Central London Retail Dashboard

Knight Frank

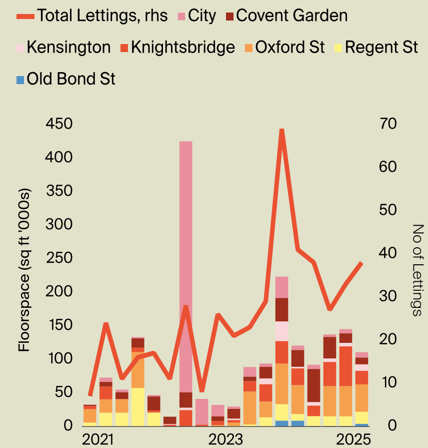
Q1 2025 | A concise quarterly update on key data and current market sentiment.

Key Takeaways

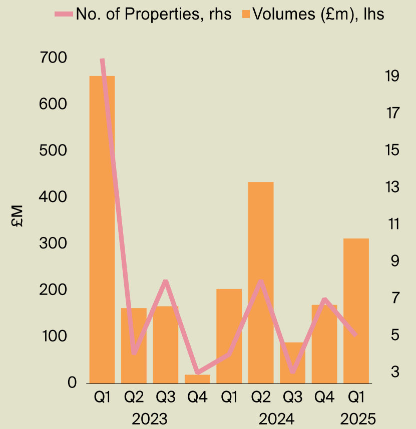
- **Shoppers did more browsing than buying** with West End spend averaging growth of -2.1% between January and March, compared to average monthly footfall declines of -0.9%.
- **Average spend by international shoppers registered down -1.3%** year-on-year, but this was stronger than domestic spending declines (which averaged -2.1%).
- **Lettings activity remained strong, totaling over 110,600 sq ft** according to EGi data, with robust activity across High Street Kensington, Covent Garden and Knightsbridge.
- **Central London rental growth accelerated by +4.5%,** driven by the West End (+4.0%) and the City (+2.1%). Capital growth also returned to strong positive territory (+2.0% vs. -0.3% in Q4 24).

Prime Zone A Rents
(Knight Frank) Quarterly

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



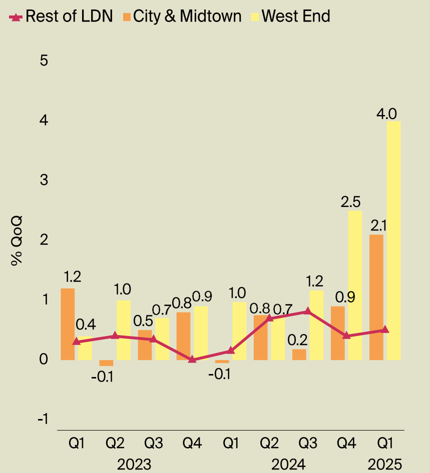
Investment Volumes
(RCA) Quarterly



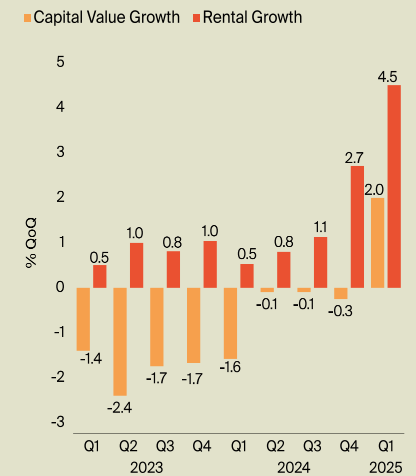
> Fevered anticipation of a definitive announcement on the pedestrianisation of Oxford St (expected by June) deflected attention away from a major mis-match between consumer (footfall, spend) and property metrics (lettings, rents, capital values, investment volumes) in Q1 2025. Hopefully a temporary rather than a lasting disconnect.

RESEARCH VIEW
Stephen Springham
Partner, Head of Retail Research

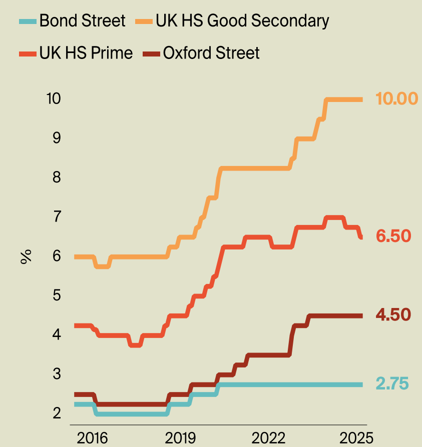
Rental Growth by Sub-market
(MSCI, Knight Frank) Quarterly



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



Prime Yields
(Knight Frank) Central London vs. UK



Central London Retail Dashboard

Q1 2025 | A concise quarterly update on key data and current market sentiment.

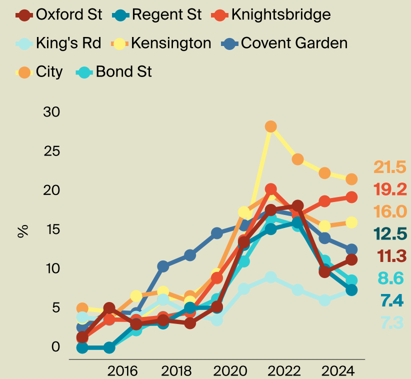
Research Commentary

The West End had a sluggish start to 2025, with shopper footfall down -0.7% in January and -5.7% in February respectively. Activity picked up by March, with footfall rising +3.4% and transaction volumes up +1.9% year-on-year, driven by both domestic (+1.4%) and international (+2.0%) shoppers. While overall sales were down in Q1 2025, average transaction value (AVT) rose compared to Q1 2024 (Jan +7.9%, Feb +2.4%, March +0.3%) suggesting shoppers were purchasing fewer items, but spending more per transaction.

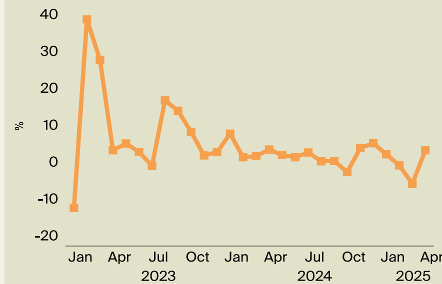
Meanwhile, demand for prime retail space remained strong, with occupiers facing tough competition for desirable locations. Oxford Street's vacancy rate has now dropped to just 1.4% according to Green Street, highlighting its enduring appeal. With 12 new brands set to open in the coming months, competition for space will only intensify. More broadly, LDC reports that Greater London's high street vacancy remains fairly stable at 9.9%, down -0.1% quarter-on-quarter and -0.6% year-on-year.

Investor volumes increased in Q1, reaching over £312m, almost double Q4 levels (£169m). Lot sizes ranged from £12m to £250m, with key deals including: (KF-advised) Tower Bridge Quarter in Southwark, a collection of period high street buildings with offices, retail and F&B, sold for £12.9m (6.80%); the buyout of The Outernet by Consolidated Development; and NBIM's acquisition of a 25% stake in Grosvenor's £1.2bn mixed-use portfolio of predominantly retail and office assets. Prada also purchased 150 New Bond Street, Miu Miu's flagship store, for £250m, continuing a trend of retailers securing premium locations for the long term.

Vacancy
(PMA, Knight Frank) Unit %



West End Footfall
(New West End Company) YoY % change



	Footfall (YoY % change)
January	-0.7% ▼
February	-5.7% ▼
March	+3.4% ▲

▲Indicates increase / decrease versus previous month

Key lettings
(EGI, Knight Frank)

Location	Unit Size (sq ft)	Tenant
376 – 384 Oxford St	24,000	Puma
415 – 419 Oxford St	16,900	Mango
4 Slingsby Place (Covent Garden)	2,900	Bloom Perfumery
127a Kensington High Street	2,500	Bancone
72 Neal Street (Covent Garden)	2,000	Thule
196-222 King's Road	1,200	BookBar
169 Kensington High Street	1,130	Ben's Grocers

Get in touch with us

RETAIL & LEISURE AGENCY

Jonathan Eastwood
Head of Retail Agency, National Retail
+44 208 682 7769
Jonathan.Eastwood@knightfrank.com

Josh Braid
Partner, Central London & International Agency
+ 44 7793 082 342
Josh.Braid@knightfrank.com

Ollie Green
Partner, Central London Retail & International Agency
+44 7890 989 836
Oliver.Green@knightfrank.com

Rob Hargreaves
Partner, Central London & International Agency
+44 7977 998 832
Rob.Hargreaves@knightfrank.com

Paul Modu
Associate
Retail Capital Markets
+44 7773 258 823
Paul.Modu@knightfrank.com

Esther Dowd
Surveyor, Central London & International Agency
+44 208 176 9802
Esther.Dowd@knightfrank.com

Ana Florentin
Graduate, Central London & International Agency
+44 7977 759 539
Ana.Florentin@knightfrank.com

LEASE ADVISORY

Andrew Thatcher
Partner, Central London Lease Advisory
+44 7793 273 532
Andrew.Thatcher@knightfrank.com

COMMERCIAL RESEARCH

Stephen Springham
Partner,
Head of Retail Research
+44 7468 727 557
Stephen.Springham@knightfrank.com

Emma Barnstable
Associate,
Commercial Research
+44 20 8106 1385
Emma.Barnstable@knightfrank.com

Knight Frank Research Reports are available at knightfrank.com/research

Keep up to speed with retail markets with our quarterly dashboards and weekly Retail Note

SIGN UP ONLINE