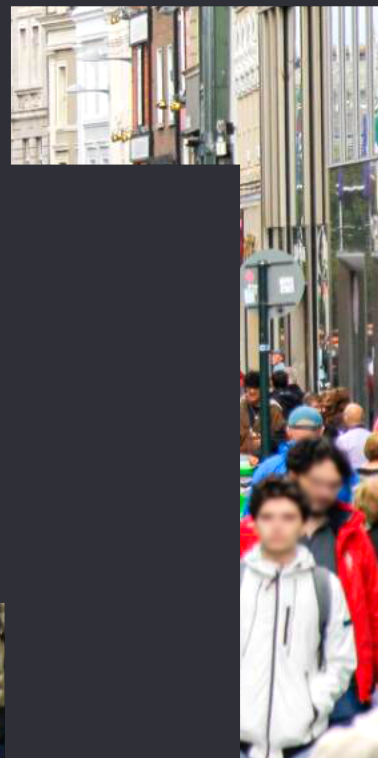
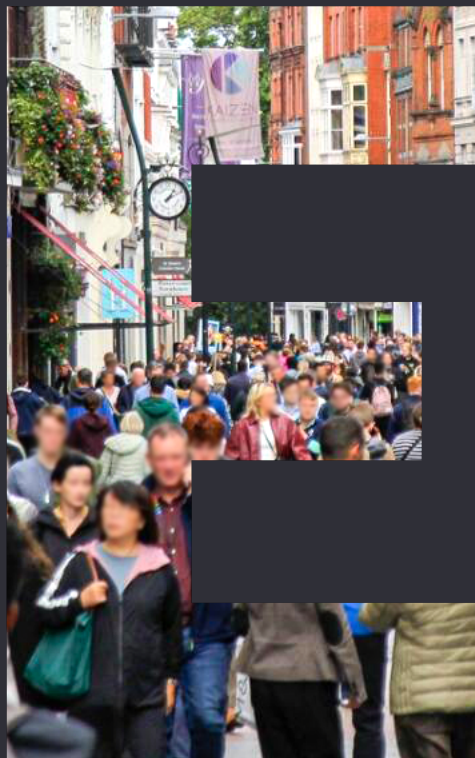


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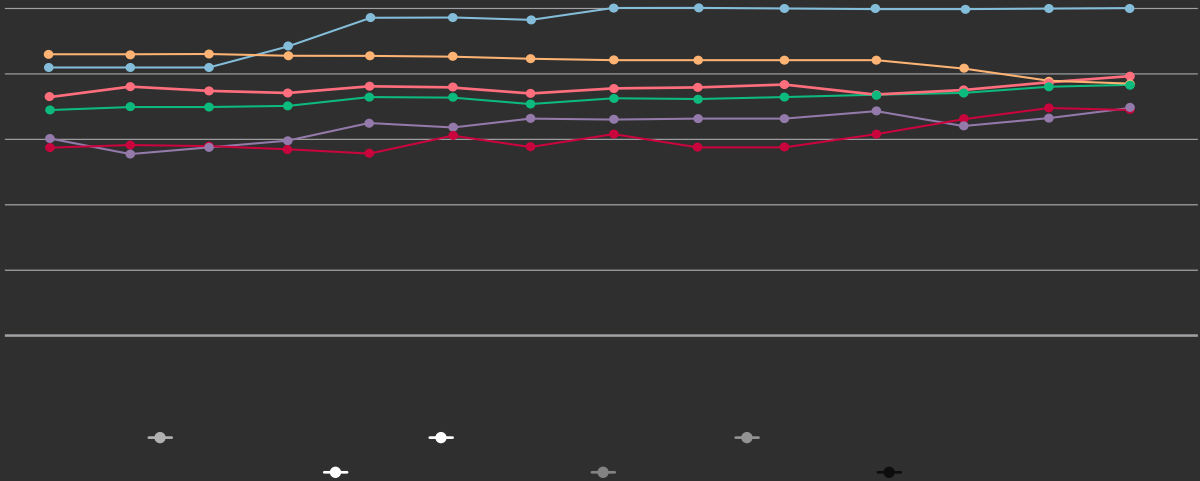
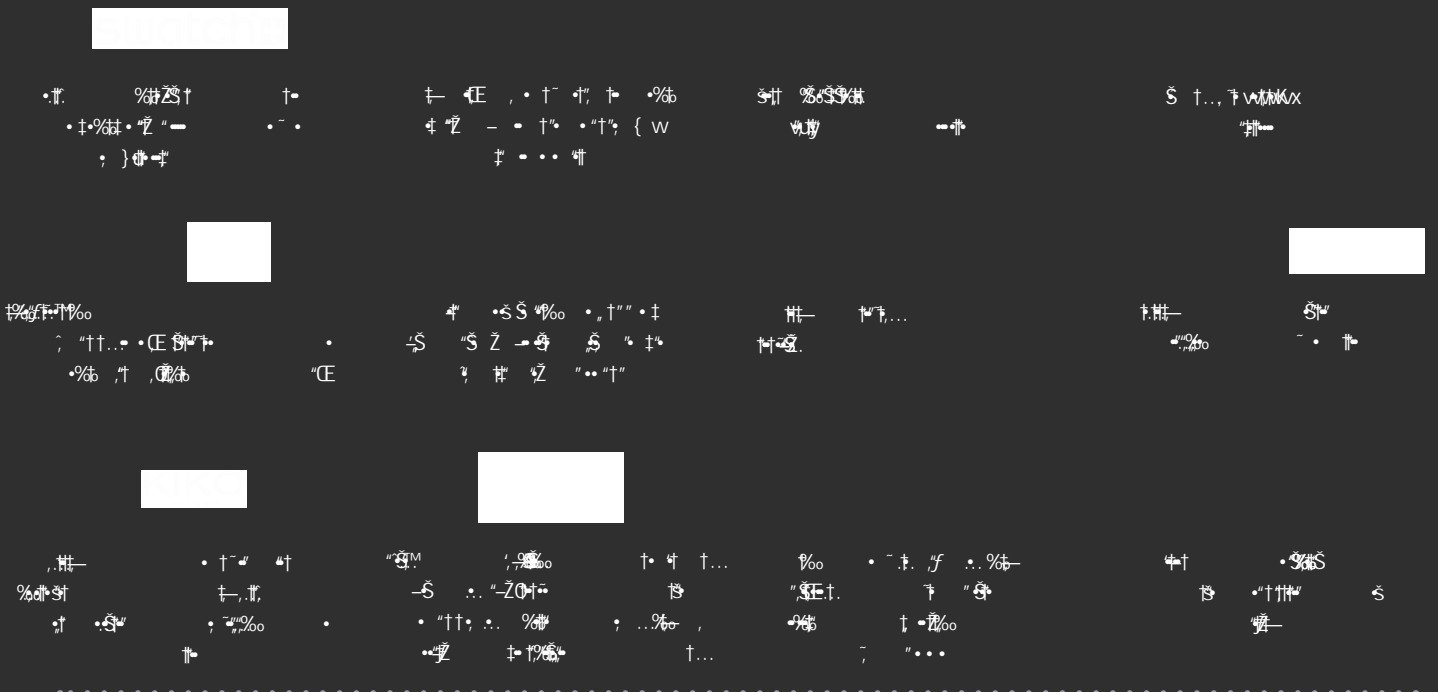
# Bannon **Retail Pulse**



# Robust Leasing Activity

7/2020 2020  
2020-2020  
\$ \$vwuy 2020  
2020

## Openings / Signings



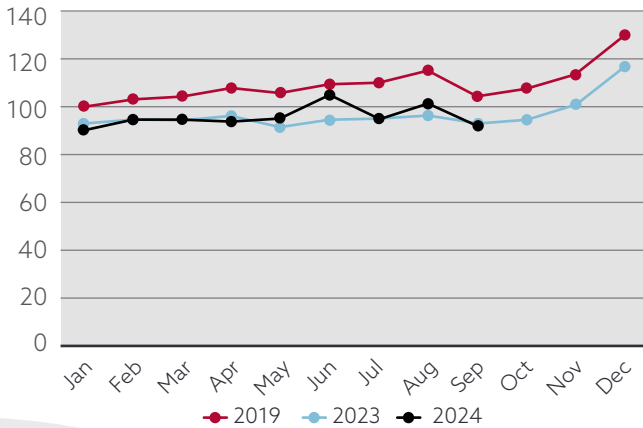
# Bannon Trading Analysis

As at 30th September 2024



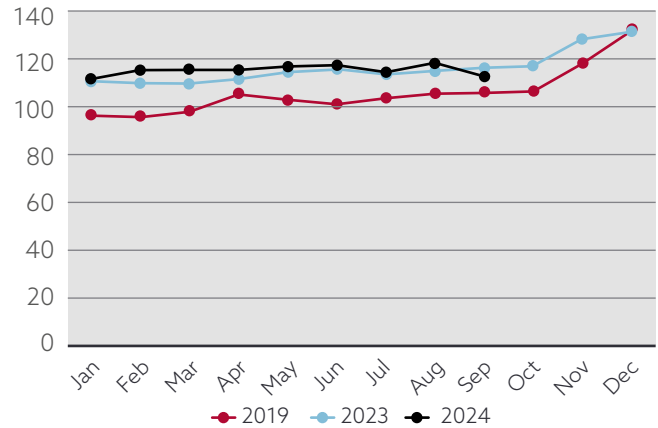
## Shopping Centre Footfall

(Indexed: Based = Jan '19)



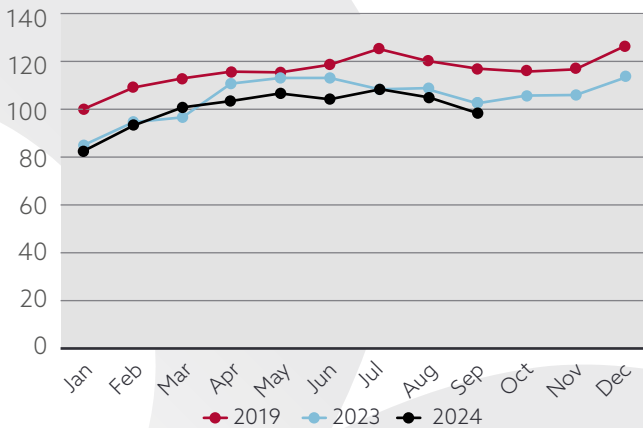
## Retail Park Footfall

(Indexed: Based = Jan '19)



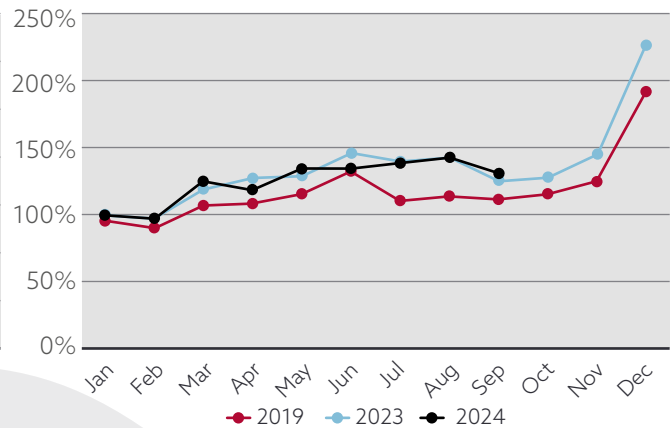
## High Street Footfall

(Indexed: Based = Jan '19)



## Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our shopping centre portfolio in September 2024 was 1.04% behind September 2023, however we saw a 3.11% increase in sales in the same period.



High street footfall in September 2024 was 2.88% behind September 2023 and 13.68% behind pre-COVID levels (September 2019).



Footfall across our retail park portfolio in September 2024 was 3.17% behind September 2023 and 7.07% ahead of pre-COVID levels (September 2019).

Data is preliminary in nature and subject to revision.

# Expert Insight

By Neil Bannon



## Lease Inflation



A curious, and to my mind illogical trend, in commercial leases has been evident over the last 20+ years. Lease terms have been getting shorter but the leases themselves have been getting longer. When I started in the 1990's we agreed 35-year leases which were around 25-30 pages long. This document was intended to regulate the relationship between the prospective parties for a generation. Curiously a typical commercial property lease is now regularly over 100 pages long despite the fact that the committed lease term is between 5-10 years.

This has several impacts, but perhaps most importantly and to the frustration of both owners and occupiers it increases the time and costs required to complete a deal. It appears that our lease lengths have moved to a more European model whilst the lease itself has remained fixed in an archaic feedback loop where every new issue is covered by another half a dozen pages of legal speak. A good example is the recent addition of green lease provisions which are guaranteed to lead to further protracted negotiations. Our European retail clients express surprise and much annoyance with how long it takes to do a deal in Ireland, on occasions throwing in the towel, and abandoning their Irish expansion ambitions.

Let's take the rent review provision as an example, it

typically absorbs 5-10 pages of the lease despite the fact that in a 10-year lease there is only one review. It is not beyond the capacity of the deal negotiators to come up with an agreement that covers this off commercially, say fixed uplift after 5 years or a CPI linked clause.

Of course, the elephant in the room is the rights of renewal available to occupiers under the Landlord and Tenant Acts. If the occupier can stipulate a new lease of anywhere between 5 and 25 years at the end of the term, then the occupational agreement has to contemplate infinite possibilities in what could be a perpetual relationship renewed every 5-25 years. This is a potentially complicated and expensive process as the recent Bewley's case demonstrated.

Occupiers can contract out of the rights of renewal, and I think there is a logic to offering occupiers two choices at the start of lease. You can have a 5-7 year lease which is 20 pages long, with the inevitable saving in cost and time, if you contract out of the renewal rights or the 100 page+ version if you insist on retaining them. It would be interesting to see which option proves the most popular.

October 2024

# Bannon Retail Pulse

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