

"With the furlough scheme coming to an end but the moratorium on evictions still in place, occupiers may be looking at how they can balance the books, and withholding rent could be the answer. Many will be making tough decisions, and staff wages will be prioritised to keep businesses open. It's looking more and more like we may not see a full return to normal until the moratorium ends next Spring."

Tom Wallace, CEO at Re-Leased

United Kingdom Average* | All Commercial as of due date September Qtr 2021



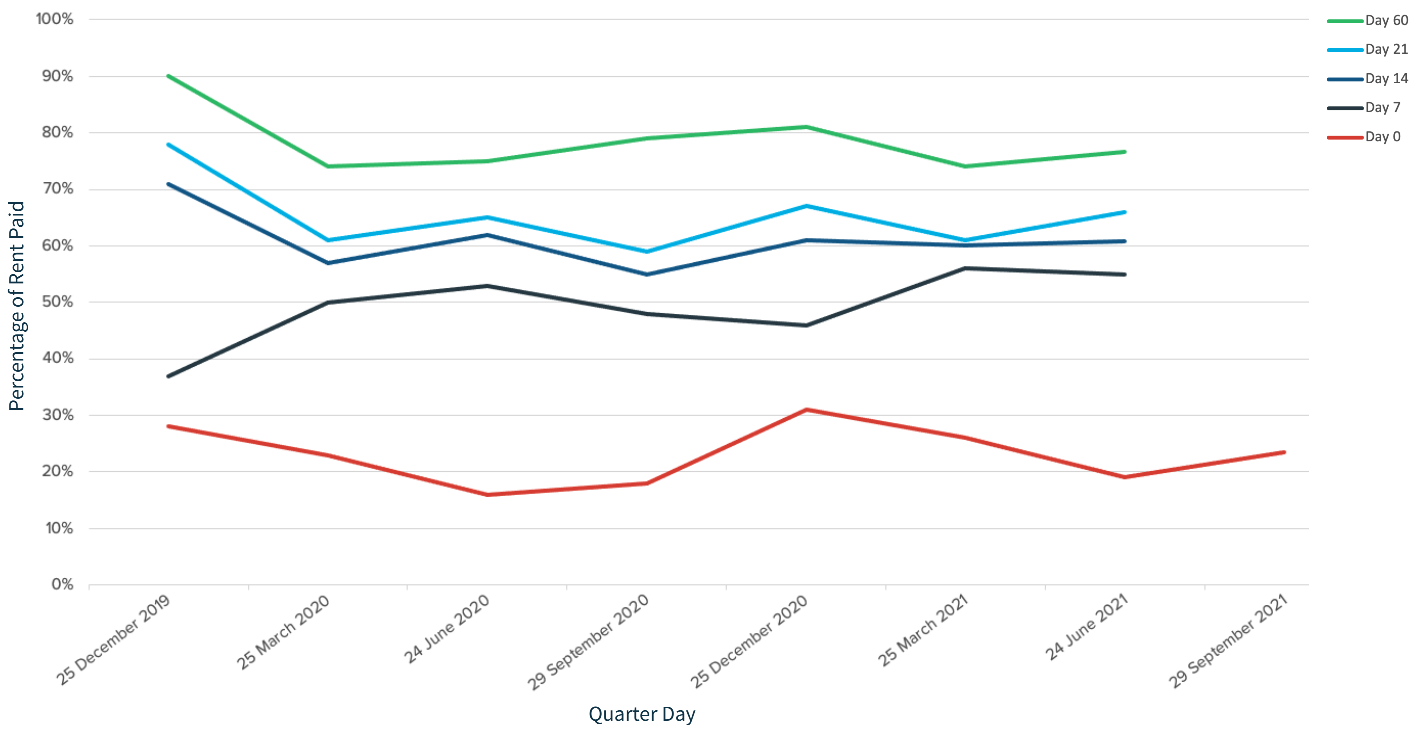
SEP 20 DAY 0 19%			
JUN 21 DAY 0 18%	JUN 21 DAY 14 50%	JUN 21 DAY 21 61%	JUN 21 DAY 60 69%
MAR 21 DAY 0 21%	MAR 21 DAY 14 51%	MAR 21 DAY 21 56%	MAR 21 DAY 60 70%

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

Re-Leased

ASSET CLASS BREAKDOWN

Industrial



SEP 20 DAY 0
23%

JUN 21 DAY 0
19%

JUN 21 DAY 14
61%

JUN 21 DAY 21
66%

JUN 21 DAY 60
77%

MAR 21 DAY 0
26%

MAR 21 DAY 14
60%

MAR 21 DAY 21
61%

MAR 21 DAY 60
74%

Industrial asset class up 4% at quarter day

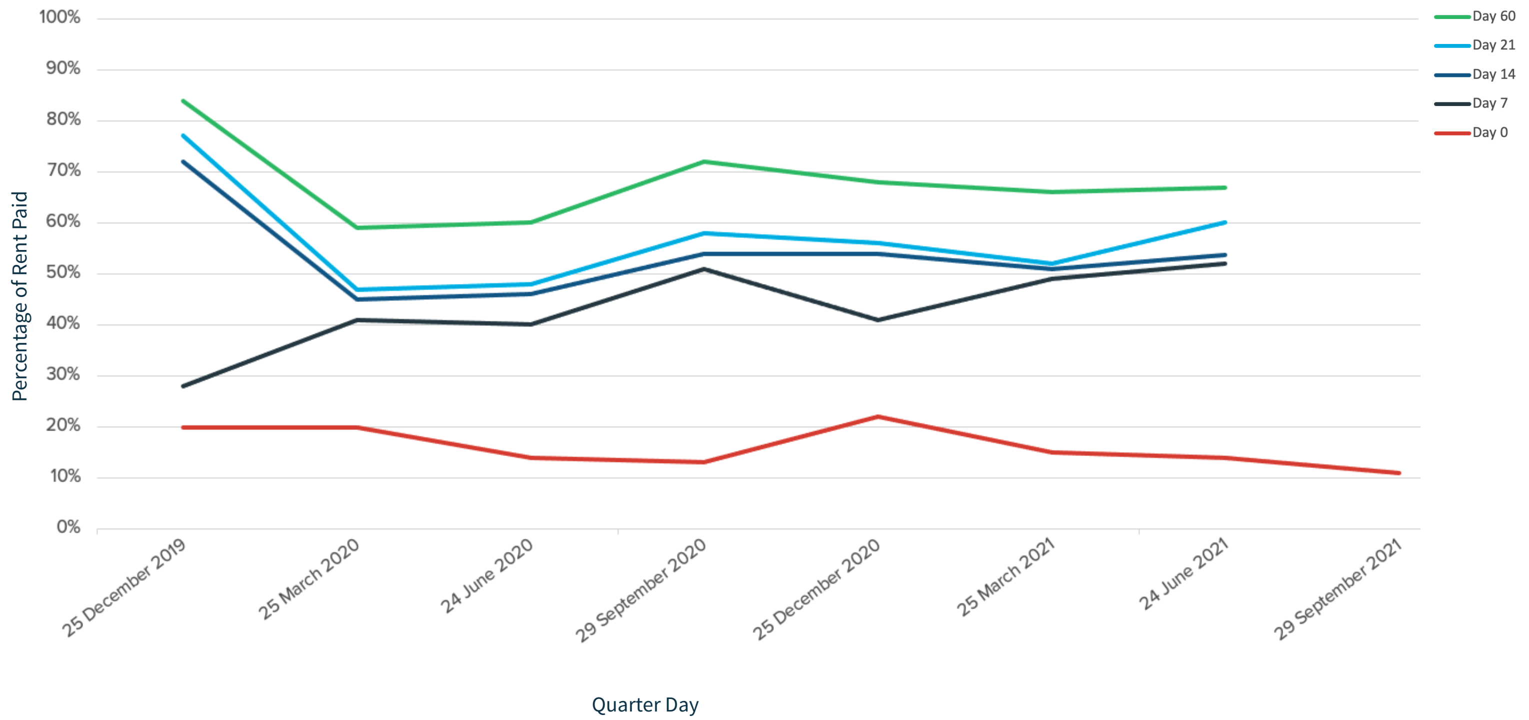
Rent collection for Industrial assets rose by 4% compared to previous quarter the day after commercial rents were due. Industrial asset rent collection is now down just 5% when compared to the this point in the rent cycle for December 2019 Quarter, the last quarter before the pandemic hit.

23% of rent due had been received on the date commercial rents were due for the September Qtr 2021, in comparison to **19%** for June Qtr 2021. In September Qtr 2020, 18% had been collected on the quarter day.

Re-Leased

ASSET CLASS BREAKDOWN

Retail



SEP 20 DAY 0			
11%			

JUN 21 DAY 0	JUN 21 DAY 14	JUN 21 DAY 21	JUN 21 DAY 60
14%	50%	60%	67%

MAR 21 DAY 0	MAR 21 DAY 14	MAR 21 DAY 21	MAR 21 DAY 60
15%	51%	52%	67%

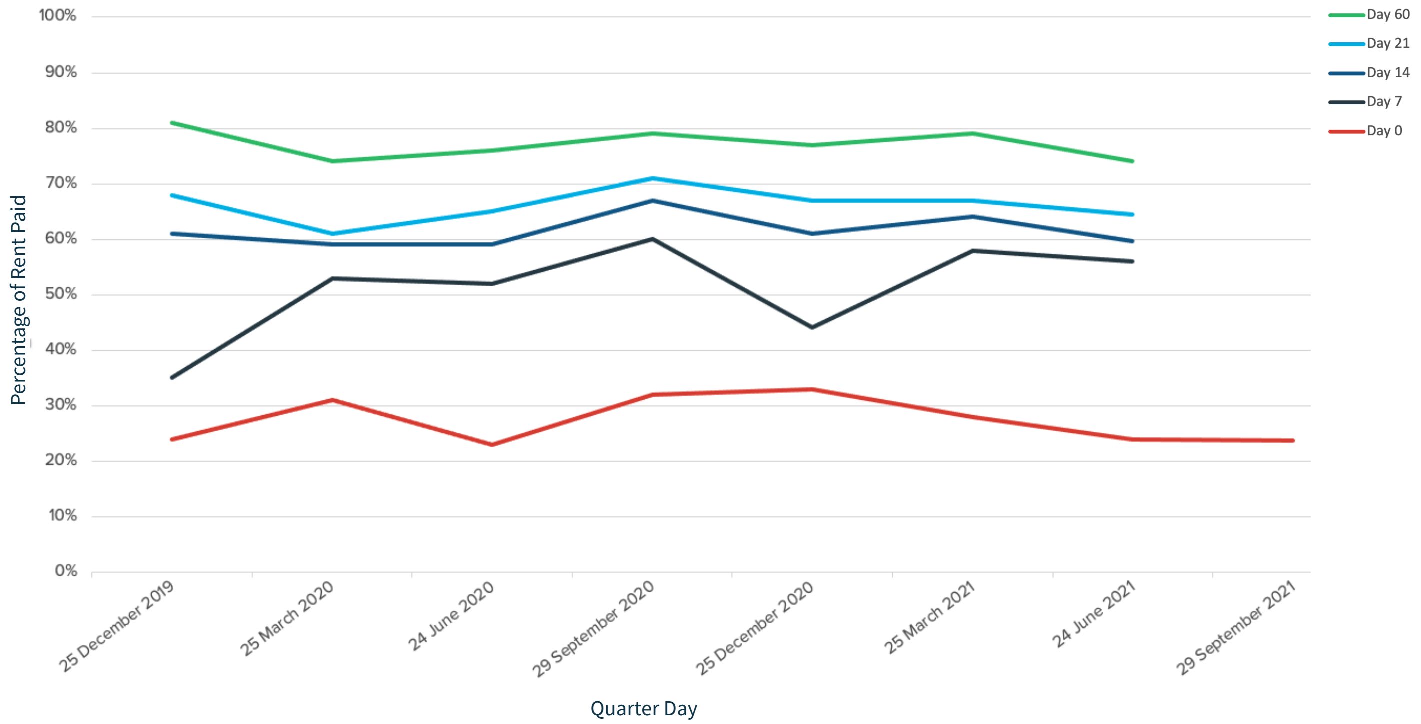
Retail rent collection remains low

The retail sector has seen a drop on last quarter to its lowest level of rent collection since pre-pandemic, at just 11%. It is difficult to pinpoint the exact cause, but it continues to suggest that the decline seen in bricks and mortar retail pre-covid has only been catalysed by the events of the past year and a half.

11% of rent due had been received on the date commercial rents were due for the September Qtr 2021. In September Qtr 2020, 13% had been collected on the quarter day.

ASSET CLASS BREAKDOWN

Office



SEP 20 DAY 0			
24%			

JUN 21 DAY 0	JUN 21 DAY 14	JUN 21 DAY 21	JUN 21 DAY 60
24%	54%	67%	74%

MAR 21 DAY 0	MAR 21 DAY 14	MAR 21 DAY 21	MAR 21 DAY 60
28%	64%	67%	79%

Office rent collection at prepandemic levels

Rent collection levels for office assets are the closest to pre-pandemic levels of all the asset classes, the same as was collected at this point in the rent cycle for December Qtr 2019.

Office workers are now settling back into the daily commute and the sector looks set to continue to improve.

24% of rent due had been received on the date commercial rents were due for the September Qtr 2021, in comparison to **24%** for June Qtr 2021. In December Qtr 2019 24% had been collected on the quarter day.

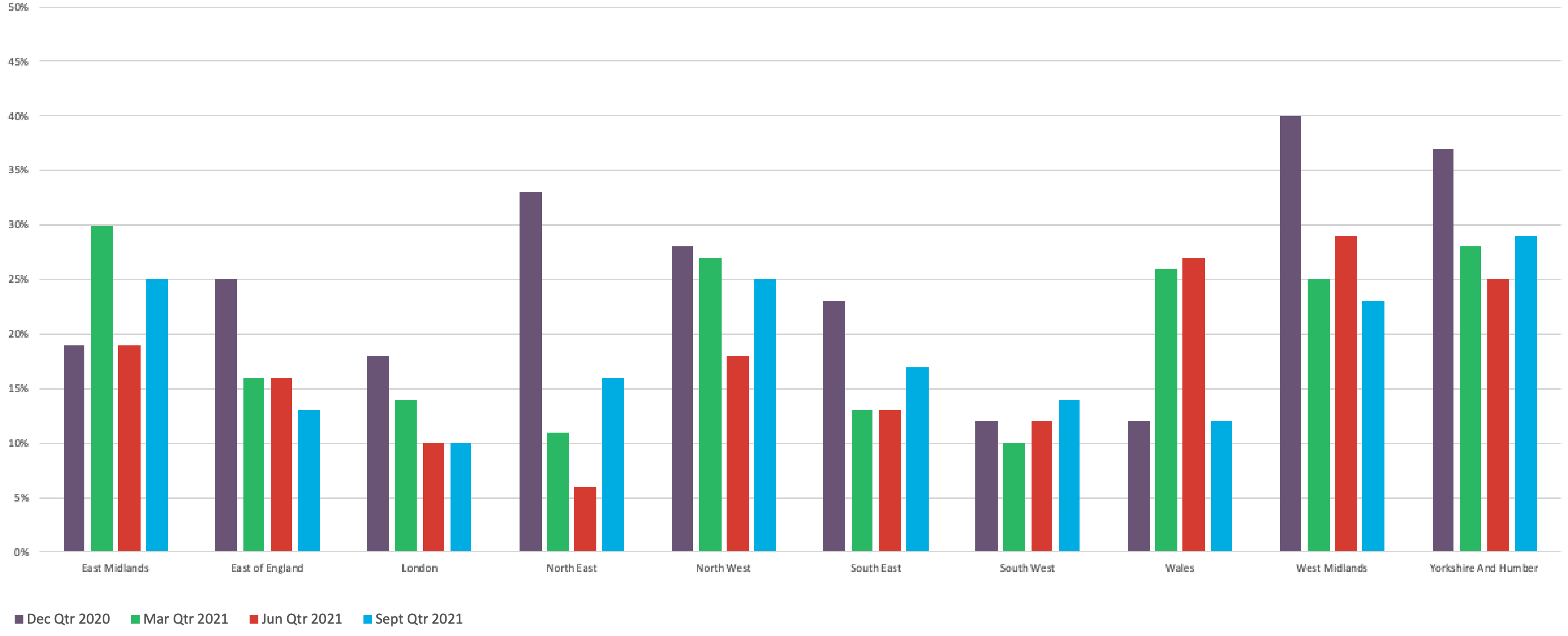
REGIONAL BREAKDOWN | DAY 60

COVID-19 Rent Collection Impact

Re-Leased

West Midlands are outperforming the south of England

Behind the overall UK picture, there is significant regional variation. The North West, Yorkshire and Humber, and the East and West Midlands are outperforming the south of England, and London sees another quarter with the lowest levels of rent collection nationally, at just 10%.



RE-LEASED INSIGHTS | SEPTEMBER 2021

UNITED KINGDOM

COVID-19 Rent Collection Impact Report

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.

Subscribe for regular updates

COVID-19 Rent Collection Spotlight

SUBSCRIBE HERE

Re-Leased www.re-leased.com