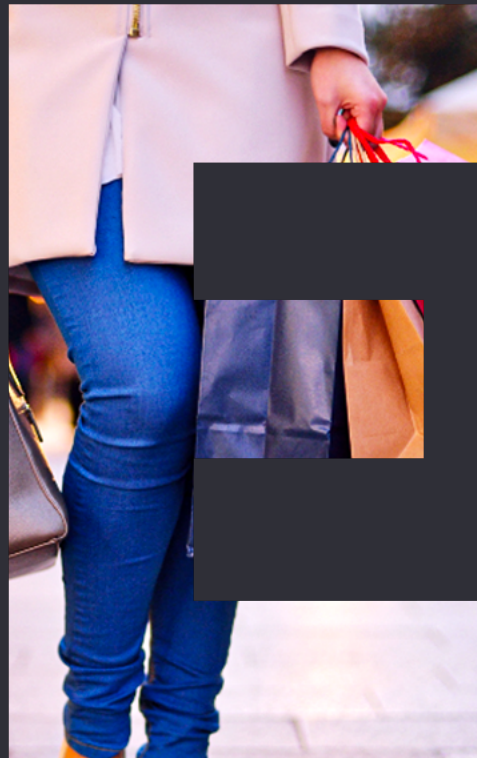


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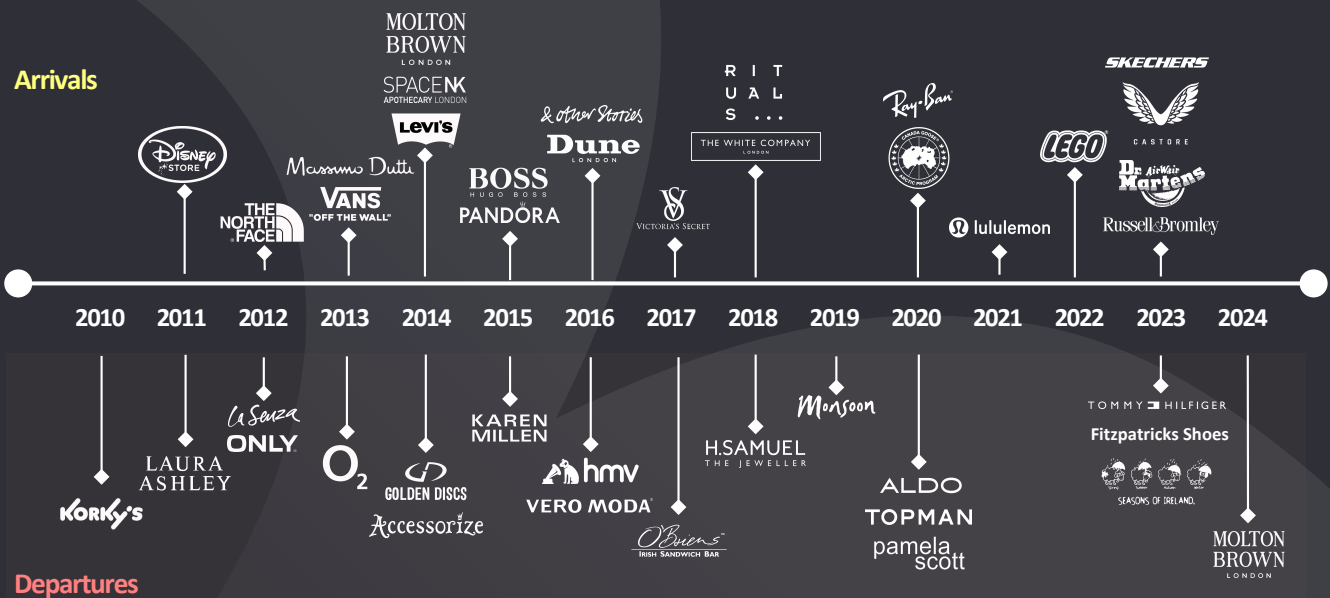
# Bannon **Retail Pulse**



# Grafton Steet - Occupier Mix

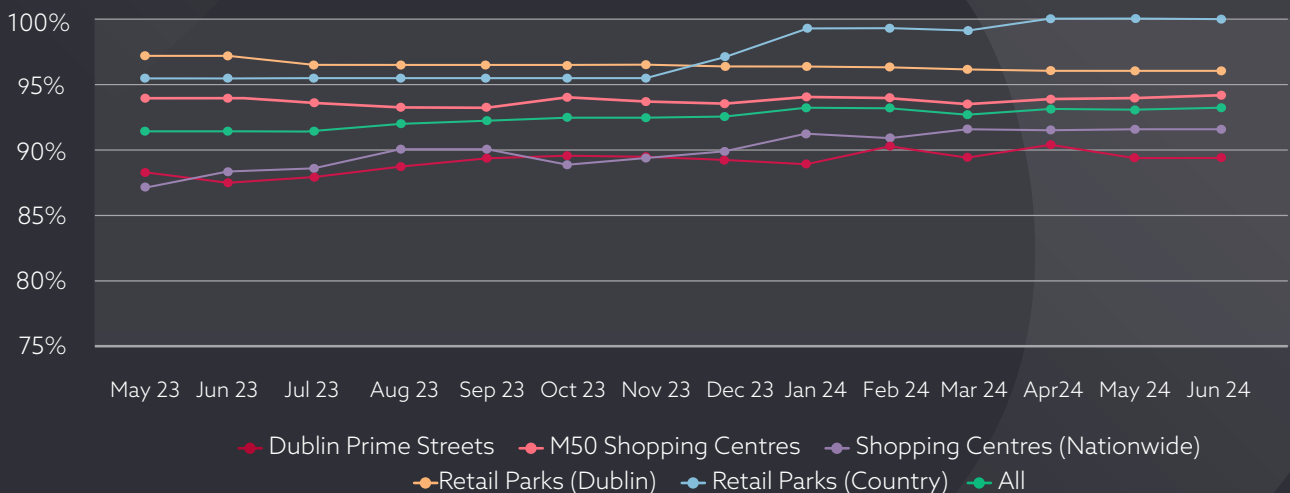
Grafton Street has long been Dublin's premier retail shopping street. Previously dominated by UK multiples this has changed over the last number of years with the occupier mix on Grafton Street improving with the arrival of exciting new international brands. The vacancy created by retailer failures and Covid has allowed the Street and mix to evolve by offering unit sizes and opportunities that these international brands had previously been unable to secure. This evolution of the occupier mix on the Street has contributed to a stabilisation of the rents and has reduced the vacancy rate considerably. By year end it is expected that the vacancy rate on the Street will halve to 5%. From 2021 to date headline Zone A rents have moved from approximately €450 per sq. ft to €500 per sq. ft. and have remained relatively stable for the last 18 months.

## Grafton Street Evolution



## Bannon Retail Occupancy Tracker

Tracked Representative Sample



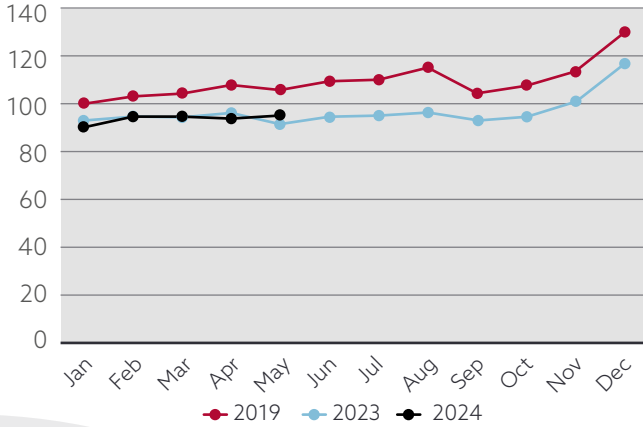
# Bannon Trading Analysis

As at 31st May 2024



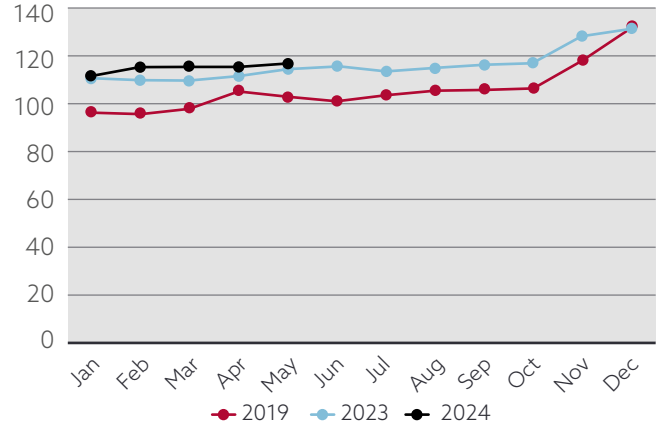
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



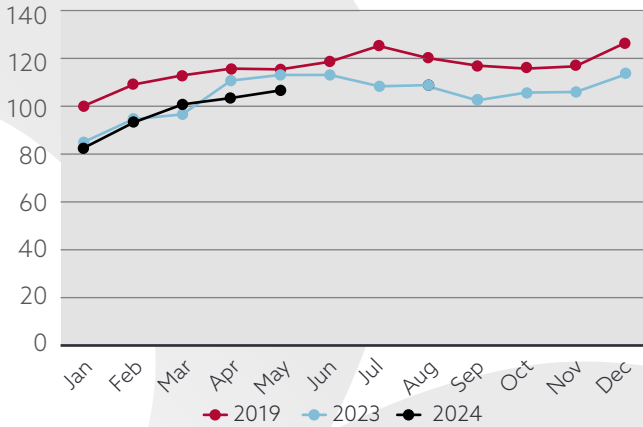
## Retail Park Footfall

(Indexed: Based = Jan '19)



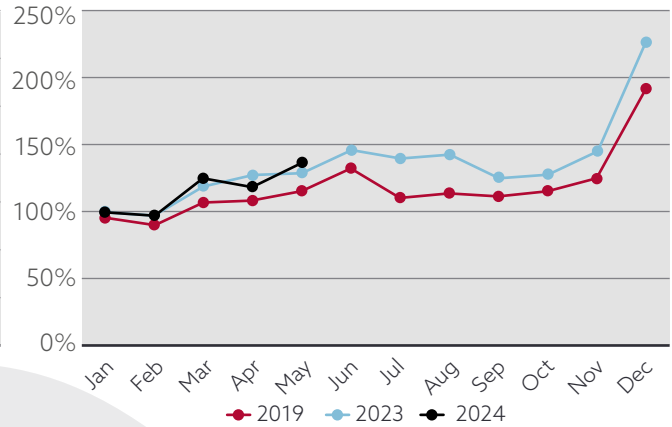
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in May 2024 was 3.23% ahead of May 2023, correlating with a 9.1% increase in sales in the same period.



High street footfall in May 2024 was 6.25% behind May 2023 while also 8.7% behind pre-COVID levels (May 2019).



Footfall across our retail park portfolio in May 2024 was 2.42% ahead of May 2023, and 12.49% ahead of pre-COVID levels (May 2019).

Data is preliminary in nature and subject to revision.

# Expert Insight

By Neil Bannon



## Are the stars aligning?



We have been served a combination of positive news for the Irish Retail sector over the last couple of weeks. Firstly, inflation dropped to 1.5% (YOY) in June, dropping from a high of 9.6% in June of 2022. This should banish reference to the cost-of-living crisis although I suspect the echo of this soundbite will be with us for some time to come.

Then the ESRI have told us real wage growth has returned where pay increases exceed inflation and are projected to continue to do so for the next couple of years.

As you would expect with this backdrop retail sales are up with the value of retail sales for all retail businesses in the year to May 2024 having increased by 1.52%. The value of retail sales for clothing and footwear increased by almost 2% and by over 5% in volume terms over the same period. Clothing & Footwear retail sales are now

25% higher than they were in 2019 pre Covid.

All of this has led to a considerable uptick in consumer confidence, having risen from 57.7 in June 2022 to 63.7 in June 2023 and now at 70.5 in June of this year.

In previous Retail Pulses, we have covered the considerable accrued wealth of Irish consumers as they have added to their savings and paid down debt since the GFC. Does the data indicate the end of the long hibernation of Irish consumers? Will they move from treading water to driving a retail boom? Some investors seem to think so. Colm Lauder's piece in the Sunday Business Post (30th June) echo's what we have been hearing from a growing number of investors, that the retail sector looks like particularly good value combining high yields with the prospect of rental growth.

June 2024

# Bannon Retail Pulse

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