

LOCATION SERVICES RESEARCH

Retail-Market Report Zurich 2007 / Preview 2008

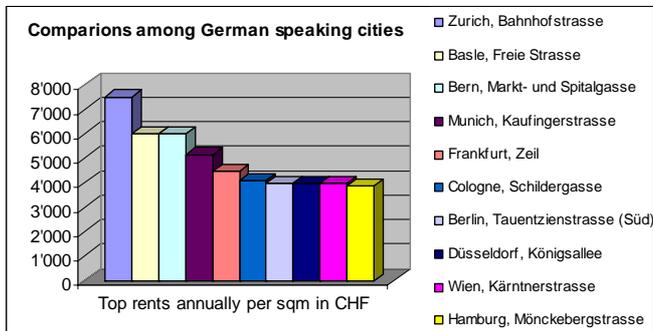


Zurich with the highest rents in the German speaking region

The rents for retail spaces along Bahnhofstrasse in Zurich are substantially higher than in Munich, Frankfurt or Vienna. Zurich equals New York and Hong Kong for sales revenue per square meter, and boasts the highest purchasing-power worldwide, as well as the international highest per capita income along with the highest quality of life, even outperforming London or Paris.

Along the **Bahnhofstrasse** at the **Paradeplatz** the rental amounts for retail spaces are reaching new records of CHF 7'500 (EUR 4'520) per square meter annually. International luxury companies like the gentlemen's outfitter Ermenegildo Zegna, who operates 550 stores worldwide, achieve their best sales figures globally at this location. **Globus**, with a space of 7'500 square meters, obtains a turnover of more than CHF 180 millions (EUR 108 millions.) which is with more than CHF 24'000 per sqm (EUR 14'500/sqm) annually one of the most productive department stores in the world. Zurich has a population of approximately three million people, including surrounding areas; the main station is frequented daily by more than 320'000 people.

In summer 2007, after taking over the store of Rosenthal at **Bahnhofstrasse**, opposite to Burberry, Cartier reopened, expanded and renovated. Confiserie Sprüngli also lights up after complete renovation. This summer the watch and accessories company Fossil took over Accessorize's retail space, situated between Swatch and H&M. The retail chain for women's fashion, Bonita, opened its Swiss flagship store in May 2007 between Swarovski and Body Shop. Also Navyboot was able to expand the store by taking over a part of Imholz Travel Agency's space. Denner opened its second D-Vino shop at the **Schützengasse**. In December G-Star started their first shop in Switzerland at the corner of the **Uraniastrasse**.



In February Paris Hilton attended the glamorous opening of Club Saint Germain which has its entrance at the **Rennweg** in the Bally Capitol building. The new shops of Geox, Kiehl's, Lacoste, McGregor and Ovale developed very well. The maximum rents came up to CHF 4'000 (EUR 2'400) annually per square meter. Unfortunately, since April 2007, because of the former Butlers-Shop being under construction for the new Fortis Bank, street appearance is still not at its best. Also due to the expansion of the teller service section of The Postfinance at Max Ditting House, it is not favorable for any new development for retail business.

The Swiss stores for lingerie label Aubade and the boutique of Schlossberg are located at the **Strehlgasse**. The former Sturzenegger shop at the **Löwenstrasse** is now home for the Swedish beddings brand, Hästens. In end of June, Nespresso celebrated the opening of their Flagship-Boutique with an area of approximately 450 square meters, with an integrated bar-lounge in the Alte Börse building at **Bleicherweg**. The hip Japanese fashion label Onitsuka Tiger and clothing manufacturer, Habsburg opened their shops at **Sihlstrasse**.

Diesel's accessories shop is being located at **Niederdorfstrasse** since spring. In early December, the unique restaurant Vertigo, with a lounge

style like Supper Club, celebrated their premiere at **Hirschenplatz**. The denim label Lee Cooper opened its first store in Switzerland right opposite to Vertigo. Next to Adidas, at the Marktgasse where the Bakery Bertschi used to be, are now Choco-Motion and the gallery Lumas. The 14th Starbucks in the city opened its doors inside Orell Fuessli on the first floor at Stadelhoferplatz. Vögele Shoes took over the Tally Weijl space at **Limmatquai** and Compagny's the space of the former Fust Electro shop at the **Schiffplände**. The rents at these locations are between CHF 2'500 - CHF 3'000 (EUR 1'500 - 1'800) per square meter annually.

Despite enough visitors the new shopping mall **Sihlcity** at the south of Zurich did not perform well to expectations. The tenant-mix is not what they have hoped to be. Only some of the businesses on the ground floor and/or outer side of the mall can show some success. Positive results can be seen on the variety of restaurants.



On 1 November, the "bridge" mall between the two shopping centers, **Shoppi & Tivoli**, started successfully in Spreitenbach. Within the first four weeks, even businesses with branches located at the Bahnhofstrasse performed higher revenues. Tivoli is now undergoing a total renovation and should be completely refurbished by autumn 2009.

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The watch manufacturer Blancpain who belongs to the Swatch Group, opens its first Swiss Boutique in spring 2008 at the **Paradeplatz** where Pelz Paradise is currently located. Right opposite, the world's largest cashmere producer Loro Piana will take over the location of the luxury leather shop Mäder. The opening is planned for autumn 2008.

The department store **Jelmoli** will create an additional space of several thousand square meters for more luxury brands. Filippa K debuts at the **Schweizergasse** where the traditional shop Modelia Men used to be located and closed its doors at the end of December 2007 due to retirement. American Apparel and also, most probably, Thomas Sabo will open their first stores in Switzerland and/or in Zurich at the **Rennweg**. The question of: "Who will take over the retail store at **Weinplatz**?" where the bookshop Stäheli was located, after one year still remains open.

The **Limmatquai** loses another tradition; the Gran Café gives way for Autogrill's Café Motta. At **Hirschenplatz**, opposite of Vertigo G-Vision, a trendy coiffeur salon, will be open on the space formerly vacated by shoe store Platzhirsch. The question of who will rent the space next to Café Schober at the newly renovated UBS Building at **Bellevue** is still open. The NZZ say its building opposite the opera house is a destination for the fashionistas. Here, Candrian Catering opens a Brasserie with a bar; Navyboot opens a shoe store; and Grieder a Max Mara Boutique as well as the Confiserie Vollenweider.

Sotheby's moves to **Sihlporte** and will hand over the current space to the sport chain Athleticum in autumn 2008.

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