

Central London Retail Dashboard

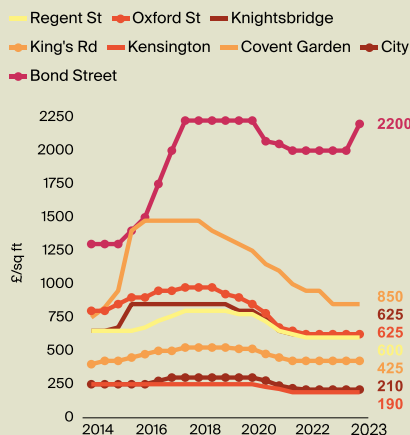


Q3 2023 | A concise quarterly update on key data and current market sentiment.

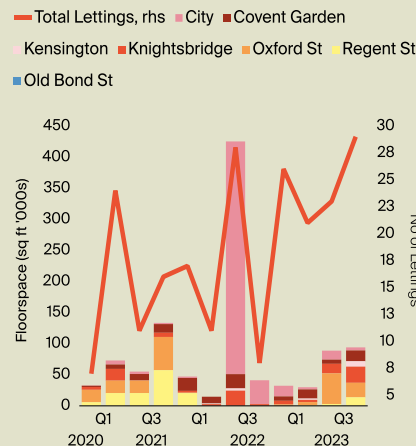
Key Takeaways

- High spending tourists - the lifeblood of Central London retail - returned.** Visits from Chinese visitors spiked +151% versus 2022 levels in September, with transaction volumes increasing +3%. Overall spend and footfall, however, remain down ca. -16% below 2019 levels.
- Regeneration plans reinvigorated occupier activity, with international and domestic brands showing renewed enthusiasm for the capital.** Oxford St was a major benefactor, with new openings registered by brands including ME+EM, Whistles, and Pandora.
- Investment activity was driven by luxury brands acquiring flagships to hedge against rising rents** e.g. Swiss watch company Richard Mille, who acquired Stanbrook House (2-5 Old Bond St) for ca. £170m.

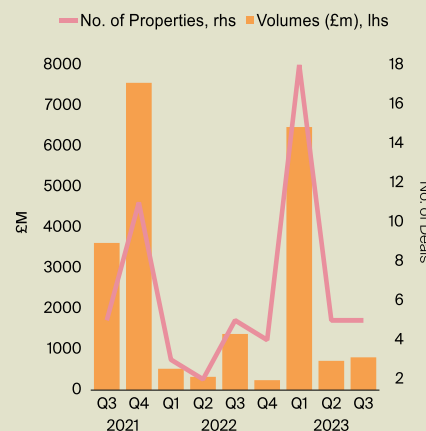
Prime Zone A Rents
(PMA, Knight Frank) Bi-annual



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



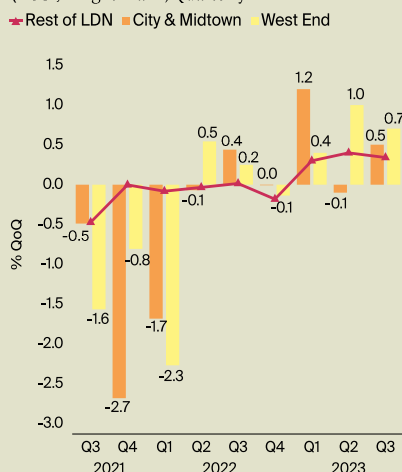
Investment Volumes
(RCA) Quarterly



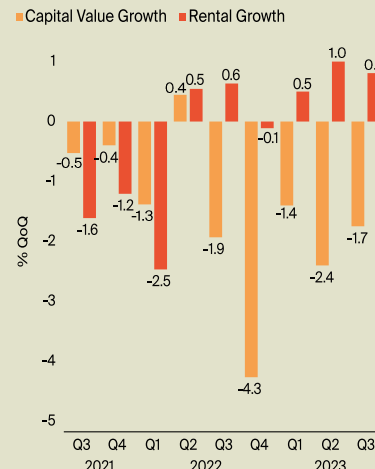
“The return of HMV to its spiritual home at 363 Oxford St is symbolic of renewed occupier interest in the capital. High profile new openings are but a barometer of wider activity which is seeing a rise in new lettings generally – and a sustained return to underlying rental growth.”

RESEARCH VIEW
Stephen Springham
Partner, Head of Retail Research

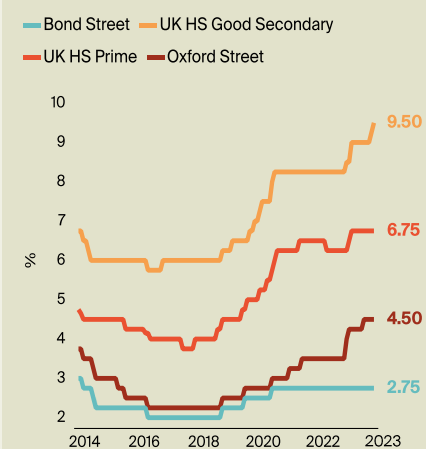
Rental Growth by Sub-market
(MSCI, Knight Frank) Quarterly



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



Prime Yields
(Knight Frank) Central London vs. UK



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Research Commentary

Central London Retail has been thriving – not just surviving – under the return of its core customer base: the high spending international tourist. Visits to the West End tracked positively, with footfall and spend both up +6% YoY in the nine months to September. Retail and leisure sales are now anticipated to reach £8.9bn for the year as a whole, approximately +11% higher than 2022 levels. Crucially, international visitors - the lifeblood of the market accounting for ca. 50% of spend – have returned. In September, the influx of high-spending Chinese shoppers spiked +151% vs. 2022 levels, registering just -3% below 2019 levels. The positive effects of the Elizabeth Line were also felt, bringing 68 million passengers into the West End in 2023 so far.

Occupier activity was reinvigorated by fresh regeneration announcements. Approved plans to reconfigure Oxford Street by 2026 sparked renewed interest from both international and domestic premium brands. New openings registered by LDC included Whistles, Sweaty Betty, Pandora, ME+EM, Kurt Geiger, and French Connection. A further 23 new brands are set to enter across Q4 and 2024, according to the NWEA, including Krispy Kreme, Miniso, The Fragrance Shop, Dr Martens and Hackett. New leisure anchors including Moco, a modern art museum, and Pocket Planet, an immersive miniature world, also announced opening dates for 2024. With activity concentrated on prime pitches, vacancy rates across the capital's high streets rose only marginally, by +10bps, to reach 10.7%. Rates have lingered around the 10.6% mark since 2021, indicating the market has reached a level of stabilisation.

Key Investment Deals (RCA, Knight Frank)

Location	Price (£m)	Yield (%)	Purchaser
175 – 179 Oxford St	£33.5m	6.1%	Private
92 Bond St	£11.0m	-	Private

Key lettings (EGI, Knight Frank)

Location	Unit Size (sq ft)	Tenant
267 – 277 King's Road	10,097	Fabrique Bakery
Walmer House, 288 – 292 Regent St	10,000	North Face
Grain House, 30 – 35 Drury Lane	6,200	Caravan
108 New Bond St	5,000	Georg Jensen
44 King's Road	4,500	Luca Faloni

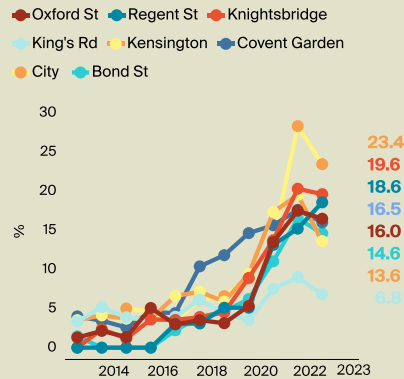
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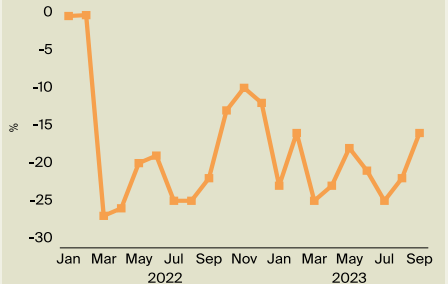
Vacancy

(PMA, Knight Frank) Unit %



West End Footfall

(New West End Company) LfL change vs. 2019



	Footfall vs. 2019
July	-25.0% ▼
August	-22.0% ▲
September	-16.0% ▲

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