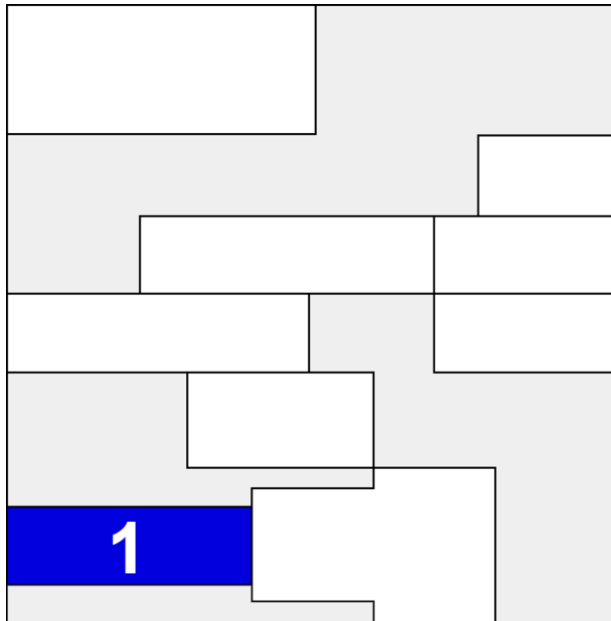


Segment 1: Service purveyors

Segmentation of demand in the retail property market

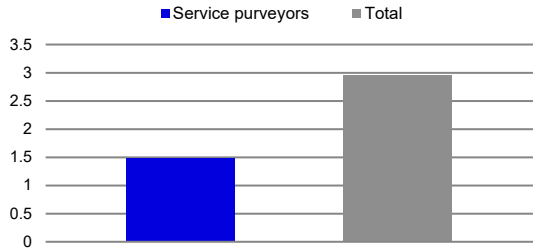
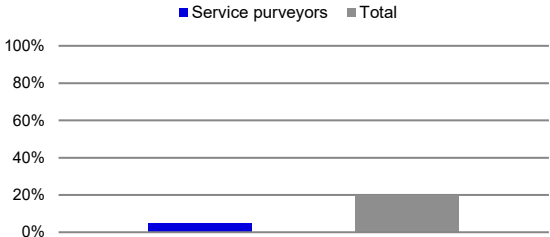


1.1 Service purveyors: Introduction

Around 51 % of all Swiss businesses operating in the retail property market are service purveyors accounting for 25 % of those employed in the sector. This segment is primarily composed of very small individual companies providing a service as well as shops offering basic services and products. Typical examples are hairdressers, dry cleaners, flower shops and pharmacies. As providers of basic services they need to be accessible. They are important to the local community but are also to be found in almost all retail sites in all types of centre – residential areas, railway stations, shopping centres and inner cities.

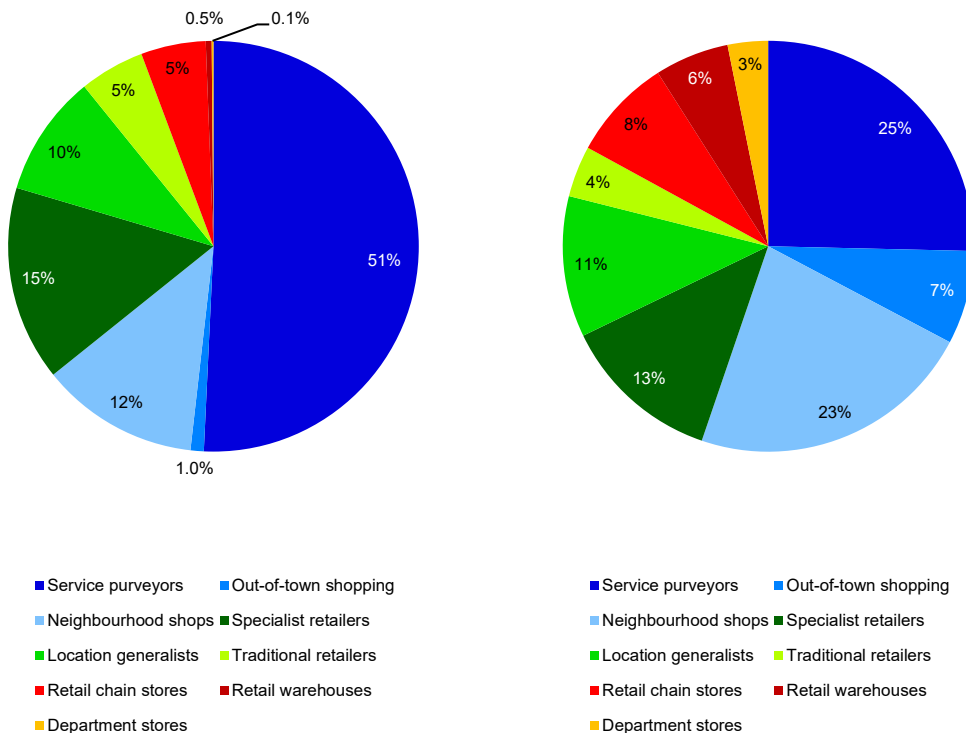


The services and goods provided are generally purchased in a planned way. The potential for purchases of other related goods and services is rather low. On the other hand the site requirements are generally lower than those of most other players on the retail property market. However, reasonable visibility for passers-by and a position that is easily reached by public transport and on foot are still important, and may affect sales, meaning these businesses are prepared to pay somewhat more in rent. They either rent one floor in a mixed-use building or in shopping centres and require very small surface areas. The level of fittings is rather basic, but may occasionally be above-average. Layout and flexibility are standard. There are no additional requirements, such as additional rooms. The level of sales area profitability is fairly low, except for pharmacies.

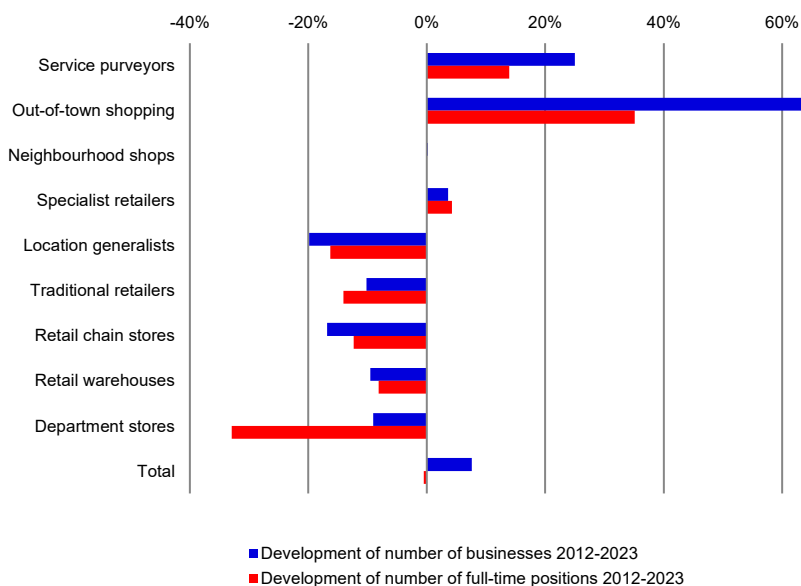
Characteristic	Typical features						
Average number of employees per business (2023)	1.5 Full-time equivalents <div style="text-align: right;">  <table border="1"> <caption>Average number of employees per business (2023)</caption> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Service purveyors</td> <td>1.5</td> </tr> <tr> <td>Total</td> <td>3.0</td> </tr> </tbody> </table> </div>	Category	Value	Service purveyors	1.5	Total	3.0
Category	Value						
Service purveyors	1.5						
Total	3.0						
Required surface area	50 - 200 m ²						
Catchment area	Small, local						
Concentration of chain stores (2023)	5% <div style="text-align: right;">  <table border="1"> <caption>Concentration of chain stores (2023)</caption> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Service purveyors</td> <td>5%</td> </tr> <tr> <td>Total</td> <td>20%</td> </tr> </tbody> </table> </div>	Category	Value	Service purveyors	5%	Total	20%
Category	Value						
Service purveyors	5%						
Total	20%						

1.3 Service purveyors: Distribution

Distribution of Swiss businesses (left) and full-time positions (right) in the retail property market (2023)

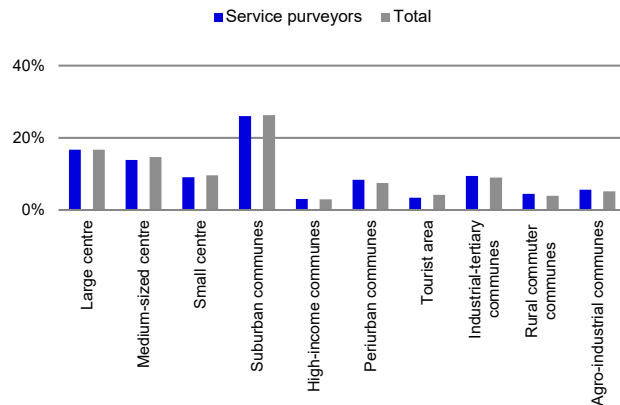


Development of number of businesses and of full-time positions 2012-2023 (Switzerland)



1.4 How do the Service purveyors sell?

Characteristic	Typical features
Retail location	Radial and arterial roads in all localities, junctions, residential areas and shopping centres, orientated towards pedestrians



Surface area layout	Rectangular, practical
Building/plot	Without own plot
Type of property	Mixed-use building, medium-sized single retail business, shopping centre
Number of storeys	Single-floor
Architecture	Modern, classic, historical building
Access/connections	Easy access and deliveries
Retail space flexibility	Less important
Standard of fittings	Rather basic, occasionally superior
Requirements of property for sale	No special requirements

1.5 Characteristics of goods and services

Characteristic	Typical features	
Type of goods	Mainly basic	
Spontaneous purchase/planned purchase	Planned	<p>Planned Spontaneous</p>
Product selection (width)	Narrow	<p>Narrow Wide</p>
Product range (breadth)	Fairly flat	<p>Flat Deep</p>
Potential for linked purchases	Low	<p>Low High</p>
Duration of consumption	Medium-term	<p>Short-term Long-term</p>
Pricing	Average price	

1.6 Service purveyors: Point of sale

The search for retail space is influenced by the preferences and restrictions affecting demand. The following details relate to the final results of the process.

Characteristic	Typical features	
Retail trade function	<p>Not relevant for centres Appropriate for neighbourhood Relevant for centres Centre generating</p>	
Accessibility by individual transport (incl. by foot)	<p>Fairly unimportant</p> <p>Less important Important</p>	
Accessibility by public transport (incl. parking)	<p>Important</p> <p>Less important Important</p>	
Agglomeration benefit	<p>Secondary</p> <p>Less important Important</p>	
Passing trade	<p>Fairly unimportant</p> <p>Less important Important</p>	
Visibility	<p>Average</p> <p>Less important Important</p>	
Image of sales location	<p>Secondary</p> <p>Less important Important</p>	