

## Financial Impact of Covid 19 on Science and Innovation Locations

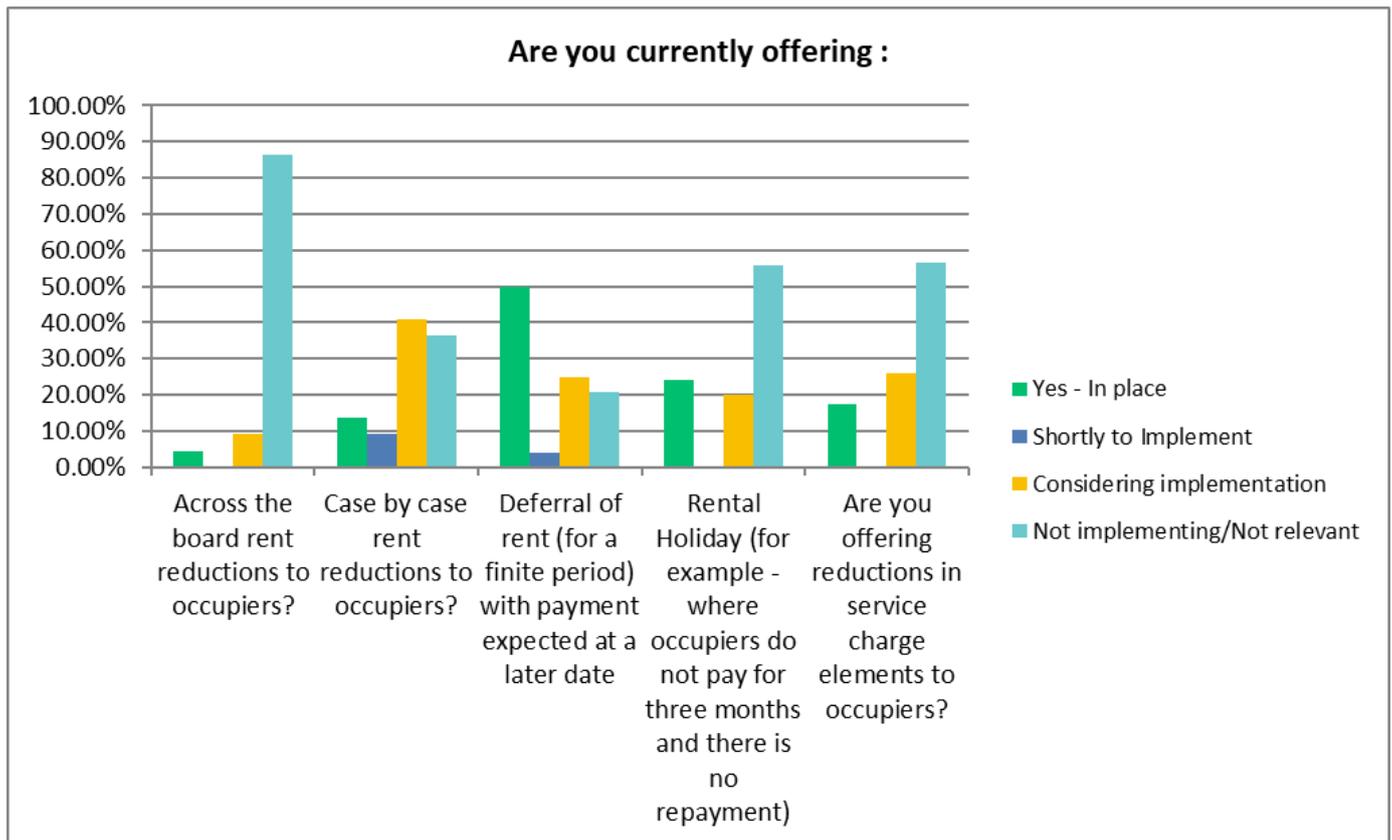
### Introduction

UKSPA asked members two questions in a survey that run from Thursday 3 April to Tuesday 7 April 2020.

Please note that the survey response rate was 41% - although this was from a fairly representative group of respondents (in terms of type of location and geographical spread) care should be taken with the conclusions drawn from a comparatively small sample size.

However it does provide a snapshot of member activity at this time and provides useful evidence on the impact that will be used in further UKSPA briefings to government and other stakeholders.

### 1 Current offers to occupiers:



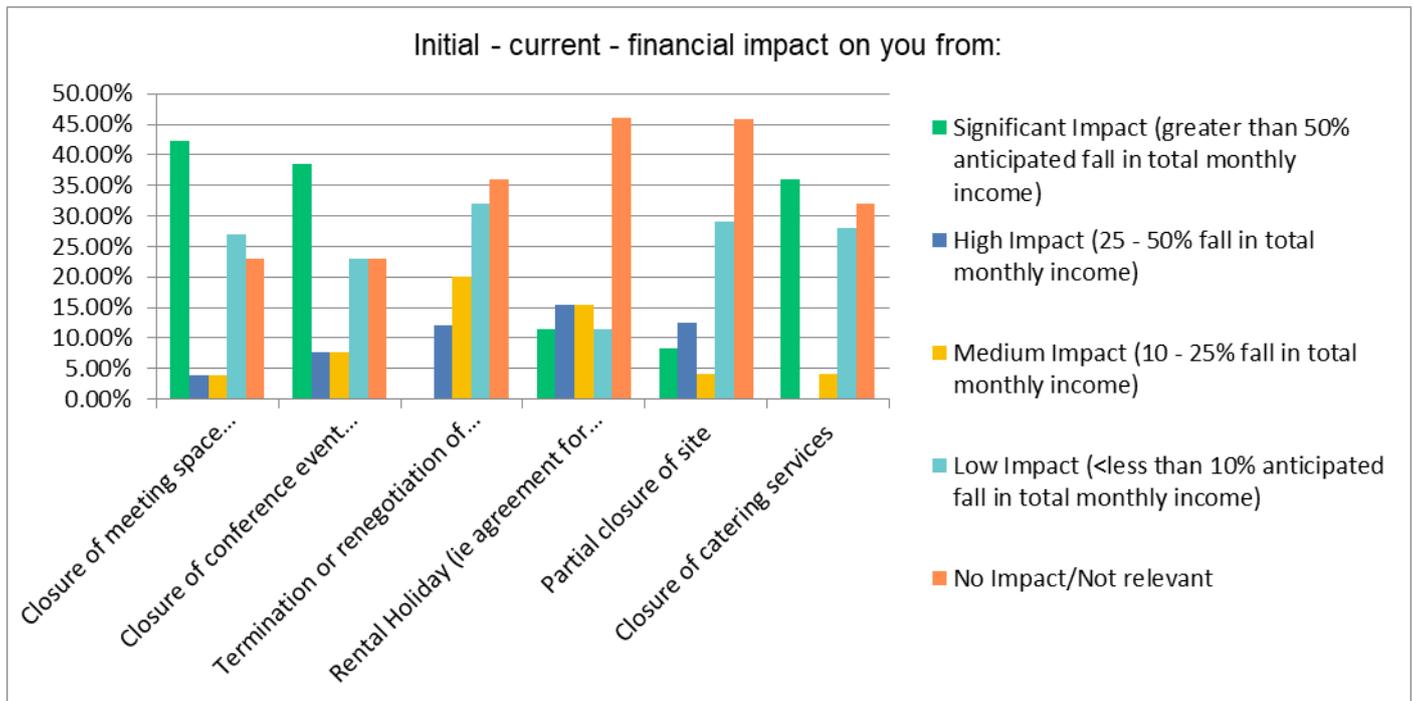
### Details

Over half (54%) of respondents had offered – or were shortly to offer- deferral of rent (for a finite period) with payment expected at a later date. A further quarter of respondents were actively considering this.

The majority of respondents were considering issues on a case by case basis. Less than 5% of respondents were offering across the board rental reductions – over 80% said they had no plans to do so.

A quarter of respondents were offering Rental Holidays (for example - where occupiers do not pay for three months and there is no repayment). A further 20% were considering implementation of Rental Holiday scheme.

## 2 Financial Impact



The loss of secondary income streams (Events, Meeting Rooms and Catering) are having a significant impact on income.

For those members offering rental holidays and/or deferrals the majority of respondents said that this would have medium/low impact on income.

	Significant Impact (greater than 50% anticipated fall in total monthly income)	High Impact (25 - 50% fall in total monthly income)	Medium Impact (10 - 25% fall in total monthly income)	Low Impact (less than 10% anticipated fall in total monthly income)	No Impact/Not relevant
Closure of meeting space (occupiers)	42.31%	3.85%	3.85%	26.92%	23.08%
Closure of conference event space (external users)	38.46%	7.69%	7.69%	23.08%	23.08%
Termination or renegotiation of leases / short term deferral of payment	0.00%	12.00%	20.00%	32.00%	36.00%
Rental Holiday (ie agreement for temporary departure from premises at no cost to occupier)	11.54%	15.38%	15.38%	11.54%	46.15%
Partial closure of site	8.33%	12.50%	4.17%	29.17%	45.83%
Closure of catering services	36.00%	0.00%	4.00%	28.00%	32.00%

### 3 Free Text responses:

The most common answers from members providing more details of **deferral schemes** were:

- 25% **discount** on all space for 3 months if not using. 50% deferral over 6 months, paid back interest free if not using space.
- General expectations are to cover the period of 3 months (at present) - expected to go further if social distancing continues
- Typical request is for 3 months' rent free, or 3 months deferral. No decisions made yet on best approach, but likely to be case-by-case.
- 12 weeks at 50% of rent with arrears to be repaid typically over following 12-months.
- Changing from quarterly in advance to monthly in advance to support their cash flow.

Those providing details of **Payment Holidays**:

- 3 months with repayment by end of financial year March 2021
- April, May and June - rent free, extending licences by 3 months
- Agreed a two month rental holiday (may be reviewed and extended later).

UKSPA  
Chesterford Research Park  
Saffron Walden  
Essex  
CB11 4AL

01799 532050  
info@ukspa.org.uk  
www.ukspa.org.uk

8 April 2020