

LOCATION SERVICES ZÜRICH RESEARCH

Zürich Retail Location 2005/2006

In Zürich, rent prices are as high as EUR 4.500/sqm per year making them among the highest in Europe. This places Zürich as the most expensive retail trade location in Switzerland. In comparison: rent prices in Munich, the most expensive location in Germany, reach up to EUR 3.000/sqm per year – approximately one third below the top rent prices in Zürich. Only in London and Paris is retail space more expensive than in the city of Zürich, the city with the highest purchasing power worldwide, the highest standard of living as well as the highest per capita income in the world. Zürich, the largest city in Switzerland, has a population of 367,000 and 3 million people live in the city's catchment area.

Bahnhofstrasse, Zürich's top prime location, will see the addition of Hugo Boss in spring 2006 and beginning in mid-2007, one of the first continental European Apple stores.

In Sihlcity, the new part of the city covering a total area of approx. 100,000 sqm, a shopping centre by the same name will be opening in spring 2007. The area is already in high demand, demonstrating the need for additional retail space in Zürich for proprietors of chain stores. In addition to approximately 90 retail stores, a multiplex cinema, a 4-star Sheraton Hotel as well as a wellness and fitness centre will round out the offerings. Furthermore, 20,000 sqm of office space will be located here and 2,500 jobs generated.

Compared to Glatt, the largest and what has up to now been the most successful shopping centre in Switzerland with a total area of 43,387 sqm and optimum location directly on the motorway near the airport, Sihlcity with approx. 41,000 sqm and a feeder road on the A3 motorway in southwest Zürich, is certain to become a serious contender for the number 1 shopping centre in Switzerland. 450,000 people live in the primary catchment area. Another one million people live in the secondary and tertiary catchment areas.

Location Services Zürich confirms that the prime retail districts of Rennweg, the Limmatquai, Löwenplatz and Niederdorfstrasse are also in very high demand. This was confirmed recently on Niederdorfstrasse with the recent openings of Beach Mountain and the Swedish fashion retailer Companys. Butlers, the German chain for household articles, opened its second Swiss store at the end of 2005 on Rennweg.

Bahnhofstrasse is the most visited prime location in Switzerland. Near the railway station, this first part of this top location is very consumer oriented towards young fashion and current trends and is focused on the mass market. In fall 2005 H&M opened what is now its third retail store on Bahnhofstrasse in the former location of Restaurant St. Gottard. s.Oliver had been located at this site, but the franchise partners were forced to close the store shortly after its first anniversary. The chain stores located here prosper thanks to the high traffic centred around the railway station, which is used daily by more than 320,000 travellers. According to insider reports, the chemist's shop in the railway station has the highest turnover of all chemist's shops in Europe. Similar record turnovers are achieved by many other businesses which have their best results per square metre anywhere in Europe and even worldwide. Other important new openings are located in Jelmoli - The House of Brands - where New Yorker and Zara each maintain 1,500 sqm flagship stores. Prior to these openings, Esprit and WE opened Swiss flagship stores opposite Bally Capitol following extensive remodelling.

The second retail store at operated by Sprüngli, the renowned bakery, was opened in the former location of Airbijoux Boutique. Continuing towards Paradeplatz, where the exclusive retailers keep shop on Bahnhofstrasse, Franz Carl Weber opened the completely renovated Kidstown. Next door, the French retailer of leather accessories, Longchamp, opened its first retail location in Switzerland. Opposite, Massimo Dutti of the Inditex corporation, successfully opened his fourth Swiss store in November 2005 in an area of approx. 550 sqm with wonderful ambience in the former location of Schweizer Volksbank. In the adjacent building, Wolford opened its Zürich flagship store in the former Yves Saint Laurent Boutique. A few metres further, Hugo Boss will open the doors of its first retail location in Switzerland in the spring of 2006 in the former Bruno Magli Store, next to Chanel.

Past Paradeplatz towards Lake Zürich, Tommy Hilfiger opened its first Swiss flagship store last year. Across the street, Devernois took over operation of the Charles Jourdan shoe retailer.

In addition to approx. 900 sqm on three levels on Rue du Marché in Geneva, the largest European retailer of fashion, Marks & Spencer, is considering opening its second Central European retail location on Bahnhofstrasse. The fashion houses of the PKZ-Feldpausch group are celebrating their 125 anniversary this year.

Rennweg has an orientation similar to that of Bahnhofstrasse and has taken on importance as a connecting street between Bahnhofstrasse and the streets Strehlgasse and Storchengasse. Rents here run as high as EUR 1.900/sqm per year. The strong demand for retail space is demonstrated by the new opening of Butlers, Kids Town - here with a rear entrance, the Postfinance branch in the former location of Ditting and last year's opening of Starbucks at the site of the former Nordsee restaurant. Karen Millen, the most successful English brand-name for women's fashion in the upper price category, is opening its second Swiss retail location in 150 sqm on **Storchengasse** opposite the new Charles Jourdan store located on Bahnhofstrasse next to the Trudi Götz's Trois Pommes boutiques.

Löwenplatz and the first part of the **Löwenstrasse** have profiles similar to Rennweg and demand similar top rent rates. warehouse Globus, which belongs to the Migros Group, is present at Löwenplatz with a new concept in gastronomy on the ground floor. Nestle opened its first Nespresso boutique in Zürich on Löwenstrasse as well as Calida on Löwenplatz.

Niederdorf, with **Niederdorfstrasse** and short connecting paths such as **Marktgasse** to the **Limmatquai**, are gaining importance as alternatives to the left bank of the Limmat. Rent levels here are similar to Rennweg (EUR 1.600/sqm per year) and considerably lower than on Bahnhofstrasse. Beach Mountain opened a store at Niederdorfstrasse 20 in 2005, and the Swedish fashion label Companys followed at the start of 2006 with a retail location on three levels at Niederdorfstrasse 88.

Adidas opened its first Swiss Originals Store at the corner of Marktgasse. With its Sisley label, the Benetton Group opened its first store in Switzerland at Marktgasse 20. Not far from here, Starbucks opened its tenth café in Zürich, thereby continuing its expansion plans since opening its first Starbucks coffeehouse on the European continent in 2001 at Central in the centre of Zürich. The fashion brand Mexx is opening another location at the site of the former More & More Store on Limmatquai.