

June 2022

Edition no. 6



# Bannon Retail Pulse



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## Grafton Street – Tenant Mix

The last recession witnessed a high turnover of tenants in many schemes and high streets around the country. Grafton Street was not immune to the impact of this.

Over the period 2010 to 2016 there were a number of retailer failures, predominantly related to trading issues in other territories outside Ireland. Whilst concerning at the time with vacancies increasing it did ultimately

result in a significant improvement in tenant mix on the street over the period with brands like Hugo Boss, Massimo Dutti and & Other Stories all gaining representation.

The same can be said since the start of the Covid 19 Pandemic. With UK retailers making up the majority of failures and store closures the vacancy rate has increased as can be clearly seen walking the street. However this

vacancy has released opportunities for premium international brands that may otherwise not have had the opportunity to trade on the street. Current vacancy is likely to drop significantly towards the end of 2022 as new lettings complete with premium brands, all of which should contribute to a further enhancement of the tenant mix on Ireland's prime retail street.



## Retail Requirements



## Bannon Retail Occupancy Tracker

Scheme Type	Occupancy	+/- (month on month)
Dublin Prime Streets	83%	↔ 0.0%
M50 Shopping Centres	91%	↔ 0.0%
Shopping Centres (Nationwide)	87%	↔ 0.0%
Retail Parks (Dublin)	96%	↔ 0.0%
Retail Parks (Country)	94%	↔ 0.0%
<b>All</b>	<b>89%</b>	<b>↔ 0.0%</b>

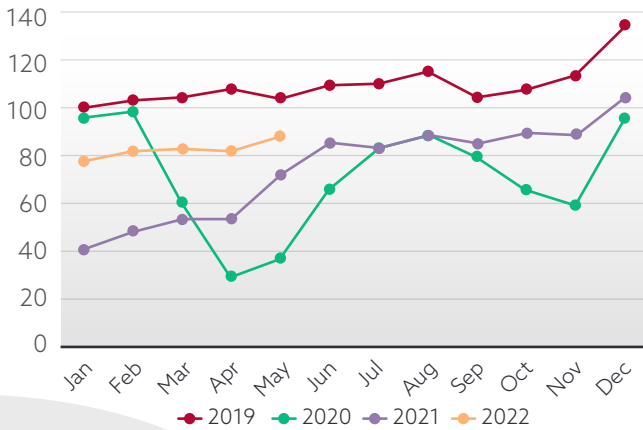
# Bannon Trading Analysis

As at 31st May 2022



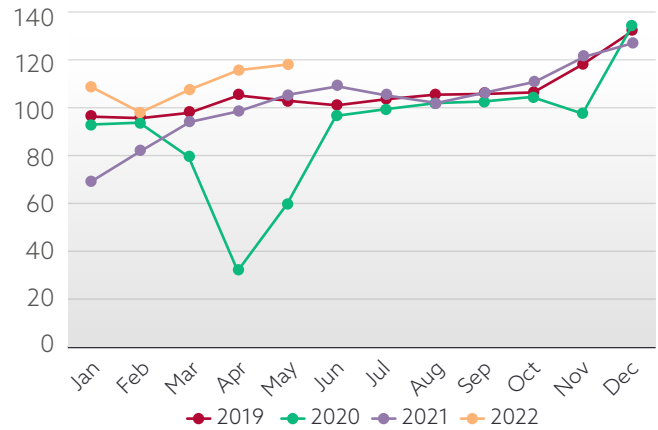
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



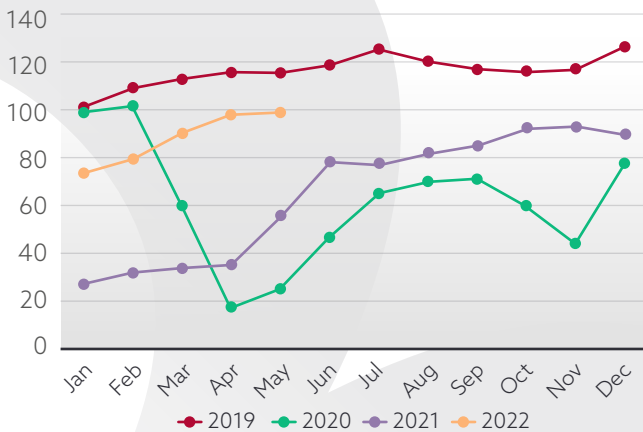
## Retail Park Footfall

(Indexed: Based = Jan '19)



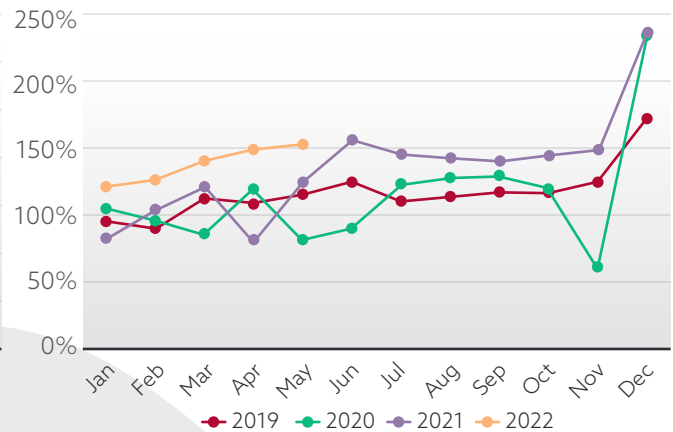
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

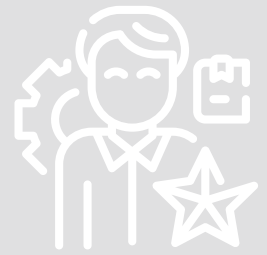
(Indexed: Based = Jan '19)



The footfall trend we have been seeing since the beginning of the year continued in May 2022. Our shopping centre portfolio in May 2022 was -17.1% when compared to May 2019 (pre-COVID). High street footfall for May 2022 was -14.8% versus May 2019. Our retail park portfolio on the other hand saw another very strong month with growth of 14.2% for the same period (May 2022 vs May 2019).



Spend across our shopping centre portfolio in May 2022 was +9.7% ahead of pre-pandemic levels (May 2019), despite the comparative footfall figure being -17.1%. There is a very clear improvement in the footfall to sales conversion across our shopping centre portfolio since the beginning of 2022, as can be seen in the chart above (Ratio – Sales : Footfall).



# Expert Insight

By Neil Bannon

As the recent controversy surrounding Dublin Airport indicates, travel is very much back in vogue with 425,000 passengers passing through the airport on the June bank holiday weekend alone.

One of the key customer groups that town centre retail has missed since early 2020 is tourists. Dublin City Centre has suffered most from their enforced absence. So how important are they? There are now approx. 24,000 hotel rooms in Dublin City Centre. In 2019 Dublin attracted 6.6m overseas tourists and a further 2.0m from elsewhere on the island of Ireland. If each tourist spent three days in Dublin that means that on average there were over 70,000 tourists wandering its streets, museums and pubs every day pre-COVID. When you consider the peak daily footfall in Grafton Street is currently 50,450 it shows the potential importance of these visitors.

And they spend. Combined these two groups are estimated to have spent €2.5bn in the City in 2019. Tourism Ireland estimates that 13% of this expenditure ended

up in shops which would translate to €325m (this is a national estimate and could well be higher for a visitor who spends their time in the City Centre). To put this into context, the last Household Budget Survey issued by the CSO estimated that Irish households spent €1,768 p.a. on Clothing & Footwear. That €325m is the equivalent of 184,000 household's annual spend on Clothing & Footwear. Clearly tourists will shop more widely than in fashion stores but the comparison does highlight the importance of this cohort of potential customers especially when you consider their concentration in city centres.

In January 2022, the most recent month that the CSO have released data for, just under 1.0m passengers travelled through our airports, which was just under half of the number recorded in January 2020 but 5 times more than in January 2021. If this growth trend and the recent travails of Dublin airport are indicators city centre shops should be in for a welcome boost.



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