

December 2024

Edition no. 36



# Bannon **Retail Pulse**



# Sample of Bannon Deals in 2024

## Bannon Client Deals

swatch® Petstóp

SHAW'S  
DEPARTMENT STORES

TUTHILLS  
NEWSAGENTS

Elverys Card Factory

HUGBIE  
Electronic Repair Centre

OAK  
BERRY  
ACAT BOWLS

REGATTA  
GREAT OUTDOORS

L'Ombré  
HAIR | BEAUTY

MCCABES  
PHARMACY  
ADVICE YOU CAN TRUST

## Bannon Letting Deals

R I T  
U A L  
S ...

new balance

H&M

MANGO

Lovisa

Dylan Oaks

XI'AN STREET FOOD  
A bite of China

BROWN  
THOMAS

Hale

expert  
Electrical

Specsavers

Rongcheng

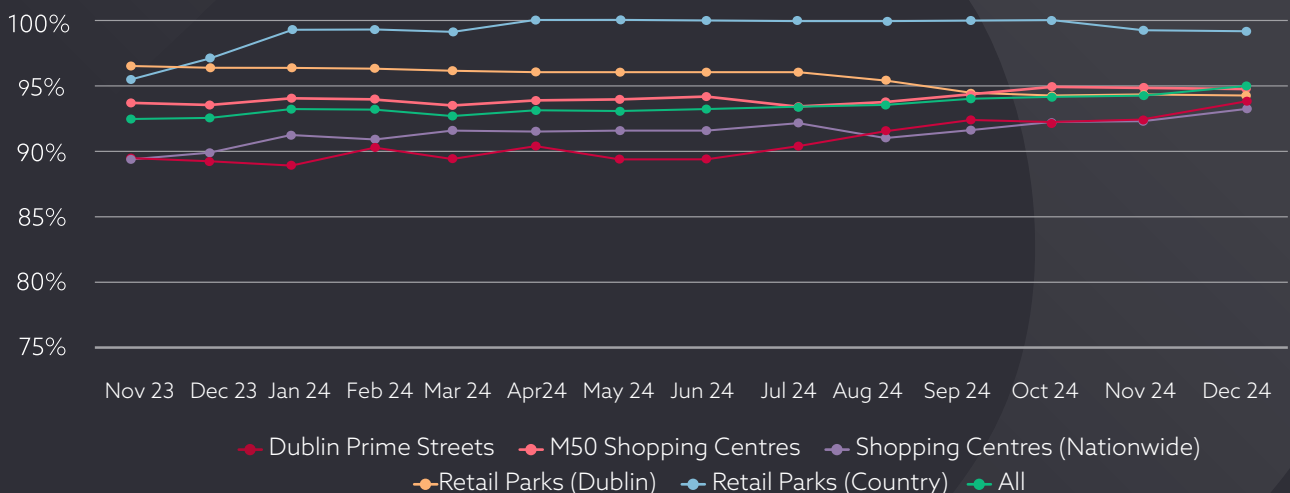
KIKO  
MILANO

SÁSTA  
by the river

THE  
PANTRY  
CAFÉ • BAKERY • DELI

## Bannon Retail Occupancy Tracker

Tracked Representative Sample



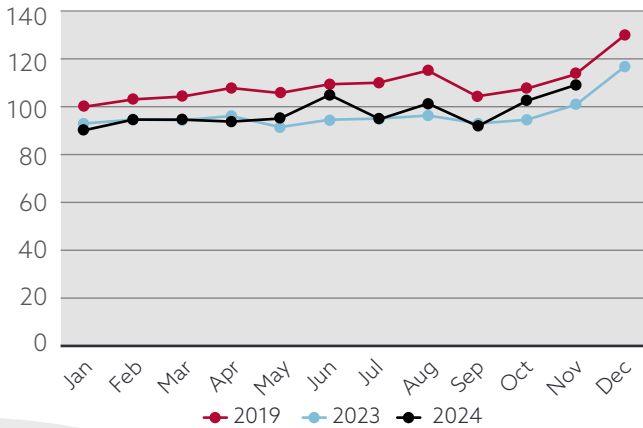
# Bannon Trading Analysis

As at 30th November 2024



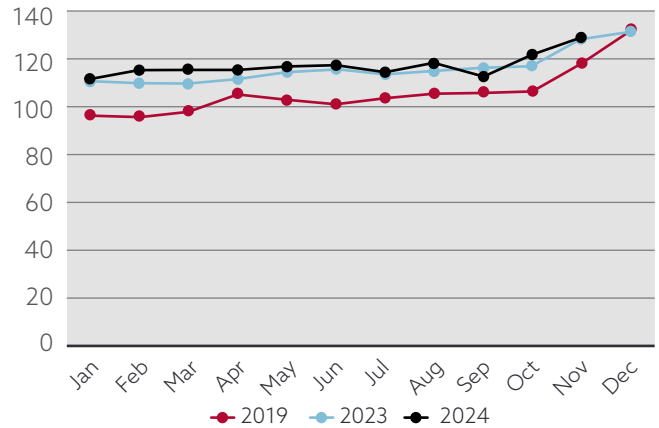
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



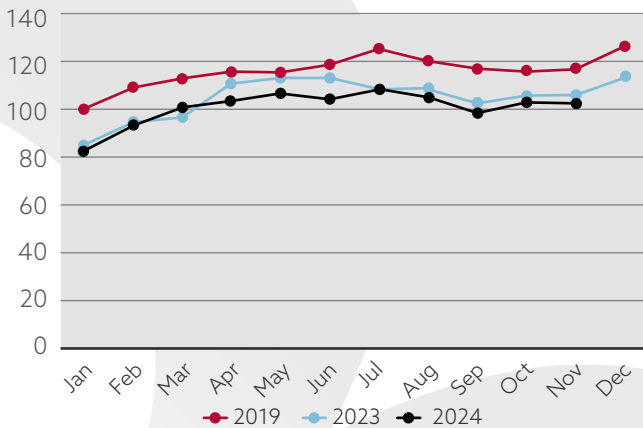
## Retail Park Footfall

(Indexed: Based = Jan '19)



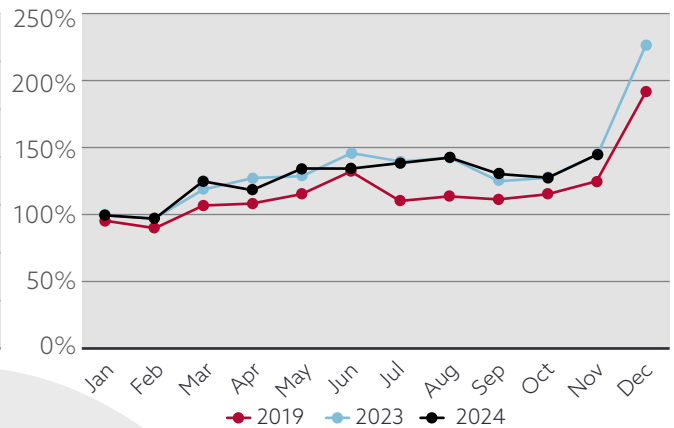
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in November 2024 was 5.7% ahead of November 2023, which converted to an increase in sales of 7.4% in the same period.



High street footfall in November 2024 was 2.8% behind the previous November and 11.9% behind pre-COVID levels (November 2019).

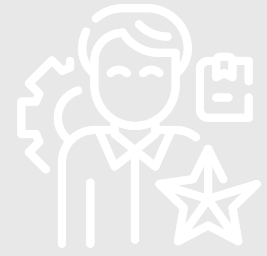


Footfall across our retail park portfolio in November 2024 was 1.1% ahead of November 2023, and 9.3% ahead of pre-COVID levels (November 2019).

Data is preliminary in nature and subject to revision.

# Expert Insight

By Neil Bannon



**Time to start looking forward, that's what the capital does**



As we enter the new year there is a tendency to reflect on the year past and look forward to the year ahead. The month of January is named for Janus the two-faced God with one face facing the past and one the future. There is an interesting parallel to the property market and one of its key dysfunctionalities. The property industry tends to look backwards to establish value, assessing previous transactions (comparisons) to assess rental levels and capital values. Whereas investors are always looking forward. What are the likely future income streams from an asset? How will they be valued in the future over their projected hold period? When we first started selling shopping centres to US private equity groups 10 years ago their first request was for a 5-year projected cashflow not what the last centre had sold for.

This dichotomy in the market place is of particular relevance when values are going up, a dynamic we are seeing across the retail sector, especially in retail parks. Vacancy is very low, consumer spending is robust and consequently rental growth is happening as retailers compete for the limited access points to these customers. This is creating a clear mismatch between what the backward facing valuers say something is worth and what forward facing occupiers & investors are willing to pay.

The correct advisor to sell or lease an asset is consequently one that understands what the asset is worth to the occupier or investor. For occupiers this is established by understanding what they will generate in turnover and what margins they need to be profitable. For investors it's understanding their required return on capital, hold period and risk profile. Simple in theory complex in application as it requires an in depth understanding of the capacity of the asset to generate turnover for a variety of different retail businesses. That's why in Bannon we have been at the forefront in collecting data from and listening to retailers, analysing their performance for the last 20 years.

As with all established professions there is a danger of group think leading to complacency. The property industry needs to focus of the forward-looking face and not be caught staring into the past. A theme we have come back to multiple times in the retail pulse is to follow the money, and the money is looking forward.

If you want to discuss these matters further or gain a greater understanding as to how the Bannon team evaluate retail investment opportunities feel free to contact me at [nbannon@bannon.ie](mailto:nbannon@bannon.ie)

December 2024

# Bannon Retail Pulse

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