

AUSTRALIA

# COVID-19 Rent Collection Impact Report Spotlight

SEPTEMBER 2021

Re-Leased

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OVERVIEW

# COVID-19 Rent Collection Impact Report

The latest rent collection impact figures analyse recent rent collection in Australia up to 7 September 2021. Importantly, these figures provide a snapshot of the impact of the latest lockdowns and these are explored for each asset class.

When looking at the rent collected by day 7 of the month nationally, figures have been steady in the 60%+ area since May.

This is a promising sign as the market appears to have bounced back from the ~40% lows during the 2020 lockdowns.

Of the commercial property asset classes, Office recorded the highest amount of rent paid so far in September (73%), followed by Industrial (69%).

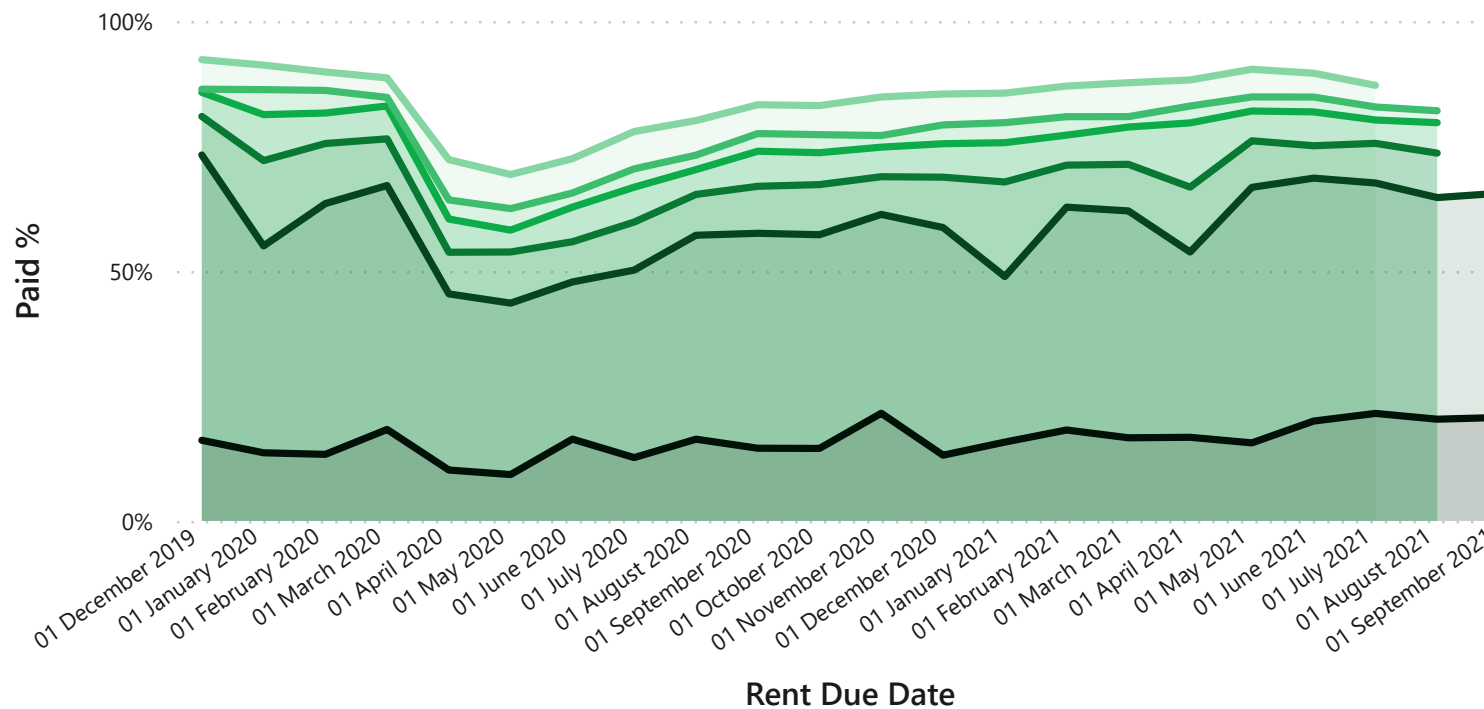
Nationally, QLD landlords have received the highest payments (71%), followed by those in NSW at 63%, and VIC at 60%.

*“As businesses navigate the latest lockdowns, their ability to operate is the biggest indicator of whether they are able to pay their rent. Unsurprisingly, retail has been hit the hardest, while office rent collection has been picking up nationally as these tenants continue operating with staff working from home.”*

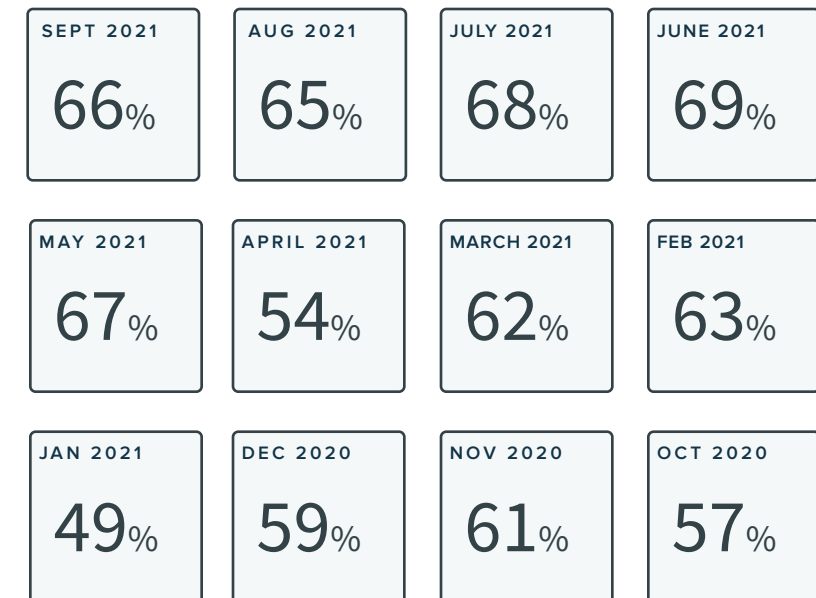
**Tom Wallace, CEO at Re-Leased**

### Australia - All Commercial

Day ● 60 ● 30 ● 21 ● 14 ● 7 ● 0

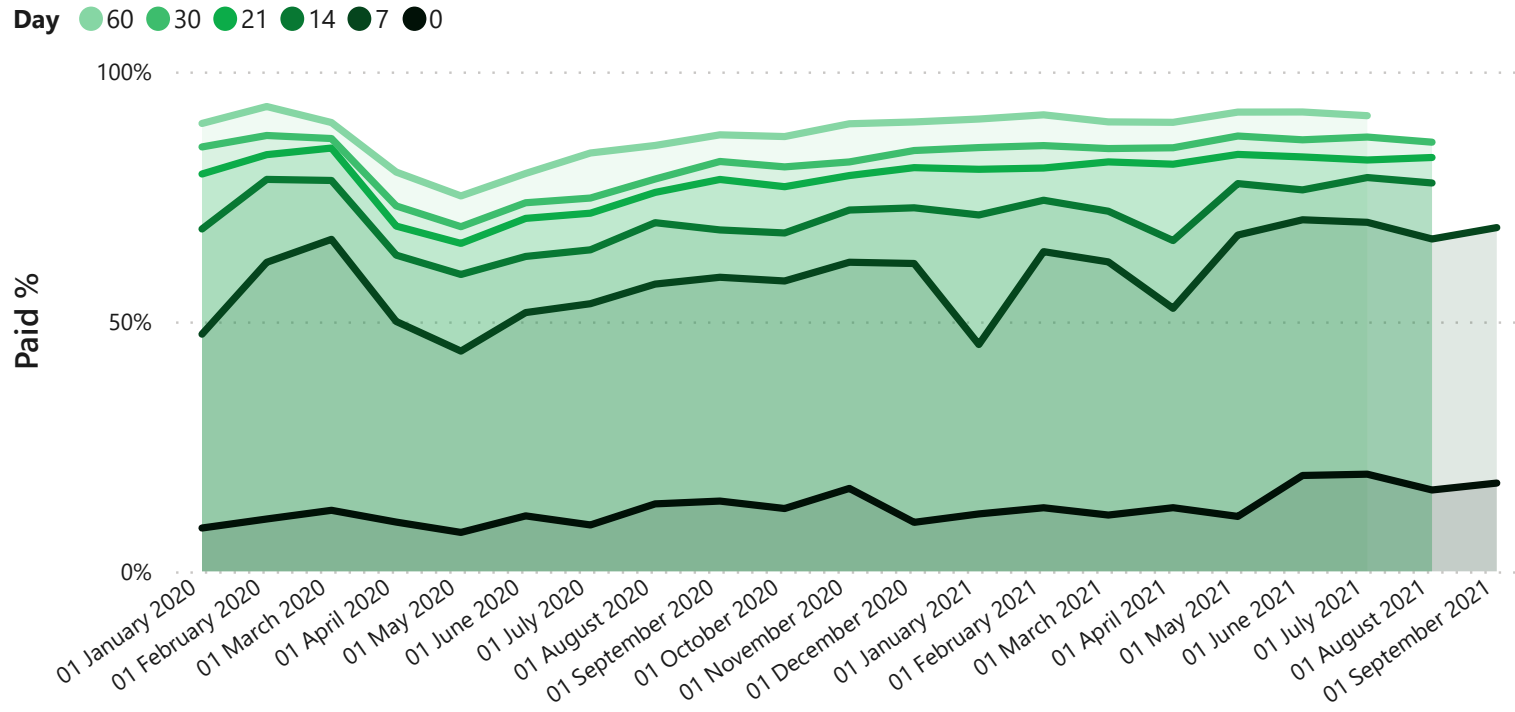


### Australian Average\* | All Commercial by Month - Day 7



\*Includes retail, office, industrial and other asset classes with smaller sample sizes (e.g. leisure)

ASSET CLASS BREAKDOWN  
Industrial



Industrial continues to be a strong performer nationally and has been a benefactor of the increased demand for warehousing and logistics facilities during the pandemic. Industrial rent paid 7 days into the month has been consistently higher than pre-pandemic levels since May 2021. This is a further indicator of increased business activity and the upward trend will buoy landlords and investors.

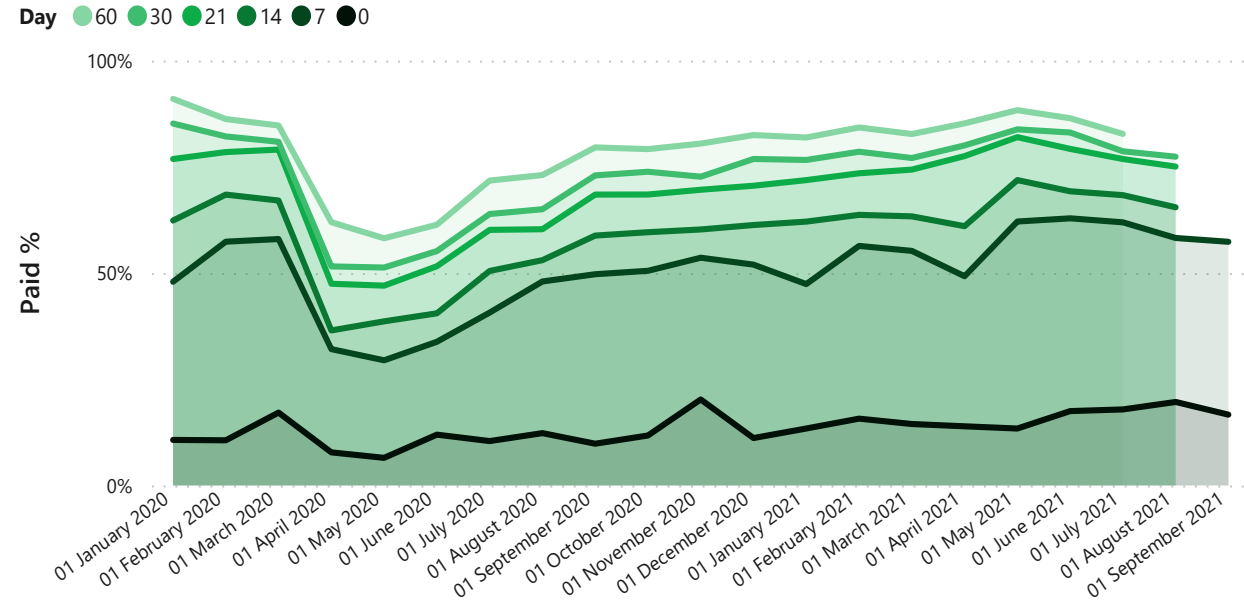
Rent collected 7 days into the month

SEPT 2021 <b>69%</b>	AUG 2021 <b>66%</b>	JULY 2021 <b>70%</b>	JUNE 2021 <b>70%</b>
MAY 2021 <b>67%</b>	APRIL 2021 <b>53%</b>	MARCH 2021 <b>62%</b>	FEB 2021 <b>64%</b>
JAN 2021 <b>45%</b>	DEC 2020 <b>62%</b>	NOV 2020 <b>62%</b>	OCT 2020 <b>58%</b>

**69%** of rent due has been received **seven days** into September, up on the **66%** collected at this point last month. Seven days into September 2020, 59% had been collected.

ASSET CLASS BREAKDOWN  
Retail

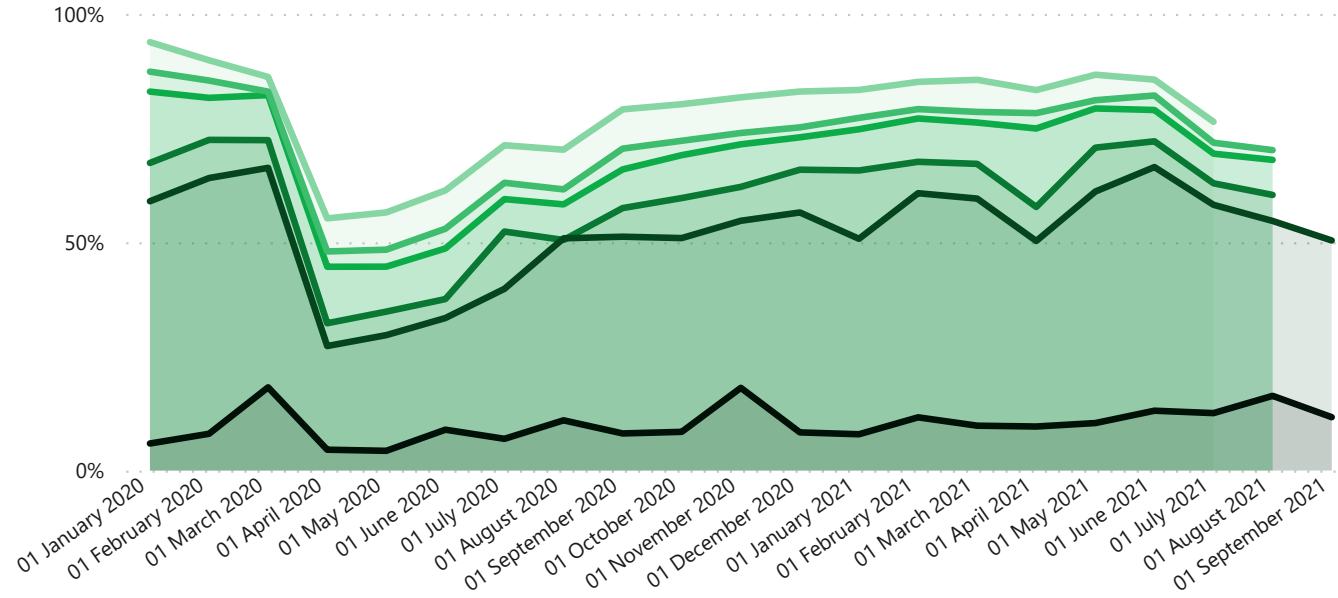
Australia



Rent collected 7 days into the month

SEPT 2021 <b>57%</b>	AUG 2021 <b>58%</b>	JULY 2021 <b>62%</b>	JUNE 2021 <b>63%</b>
MAY 2021 <b>62%</b>	APRIL 2021 <b>49%</b>	MARCH 2021 <b>55%</b>	FEB 2021 <b>56%</b>
JAN 2021 <b>47%</b>	DEC 2020 <b>52%</b>	NOV 2020 <b>54%</b>	OCT 2020 <b>51%</b>

Spotlight - NSW

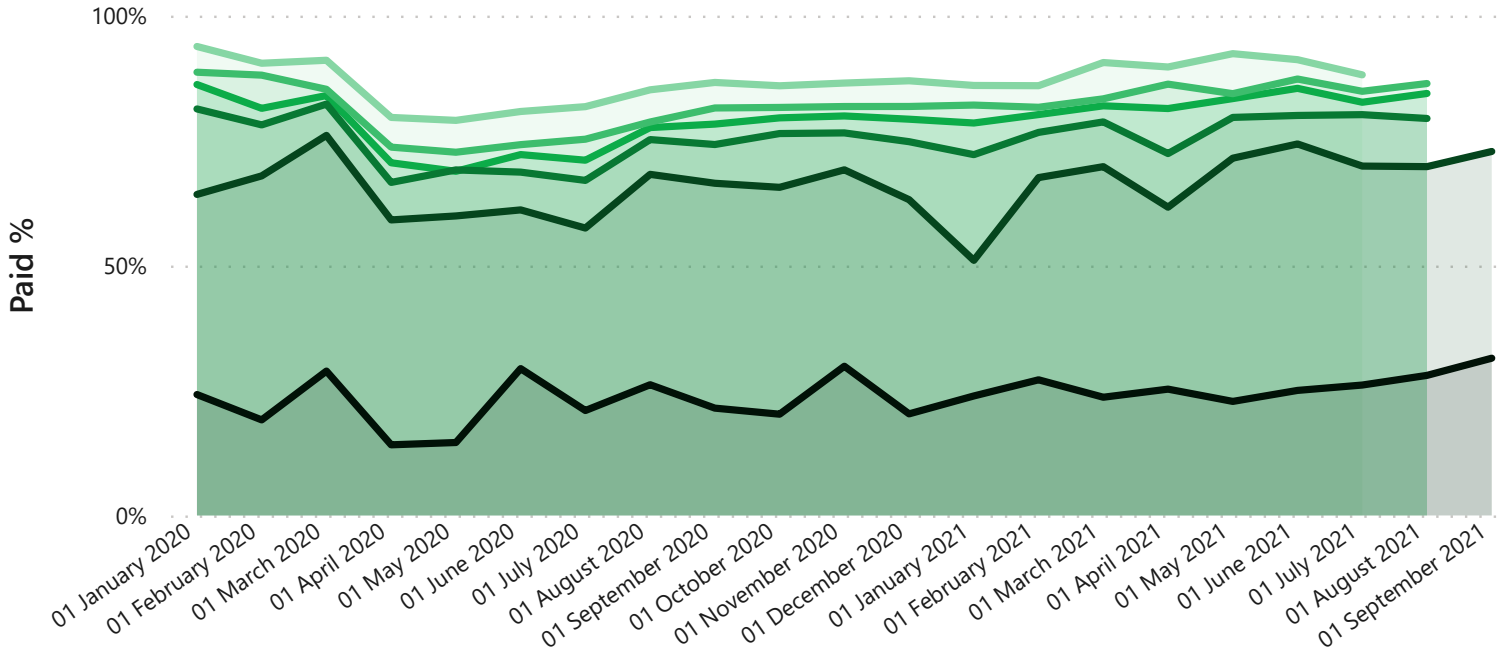


Here is a closer look at how Retail in NSW has fared in recent months. Sydney went back into lockdown in late June 2021 and rent collected has dropped since then. Just 50% of rent was paid on 7 September, down 16% compared to the same point in June 2021, and continuing the decrease seen in July 2021 (58%) and August 2021 (55%). The sector has not seen such consistently low levels of rent collection since this time last year. Although the NSW government has begun mapping out a path out of lockdown, falling rent collection figures are likely to continue in the short term.

ASSET CLASS BREAKDOWN

Office

Day ● 60 ● 30 ● 21 ● 14 ● 7 ● 0



The majority of office-based businesses and their employees have adjusted to flexible working since the initial lockdowns and are now better prepared to continue operating. This is showcased by the fact that Office rent collection is trending up beyond pre-pandemic levels. Lockdowns may prevent a return to pre-pandemic occupancy levels but businesses look to have adapted well in the past 18 months.

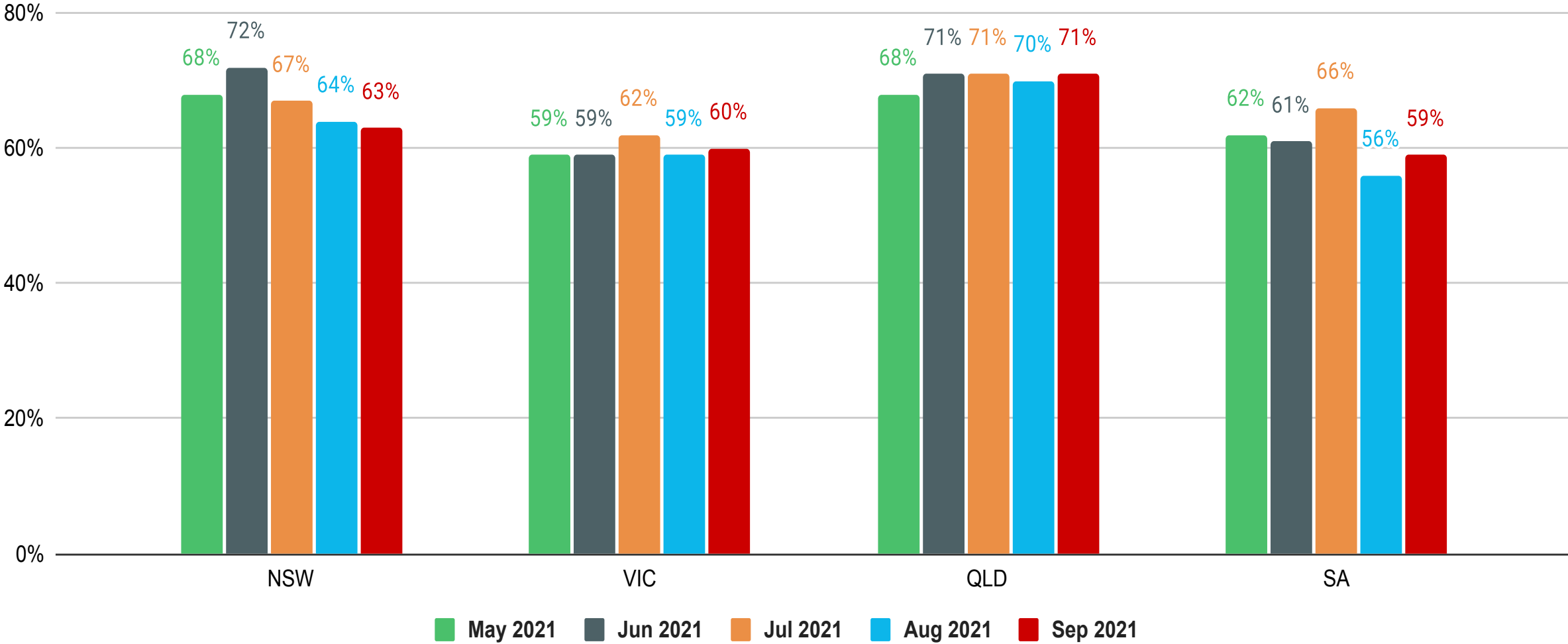
Rent collected 7 days into the month

SEPT 2021 <b>73%</b>	AUG 2021 <b>70%</b>	JULY 2021 <b>70%</b>	JUNE 2021 <b>74%</b>
MAY 2021 <b>71%</b>	APRIL 2021 <b>62%</b>	MARCH 2021 <b>70%</b>	FEB 2021 <b>68%</b>
JAN 2021 <b>51%</b>	DEC 2020 <b>63%</b>	NOV 2020 <b>69%</b>	OCT 2020 <b>66%</b>

**73%** of rent due has been received **seven days** into September, up on the **70%** collected at this point last month. Seven days into September 2020, 66% had been collected.

REGIONAL BREAKDOWN  
Rent Collection Impact

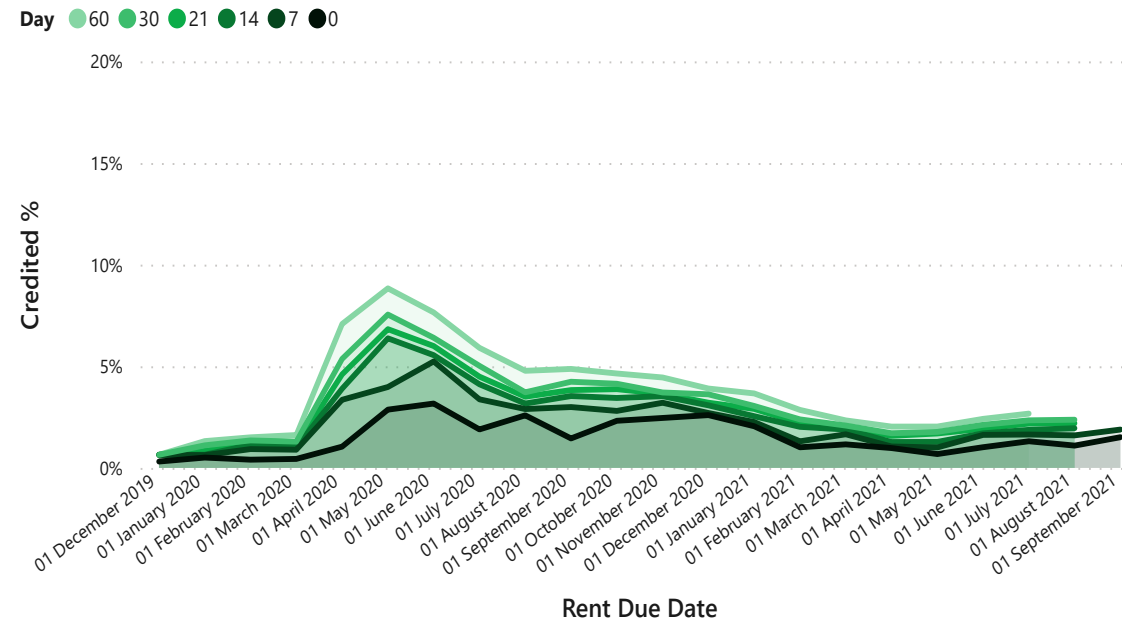
BY STATE - DAY 7



# Re-Leased

## RENT FREE PERIODS AND SUBSIDIES

### Australia

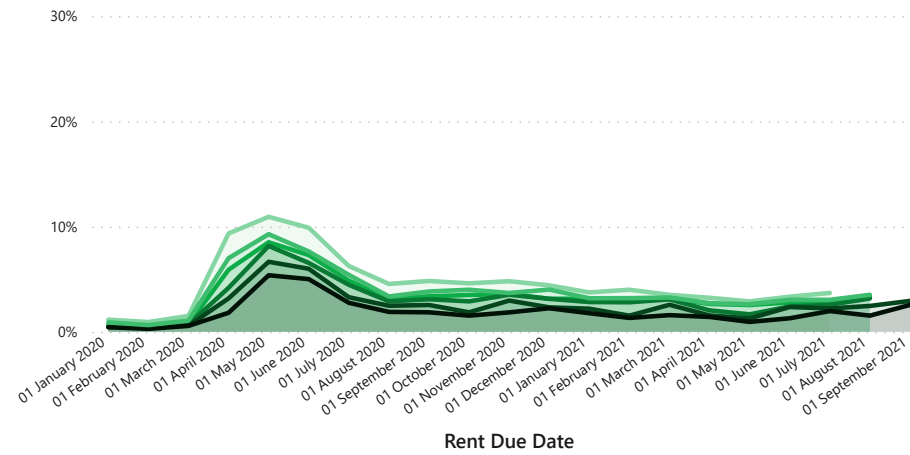


BASELINE  
0.9%

SEP 21, DAY 07  
1.9%

Overall baseline is taken from rent credited figures on day 7 from Dec 2019 through March 2020. Asset class baselines are taken from Jan 2020 through March 2020.

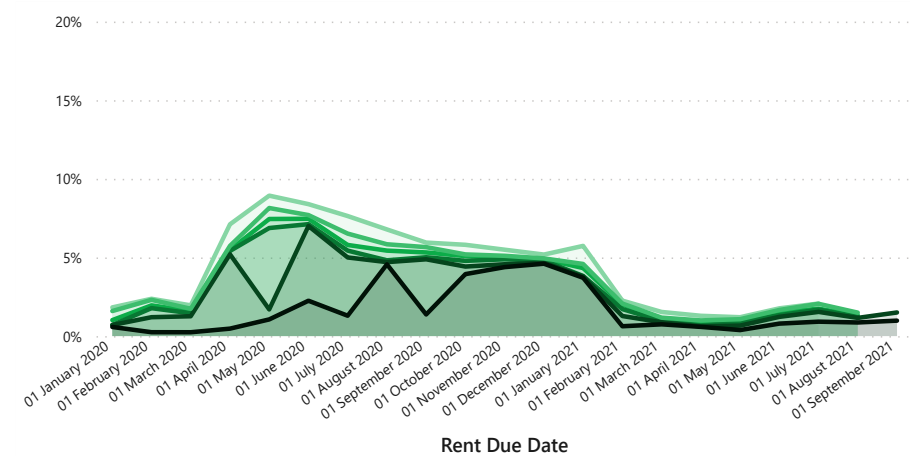
### Retail



SEP 21 DAY 07  
2.9%

BASELINE  
0.5%

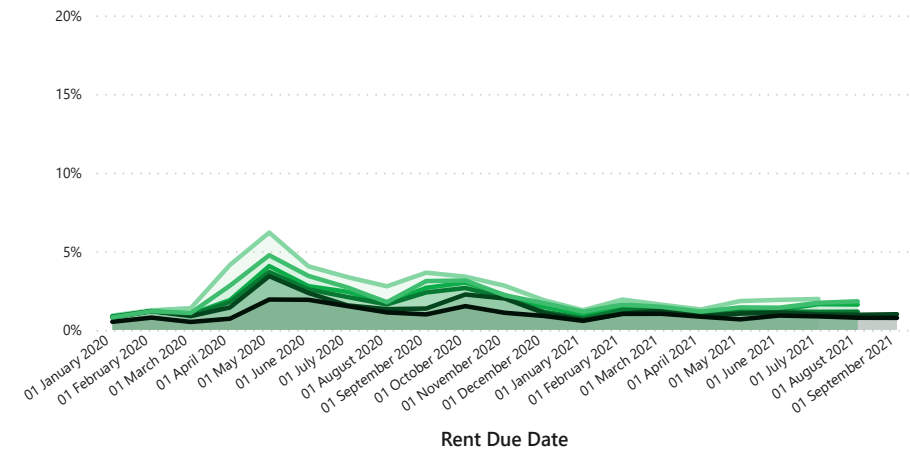
### Office



SEP 21 DAY 07  
1.5%

BASELINE  
1.0%

### Industrial



SEP 21 DAY 07  
1.0%

BASELINE  
0.9%



## AUSTRALIA

# Rent Collection Impact Report

### DATA VALIDATION

This data has been collected, anonymised and aggregated directly from over 21,000 properties and 45,000 tenancies in Australia. It does not rely on surveys or secondary collections. Re-Leased Software Company Ltd is 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.

Wherever the term 'Baseline' is used in the report, it refers to an aggregation and average of rental collection rates for invoices due on the first of each month between Dec 2019 through March 2020 (AUS and NZ) or an average of each traditional quarter day between 25 March 2018 and December 2019 (UK). 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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