

overview Re-Leased

COVID-19 Rent Collection Impact Report

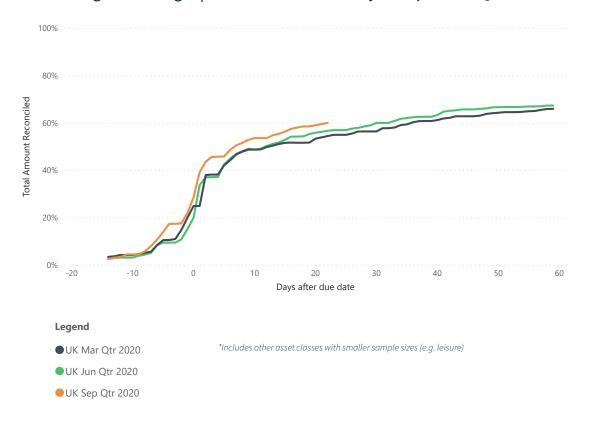
After 21 days post the September quarter, 60% of rent has been collected. This is an improvement of 5% from the week prior and an increase of 38% since the due date itself. When reflecting at the same point for the previous 2 quarters, September rent collection is 3% higher than June, and 6% higher than March.

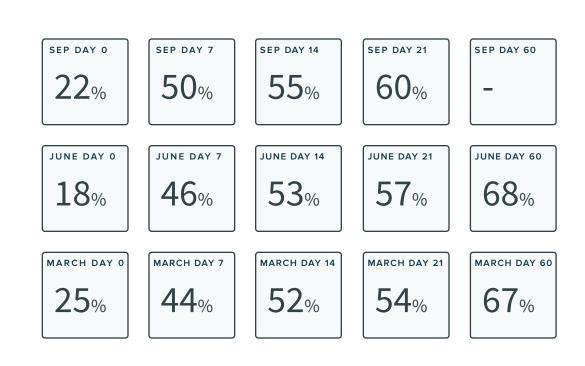
Retail properties have seen a strong rebound, with rent collection jumping 45% from the initial due date. A promising 10% uplift on the same point in the rent cycle for the June quarter.

Retail properties have seen an encouraging rebound in the past week. The public scrutiny around growing rent debt has increased in prominence in recent weeks, and there has been growing pressure on retail occupiers to pay their rent, or for those who are genuinely struggling, to pay what they can afford. Initial figures showed that retail occupiers did not perform well in paying their rent on the due day, however, the latest data suggests they are starting to settle their rent obligations, bringing them on par with other sectors. This is a promising sign for retail properties which have been the hardest hit since the pandemic began.

Caleb Dunn, Commercial Analyst at Re-Leased

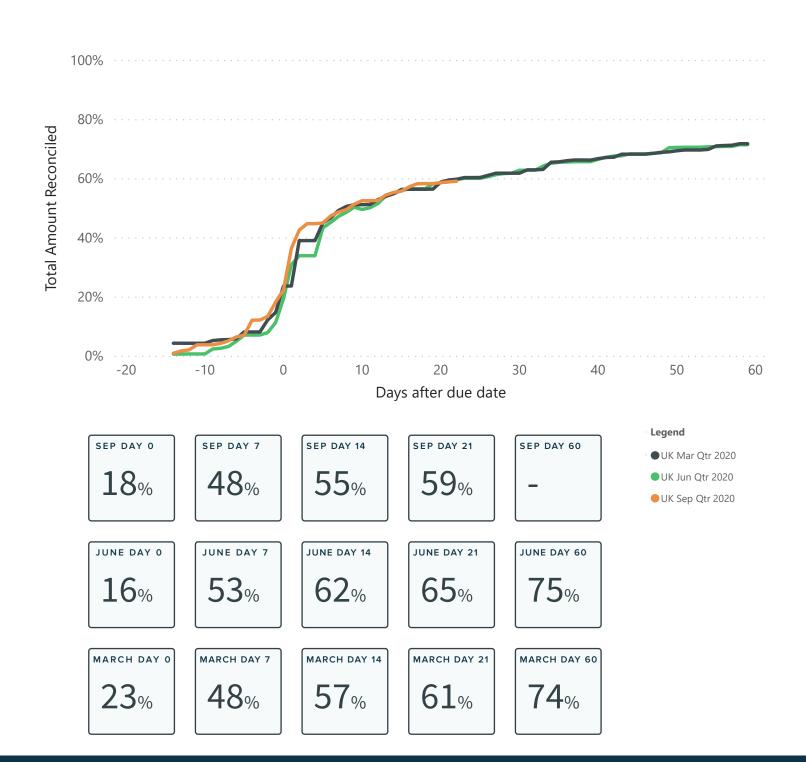
United Kingdom Average* | All Commercial as of Day 21 September Qtr





ASSET CLASS BREAKDOWN Industrial

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Industrial drops in resilience

Surprisingly, Industrial rent collection has been unable to match the rent collection levels from the prior two quarters in 2020.

Although rent collection has improved by 11% from Day 7 to Day 21, it still lags behind the Office sector. However, it is important to note, based on trends from previous quarters, Industrial occupiers tend to pay a significant portion of rent in arrears, as showcased by the upticks in Day 21 and Day 60 for the Industrial sector in March and June 2020.

59% of rent due had been received **21 days** after the September Qtr day 2020, in comparison to **65%** for June Qtr 2020. In December Qtr 2019 - day 60, 90% had been collected.



45%

47%

59%

Retail properties see a strong rebound with a 45% jump in rent collection

Whilst the increase in rent collection in between Day 14 and 21 may seem modest, the notion that September has garnered a greater volume of rent collection compared to the March and June will give landlords a boost. With 58% of rent collected for Retail, there is a positive outlook for the remainder of the quarter.

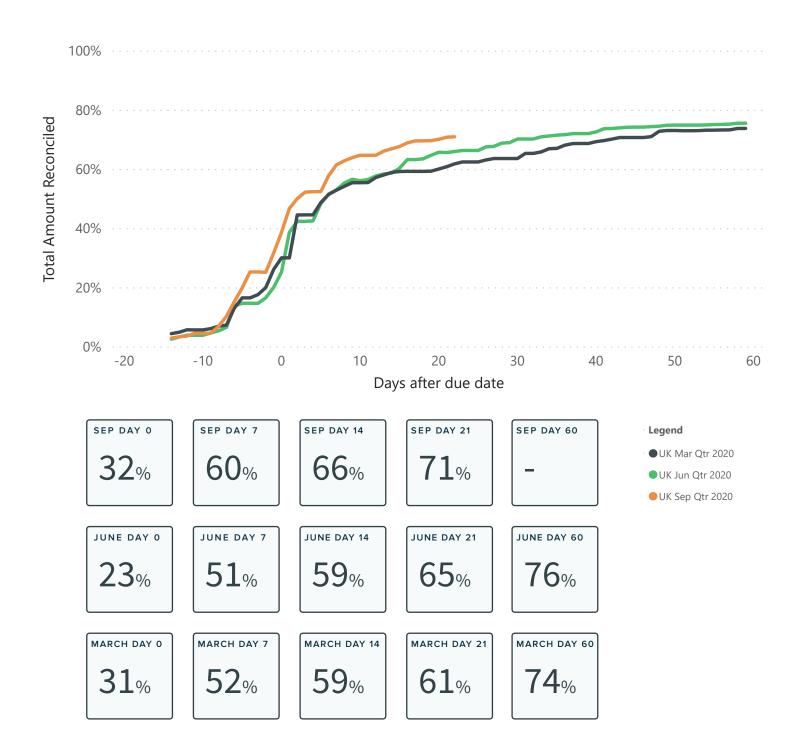
However, with new lockdown restrictions being introduced across the nation in mid-October, rent collection levels may flatten, as confidence of Retail occupiers may be impacted.

58% of rent due had been received **21 days** after the September Qtr day 2020, in comparison to **48%** for June Qtr 2020. In December Qtr 2019 - day 60, 84% had been collected.

20%

40%

ASSET CLASS BREAKDOWN Office



Office sector bolsters against June quarter

As a large number of businesses confirm their long-term back to work plans, a greater degree of certainty which was present in the tail end of September is reflected in the uptick of rent paid by the Office sector.

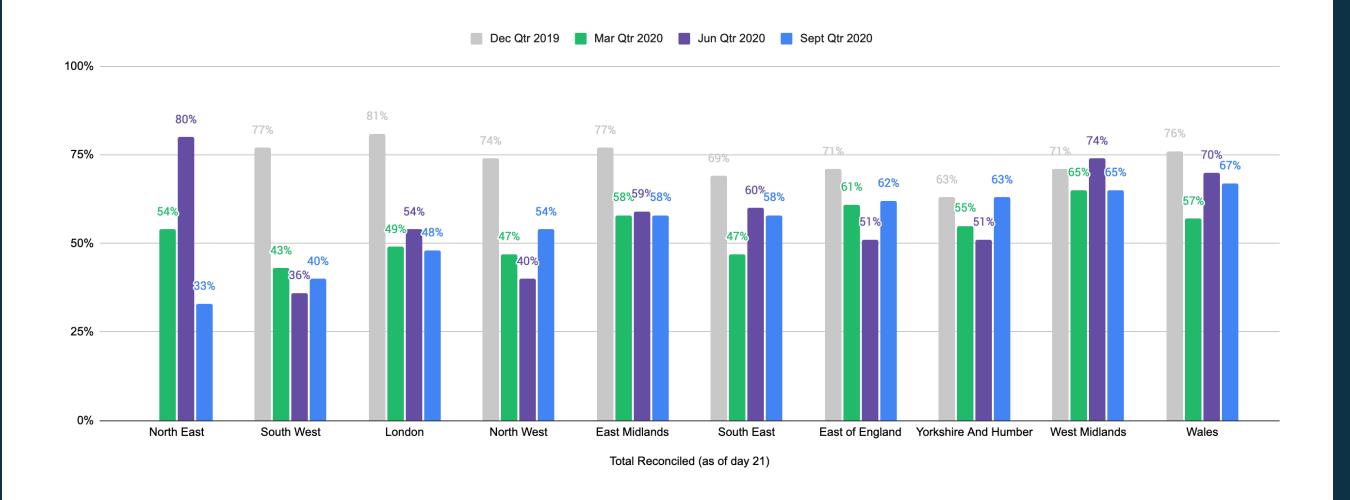
From September quarter day, there has been an increase of 39% of rent collected. Landlords will be hoping that this pattern continues despite a retraction in government support of workers returning to their physical workplaces.

71% of rent due had been received **21 days** after the September Qtr day 2020, in comparison to **65%** for June Qtr 2020. In December Qtr 2019 - day 60, 81% had been collected.

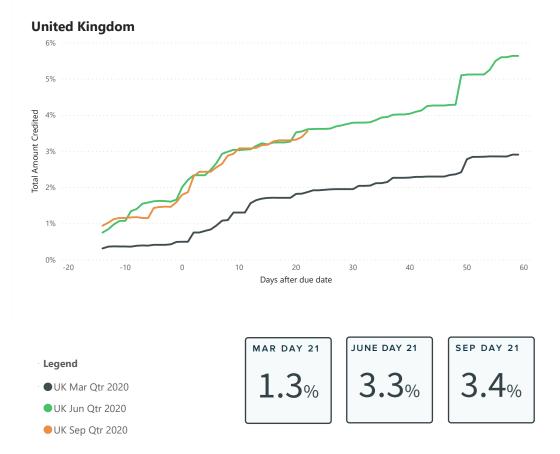
REGIONAL BREAKDOWN | DAY 21 COVID-19 Rent Collection Impact

Wales performs the strongest on day 21

Behind the overall UK picture, there are significant variations in rent collection. A breakdown reveals that Wales is performing the strongest at day 21. North West sees the most significant increase in rent collection from June to September at 14%, while North East has been the most impacted.



RENT FREE PERIODS AND SUBSIDIES Rent Relief Indicators

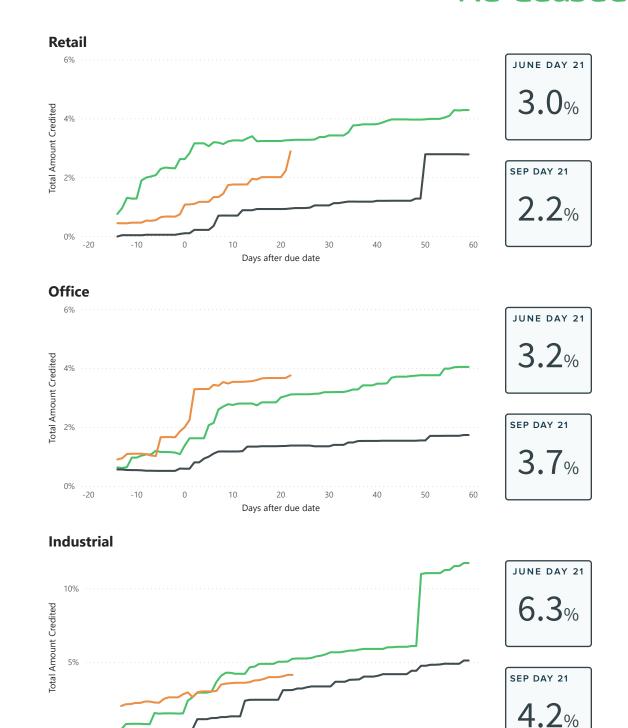


Rent credit awarded to tenants mirrors June qtr for the UK.

Office sees an increase in landlord subsidies, while Industrial shows the largest decrease at -2.1%

While rent collection percentages describe the narrative of tenants playing their role, the credit note application data provides a balancing perspective. In June and September there were a record number of credits awarded to tenants compared to a historical 2-year average.

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Days after due date



UNITED KINGDOM

COVID-19 Rent Collection Impact Report

DATA VALIDATION

Updated Reporting Metric

Our purpose is to continually develop our reporting methods to deliver realtime 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 <u>Re-Leased Terms and Conditions</u> as at the time of publishing.

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