# MARKETBEAT

# **IRELAND**

Retail Q4 2023



+2.5% High Street Prime Rental Growth



+1.7%
Retail Warehouse Rental Growth



**-0.3%**Shopping Centre Rental Growth



Source: MSCI

YoY change (%)	Outlook
28.1	Neutral
0.8	Positive
2.1	Positive
4.8	Positive
	change (%)  28.1  0.8  2.1

Source: CSO. ILCU

# **Occupational market**

The retail occupational market remained steadfast in 2023 with urban areas, and in particular prime locations, continuing to experience strong occupational demand. This year saw new brands locating in the Grafton Street area such as Chupi on Clarendon Street in Q4, while recent announcements indicate that Pitch, Castore, Carhartt and Rains are set to occupy space in 2024. On Henry Street the US giant Bath & Body Works opened an outlet within Next, and further afield the Blanchardstown Centre welcomed Calvin Klein and Lego, while both Miele and H&M Home opened in Liffey Valley and Dunnes Stores opened its latest store in the Dundrum Town Centre.

# **Christmas shopping season**

Black Friday traditionally kick starts the seasonal shopping bustle, with many retailers earmarking this period for a substantial portion of their annual turnover. Unfortunately, public order disturbances in Dublin city centre over the Black Friday weekend adversely affected footfall within the city centre, with most retailers reporting in person spending significantly reduced from 2022. However, in the run up to Christmas, Retail Ireland reported positive footfall figures nationwide with Dublin numbers also recovering well after the disturbances. Overall Christmas retail spending was forecast to be 5% higher than in 2022. Furthermore, Consumer Sentiment has rebounded well over the past year from the lows of late 2022.

# Ongoing increase in investor interest

Throughout 2023 improving market fundamentals surrounding the retail sector and its asset types have contributed to increased investment volumes, which saw over €402 million invested in retail assets throughout Ireland over 36 transactions. This represents an 8% increase when compared with 2022 overall and was the highest annual total recorded in both volume and number of transactions since 2019. The most sizeable transaction of the year was the sale of a portfolio of six shopping centres in the third quarter to Davy for €74 million. Other deals of note in 2023 included the sale of a regional retail park portfolio to Realty Income for €45.9m and the acquisition of Marshes Shopping Centre Dundalk for €29 million by Davy. Retail assets accounted for close to 19% of overall investment turnover in Ireland in 2023, up significantly from just over 8% in 2022.

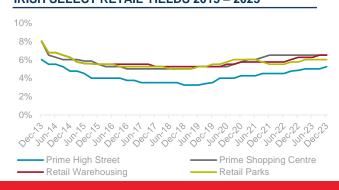
Karl Stewart, Director, Retail at Cushman and Wakefield notes:

"2023 continued the positive momentum in the retail sector seen in previous years, with retailer demand remaining throughout the year. There was also a definite shift in investor attitudes towards the sector and we expect the market to continue in this vein into 2024"

### HIGH STREET ANNUAL RENTAL GROWTH 2016 - 2023



### IRISH SELECT RETAIL YIELDS 2013 - 2023



# **IRELAND**

Retail Q4 2023



MARKET	€ per Sq M	YIELD
GRAFTON STREET	€5,380	5.25%
HENRY STREET	€3,100	5.75%
CORK	€1,938	7.25%
GALWAY	€1,615	7.50%
LIMERICK	€750	9.50%

## **ACTIVE REQUIREMENTS, Q4 2023**



















#### **TOP RETAIL INVESTMENT TRANSACTIONS 2023**

PROPERTY	LOCATION	PURCHASER	PRICE (€)
SHOPPING CENTRE PORTFOLIO	VARIOUS	DAVY	€74M
RETAIL PARK PORTFOLIO	VARIOUS	REALTY INCOME	€45.9M
MARSHES SHOPPING CENTRE	DUNDALK	DAVY	€29M
B&Q LIFFEY VALLEY	DUBLIN	INTER GESTION REIM	€26.6M
DOUGLAS VILLAGE SHOPPING CENTRE	CORK	URBAN GREEN PRIVATE	€23M

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## **CONTACT DETAILS**

## **KARL STEWART**

Director, Head of Retail

Tel: +353 1 639 9347

karl.stewart@cushwake.com

## **ANNA GILMARTIN**

Divisional Director, Retail

Tel: +353 1 639 9239

anna.gilmartin@cushwake.com

## TOM McCABE

Chief Economist,
Head of Research & Insights Ireland,
Tel: +353 (0) 1 639 9244
tom.mccabe@cushwake.com

## **DAVID WALLS**

Research & Insights Ireland
Tel: +353 (0) 1 639 9288
david.walls@cushwake.com

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