

August 2024

Edition no. 32



Bannon **Retail Pulse**



New Developments - Progress

The New Developments which were commenced in the last number of years have been leased up gradually over the last year. The pace of openings continues to be slower than expected due to both the lengthy statutory

approval process and current high cost of fit out. There remains a strong level of demand from a broad spectrum of retailers, predominantly from Irish brands.



The Crossings @ Adamstown

- Secured Tenants include; Tesco, Aldi, McCabes, Grafton Barber, Dublin Bay Vets, Belfry & Co., ABC Gyms, Eurasia



Bray Town Centre

- Secured Tenants include; Penneys, Sports Direct, Holland & Barrett, Butlers, Card Factory, Elephant & Castle, Wow Burger, Sallys Beauty, Chipped, Skechers, Grafton Barber, Chatime



Phase 1, Lusk Village Quarter

- Secured Tenants include; Lidl, Polonez, McCabes, League Barbers, The Belfry



Grafton Place

- Secured Tenants include; Arket, H&M Home, Sandbox, Pitch Golf



Boland's Mill

- Secured Tenants include; Boland's mill Bakery, Reformation, The Flour Mills Bar, New Boland's Mill Food Market, Grindstone Coffee, Don't Kill my Vibe

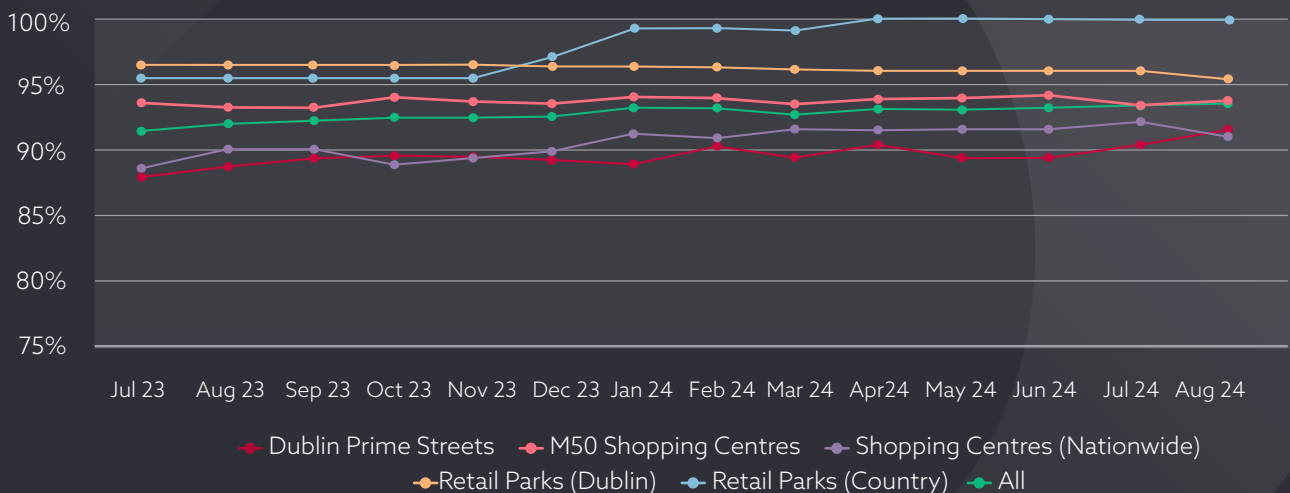


Charlemont Square

- Secured Tenants include; Tesco Express, Sam McCauley, Krew

Bannon Retail Occupancy Tracker

Tracked Representative Sample



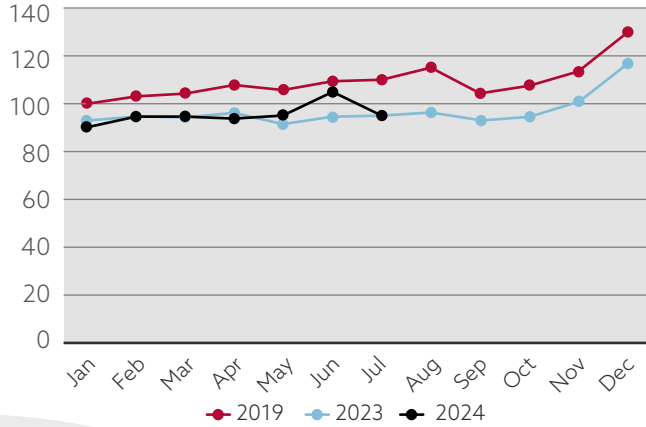
Bannon Trading Analysis

As at 31st July 2024



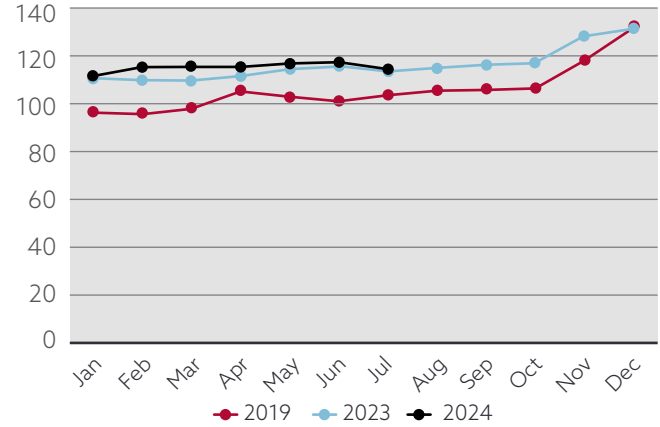
Shopping Centre Footfall

(Indexed: Based = Jan '19)



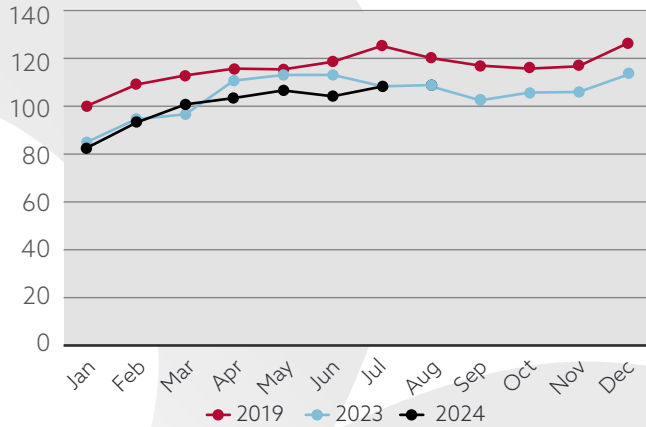
Retail Park Footfall

(Indexed: Based = Jan '19)



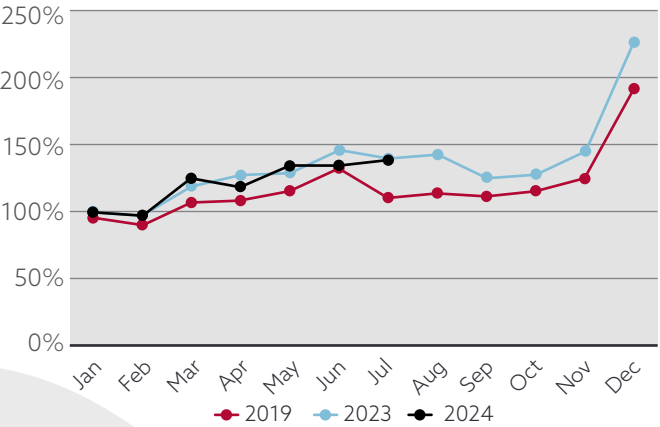
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in July 2024 was the same as July 2023, however, saw a 3.18% reduction in sales in the same period.



High street footfall in July 2024 was also the same as the previous July, and also 13.60% behind pre-COVID levels (July 2019).

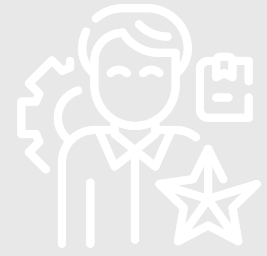


Footfall across our retail park portfolio in July 2024 was 1.38% ahead of July 2023, and 9.81% ahead of pre-COVID levels (July 2019).

Data is preliminary in nature and subject to revision.

Expert Insight

By Neil Bannon



The Relevance of Relativity

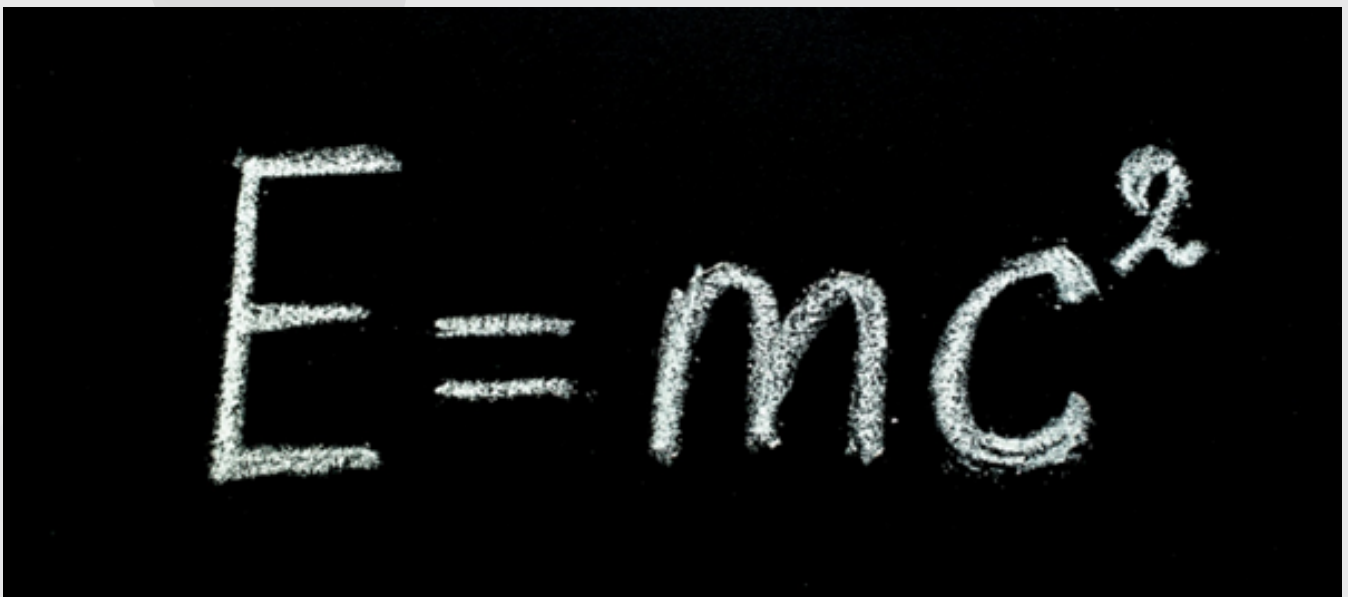
We are bombarded with statistics these days and like most data, these can be manipulated to drive a certain narrative or agenda. A lot of times analysis of the data would benefit from a dose of relativity. By way of example, if the stock of retail space in Ireland has been stable for the last 15 years (it has) but the population has grown by 19% (it did) the relative provision of retail space per capita has actually dropped by 12%. In simple terms this means there are more customers available for each shop resulting in a significant improvement on the demand / supply dynamic for investors in the retail sector. The same analysis has recently been highlighted in the housing sector where commentators have correctly linked housing supply to population and occupancy per dwelling. Thus identifying the latent demand for housing evidenced by the higher than usual dwelling occupancy stats in the last census.

We have become accustomed to a long period of zero inflation and in most European countries low economic and population growth. In Ireland, we have had a short bout of inflation in addition to strong economic and population growth for over a decade. This is why relativity

is so important. For example, if rents have been stable for the last 3 years, they have dropped by 19% in real terms due to inflation in the intervening period. I am old enough to recall that traditionally there was a strong and logical correlation between inflation and retail rents. As turnover tracks inflation (it has) then rent relative to turnover drops and consequently becomes more affordable. Whilst we have had a lot of commentary on the potentially damaging impact of inflation on the consumer, retail sales and retailer performance but very little on the relativity of the various dynamics at play.

To put all this in context in real terms prime retail rents are now 59% lower than they were in 2007, net worth is 23% higher but per capita is 7% greater (again in real terms). This analysis accounts for inflation, rental changes, population growth and household net worth.

Smart investors will be alert to the relevance of relativity when making investments in the sector as recent activity levels demonstrate.



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