

March 2024

Edition no. 27



# Bannon **Retail Pulse**



# Retail Park activity

Occupancy levels in retail parks around the country are high following strong trading performance within the sector and leasing activity over the last number of years.

Uptake has been robust with requirements from both bulky goods and open use occupiers, not to mention multiple gym requirements for space.

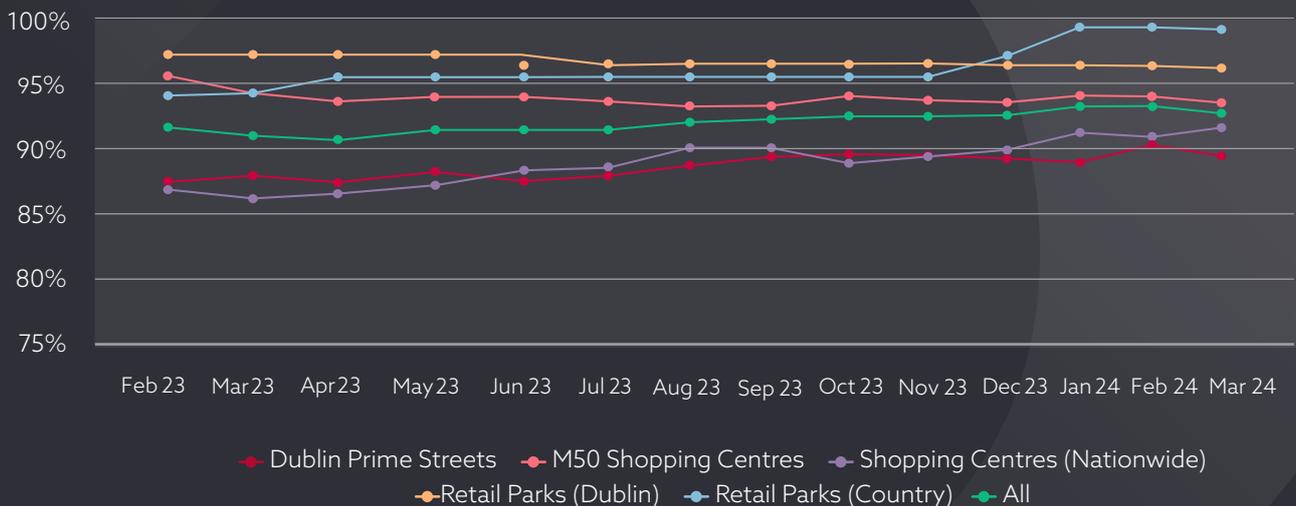
## Recent Activity/Lettings



## Active Requirements



## Bannon Retail Occupancy Tracker



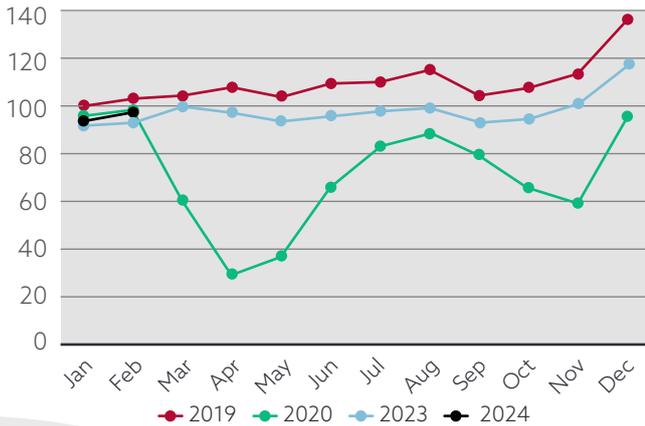
# Bannon Trading Analysis

As at 29th February 2024



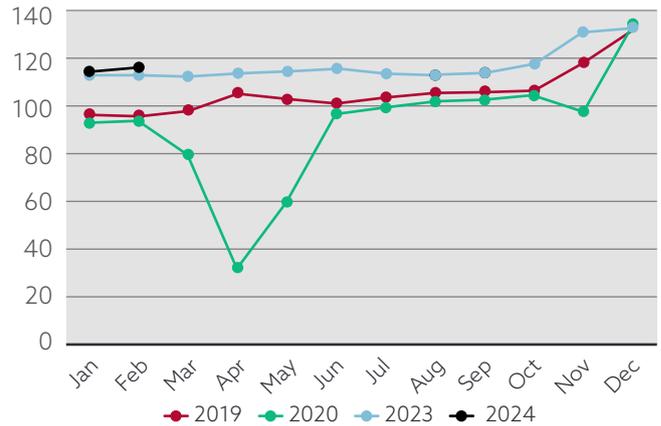
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



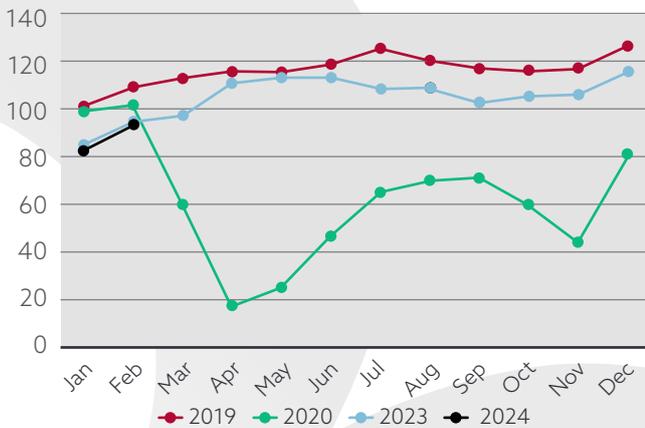
## Retail Park Footfall

(Indexed: Based = Jan '19)



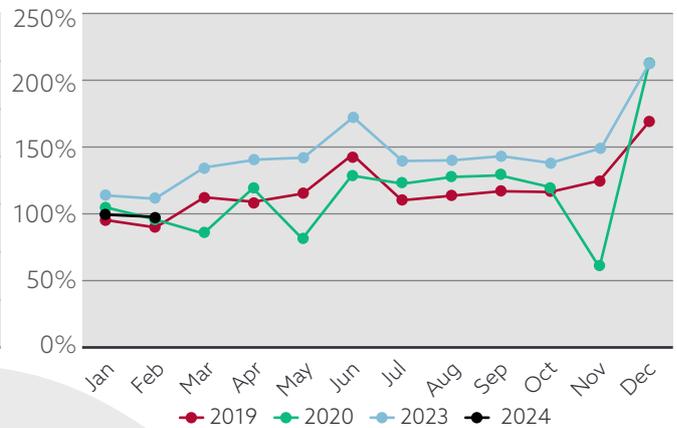
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in February 2024 was 4.2% behind February 2023 with a similar drop in shopping centre sales of 4.8%.



High street footfall in February 2024 was 3.1% behind February 2023 and 16% behind pre-COVID levels (February 2019).



Footfall across our retail park portfolio in February 2024 was 3.7% ahead of February 2023.

Data is preliminary in nature and subject to revision.

# Expert Insight

By Neil Bannon



## Irish Consumers grow Fashion Spend by over 50% in 5 years



The Irish Consumer seems to be spending in lock step with inflation. The latest CSO stats for retail sales, excluding motor, show that the value of purchases increased by 2.2% compared to last year. This is exactly in line with the EU Harmonised Index of Consumer Prices (HICP) for Ireland which is estimated to have increased by 2.2% in the 12 months to February 2024.

This trend, whereby Irish consumers have flexed their wallets to keep buying the same amount of goods and services during the recent cost of living crisis, shows that they have been unwilling to do without and will spend more, but no more than necessary, to keep in line with inflation. This behaviour has debunked the predictions of many and has shown how the strength of the Irish consumer balance sheet where low debt and high level of savings (€1trn+ in nett household value) has supported the retail sector and goes some way to explain the continued high levels of occupancy detailed

in our Retail Pulses over the last 2 years.

What makes this even more interesting is when you consider where retail sales are in comparison to pre COVID 2019. Sales in clothing & footwear are a staggering 53% higher in value terms than they were 5 years ago. I know 2019 is a long time ago now but so should be any post COVID bounce that would have supported the sector.

Not all sectors have been traded equally as retail sales overall are 32% higher than pre COVID, although that's still impressive growth, especially in the context of cumulative inflation of 19% over the same period.

With no new shops since 2010, 53% growth in fashion sales values over the past 5 years with 88% of these sales taking place in store, this adds up to increased sales densities which ultimately supports rents.

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# Bannon Retail Pulse

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