

New West End Company

London West End Retail
Turnover Forecasting

**2022 Mid-Year Update
Executive Summary**

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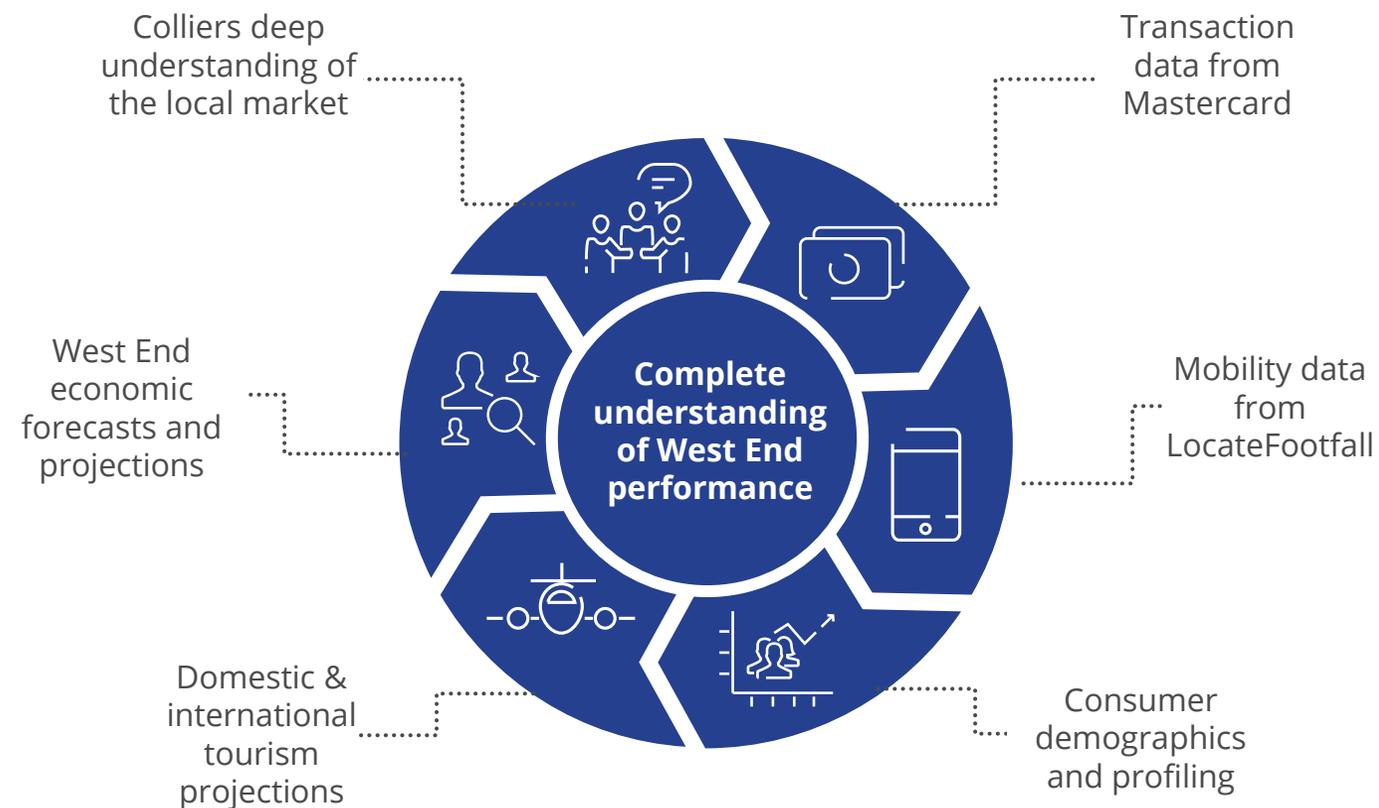
Background & Context

West End Retail Performance 2022 YTD & beyond

This executive summary represents a mid year update of the Colliers Retail Strategy & Analytics West End Turnover report produced in January 2022.

Based upon a wide range of West End specific data, the report and underlying analysis provides a detailed understanding current performance trends across London's West End, with a forward-looking view to predict future performance that accounts for the key drivers of performance and how they are anticipated to change over the next 10 years.

The same key data points have been utilised and updated to provide an understand existing performance and predict future turnover for London West End





£4.0bn

Year to Date (YTD)

Total West End Turnover(*)

-20%

Versus 2019 YTD

+109%

Versus 2021 YTD

Current Performance Estimate

Year to date sales up +109% vs. 2021

- **2022 spend continues to outperform footfall year to date**
 - Dynamic between footfall, sales and ATV's suggesting increased conversion rates when consumers visit the West End
- **Monthly performance in-line or above pre-pandemic levels for most trading areas since May '22 onwards**
 - Regent St the strongest performer, weakest performance seen in Mayfair where performance is yet to hit pre-pandemic levels
- **Based upon the latest MasterCard transactions analysed alongside the Colliers LocateFootfall data it is estimated that total West End YTD sales of around £4.0bn**
 - An increase of +109% versus the same trading period in 2021
 - Would equate to an annualised sales forecast for 2022 of approx. £7.7bn. Around -15% below 2019 levels
 - Forecast for the remainder of 2022 revised down when compared to forecast produced in January 2022 as a result of weaker economic forecasts

(*) Colliers forecasts / Core West End Area / forecast is for Retail & F&B and excludes hotels, galleries, and auction houses

Influencers on future West End performance

Performance drivers have been updated to reflect latest consumer dynamics and market conditions

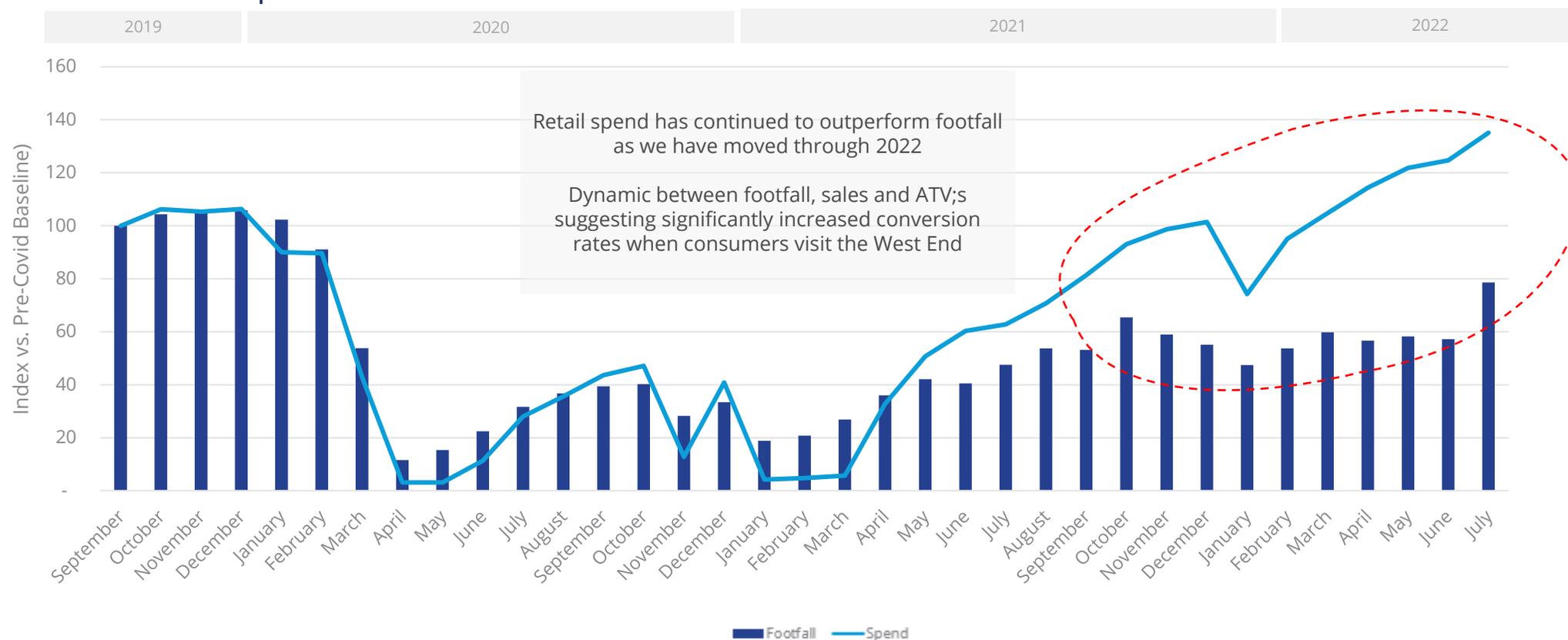
		Previous forecast (Jan 22)	Updated forecast (Aug 22)
	Economy	 London economy anticipated to grow by a further 13% by 2025 and 27% by 2031	London GDP forecast to grow at a slower rate than previous forecasts. With biggest reduction in the forecast for '22 & '23. Longer term forecasts more aligned with +25% growth by 2031 versus previous forecast of +26%
	Tourism	 International visitor numbers forecast to recover by around 2023 with growth up to 2031	International visitor numbers continue to be forecast to recover by around 2023. However speed of recovery has been upgraded with greater volumes forecast through to 2030
	Elizabeth Line	 Future positive Crossrail from around mid-2022 onwards	7% to 13% net increase in entries/exits at West End stations forecast by around mid 2023. Most recent forecasts broadly in-line with previous forecasts and so limited impact on turnover forecast
	Population	 Residential and worker populations growth of around 3% (nationally) and 6% (London) up to 2031	No change to previous forecasts. Rate and level of population growth remains the same as Jan report
	Expenditure	 Consumer expenditure growth of around 20% (Domestic) to 24% (London) up to 2031	Reduction in consumer expenditure forecasts for 2022 and 2023 when compared to previous forecasts. Longer term London forecasts more aligned with approx. 24% growth up to 2031
	Online Impact	 Continued shift to online will impact growth rates and store-based expenditure up to 2031	No change to previous forecasts. Rate and level of channel shift remains the same as Jan report

 Weaker forecast  Broadly in-line with previous forecast  Improved forecast / more positive outlook anticipated

Understanding Shopper Behaviours

2022 spend continues to outperform footfall year to date

Core West End: Footfall & Spend

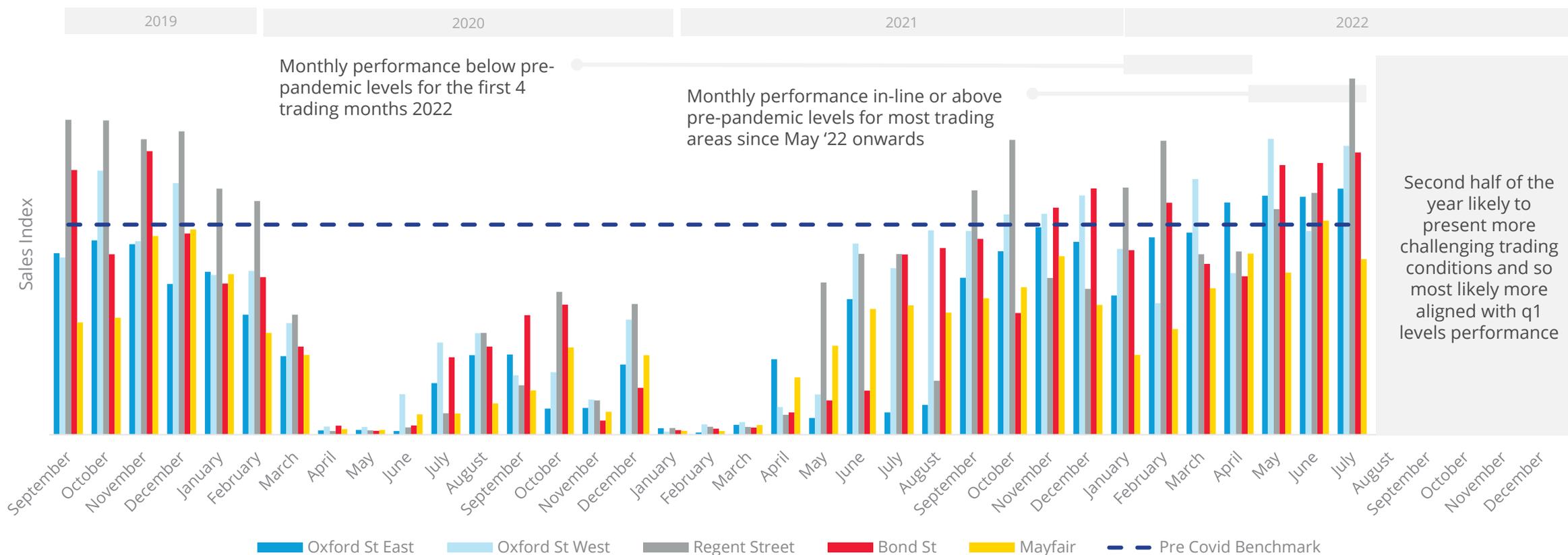


Source: Colliers LocateFootfall | Mastercard

Understanding Shopper Behaviours

Performance below 2019 levels during early part of 2022 – performance in-line or above 2019 for most areas since May

Core West End: Spend

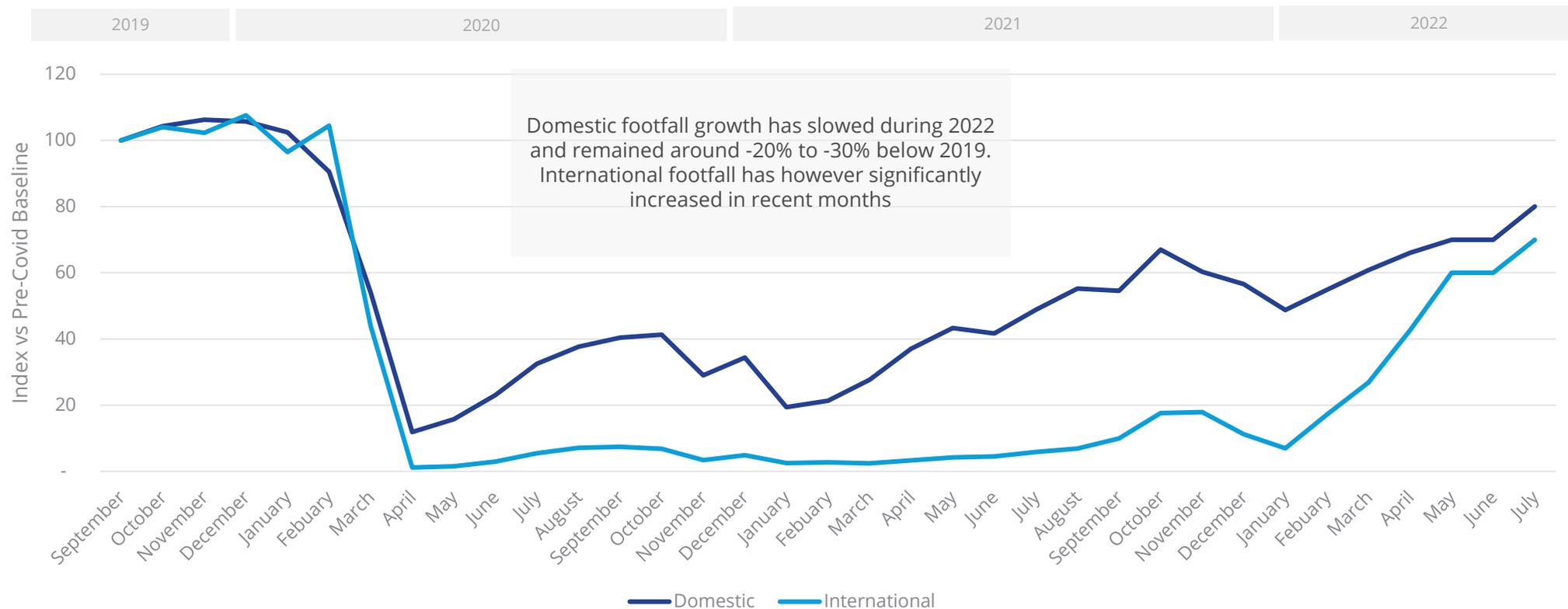


Source: Mastercard

Understanding Shopper Behaviours

International footfall has seen significant increases during the first half of 2022

Core West End: Footfall (International vs. Domestic)

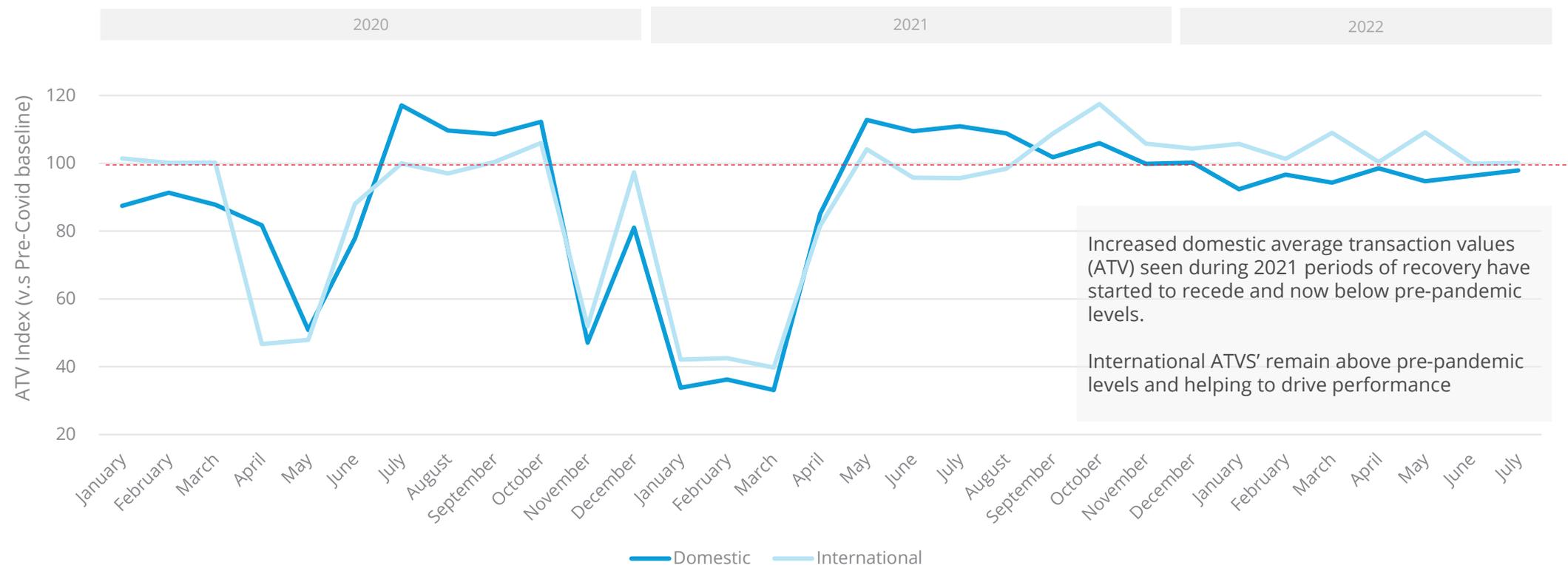


Source: Colliers LocateFootfall

Understanding Shopper Behaviours

International average transaction values above pre-pandemic levels and helping to drive West End performance

Core West End: Spend

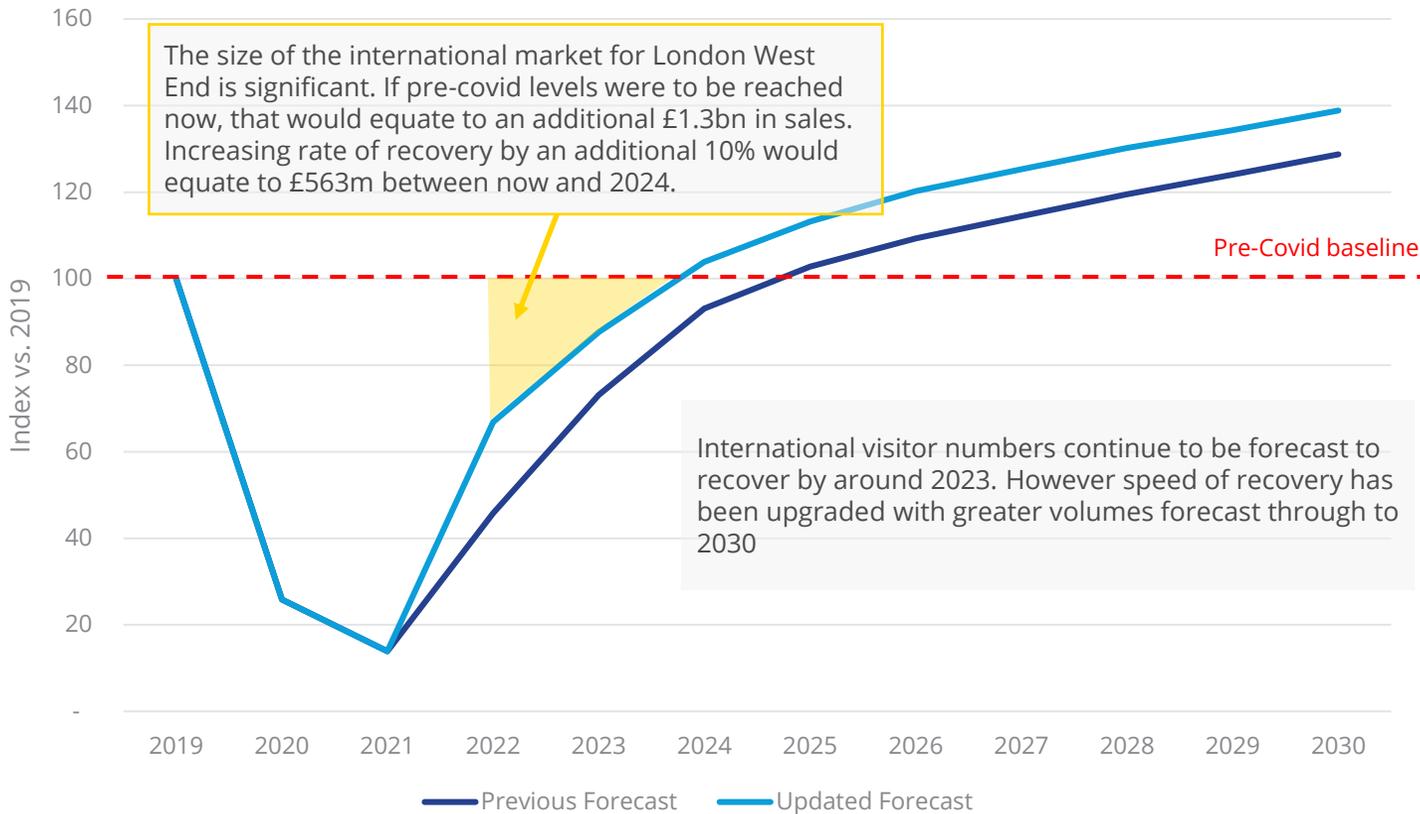


Source: Mastercard

International Visitors

International visitor numbers to recover by around 2023

London: International Visitor Forecasts



Source: Tourism Economics



£10.9bn

Total Core West End Turnover(*)
by 2025

+20%

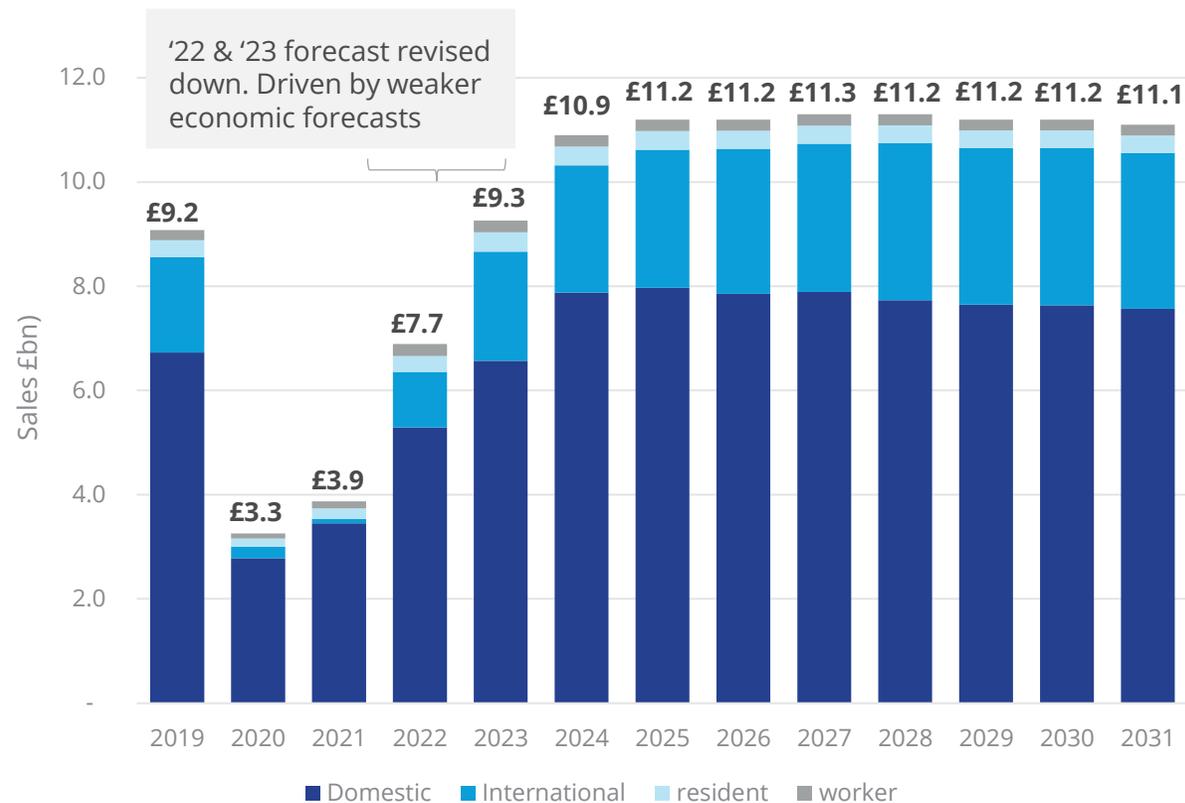
Versus Pre-Pandemic



Future Performance

Sales remain on track to exceed £10bn by 2024

However, both 2022 and 2023 forecasts have been downgraded versus January forecasts

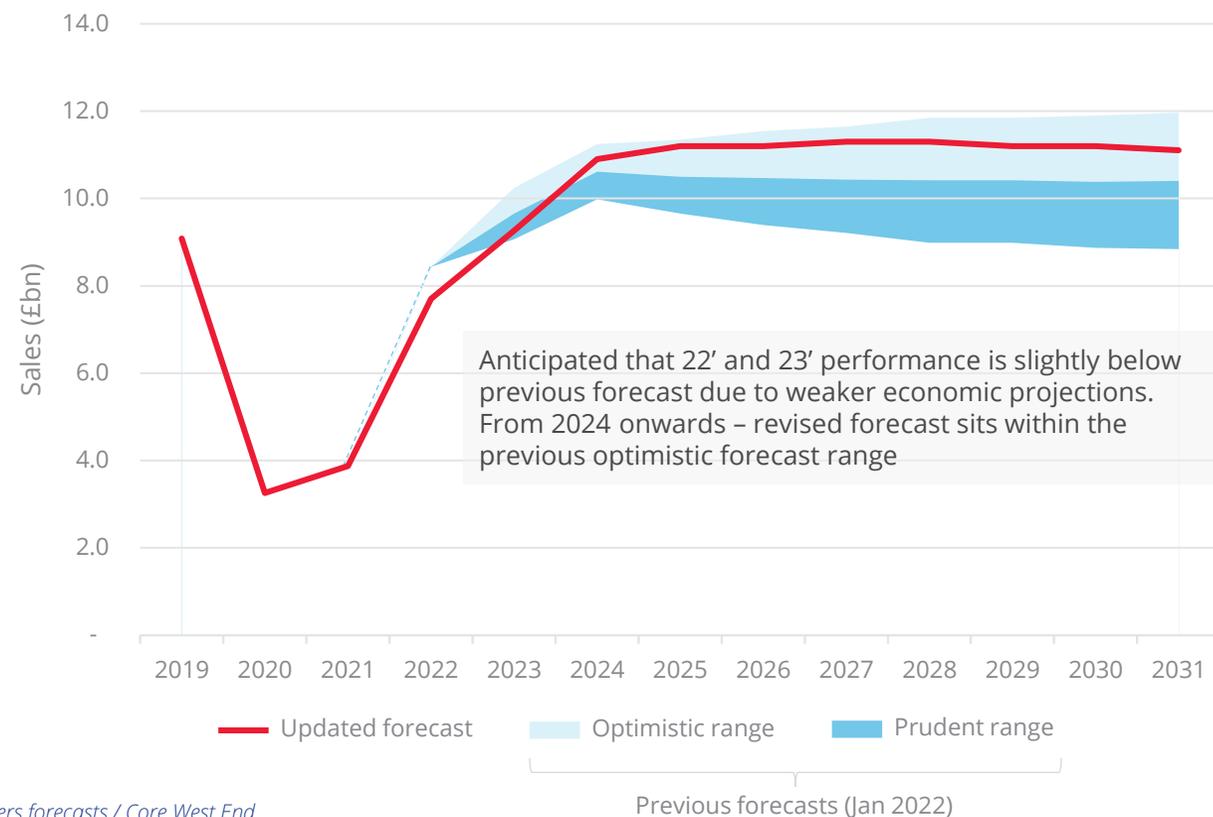


Source: Colliers forecasts / Core West End area / mid-point scenario

Future Performance

Revised longer term forecast within the previous optimistic range^(*)

Updated forecast versus previous range – Core West End



^(*) Colliers forecasts / Core West End



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