Mailbox posts strong rental collections, turning ‘excess’ retail units into offices

By Nigel Taylor - 28 October 2021

Regional commercial property company Mailbox REIT said Thursday that it’s enjoying strong rent collection rates from its roster of “low-risk” tenants at its 690,000 sq ft mixed-use Birmingham property. The shopping mall it includes has upscale names such as Harvey Nichols, Calvin Klein, Paul Smith and Gieves & Hawkes as tenants.

As of 26 October, the company said it had collected 91.9% of contractual rents for the September quarter. And with office and car park payments standing at 100%, that meant retail payments dragged at 79.6% of the total and Food & Beverage at 64.9%.

However, Mailbox said it expects the bulk of the remaining 8.1% of rents due during the quarter are to be paid by those tenants that settle their rents monthly, “bringing the total collection in line with June 2021 at over 98%”.

Upbeat non-executive chairman Stephen Barter spoke of a “continued improvement in market sentiment” which contributed to an increase in the valuation of the Mailbox.

The positive numbers from Mailbox reflect the wider UK property sector’s performance with continuing strong
returns to rent collections since the pandemic. However, with many of its peers struggling to fill vacant retail spaces, Mailbox is instead pushing ahead with a plan to convert its "excess retail units into additional, higher value office space".

It began this process in January and expects it to be completed early next year.