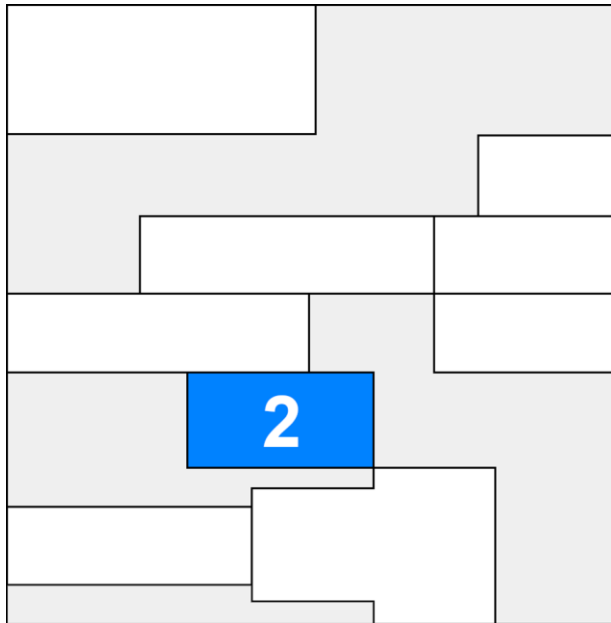


# Segment 2: Out-of-town shopping

Segmentation of demand in the retail property market

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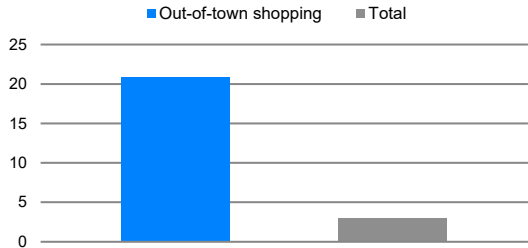
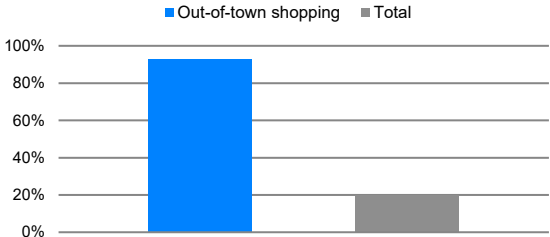
## 2.1 Out-of-town shopping: Introduction

Around 1 % of all Swiss businesses operating in the retail property market are out-of-town shops accounting for 7 % of those employed in the sector. This segment includes primarily branches of hypermarket and discounter chains that offer a wide selection of foodstuffs as well as a narrow non-food range. Typical examples of out-of-town shops are food discount stores and food hypermarkets. As providers of basic goods to those shopping by car they are located at busy transport axes, on the outskirts of cities, in commercial districts and increasingly in retail parks, but not in town centres.



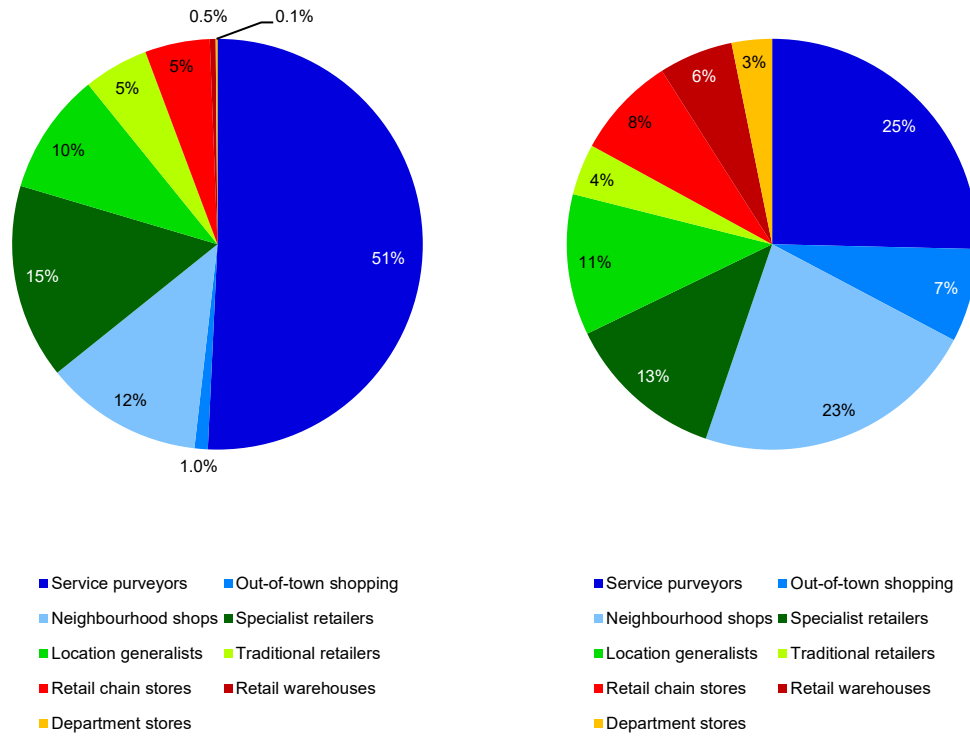
Out-of-town shops are key tenants in the sites they occupy and attract customers from a wide radius. As they sell their goods in a targeted way and in large quantities accessibility by individualised transport and plenty of parking space are the most important requirements. They occupy self-contained premises, usually covering one floor, with a sales area of over 2,500 m<sup>2</sup>, or in the case of discounters with an area of around 1,000 m<sup>2</sup>. Their standard of fittings is predominantly basic and space flexibility tends to be important. Easy delivery of goods and additional rooms, such as cool rooms, are also significant factors. The level of sales area productivity is fairly low and this results in an unwillingness to pay higher rents. The price structure ranges from low to greatly discounted.



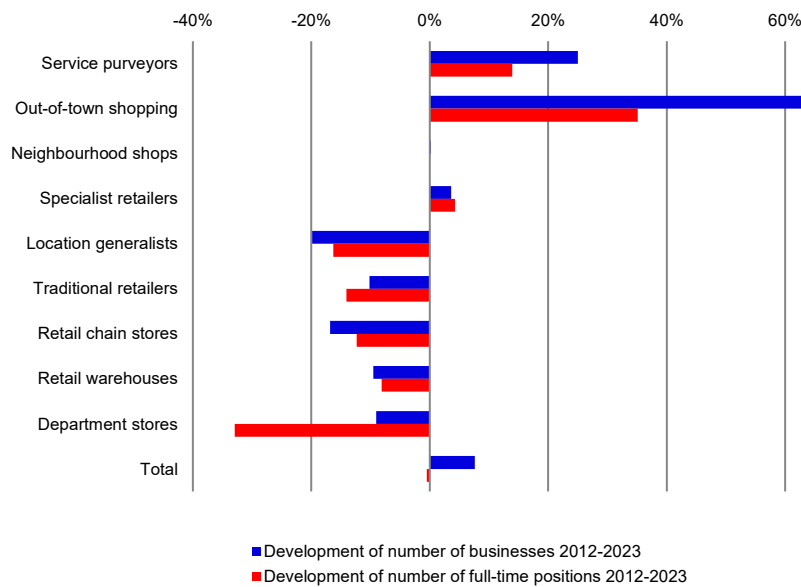
Characteristic	Typical features						
Average number of employees per business (2023)	20.8 Full-time equivalents <div style="text-align: right;">  <table border="1"> <caption>Average number of employees per business (2023)</caption> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Out-of-town shopping</td> <td>20.8</td> </tr> <tr> <td>Total</td> <td>2.8</td> </tr> </tbody> </table> </div>	Category	Value	Out-of-town shopping	20.8	Total	2.8
Category	Value						
Out-of-town shopping	20.8						
Total	2.8						
Required surface area	2'500 - 8'000 m2 or around 1'000 m2 (discounter)						
Catchment area	Medium-sized						
Concentration of chain stores (2023)	93% <div style="text-align: right;">  <table border="1"> <caption>Concentration of chain stores (2023)</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Out-of-town shopping</td> <td>93%</td> </tr> <tr> <td>Total</td> <td>7%</td> </tr> </tbody> </table> </div>	Category	Percentage	Out-of-town shopping	93%	Total	7%
Category	Percentage						
Out-of-town shopping	93%						
Total	7%						

### 2.3 Out-of-town shopping: 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)



## 2.4 How do the Out-of-town shopping sell?

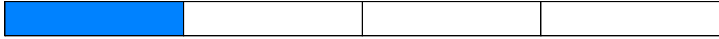





Characteristic	Typical features																																	
Retail location	Orientated towards cars, busy transport axes, city districts, edge of town, retail parks, commercial districts of larger cities																																	
	<table border="1"> <caption>Approximate data from the bar chart</caption> <thead> <tr> <th>Commune Type</th> <th>Out-of-town shopping (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Large centre</td> <td>10</td> <td>18</td> </tr> <tr> <td>Medium-sized centre</td> <td>12</td> <td>15</td> </tr> <tr> <td>Small centre</td> <td>15</td> <td>10</td> </tr> <tr> <td>Suburban communes</td> <td>38</td> <td>28</td> </tr> <tr> <td>High-income communes</td> <td>2</td> <td>5</td> </tr> <tr> <td>Periurban communes</td> <td>8</td> <td>10</td> </tr> <tr> <td>Tourist area</td> <td>2</td> <td>5</td> </tr> <tr> <td>Industrial-tertiary communes</td> <td>12</td> <td>10</td> </tr> <tr> <td>Rural commuter communes</td> <td>3</td> <td>5</td> </tr> <tr> <td>Agro-industrial communes</td> <td>8</td> <td>10</td> </tr> </tbody> </table>	Commune Type	Out-of-town shopping (%)	Total (%)	Large centre	10	18	Medium-sized centre	12	15	Small centre	15	10	Suburban communes	38	28	High-income communes	2	5	Periurban communes	8	10	Tourist area	2	5	Industrial-tertiary communes	12	10	Rural commuter communes	3	5	Agro-industrial communes	8	10
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Surface area layout	Rectangular, functional																																	
Building/plot	Generally with own plot																																	
Type of property	Stand-alone medium-sized retail business																																	
Number of storeys	Generally single-floor																																	
Architecture	Funcional, modern, single-floor																																	
Access/connections	Access and deliveries important and complicated (loading ramp)																																	
Retail space flexibility	Important																																	
Standard of fittings	Predominantly basic																																	
Requirements of property for sale	Deliveries must be possible (loading ramp), extra rooms and cool storage rooms needed																																	

## 2.5 Characteristics of goods and services

Characteristic	Typical features	
Type of goods	Basic	
Spontaneous purchase/planned purchase	Planned	<p>Planned                      Spontaneous</p>
Product selection (width)	Fairly wide	<p>Narrow                      Wide</p>
Product range (breadth)	Average	<p>Flat                      Deep</p>
Potential for linked purchases	Fairly high	<p>Low                      High</p>
Duration of consumption	Short-term	<p>Short-term                      Long-term</p>
Pricing	Generally lower price ranging to extreme discount	

## 2.6 Out-of-town shopping: 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	Not relevant for centres	Appropriate for neighbourhood	Relevant for centres	Centre generating
				
Accessibility by individual transport (incl. by foot)	Fairly important	Less important <span style="float: right;">Important</span>		
				
Accessibility by public transport (incl. parking)	Fairly unimportant	Less important <span style="float: right;">Important</span>		
				
Agglomeration benefit	Fairly unimportant	Less important <span style="float: right;">Important</span>		
				
Passing trade	Average	Less important <span style="float: right;">Important</span>		
				
Visibility	Fairly unimportant	Less important <span style="float: right;">Important</span>		
				
Image of sales location	Secondary	Less important <span style="float: right;">Important</span>		
		