

Central London Retail Dashboard

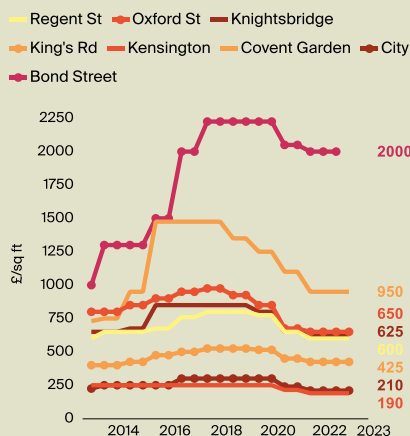


Q1 2023 | A concise quarterly update on key data and current market sentiment.

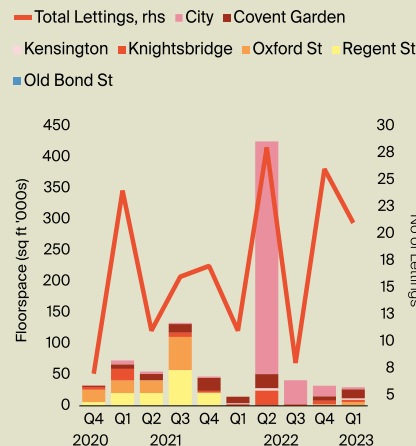
Key Takeaways

- Retail spend in the West End is tracking higher than footfall levels, indicating consumers are making less frequent visits but are spending more.** In Q1 spend increased by +4% vs. 2019 levels. In contrast, footfall registered -27% down.
- International visits rebounded much quicker than anticipated.** The volume of international visitors is now set to fully recover by Summer 2023. US shoppers were significant spenders in Q1, making up 15%-17% of international spend.
- Lettings activity remains robust with major brands and independents taking new space.** Key lettings included 5,189 sq ft in Hines' Oxbourne House (354 Oxford Street) to Manière De Voir, a Manchester-based online fashion brand.

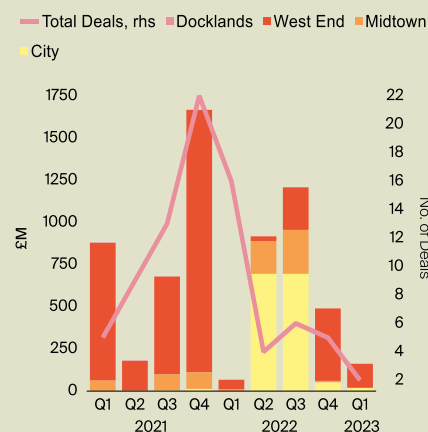
Prime Zone A Rents
(PMA, Knight Frank) Bi-annual



Lettings by Sub-market
(EGL, Knight Frank) Quarterly



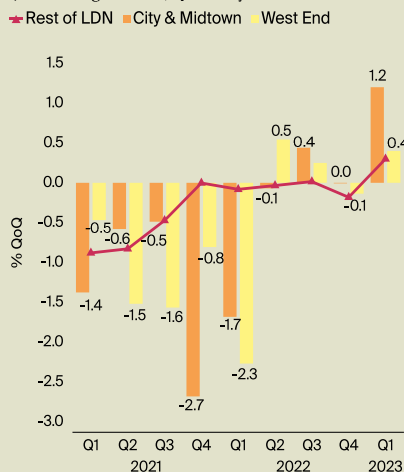
Investment Volumes
(Property Data, Knight Frank) Quarterly



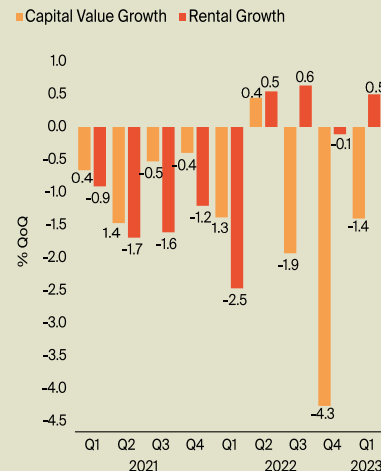
“With brands grasping the opportunity to upsize and relocate to better quality spaces, the result is a residue of sub-quality stock (EPC F or G) that must be swiftly dealt with by landlords to successfully relet. Thankfully, the strength of occupier demand is serving as a solid incentive to invest in upgrades”

MARKET VIEW
Ollie Green
Partner, Retail Agency

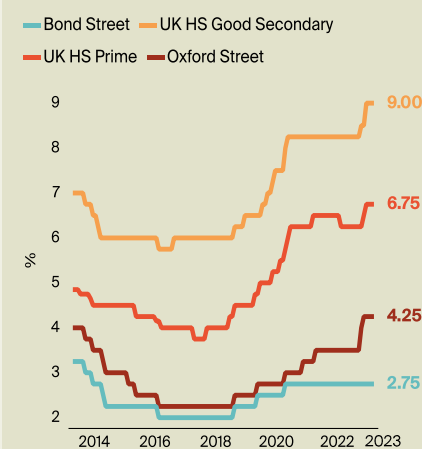
Rental Growth by Sub-market
(MSCI, Knight Frank) Quarterly



Rental & Capital Value Growth
(MSCI, Knight Frank) Central London



Prime Yields
(Knight Frank) Central London vs. UK



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Research Commentary

London is successfully regaining its buzz, and with recovery in full swing, 2023 will not mark the end of this party. Well-documented headwinds do still exist and will be challenging. But London continues to prove itself as one of the most attractive global shopping and leisure destinations for domestic and international tourists alike.

The first few months of the year saw a rapid return of international visitors. Visitor figures outperformed forecasts, with international visits rebounding quicker than anticipated. International visitor numbers to the West End are now expected to fully recover by the Summer, with July hotel occupancy forecasts matching 2019 levels. This makes the government's address of the absence of a tax-free shopping scheme all the more vital to prevent drag to the UK's growth potential.

Occupiers are showing cautious optimism for the year ahead. 71% of luxury London brands say they feel optimistic about business prospects over the next year, versus 11% who are uncertain. Upsizing and relocation to better units / pitches was a key theme in Q1, with new spaces established on 114 - 116 Kings Road (Rixo), 30 James St (Bloobloom) and 107 New Bond St (Diptyque). The result is a portion of sub-quality stock which will have to be dealt with swiftly by landlords to be successfully relet. Time is now up for the 5% of UK retail units with EPC ratings of F or G, with MEES regulations effective from April 1. However, the strength of occupier demand in the capital is currently serving as a solid enough incentive to upgrade stock to match new market expectations.

Key Investment Deals

(Property Data, Knight Frank)

Location	Price (£m)	Yield (%)	Purchaser
30 Coleman Street	£17.8m	6.75%	AM Alpha GMBH
27 Old Bond Street	£143m	2.58%	Blue Tower Ventures

Key lettings

(EGI, Knight Frank)

Location	Unit Size (sq ft)	Tenant
197 Kensington High Street	2,090	Bonbon
8 - 9 James Street (Covent Garden)	6,200	Gaucht
Oxbourne House (Oxford Street)	5,100	Maniere De Voir

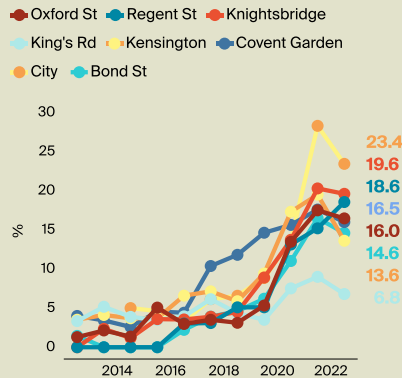
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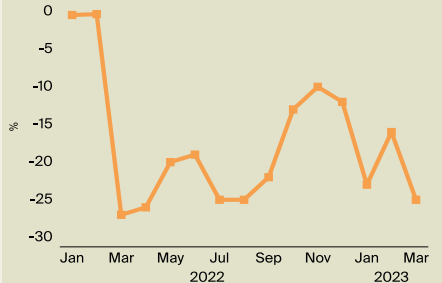
Vacancy

(PMA, Knight Frank) Unit %



West End Footfall

(New West End Company) LfL change vs. 2019



	Footfall vs. 2019
January	-23.0% ▼
February	-16.0% ▲
March	-25.0% ▼

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