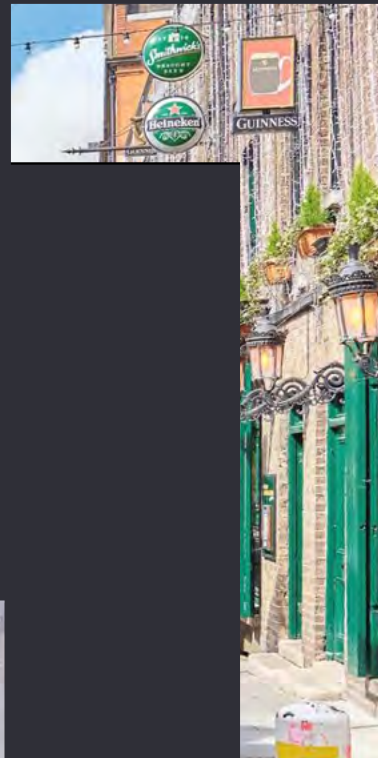


January 2024

Edition no. 25



Bannon Retail Pulse



2023 Lookback

There was continued activity across 2023 which saw expansion from existing operators and the entry of some new and exciting occupiers. Despite a slight decrease in the number of transactions, compared to 2022, the overall market was resilient with higher occupancy rates and stable

rents. The supply and demand dynamics, coupled with potential competitive tension for available space, are key factors that could influence the market in 2024 and see a possible upward pressure on rents.

Notable Transactions in 2023

New Market Entrants



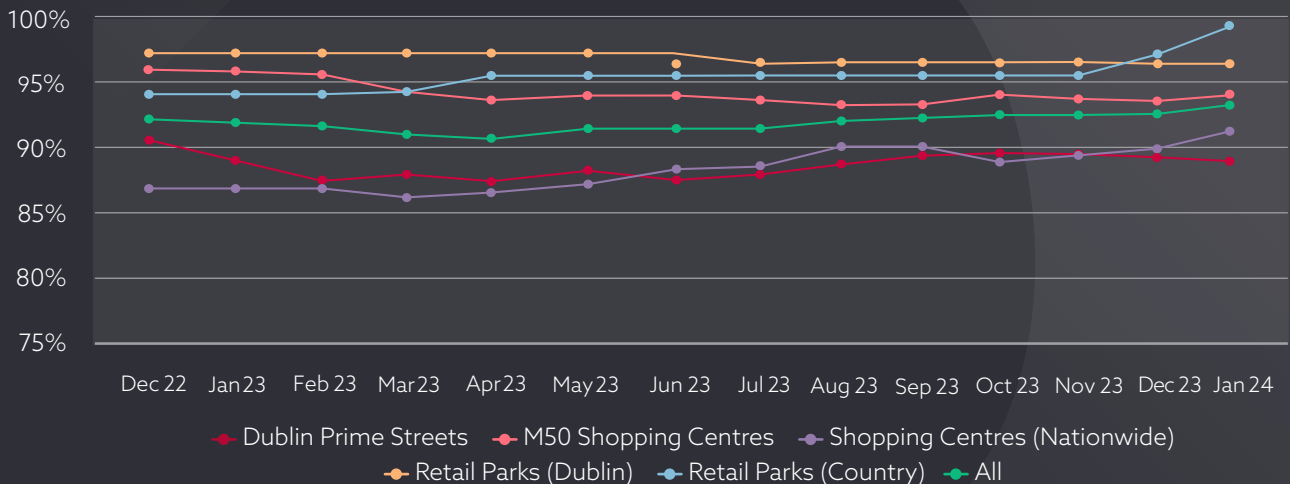
Grocery / Convenience Deals



Existing Occupiers



Bannon Retail Occupancy Tracker



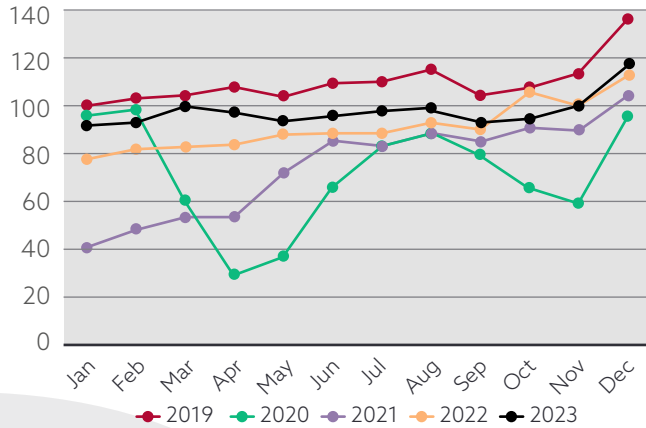
Bannon Trading Analysis

As at 31st December 2023



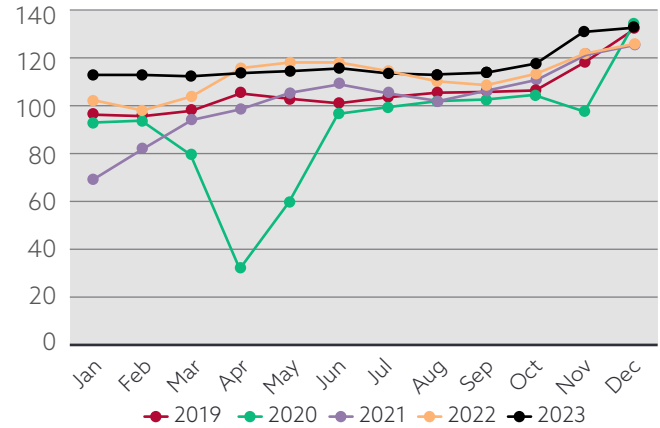
Shopping Centre Footfall

(Indexed: Based = Jan '19)



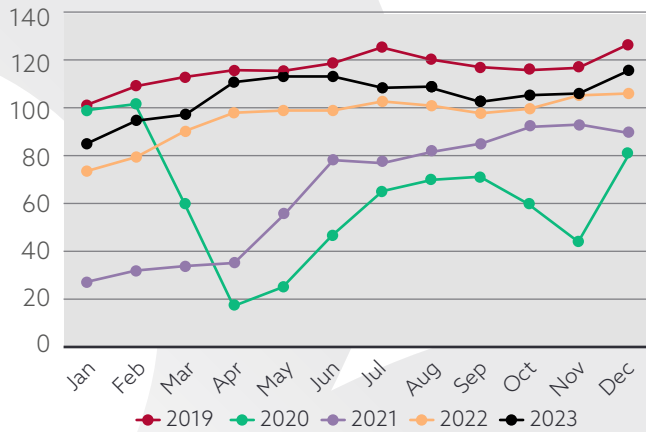
Retail Park Footfall

(Indexed: Based = Jan '19)



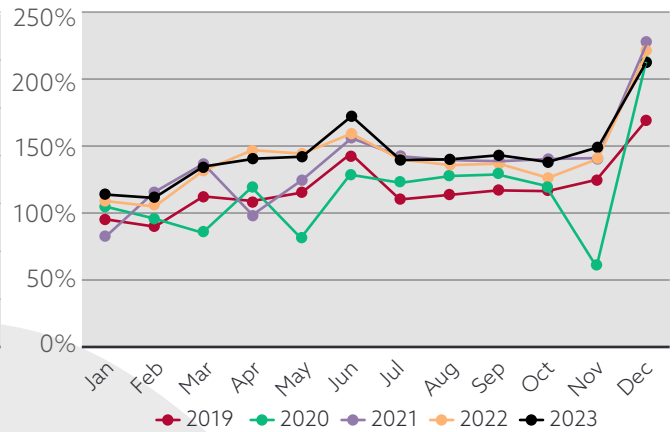
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall levels across our Shopping Centre Portfolio in December 2023 were 5.3% ahead of December 2022. Shopping centre sales were 2.9% ahead of December 2022.



High street footfall in December 2023 was 7.5% ahead of December 2022 and 9.5% behind pre-COVID levels (December 2019).



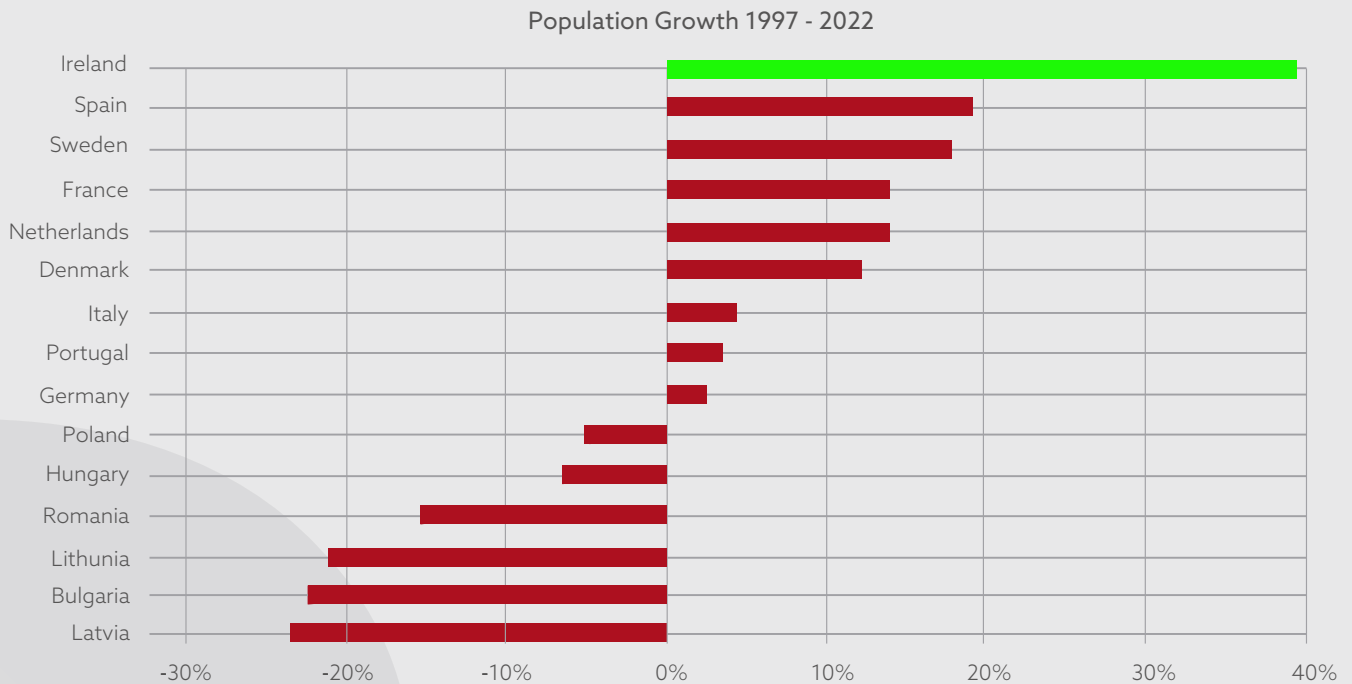
Footfall levels across our retail park portfolio in December 2023 were 5.1% ahead of December 2022 and in line with pre-COVID levels (December 2019).

Expert Insight

By Neil Bannon



Dramatic drop in ratio of Irish retail space per capita



We hear a lot about the shortage of housing, public services, excess traffic and crowded public transport but little commentary on what is causing this pressure. Simply put, Ireland's population grew by 40% over the last 25 years. It is worth letting that sink in for a moment. Between 1997 and 2022 Ireland's population grew by 1.5m people. That's around the population of the Greater Dublin Area being added in a generation.

This is completely at odds with the rest of Europe. The country with the next greatest growth, Spain, enjoyed less than half the growth in percentage terms and the average for the EU during the same period was 5%. That means our population has grown 8 times faster than Europe's since 1997.

This clearly represents a challenge in providing various services from schools and roads to hospitals and homes but also represents an opportunity for other fixed assets, specifically retail. We all but stopped building shopping centres and retail parks in Ireland about 15 years ago, so all these extra people have added to the customer base of the existing stock.

Where this gets really interesting from an investor and retailer perspective is where you have particularly strong pockets of population growth. Think of the population growth of Dublin and the surrounding counties against the backdrop of a static supply of retail stock.

We have seen evidence of this mismatch in supply growth (no more shops) and demand (lots more punters) in the centres we manage across the relevant parts of the country.

It is also a key dynamic attracting retailers to Ireland from other European countries, as is highlighted regularly in our Retail Pulse. So, the next time the ability of Ireland's infrastructure to keep up with this enormous growth is frustrating, there may be merit in thinking about the positive aspect in terms of the vitality and viability of our physical retail stock. It provides one of the explanations as to why retail investment came to the fore in 2023 and the depth of investors, both international and domestic, that have shown growing interest in the sector.

January 2024

Bannon Retail Pulse

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