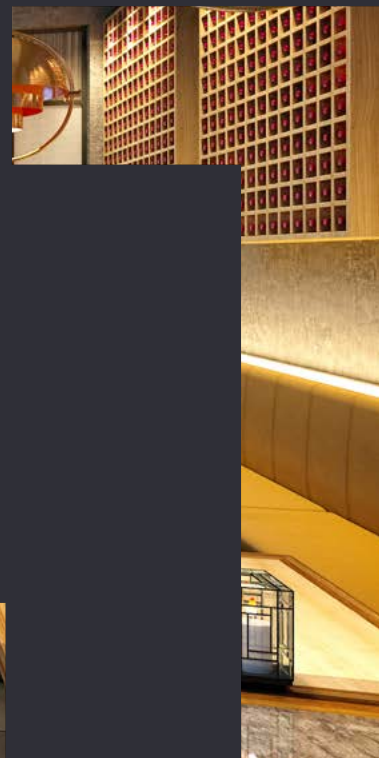


April 2023

Edition no. 16



Bannon Retail Pulse



F&B Market Focus - Activity Q1 2023

The Food and Beverage market remains quite active despite earlier expectations of multiple closures due to the rise in the cost of living. The sector is not without its challenges, however the occupancy rates in the sector remain high. There is a strong level of requirements from existing and new market entrants and competition for available space is high due to the low level of vacancy.

F&B rents remain stable at the moment as we are seeing competition for units coming to the market with the relevant planning permission for food use. There will most likely be a cautious approach for the remainder of the year as operators watch how spend patterns settle over the period.

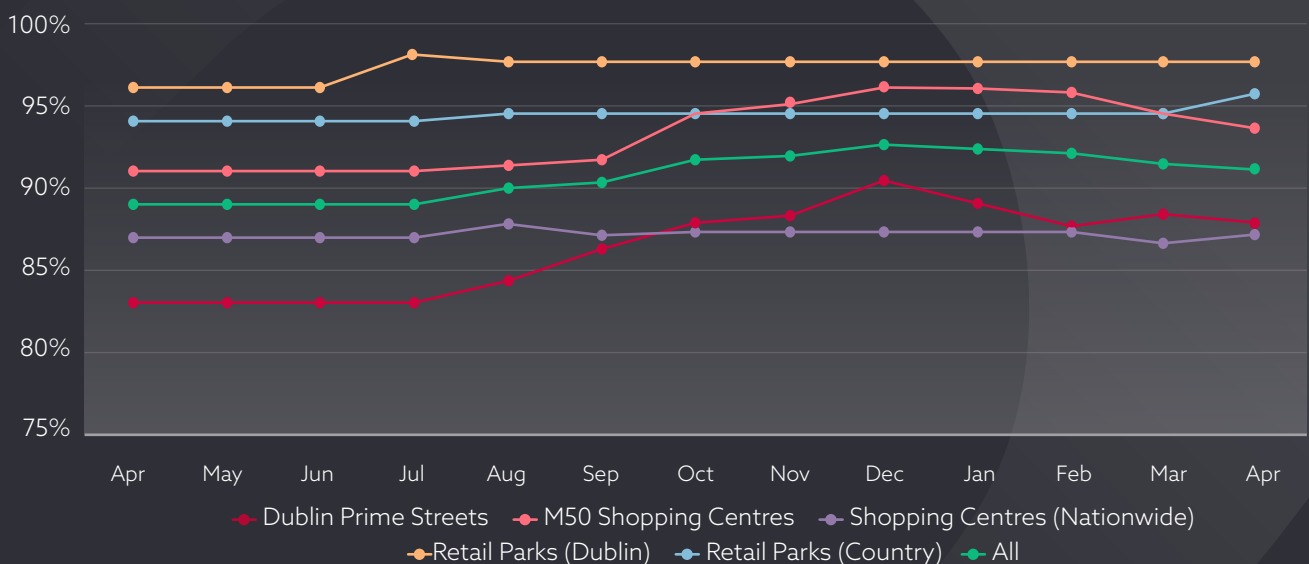
Activity/Lettings



Active Requirements



Bannon Retail Occupancy Tracker



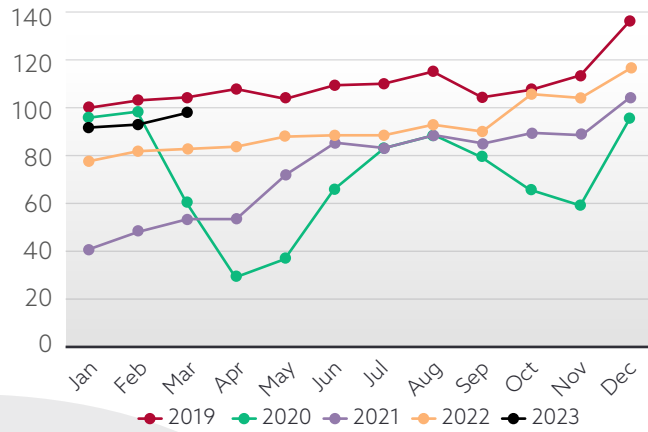
Bannon Trading Analysis

As at 31st March 2023



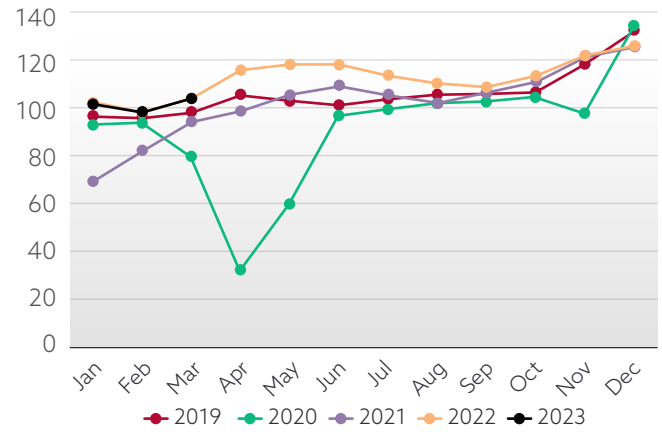
Shopping Centre Footfall

(Indexed: Based = Jan '19)



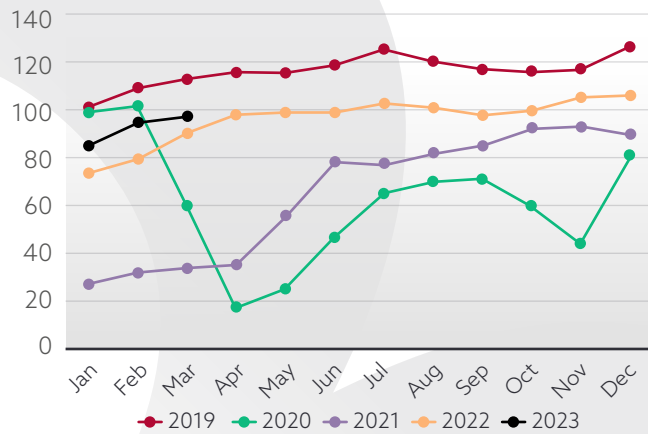
Retail Park Footfall

(Indexed: Based = Jan '19)



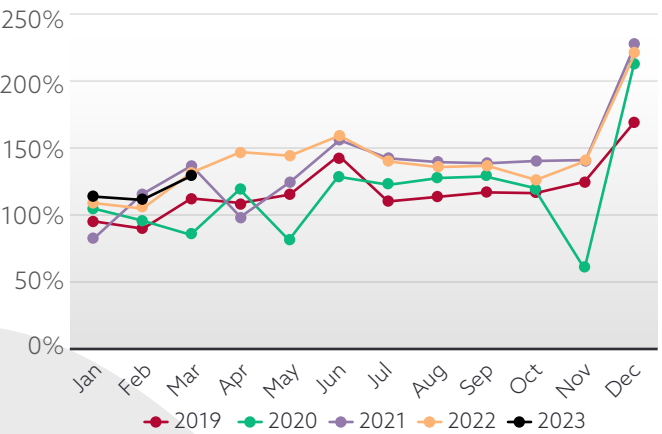
High Street Footfall

(Indexed: Based = Jan '19)



Ratio - Sales : Footfall

(Indexed: Based = Jan '19)



Footfall across our Shopping Centre Portfolio remained consistent in March 2023 at 15.6% ahead of 2022. Shopping centre sales for the month were 15.1% ahead of March 2022.



High street footfall in March 2023 was 7.8% ahead of March 2022 and 13.3% behind pre-COVID levels (March 2019).



March 2023 was another consistent month for our retail park portfolio with footfall levels similar to 2022 (-0.05%).

Data is preliminary in nature and subject to revision.

Expert Insight

By Neil Bannon



Irish Consumers Revved up

The retail sales figures for March have been released giving some idea of where the market is after Q1 2023. It's an important date as we are now just over a year after the war in Ukraine started to have a serious impact on consumers' pockets. This came on the back of the post COVID emergence of inflation from early 2021.

The predictions at the time were that this would impact negatively on consumer spending as belts were tightened. [Retail Pulse edition 4](#) this time last year pointed out that retail sales volume had outstripped value for the previous 10 years, a prolonged period of deflation, and predicted a reversal of this trend as inflation reappeared. What has surprised is how the Irish consumer has continued to spend despite the increase in prices. Retail sales are up 15% in value terms over the last year and 8.6% in volume terms, meaning we are spending more and buying more.

When you dig into the numbers what is more surprising is what we are buying. All sectors other than books and hardware are up in value terms and most are up in volume. The standout number is motors however which are up almost 40% in value and 30% in volume. This could be explained by the supply disruption in new cars but the numbers are still over 30% higher than in the same month in pre COVID 2019.

The expectation is that when consumers are feeling the pinch is that they avoid the big purchases and keep their spending for the smaller more affordable items. The Irish consumer is confounding the predications again. The impact of the savings that the Irish consumer has built up over the last decade ([Retail Pulse edition 14](#)) is clearly providing them and the retail sector with an important buffer against the much heralded cost of living crisis.



April 2023

Bannon Retail Pulse

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