November 2022

Edition no. 11

Bannon
Retail Pulse

Pop-Up Shops

The run up to Christmas sees a flurry of activity on vacant units where brands are keen to engage with their customers through a physical store capturing, in most cases, additional turnover. Pop-Up shops also provide brands with the opportunity to trial a unit before making a decision on whether a long-term commitment to a location is justified. They also allow online focused retailers the opportunity to showcase their brand, build brand recognition and migrate additional sales from online to omnichannel. 2022 sees an increase in the number of Pop-Ups with a broad range of operators opening in locations where availability is higher than in previous years.

Occupancy rates have increased across the board with the highest rate of occupancy recorded since the start of the year.

Active Pop-Up Brands

Bannon Retail Occupancy Tracker

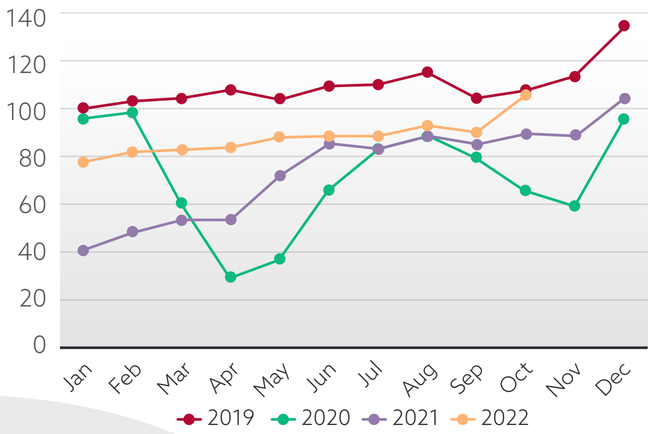
Scheme Type	Occupancy	+/- (month on month)
Dublin Prime Streets	88.36%	0.78%
M50 Shopping Centres	95.00%	0.55%
Shopping Centres (Nationwide)	87.38%	0.00%
Retail Parks (Dublin)	97.53%	0.00%
Retail Parks (Country)	94.44%	0.00%
All	**91.85%**	0.32%

Bannon Trading Analysis

As at 31st October 2022

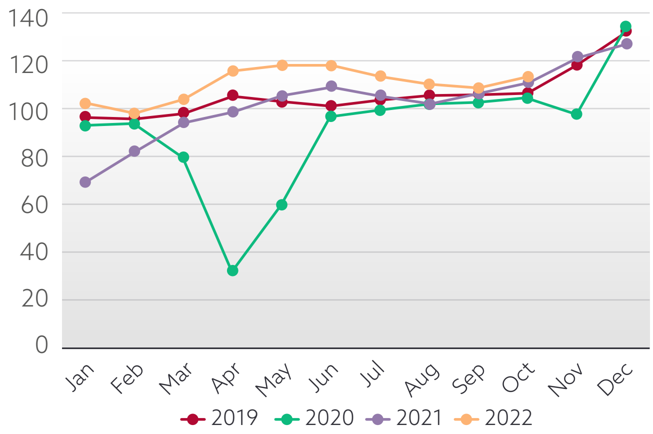
Shopping Centre Footfall

(Indexed: Based = Jan '19)



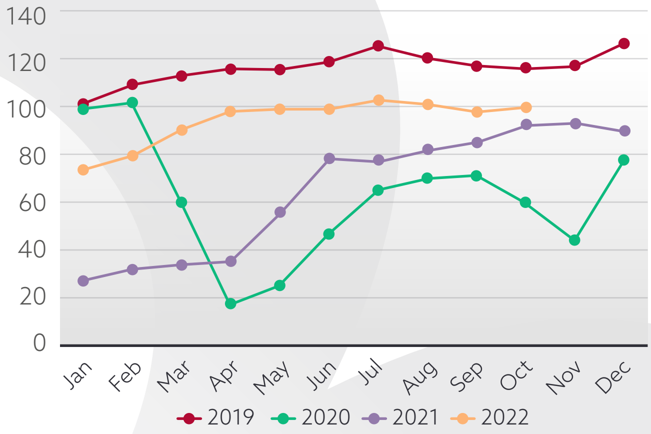
Retail Park Footfall

(Indexed: Based = Jan '19)



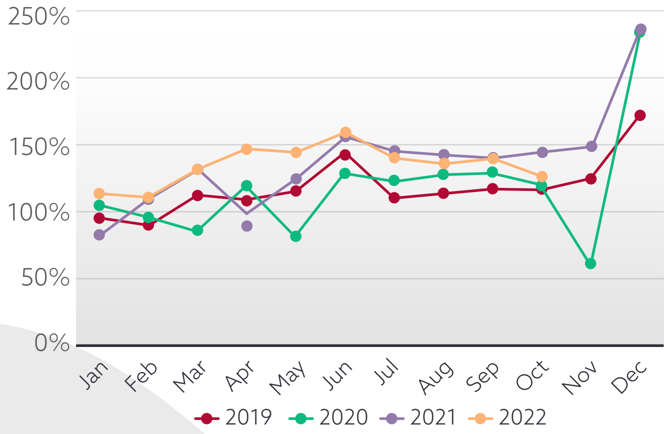
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in October was +16.7% ahead of October 2021. Despite this improvement in footfall for the month, spend declined marginally versus October 2021 which is a consequence of negative sentiment associated with prevailing macro-economic factors.

High street footfall for October was +7.6% ahead of October 2021. It is anticipated that the high street will perform very robustly in the run up to the Christmas period.

October was another strong month for our retail park portfolio with footfall growth of 3.4% for the month (Oct 2022 vs Oct 2021).

Expert Insight

By Neil Bannon

Negative Narrative continues to clash with Reality

Another set of Retail Sales data and another mismatch between what we are seeing on the ground and what we are reading about or listening to in the media. The two alternative realities are presented depending upon your perspective. If at home listening to the radio or reading the paper, consumer sentiment has tanked and retail sales have fallen yet again. The cost-of-living crisis has a cold grip on the Irish consumer leading to a potential retail Armageddon. If I decided to go out and see for myself and visited any of the major M50 schemes, Henry or Grafton Street last weekend I would have been greeted by thousands of shoppers and it's not just the big Dublin destinations, the numbers from the 50+ schemes that we manage across the country support a vibrant retail landscape.

So lets look behind the data which led to the Irish Times headline "Retail Sales fell in October for the sixth month in a row" to try and understand the discrepancy.

As covered in previous Retail Pulses the long term deflationary trend in retail sales has been reversed, the Value of Retail sales, what you pay, is now outstripping the Volume, what you get. The media has conveniently shifted their focus from Value to Volume as this makes for a scarier headline. From a Commercial Property perspective, we prefer Value as this indicates how much money is going into retailers' tills. In the last year the value of retail sales was up 6.1%, 3.6% excluding Motor sales. So the Irish Consumer spent 6.5% more in October 2022 than in 2021 (for those that might try and use COVID to explain this the spend was also 12% more than in pre COVID February 2020).

When you dig into the numbers you get a better understanding of why those shopping streets and malls are so busy. The Value of Clothing and Footwear sales are up almost 10% since last October and as Clothing & Footwear only contributed 0.14% to the annual inflation rate the figures tell us that Irish people are spending more on fashion and are buying more expensive items. This is perhaps not overly surprising given the removal of COVID restrictions and a doubling in Household net worth in the last decade but it doesn't make for a great headline.

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