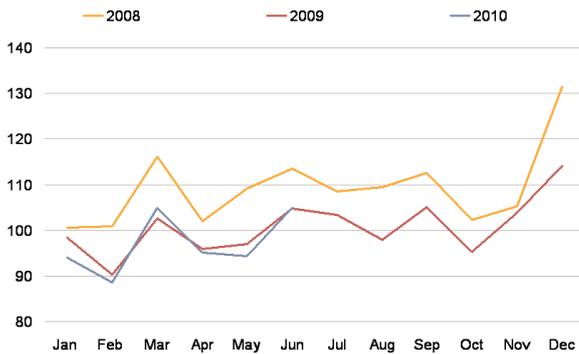


Shopping Centre Footfall Report

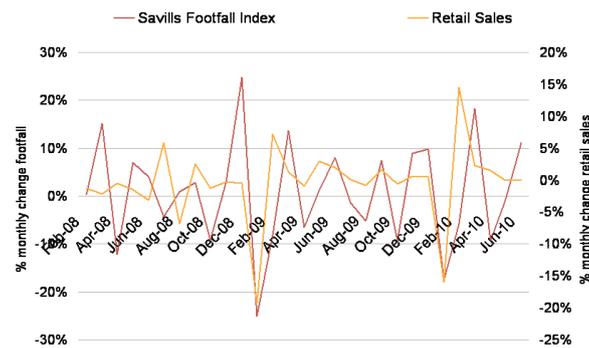
Winter 2010

Savills shopping centre footfall index



Source: Savills Research

Monthly % change in footfall and retail volumes



Source: Savills Research

“While the recession has had a negative impact on retail sales, footfall at prime shopping centres remains strong as shoppers are increasingly using centres as entertainment destinations.”



Davina Gray (Research Analyst)

- Despite the decline in retail sales and the decline in economic activity, consumers are still visiting prime shopping centres but their pattern of behaviour has shifted.
- Savills research shows that average footfall across key shopping centres managed by Savills fell by 7.9% between 2008 and 2009.
- The Savills footfall index for the first six months of the 2010 is closely correlated to the footfall figures of the same period in 2009 with only a small decline of 1.2%.
- Savills data shows that in March/April 2010 the Savills index outperformed the benchmark data as result of successful marketing campaigns at Savills managed shopping centres.
- Savills research shows that consumers are still going to shopping centres, therefore not dramatically affecting overall footfall numbers, but they have significantly reduced their spend.
- The centres which have entertainment and leisure offerings integrated into them, recorded a smaller drop in footfall numbers, as consumers are increasingly using centres as entertainment destinations.
- Savills data show that there is a correlation between retail sales and footfall in shopping centres.
- The focus now for shopping centre managers will not only be on maintaining and increasing footfall levels in the future but getting consumers to spend.

Savills
Research

savills.com/research



Shopping Centre Footfall Report

Trends in Shopping Centre Footfall

The decline in retail sales and the rapid decline in economic activity has been well documented. However, interestingly, consumers are still visiting prime shopping centres but their pattern of behaviour has shifted.

Savills research shows that average footfall across key shopping centres managed by Savills fell by 7.9% between 2008 and 2009. The Savills footfall index for the first six months of the 2010 is closely correlated to the footfall figures recorded for the same period in 2009 with only a small decline of 1.2%, showing that after dropping significantly between 2008 and 2009 footfall at prime centres is now stabilising.

When compared to the Experian data (a national benchmark), the Savills data shadows the trends seen nationwide. The exception being in March/April 2010 when the Savills index outperformed the benchmark data arguably as result of successful marketing campaigns at these shopping centres.

Since the recession consumers have become more price and value aware as seen in retail sale value and volume data. Our research shows that consumers are still going to shopping centres, therefore not dramatically affecting overall footfall numbers, but they have significantly reduced their spend. Dwell time has increased as consumers continue to visit but now purchase value goods and snacks. Data from the Savills managed centres which have entertainment

and leisure offerings integrated into them, recorded a smaller drop in footfall numbers, as consumers are increasingly using centres as entertainment destinations.

Savills data show that there is a correlation between retail sales and footfall in shopping centres. The data show that when footfall plateaus, retail sales volumes mirror this, and likewise when retail sales volumes increase, there is an increase in footfall as well.

Outlook

The focus now for shopping centre managers is not only be on maintaining and increasing footfall levels in the future but getting consumers to spend. This is where the skills of the centre and property managers will come into force along with retailers tailoring their products for the now value aware consumer. It will become essential for centre and property managers to ensure that vacancy levels in centres are kept to a minimum and that the retail tenant mix is suitable for the centre and appeals to the widest range of consumer tastes and requirements

Marketing is one of the key methods to entice consumers to a shopping centre. A successful marketing campaign should result in an increased level of footfall and in many cases the success of a campaign will be measured via footfall levels and tenant/retailer feedback.

For further information please contact:



Joan Henry
Head of Research
+353 1 618 1300
joan.henry@savills.ie



Davina Gray
Research Analyst
+353 1 618 1483
davina.gray@savills.ie



Roy Deller
Director
Property Management
+353 1 618 1426
roy.deller@savills.ie



Larry Brennan
Director - Retail
+353 1 618 1302
larry.brennan@savills.ie

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 180 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. A unique combination of sector knowledge and entrepreneurial flair give clients access to real estate expertise of the highest calibre. We are regarded as an innovative-thinking organisation backed up with excellent negotiating skills. Savills chooses to focus on a defined set of clients, therefore offering a premium service to organisations with whom we share a common goal. Savills takes a long-term view to real estate and works hard to invest in long term and strategic relationships and is synonymous with a high quality service offering and a premium brand.

This bulletin is for general informative purposes only. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The bulletin is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research. (c) Savills Ltd Winter 2010

Savills
Research

savills.com/research

savills