

October 2022

Edition no. 10



Bannon **Retail Pulse**



Robust Leasing Activity

There continues to be leasing activity across all sectors of the market as can be seen by the improvement in the occupancy rates across all asset classes. There are obvious additions of units being occupied for the run up to Christmas, however there have been some

key leasing events in a number of schemes including Penneys in The Square Tallaght, Frasers opening their first Irish store in Mahon Point Shopping Centre, Lush signing up for Dundrum Town Centre, Calvin Klein signing for a store in Liffey Valley and more.

Recent Openings / Signings

PENNEYS

Opened a new 65,000 sq. ft. store in The Square Tallaght



Signed a lease on a new 2,500 sq. ft. store in Dundrum Town Centre to open in November



Opened their first Irish store in Mahon Point Shopping Centre

eason

Opened a new 5,000 sq. ft. store on Patrick Street, Cork



Opened a new standalone store on Patrick Street, Cork

Russell & Bromley

Opened on Grafton Street



Have signed a lease for a new flagship store in Blanchardstown Centre

Calvin Klein

Signed up to a new store in Liffey Valley Shopping Centre

HAWKSMOOR

Agreed to take the former Abercrombie and Fitch store on College Green, Dublin 2

★ PRET A MANGER ★

Are fitting out their second store on Hatch Street, Dublin 2



Opened a new store in Stephen's Green Shopping Centre



Re-located to a flagship Grafton Street store

Bannon Retail Occupancy Tracker

Scheme Type	Occupancy	+/- (month on month)
Dublin Prime Streets	87.67%	↑ 1.56%
M50 Shopping Centres	94.47%	↑ 3.02%
Shopping Centres (Nationwide)	87.38%	↑ 0.36%
Retail Parks (Dublin)	97.53%	⇒ 0.00%
Retail Parks (Country)	94.44%	⇒ 0.00%
All	91.55%	↑ 1.50%

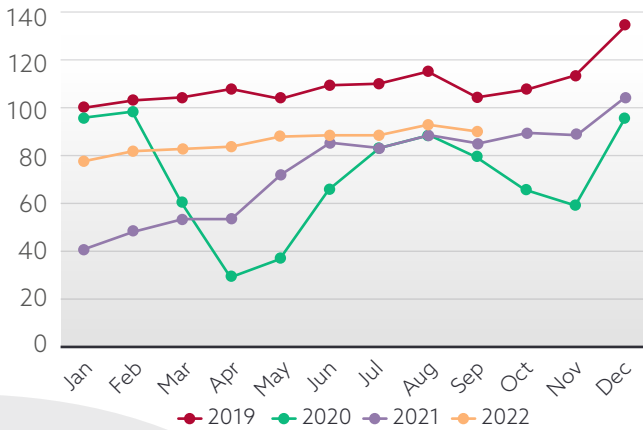
Bannon Trading Analysis

As at 30th September 2022



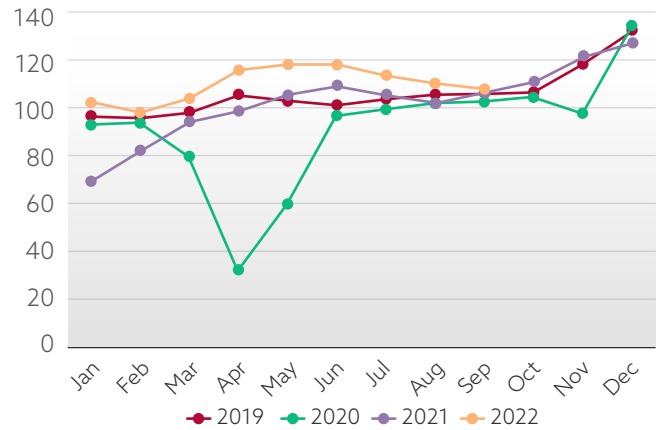
Shopping Centre Footfall

(Indexed: Based = Jan '19)



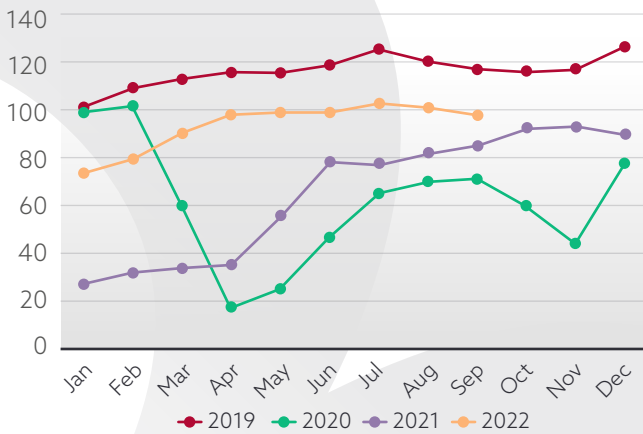
Retail Park Footfall

(Indexed: Based = Jan '19)



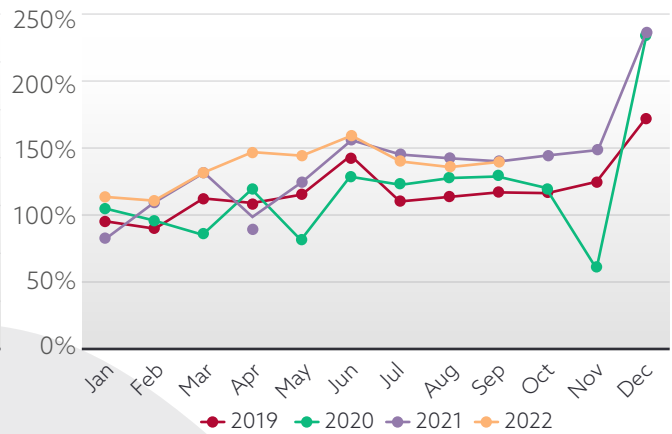
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



The footfall trend for our shopping centre portfolio remained consistent for September, tracking well ahead of footfall levels seen in 2021. As you will see from the "Ratio - Sales : Footfall" above spending also remains very strong.



Like in August high street footfall for September was well ahead of 2021 figures at +16.67%, which is indicative of the renewed activity being seen across the capital.



Our retail park portfolio remains strong with footfall growth of 2.79% for the month (Sept 2022 vs Sept 2021).



Expert Insight

By Neil Bannon

Impact of inflation on Retail Sales

Back in April, Retail Pulse Edition 4, we highlighted how over the last decade the growth in retail sales volumes had exceeded the growth in the value of retail sales over the past decade and predicted that the re-emergence of inflation would see this trend reversed. This is now borne out by the retail sales data.

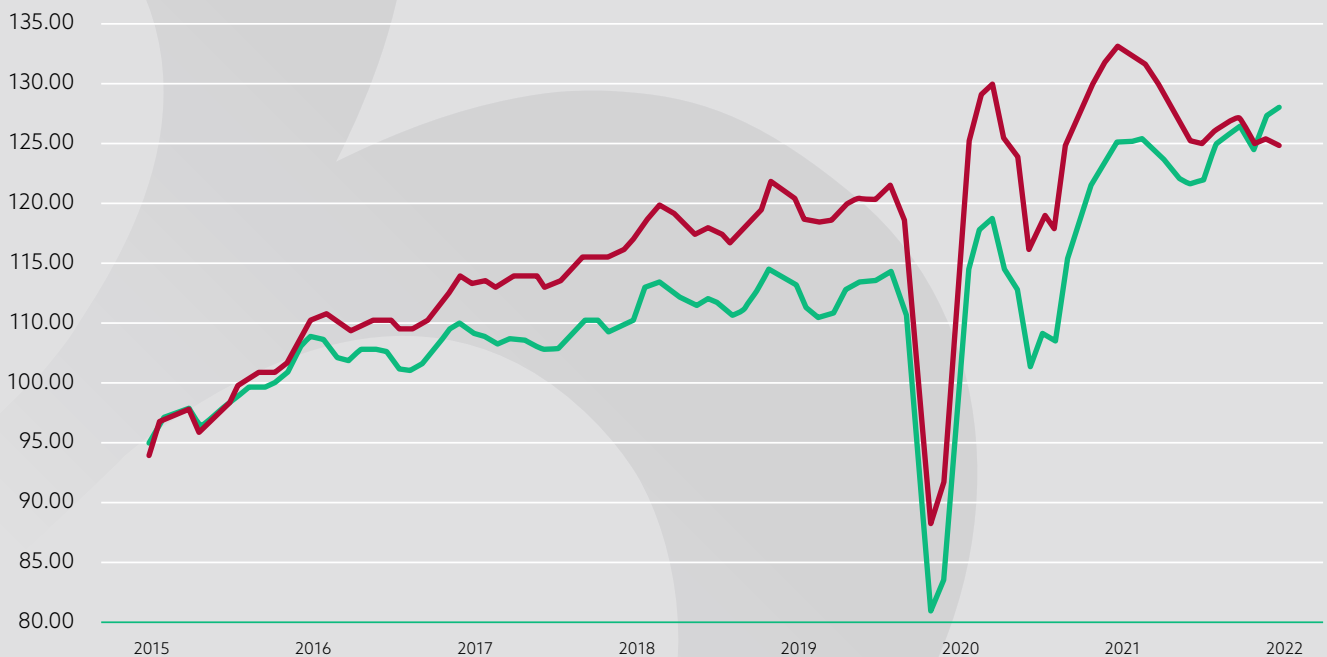
Between 2015 and early 2020 growth in retail sales volumes outstripped growth the value of retail sales consistently. Customers were getting more bang for their buck. The retail sales data for August and September of this year show the value of sales outstripping volumes, reversing a 17 period of deflation in the sector. A clear example is food where the value of sales in September were 2% higher than the year before but the volumes were 8% lower, i.e. less beans for your euro.

The trend is evident across the 21 categories and subcategories of the retail sales index just published by the CSO where the value of sales went up in 15 and down in 7, whereas in volume terms all but 2 of the 22 categories showed declines.

The question is how this will impact on the retail property market going forward. The consumer still has money to spend, according to the employment, income, debt and savings data, but as they spend more to buy less it is likely to be directed towards less discretionary spending, and where discretionary spending is maintained towards less expensive options. There will be a positive impact on turnover related rents for Investors but a margin squeeze on retailers who are paying rents related to the value of sales but may not be benefitting from an increase in margin.

Retail Sales Index 3 Month Moving Average

Value of Retail Sales (Seasonally Adjusted)
Volume of Retail Sales (Seasonally Adjusted)



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Bannon Retail Pulse

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