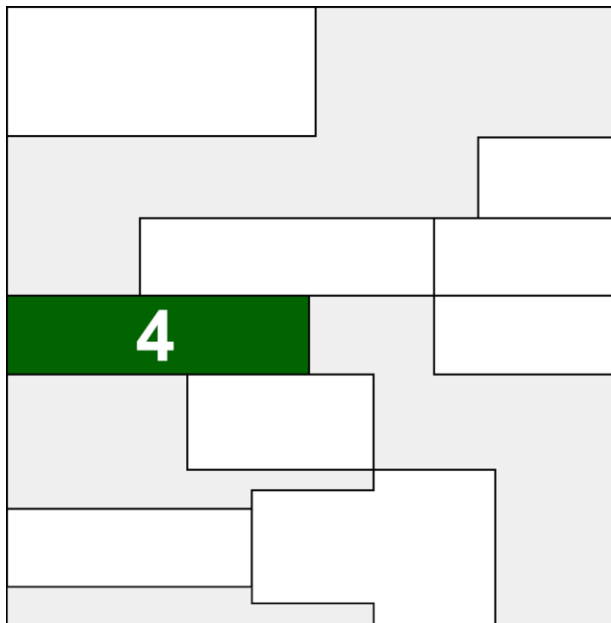


Segment 4: Specialist retailers

Segmentation of demand in the retail property market



4.1 Specialist retailers: Introduction

Around 15 % of all Swiss businesses operating in the retail property market are specialist retailers accounting for 13 % of those employed in the sector. This segment comprises mainly one-shop businesses selling food and semi-luxury goods, furnishings such as textiles and carpets, books and other consumer durables. They are located on the outskirts of cities, on radial and arterial roads and in residential districts of all localities. Typical examples are wine shops, motorbike dealers and carpet shops.

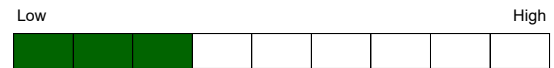


Given the specialised range of goods, with a wide selection but a narrow product range, specialist retailers tend to serve a regular clientele who are willing to travel a distance. As mainly specialist stores selling non-essentials and luxuries they are not essential for retail centres. They consequently do not have to position themselves at classic retail locations as they are less dependent on passing trade and the visibility of their sales rooms. They rent in mixed-use buildings and have retail space on one floor. As they have a rather low sales area profitability and are not concerned with providing a shopping experience for their customers, the standard of fittings tends to be somewhat low, as is the readiness to pay higher rent. There are few requirements regarding access and deliveries. The requirements of the location are generally lower than in the other demand segments of the retail property market.

4.2 Who are the Specialist retailers?

Characteristic Typical features

Profitability per unit area (gross profit per m2 in CHF)



Typical businesses Wine merchant, boat supplies shop, carpet shop, antiques shop

Business type Traditional retail store

New relevant formats / concepts Pop-up-store

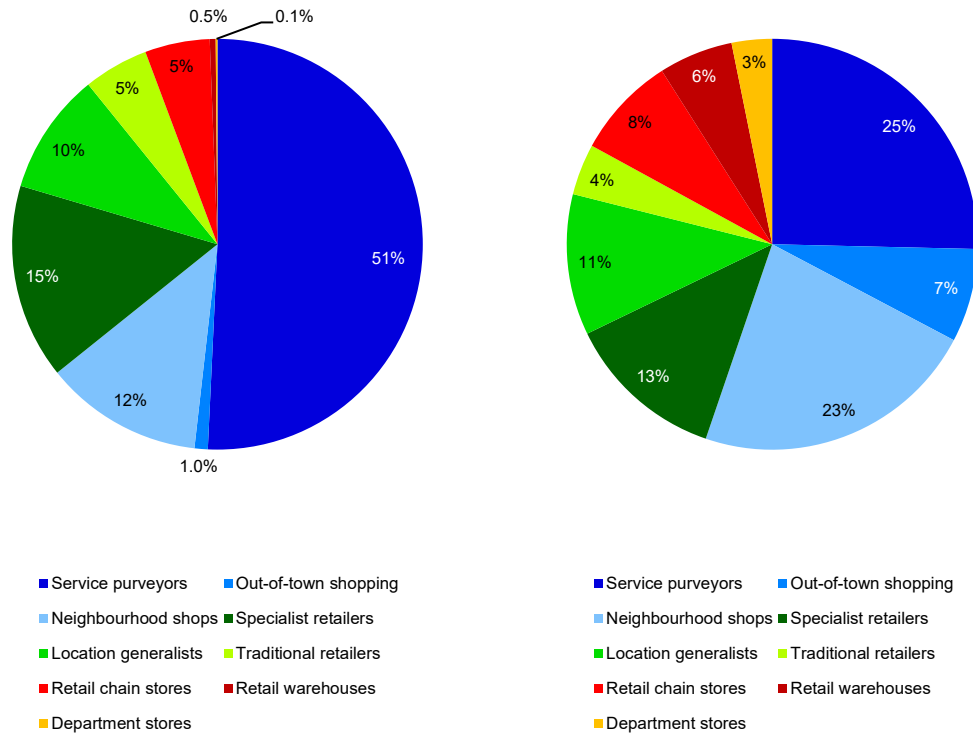
Which types of goods are mainly sold by Specialist retailers ?

Food and beverages	<input checked="" type="checkbox"/>
Health and body care	<input type="checkbox"/>
Clothing/shoes	<input checked="" type="checkbox"/>
Department stores/non-specialised stores	<input type="checkbox"/>
Optics/photography	<input type="checkbox"/>
Watches/jewellery	<input type="checkbox"/>
Books/stationery	<input checked="" type="checkbox"/>
Sport	<input type="checkbox"/>
Toys	<input type="checkbox"/>
Consumer electronics	<input type="checkbox"/>
DIY and garden supplies	<input checked="" type="checkbox"/>
Furniture and furnishings	<input type="checkbox"/>
Other goods and services	<input checked="" type="checkbox"/>

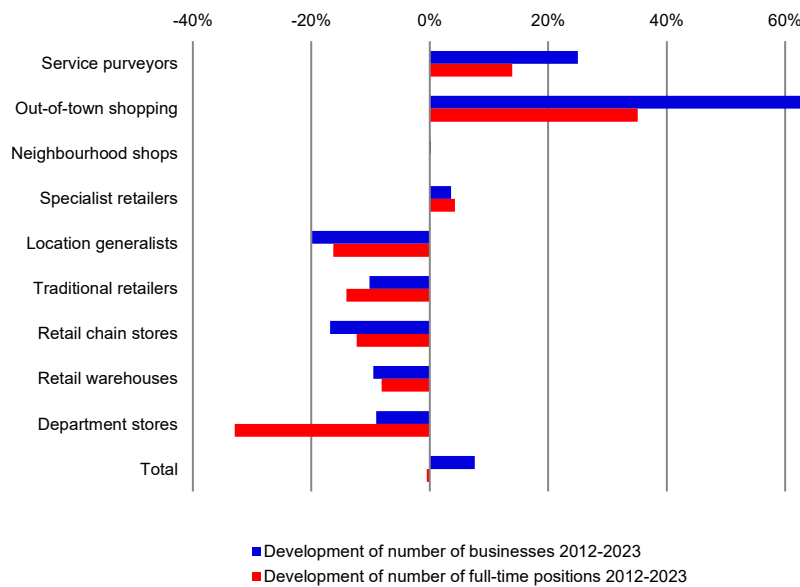
Characteristic	Typical features						
Average number of employees per business (2023)	2.4 Full-time equivalents <div data-bbox="829 291 1372 560" data-label="Figure"> <table border="1"> <caption>Average number of employees per business (2023)</caption> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Specialist retailers</td> <td>2.4</td> </tr> <tr> <td>Total</td> <td>3.0</td> </tr> </tbody> </table> </div>	Category	Value	Specialist retailers	2.4	Total	3.0
Category	Value						
Specialist retailers	2.4						
Total	3.0						
Required surface area	Mainly 50 - 400 m2, depending on type of good also bigger						
Catchment area	Medium-sized						
Concentration of chain stores (2023)	11.7% <div data-bbox="829 996 1372 1254" data-label="Figure"> <table border="1"> <caption>Concentration of chain stores (2023)</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Specialist retailers</td> <td>11.7%</td> </tr> <tr> <td>Total</td> <td>20%</td> </tr> </tbody> </table> </div>	Category	Percentage	Specialist retailers	11.7%	Total	20%
Category	Percentage						
Specialist retailers	11.7%						
Total	20%						

4.3 Specialist retailers: Distribution

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

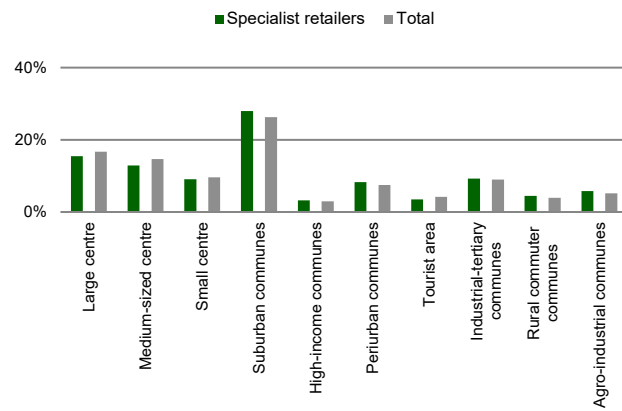


Development of number of businesses and of full-time positions 2012-2023 (Switzerland)



4.4 How do the Specialist retailers sell?

Characteristic	Typical features
Retail location	Outlying areas of bigger cities, all localities, pedestrian zones, residential districts



Surface area layout	No special requirements
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Building/plot	Without own plot
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Type of property	Mixed-use building
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Number of storeys	Single-floor
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Architecture	Modern, classic, historical building, single-floor
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Access/connections	Easy access and deliveries
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Retail space flexibility	Less important
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Standard of fittings	Rather basic
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



















Requirements of property for sale	No special requirements
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4.5 Characteristics of goods and services

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

4.6 Specialist retailers: 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)	Average			
	Less important Important			
				
Accessibility by public transport (incl. parking)	Average			
	Less important Important			
				
Agglomeration benefit	Fairly unimportant			
	Less important Important			
				
Passing trade	Fairly unimportant			
	Less important Important			
				
Visibility	Fairly unimportant			
	Less important Important			
				
Image of sales location	Fairly unimportant			
	Less important Important			
	