

# Location Group – Once around the world

The cities of Zurich, London, New York and Tokyo are often mentioned in the same breath – especially when it comes to the most luxurious fashion labels, the most splendid shopping streets, and the highest key moneys and rental fees.

Text: Birthe Grautmann

**B**oth retailers and consumers are drawn to the world's great metropolises. Here time never stands still and the cities show their most diverse sides.

Marc-Christian Riebe, founder of Location Group, frequently jets around the globe in order to take a closer look at the world's most expensive streets, to place retailers in the best locations, and therefore four cosmopolitan cities were closely scrutinised.

## *Zurich – the front runner*

The fact that Zurich ranks among the world's three most expensive retail locations is largely due to Bahnhofstrasse. Between Bally Capitol and Paradeplatz rental fees exceed 12,000 francs per square metre annually, although sales figures of even 50,000 Swiss francs per square metre are not uncommon. In excess of 100,000 pedestrians saunter through Bahnhofstrasse every day, passing luxurious shops such as Bulgari, Cartier, Chanel, Jimmy Choo, Hackett London, Hermès and Prada.

The fact that Zurich is a popular and expensive place is evident not only in that sales figures are among the highest in the world, but also in that rental fees are at their peak. Employees in Zurich are earning the highest wages worldwide, which is reflected in the highest purchasing power globally.

## *Luxury London*

With its high-end Mayfair district, London intends to top cities such as Paris, Milan, New York and Tokyo in the luxury shopping segment.

Mayfair leaves nothing to be desired for shoppers as the list of luxury labels is long and is continuously growing. For instance, in 2012 Victoria's Secret will open a boutique across 1,500 square metres at the corner of Brooke Street and New Bond Street, not far from the first Coach flagship in Europe.

A square metre costs 9,200 francs annually and, in contrast, the British capital is merely in 20th position in terms of wage level, yet still ahead of cities such as Paris, Amsterdam, Vienna and Berlin.

## *The Big Apple*

What would the Big Apple be without its namesake? New York City's most expensive boulevard, Fifth Avenue, houses an Apple Store in a class of its own. With its approximately 500 million US dollar annual turnover, the Apple Store is at the top by a long way.

Great sums of money change hands with Japanese fashion group Fast Retailing; it pays 20 million dollars annually in rental fees for its Uniqlo branch and the landlord paid 46 million dollars key money to the former tenant Brooks Brothers, which is next door to Hollister. Zara topped this with the acquisition of the retail space of the NBA Store with 324 million dollars as well as the renting out and development of the shop totalling a further investment of 76 million dollars.

In an international comparison of the wage level, New York ranks only in fifth place and is overtaken by front runner Zurich.

## *Tokyo – land of the rising sun and prices*

Numerous famous designers have established themselves in the districts of Ginza, Harajuku, Aoyama and Shibuya. They are located in the exclusive vicinity of e.g. Louis Vuitton, Piaget, Prada and Salvatore Ferragamo. Other labels in these districts include Abercrombie & Fitch, Forever 21, Nike and Top Shop.

It is the price level that is particularly high in Japan's capital. Tokyo ranks in fourth place close on the heels of Oslo, Zurich and Geneva. Here, the average annual retail rental fee is circa 9,700 francs per square metre; yet, Tokyo ranks at number 17 and 22 respectively with regard to wage level and domestic purchasing power. •

## London



Louis Vuitton has reopened its London flagship store on New Bond Street, providing a glamorous environment unlike that of any other Louis Vuitton store.

## Tokyo



In Tokyo, Abercrombie & Fitch opened its first store in Asia in a twelve-storey building in the Ginza district on the Chuo Dori.

## New York



In New York, the Apple Store on Fifth Avenue became one of the most frequently photographed sights in the city – in fifth place behind the Empire State Building, Times Square, the Rockefeller Center and Grand Central Station.



Marc-Christian Riebe,  
Founder of Location Group

## Zurich



The luxury label Hermès opened a 450-square-metre boutique on Paradeplatz in Zurich. The luxury mile on Bahnhofstrasse is among the top three most expensive shopping areas worldwide with a top rental rate of over 12,000 Swiss francs per square metre per year.

## The Location Group

In recent years Location Group has developed into the leading consulting and marketing specialist for retail properties and expansion strategies.

locationgroup

Location Group  
Löwenstrasse 43  
CH-8001 Zürich  
+41 (0)44 225 95 00  
contact@location.ch  
www.location.ch  
www.location.tv