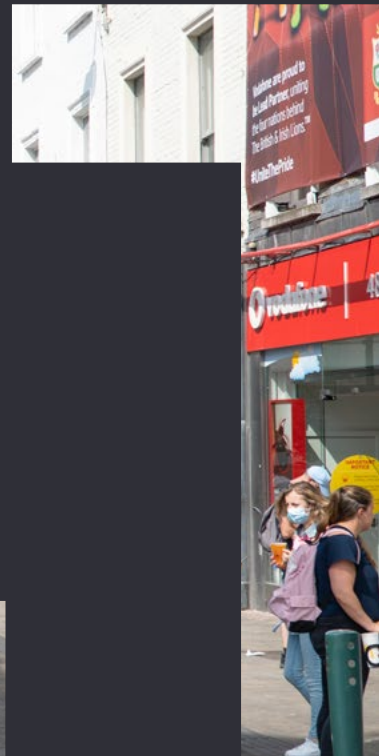
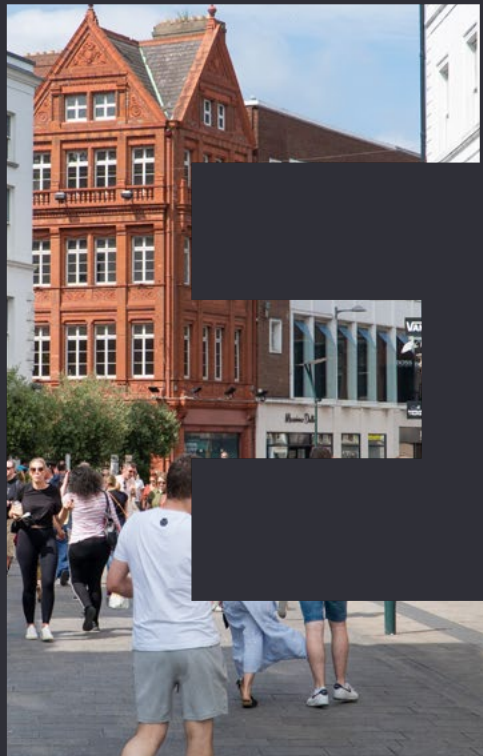


March 2023

Edition no. 15



Bannon Retail Pulse



Retail Park activity

Due to the higher level of occupancy rates in retail parks around the country activity has been relatively low compared to 2022. Argos closure has increased supply but only for the short term as most locations were

experiencing a supply shortage. We don't envisage a long timeframe until the majority of the 36 locations are leased and open for trade again post Argos closing which we understand to be happening in late June.

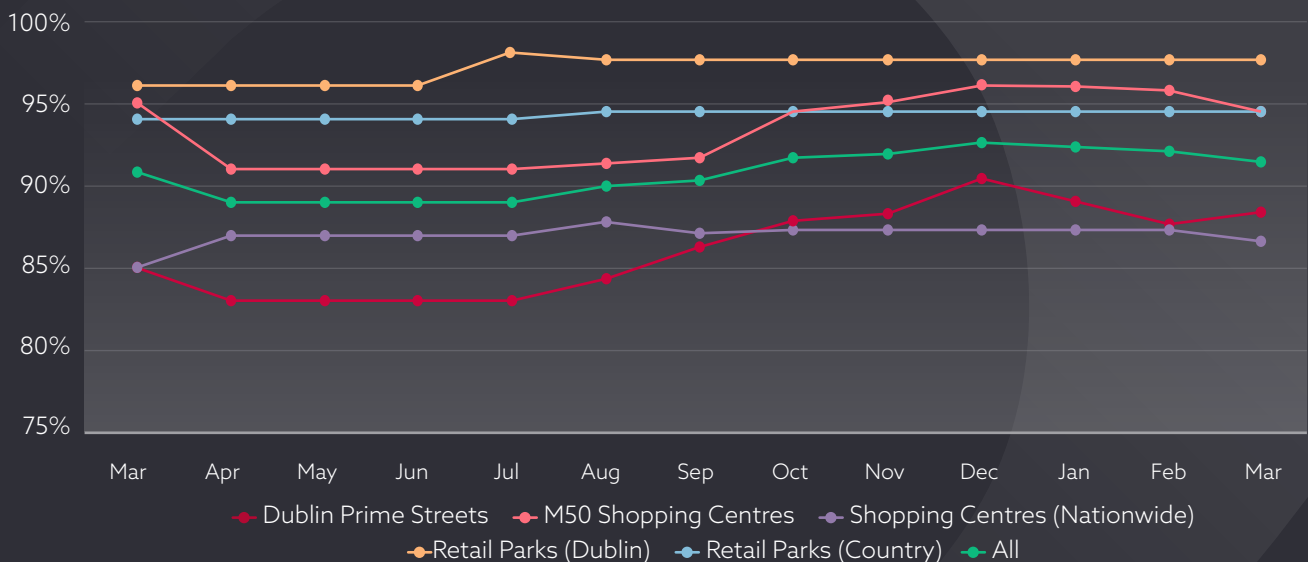
Activity/Lettings



Active Requirements



Bannon Retail Occupancy Tracker



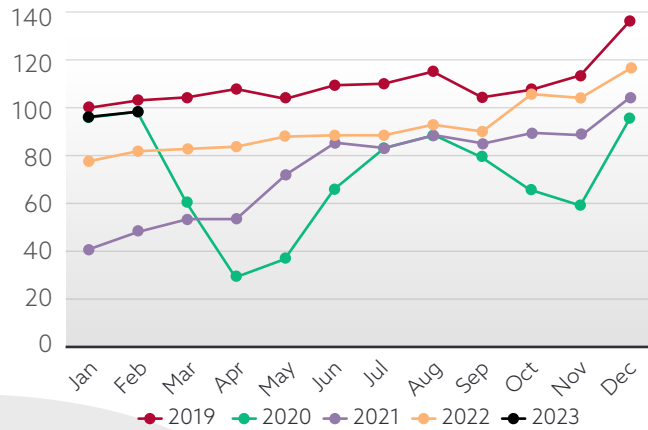
Bannon Trading Analysis

As at 28th February 2023



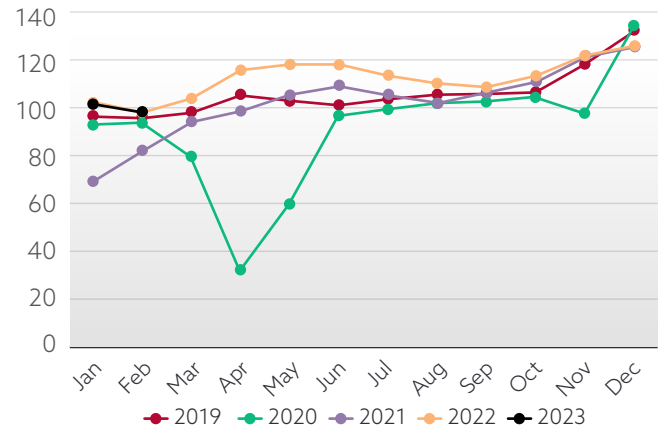
Shopping Centre Footfall

(Indexed: Based = Jan '19)



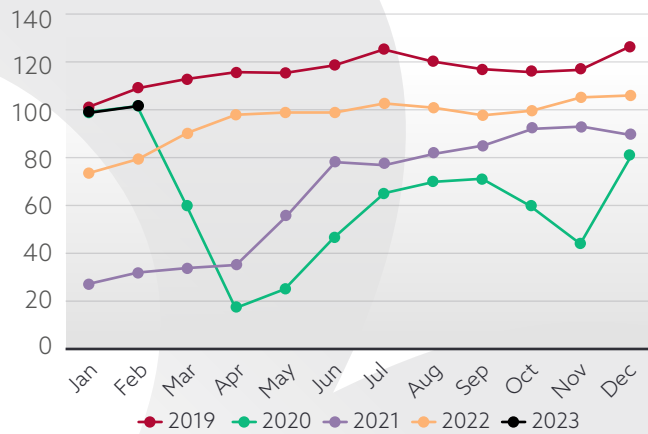
Retail Park Footfall

(Indexed: Based = Jan '19)



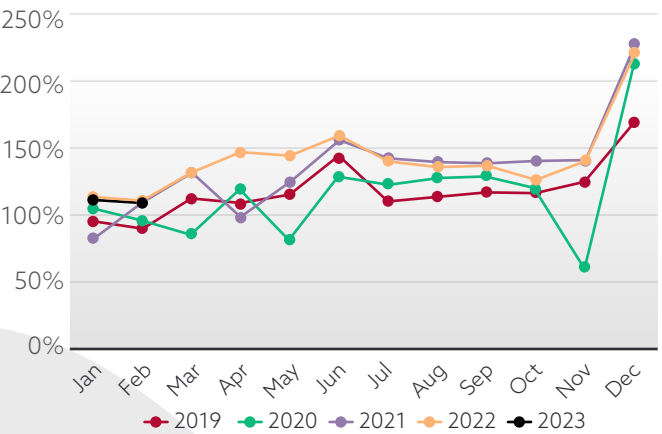
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



The footfall trend across our Shopping Centre Portfolio remained consistent in February 2023 at 18% ahead of 2022 and marginally below pre-COVID levels (February 2019). Shopping centre sales for the month were 15% ahead of February 2022.



High street footfall in February 2023 was 20% ahead of February 2022 and 18% behind pre-COVID levels (February 2019).



February 2023 was another consistent month for our retail park portfolio with footfall levels similar to 2022 (+0.3%).

Data is preliminary in nature and subject to revision.



Expert Insight

By Neil Bannon

What a difference a year makes

This time last year there were articles in the Irish press predicting the demise of Ireland’s premier shopping streets. Grafton Street we were told had been fatally damaged by the combined assaults of the internet, high rents and to cap it all off COVID restrictions.

Fast forward to now and we have a street which has attracted 9 new retailers, has footfall back to 93% of where it was in pre COVID 2019 and an occupancy rate of over 95%.

Our approach in Bannon is to always step back, analyse, review and look for the trends that are evidence based rather than emotive.

A big picture analysis tells us that the population, wages, wealth and the number of people working in the Country are all increasing and have been (COVID interruption aside) for 10 years. In the meantime the supply of shops has remained almost completely static. Meanwhile leases dating back to the Celtic Tiger peak are now few and far between meaning most retail leases now have upward and downward reviews, CPI and/or turnover provisions, rents are now at roughly 75-85% of 2019 levels.

As for the internet, the proportion of retail sales taking place in store in Irish registered companies is back, post lockdown, to 94.4%, i.e. only 5.6% of their sales are online.

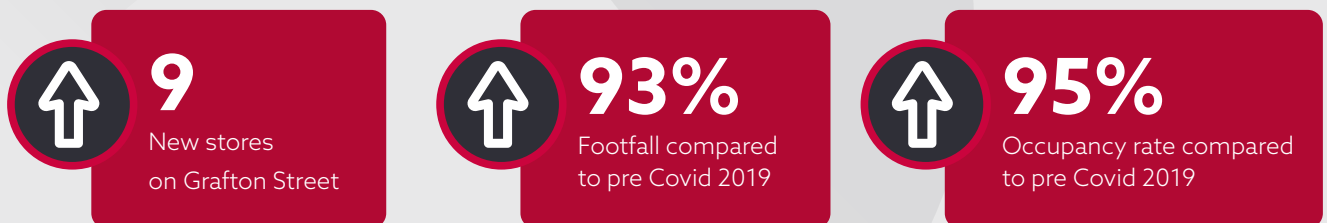
So it is not surprising that vacancy has dropped. A more detailed analysis of occupancy indicates another trend, the withdrawal of UK brands; 50% of the retailers that ceased trading on Henry Street and Grafton Street since 2019 were from the UK whereas 75% of the new openings are international but non-UK based retailers. This trend is underscored by a current 16% vacancy rate



on Oxford Street in London (despite having 29 US candy and London souvenir stores).

An emotive view would find it astounding how quickly the City Centre retail market recovered from the unprecedented lockdowns of COVID. An empirical analysis of the data explains that international brands capitalised on the market disruption caused by Brexit and COVID to gain access to one of the most attractive consumer pools in Europe.

If you want to discuss the dynamics of the Irish Commercial property market further contact our Consultancy Team @Bannon



March 2023

Bannon Retail Pulse

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