

WE INFORM
YOUR
FUTURE

RETAIL

PROPERTY REPORT

Lisney

Q1

2019



“
Consumer
sentiment
was volatile
in Q1”

**VOLUME &
VALUE OF
RETAIL SALES,
ANNUAL CHANGE TO
END-FEBRUARY 2019**



CONSUMER SENTIMENT

Consumer sentiment was volatile in Q1. The year started positive with some improvements as post-Christmas sales and good employment news off-set Brexit concerns. However, in February the KBC / ESRI Consumer Sentiment Index fell significantly, to its lowest level since November 2014 (the third largest monthly drop in the 23-year history of the index). This was largely attributed to political developments in the UK and the risk of a ‘no deal’ Brexit, along with the nurses’ strike and news of the significant over-spend in the new children’s hospital. Thankfully, there were modest gains in March, recovering half of the February fall. Consumers were less pessimistic as fears of a hard Brexit eased, and domestic news improved. Notably, the ECB signalled that interest rates may remain lower for longer and positive data on employment and GDP for 2018 were released, all of which was likely to have had an impact on the Irish consumer’s mood.

RETAIL SALES

Excluding the motor trades, the volume and value of core retail sales improved in both January and February 2019. On an annual basis to February, the volume of sales was 5.3% higher while the value of sales was 3.7% higher. These figures are both stronger than the same period of 2018.

The largest annual increases were in businesses involved with household goods and DIY. It is likely this is because of the increase in new home construction, as well as greater levels of disposable income allowing home owners to upgrade their properties. The largest annual increase was in ‘electrical goods’ (+17.6% volume / +5.9% value), followed by ‘furniture and lighting’ (+17.4% volume / +10.9% value). It is also notable that ‘clothing, footwear and textiles’ grew over the 12 months to the end of February; the volume of goods sold by 9.3% and the value of those goods by 8%. ‘Department Stores’ is a separate category and while it saw volume increases of 1.3%, the value of sales fell by 1.5%, indicating discounts in store. The only sector to experience declines in the volume of sales in the year was ‘bars’, falling by 5.1% (and 1.4% in value).

Visa’s Irish Consumer Spending Index (based on all payment types – cash, cheques and electronic) confirms the CSO data. It grew by 2.7% overall in the year to the end of March 2019 with household goods also leading growth in this index, increasing 16.6% year-on-year. As the CSO does not currently track online sales, Visa’s index is interesting as it shows that online spending grew by 4% in the year to end-March, whereas traditional fact-to-face spending only grew by 2%.



Source: CSO

“
In Q1 2019 the number of unoccupied units in the key Dublin shopping districts grew.”

LISNEY'S SHUTTER COUNT

The Lisney Shutter Count for Q1 2019 (carried out in the first week of April) indicated that the number of unoccupied units in the key Dublin shopping districts grew. Across the eight areas monitored (two high streets and eight shopping centres), there were 20 unoccupied units. This compares to 15 at the end of December 2018 and 19 at the end of March 2018.

In the city centre, there were four unoccupied units on Grafton Street. In terms of movement in the quarter, Diesel relocated from No.3 (which was a short-term pop-up) to No. 75. Additionally, Book Value vacated its store at No. 113 on the northern end of the street and a planning application has been lodged for the redevelopment of Nos. 112 / 113 Grafton Street (includes the former Specsavers store). Following almost 60 years on Grafton Street, Fitzpatrick's Shoes vacated its store at No. 76 and it is now occupied by Diesel.

In the northern retail core, there was one unit vacant on Henry Street (No. 43 / 44) and one in the Ilac Shopping Centre. In Jervis Shopping Centre, there were three vacant units, down from four at the end of 2018. The reduction is as a result of Miniso, a Chinese low-cost household goods retailer, taking a unit.

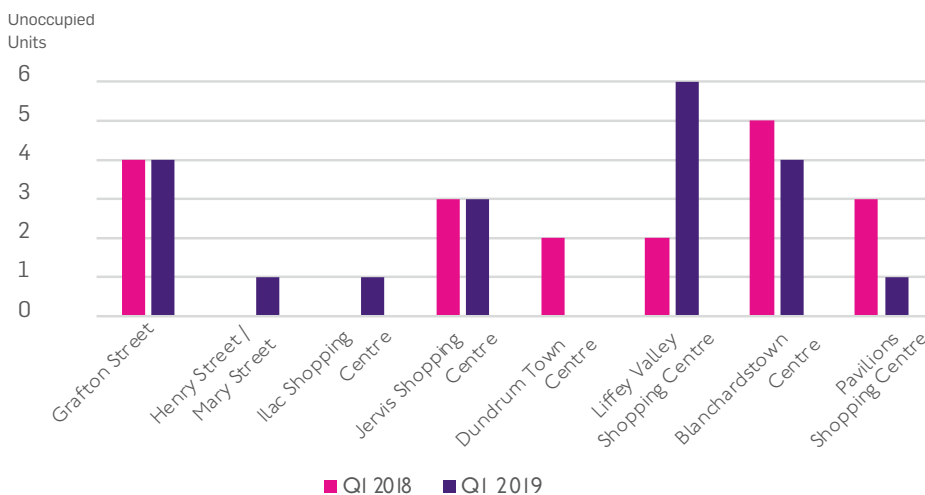
In the key M50 suburban shopping centres, there was an increase in the number of unoccupied units. In Liffey Valley Shopping Centre, the number of vacant shops grew to the second highest level in recent years, as

several seasonal stores including Vero Moda and POCO by Pippa were vacated. However, TK Maxx has agreed to pre-let a 2,775 sqm three-storey unit at the western end of the centre. Four new F&B offerings are currently under construction in Liffey Valley on the Fonthill Road beside Frank Keane Motors. KFC has taken the largest unit at nearly 300 sqm. Smaller units are being taken by Burger King (270 sqm) and Starbucks (195 sqm), with one final drive-thru unit (195 sqm) still available to let.

There were no unoccupied units in Dundrum Town Centre. The F&B sector was also active there with the new F&B quarter in the Pembroke District of the centre making further progress. Four new units are due to open shortly including PF Changs, Leon, J2 Sushi, and Stella Bowl – a dining and entertainment area from Press Up Entertainment Group. Also in Dundrum, Kurt Geiger is due to open on Level 1, while Holland & Barrett has also taken up a large amount of space on the same floor.

In the Blanchardstown Centre, there were four units available at the end of March, two of which we understand are agreed. At the Blue Mall, further F&B is in planning while at the Red Mall, Aldi will occupy a new 1,860 sqm store. In the Pavilions, there was just one unoccupied unit. On the first floor of this centre, works are ongoing on F&B units with Five Guys and Milano due to occupy space in Q2. Outside of the prime shopping districts, Avoca opened its 13th shop at the Number One Ballsbridge development in Dublin 4.

LISNEY SHUTTER COUNT Q1 2018 V Q1 2019



Lisney's shutter count is not designed to measure vacancy but rather comprises an analysis of closed and non-trading retail units, which are classified as 'unoccupied'. It includes units where a lease may be in place but are unoccupied at present. It also includes units currently undergoing fit-out/ refurbishment. It does not include external units that form part of shopping centres. 'Pop-up' stores are included, which may distort figures given that certain centres do not utilise such stores.



Eathos, a café specialising in healthy eating and artisanal foods, opened its second location on Lower Baggot Street in Q1.

OUR OFFICES

DUBLIN

St. Stephen's Green House,
Earlsfort Terrace, Dublin 2
D02 PH42
T: +353 1 638 2700
E: dublin@lisney.com

CORK

1 South Mall, Cork
T12 CCN3
T: +353 21 427 5079
E: cork@lisney.com

BELFAST

Montgomery House,
29-33 Montgomery Street,
Belfast, BT1 4NX
T: +44-2890-501501
E: belfast@lisney.com

LONDON

91 Wimpole Street,
Marylebone, London,
W1G 0EF, UK
T: +44-203-714-9055
E: london@lisney.com

THE LISNEY RETAIL TEAM



Emma Coffey
Divisional Director



Jennifer Prunty
Surveyor

THE LISNEY RESEARCH TEAM



Aoife Brennan
Director



Tanya Duffy
Research Analyst



Cliona Ní Mhógáin
Research Analyst