

# Landlords' 'relief', reports Colliers, as 22% of retailers paid rents on time

Colliers' figures find retailers have broadly paid the same rent now after June rent quarter day as they had at the same time after March rent quarter day

By Paul Norman  
CoStar News



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Retailers have paid 22% of rents to their landlords on the first day of the new quarter, the same as paid on the first day of the last quarter, according to Colliers International.

This Wednesday [24 June] was the traditional Quarter Day, when rents are paid according to lease agreements.

Colliers has gathered data from the portfolio it manages and found that as of 24 June 2020, 22% of retailers have met their dues. Across the commercial property sector overall 36% of rents were paid.

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Mark Jarrett, head of Property Management, said: “Normally landlords can expect to receive 95% of their rents and charges on time, and only those businesses who are struggling will default. At March’s Quarter Day we saw 22 per cent of retailers paying their rent, and this figure has remained stable three months later, despite most businesses being forced to close due to the COVID-19 lockdown.

“Today’s figures are welcome relief for landlords who had feared that payment rates would be lower as many retailers have been unable to trade at this time. Now that non-essential shops have been able to reopen and more businesses will be opening from the 4<sup>th</sup> July we can expect a more favourable outcome this quarter.”

By the end of the last quarter retailers had paid a total of 62% of their rents.

Colliers reports that even in advance of the Covid-19 lockdown many businesses had renegotiated their rental agreements with landlords and switched onto monthly payments, and now even "more business have made this change, which means that over the next week more rents and service charges are likely to be recouped".

David Fox, Co-Head of Retail Agency at Colliers added: "While this is welcome news for landlords, the priority for retailers currently is to get their stores open and trading again, as physical shops are still the mainstay for creating revenue. Retailers are looking at their stock and making plans for how to best entice consumers over the next six months to try to recoup their losses and pay their debts to landlords and creditors.

"As Mark says, the best thing for landlords to do at the moment is to keep talking to their tenants, because if they have an occupied and trading business in their premises now, then they're in better shape than 25 per cent of landlords with empty properties."

pnorman@costar.co.uk

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