

July 2022

Edition no. 7



# Bannon **Retail Pulse**



# July 2022 Retail Pulse

## Key Points For H1 2022

There has been significant activity in the first half of 2022 with a considerable level of take up across all retail asset classes. Strong demand from new entrants from a more international retailer base is bringing a more sustainable occupier mix to the prime high streets and major schemes, moving the shift away from an over reliance on UK based retailers.

Expanding retailers are doing so off the back of continued strength in turnover conversion rates, which can be seen from our performance trackers on high streets and schemes across the country. The strong demand being experienced from new entrants also shows the confidence retailers have in the Irish economy.

We are expecting to see good activity going forward however concern over cost-of-living increases, interest rate hikes and the War in Ukraine may temper demand in some sectors of the market towards the end of 2022

## Key Deals

### New Entrants

Flannels	Blanchardstown TC & O'Connell Street
Frasers	Whitewater SC & Mahon SC
Lego	Grafton Street
Russel & Bromley	Grafton Street
Carhartt	Wicklow Street
Pret a Manger	Dawson Street
Natuzzi	Blanchardstown TC
Six by Nico	Molesworth St
Movrs	Harry Street

### Existing Traders

Sky	Blanchardstown TC & Dundrum TC
Canada Goose	Grafton Street
Aldi	The Crossings Adamstown
Penneys	The Square & Dundrum TC
Brown Thomas	Dundrum TC
Skechers	Grafton Street
H&M	O'Connell Street
Zara	Blanchardstown TC
Home Store & More	Frascati SC
Sports Direct	Corrib SC

## Retail Requirements



## Bannon Retail Occupancy Tracker

Scheme Type	Occupancy	+/- (month on month)
Dublin Prime Streets	83%	↔ 0.0%
M50 Shopping Centres	91%	↑ 0.5%
Shopping Centres (Nationwide)	87%	↑ 0.1%
Retail Parks (Dublin)	98%	↑ 1.3%
Retail Parks (Country)	94%	↔ 0.0%
<b>All</b>	<b>89%</b>	<b>↑ 0.4%</b>

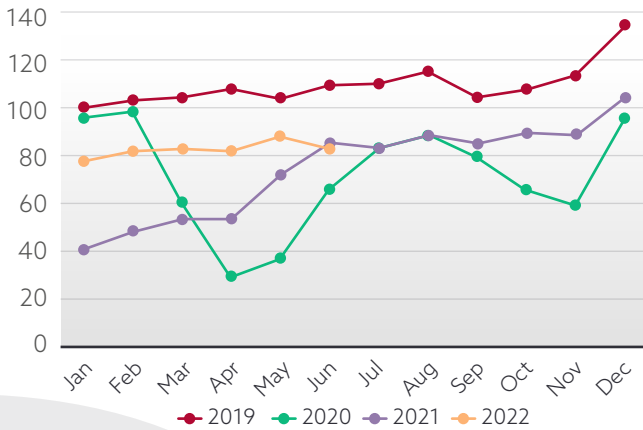
# Bannon Trading Analysis

As at 30th June 2022



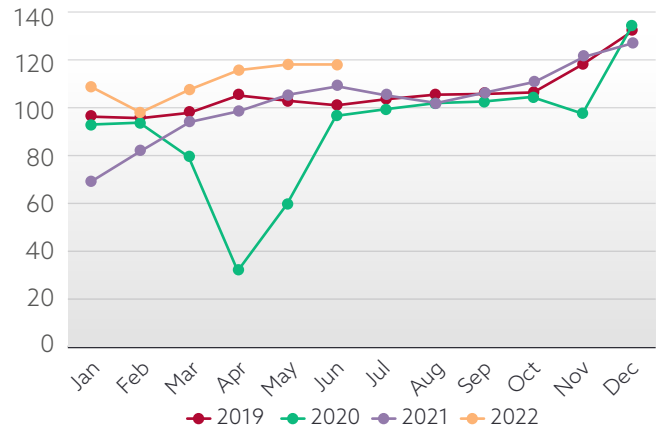
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



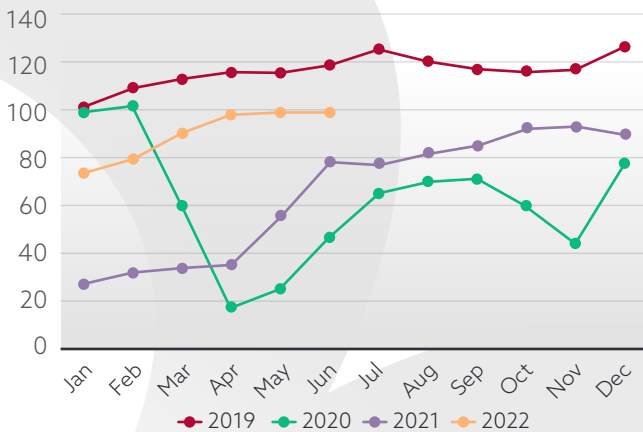
## Retail Park Footfall

(Indexed: Based = Jan '19)



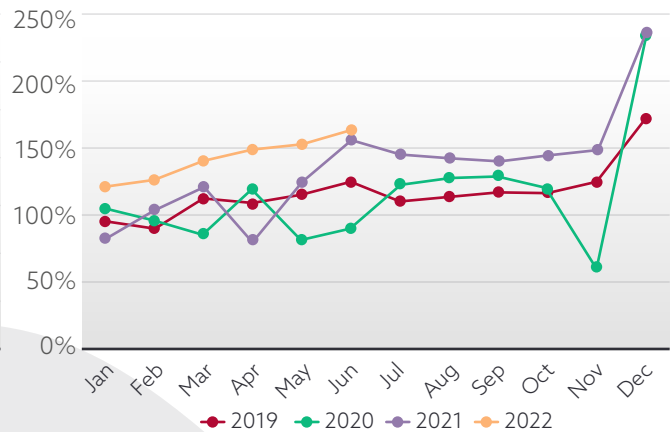
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall levels across our portfolio in June 2022 remained consistent with the first five months of the year. Our shopping centre portfolio footfall in June 2022 was -25.5% when compared to May 2019 (pre-COVID). High street footfall for May 2022 was -16.9% versus May 2019.



Our retail park portfolio seen another very strong month with growth of 16.3% for the same period (June 2022 vs June 2019) and 7.8% growth versus June 2021.



The significant drop in footfall during June 2022 had an obvious knock on impact on spend for the month. In June 2022 spend across our shopping centre portfolio was -1.4% versus pre-pandemic levels (June 2019).



# Expert Insight

By Neil Bannon

## The Most Depressing Boom

When you look at the economic statistics it is hard not to come to the conclusion that we have been experiencing a boom. Effective full employment, wage growth and world leading GDP growth. Retail sales are up, house prices are up and inflation is back again. It is reminiscent of 2005-7 except for one thing, nobody seems happy about it. In the early 2000's when house prices went up homeowners were happy about it, it made them feel wealthier and they spent accordingly (over 70% of homes in Ireland are owned - Eurostat 2020). Now house price increases are bad news as the focus is on affordability for those that want to buy a home for the first time.

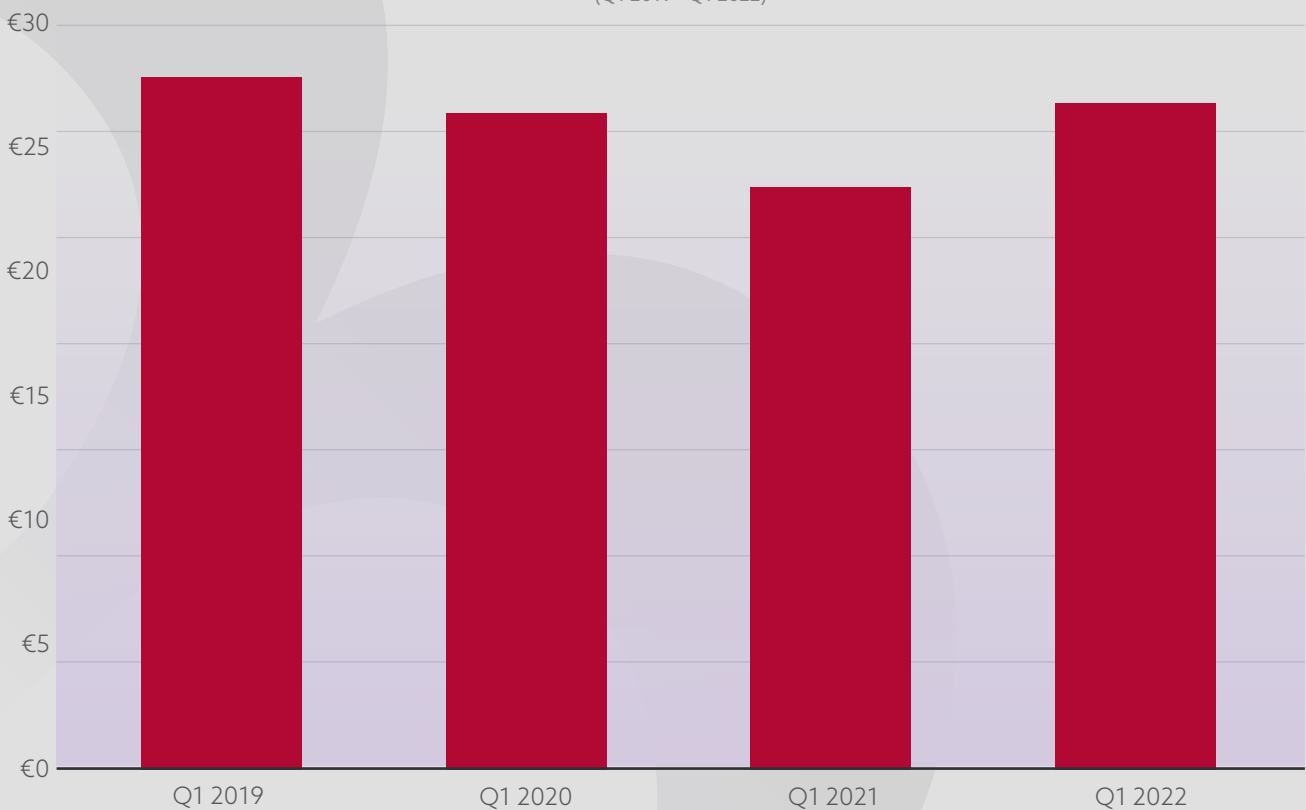
Stripping back the narrative what do the latest National Accounts released by the CSO (15/07/22) tell us about the retail economy? It is best summed up in a tale of quarters; Q1 2019, Q1 2020, Q1 2021 & Q1 2022.

In Q1 2019 Irish consumers spent €27.9bn on goods and services, this dropped to €26.5bn in Q1 2020 as the first COVID fears started to surface and then by a further 11% in Q1 2021 when COVID restrictions were at their most severe. In the first quarter of this year Irish consumers spent 14% more than last year, although still €1bn shy of 2019 (the war in Ukraine started in late February 2022 impacting on consumer sentiment). The Irish consumer is considerably wealthier than they were in 2019 yet rather than spending with abandon they are saving and reducing debt. This ultimately bodes well for the retail sector in a recovery scenario but for the time being Irish consumers continue to demonstrate caution and sensitivity to macro geopolitical and economic events.

Apparently even sunny weather is now bad news so expect caution to remain prevalent.

### Consumer Spend on Goods & Services

(Q1 2019 - Q1 2022)



Source: CSO

July 2022

# Bannon Retail Pulse

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