

# Central London Retail Dashboard

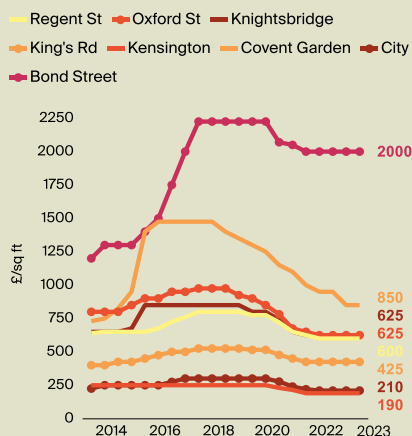


Q2 2023 | A concise quarterly update on key data and current market sentiment.

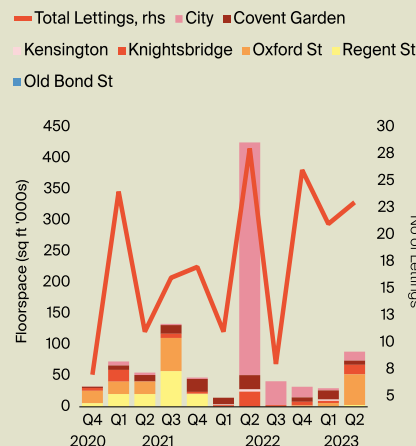
## Key Takeaways

- **Retail spend in the West End made a stronger recovery than footfall, indicating shoppers are visiting less, but spending the same or more.** In June spend increased by +6% vs. 2019 levels. Footfall registered -21% down.
- **International visitors are still attracted to the capital.** The volume of international visitors is set to fully recover this summer and progress to date has been strong. In June, inbound flights increased +23% vs. 2022 levels and are now just -4% below pre-pandemic 2019 levels.
- **Robust consumer demand filtered through to strong lettings activity across prime pitches, with brand appetite for portfolio expansion and new openings.** Oxford Street penned some of the largest deals in terms of square footage, including a 20,000 sq ft Footasylum flagship and a third Uniqlo store, at 1 Oxford Street.

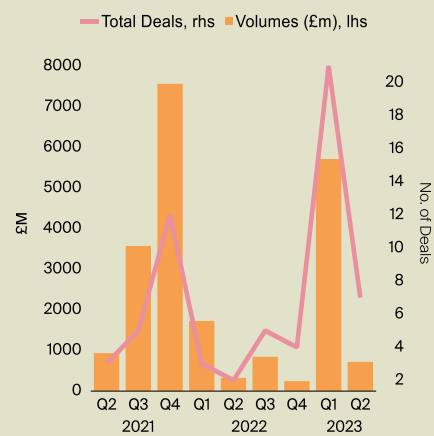
**Prime Zone A Rents**  
(PMA, Knight Frank) Bi-annual



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



**Investment Volumes**  
(RCA) Quarterly



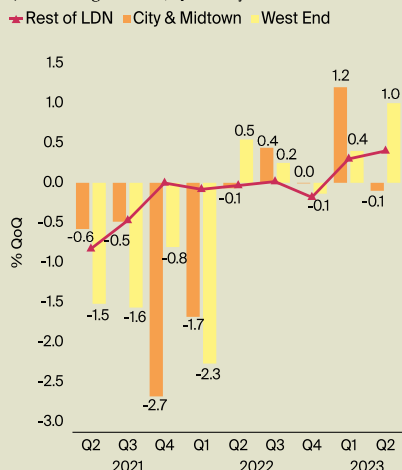
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Visitors are returning to rediscover the best of what London has to offer, many for the first time since 2019. Strong consumer recovery buoyed keen occupational interest, with new brand entrants gravitating toward well-configured spaces in the best-in-class locations.

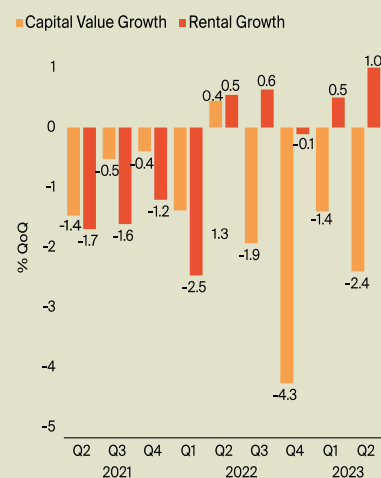
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**MARKET VIEW**  
Rob Hargreaves  
Partner, Retail Agency

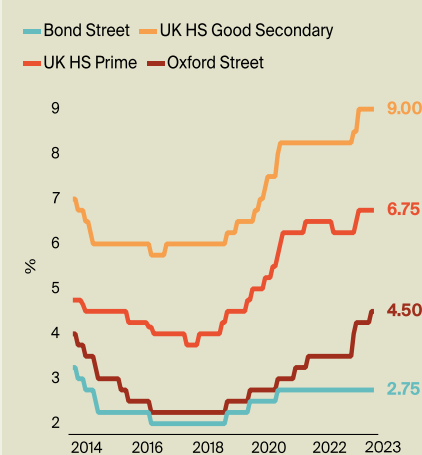
**Rental Growth by Sub-market**  
(MSCI, Knight Frank) Quarterly



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



**Prime Yields**  
(Knight Frank) Central London vs. UK



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## Research Commentary

**London still ranks highly as a top global destination, with international and domestic visitors steadily trickling back ahead of the summer.** The NWEK tracked a strong rise in US (+17%) and UAE (+7%) visitors in the three months to June. Although visits were up, concern over the lack of tax-free shopping intensified as spend dipped (-1%) in stark contrast to substantial spending spikes across France (+183%) and Spain (+174%). These figures will undoubtedly aid government lobbying of the issue: however, overall spending activity is positive, tracking up +6% in June. Footfall lagged (-2%), but this is in line with post-COVID trends of more purposeful shopping missions. Oxford Street bucked the trend with renewed consumer interest, fuelled by new store announcements from the likes of Under Armour, Footasylum, Maniere De Voir, Samsonite and HMV. Footfall has been outperforming both Regent St and Bond St since January, registering up +6% year-on-year in June (vs. +3% and -13% respectively).

**Occupier activity strengthened during the quarter, with growing interest in physical stores amongst new and international brands.** Confidence has been fuelled by ongoing evidence of a recovery in international and domestic consumer demand, coupled with substantial improvements to business rates. Vacancy rates subsequently improved across the capital by 20bps to 10.5%, but are ultimately still 150bps above pre-pandemic levels. Oxford Street saw a flurry of lettings, including expansions and flagships, proving it to still be a desirable destination despite recent negative press coverage. Uniqlo signed up for its third store at 1 Oxford Street, next to Crossrail's Tottenham Court Road, whilst Footasylum agreed a 20,000 sq ft flagship at 73 – 89 Oxford St.

### Key Investment Deals (RCA, CoStar, Knight Frank)

Location	Price (£m)	Yield (%)	Purchaser
94 New Bond St	£32.5m	-	Private
44 Old Bond St	£18.3m	2.26%	Galatian Ltd

### Key lettings (\*KF Deal) (EGI, Knight Frank)

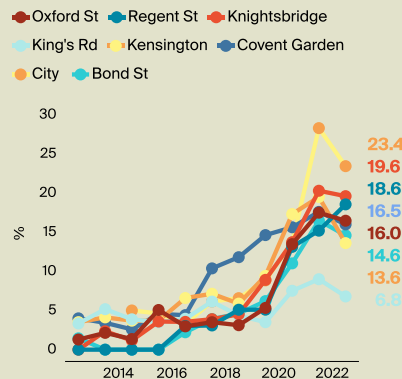
Location	Unit Size (sq ft)	Tenant
One Oxford Street (Unit 3)	33,000	Uniqlo
One Oxford Street (Unit 4)	850	Lids *
258 Oxford Street	4,600	Samsonite *
26 New Bond Street	2,000	Aquazurra
3 Earlham Street	1,400	Gramicci

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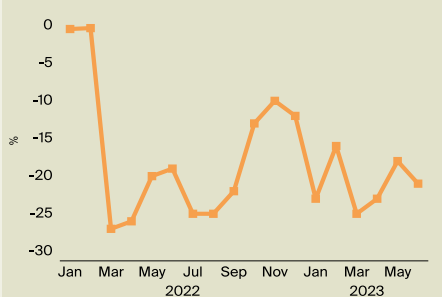
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### Vacancy (PMA, Knight Frank) Unit %



### West End Footfall (New West End Company) LfL change vs. 2019



	Footfall vs. 2019
April	-23.0% ▲
May	-18.0% ▲
June	-21.0% ▼

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