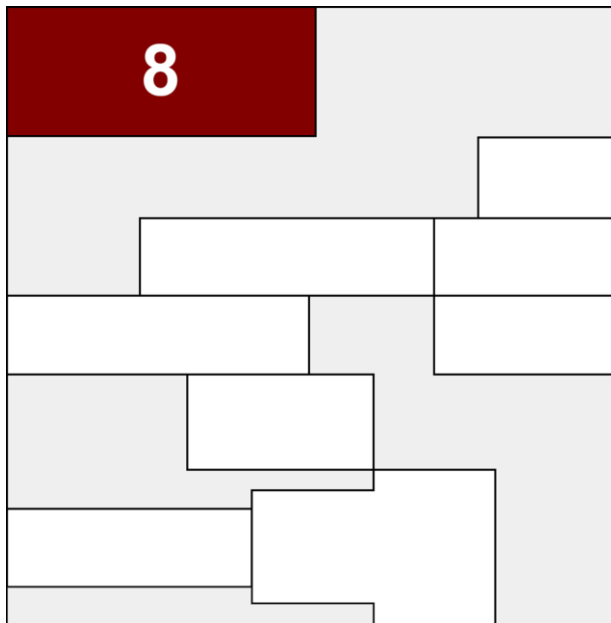


Segment 8: Retail warehouses

Segmentation of demand in the retail property market




8.1 Retail warehouses: Introduction

Around 0.5 % of all Swiss businesses operating in the retail property market are retail warehouses accounting for 6 % of those employed in the sector. This segment comprises retail stores and warehouses selling furniture and furnishings, sports equipment, DIY and garden materials and consumer electronics. Typically these businesses choose to locate in retail parks in commercial and special zones or on radial and arterial roads on the outskirts of cities. This segment is aimed at shoppers coming by car and the products it stocks are not those found in central shopping areas.



As anchor tenants and primary magnets retail warehouses pull in customers and create their own catchment areas. Warehouses have surface areas in excess of 1,800 m². The requirements of the micro-location are secondary, important is the macro-location, easy access with individualised transport and the purchasing power of the wider customer pool. The products stocked are primarily purchased in a planned way and are designed to last, meaning that customers are more willing to travel a distances. These businesses – generally branches of chains – often own stand-alone one floor or multi-floor buildings. Smaller businesses are sometimes also located in shopping centres. Their standard of fittings is generally basic and functional. Additional rooms are needed and access and deliveries may be complicated. Their price structure ranges from low to high. As the surface area requirement is large and the sales area productivity is rather low, peripheral locations are preferred.

8.2 Who are the Retail warehouses?

Characteristic	Typical features
Profitability per unit area (gross profit per m2 in CHF)	<div style="display: flex; justify-content: space-between; align-items: center;"> Low  High </div>
Typical businesses	Furniture warehouse, electronics warehouse, DIY superstore, sporting goods store
Business type	Furniture store, retail warehouse
New relevant formats / concepts	

Which types of goods are mainly sold by Retail warehouses ?

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

Characteristic	Typical features
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Average number of employees per business (2023) 37.5 Full-time equivalents



Required surface area 1'800 - 30'000 m2

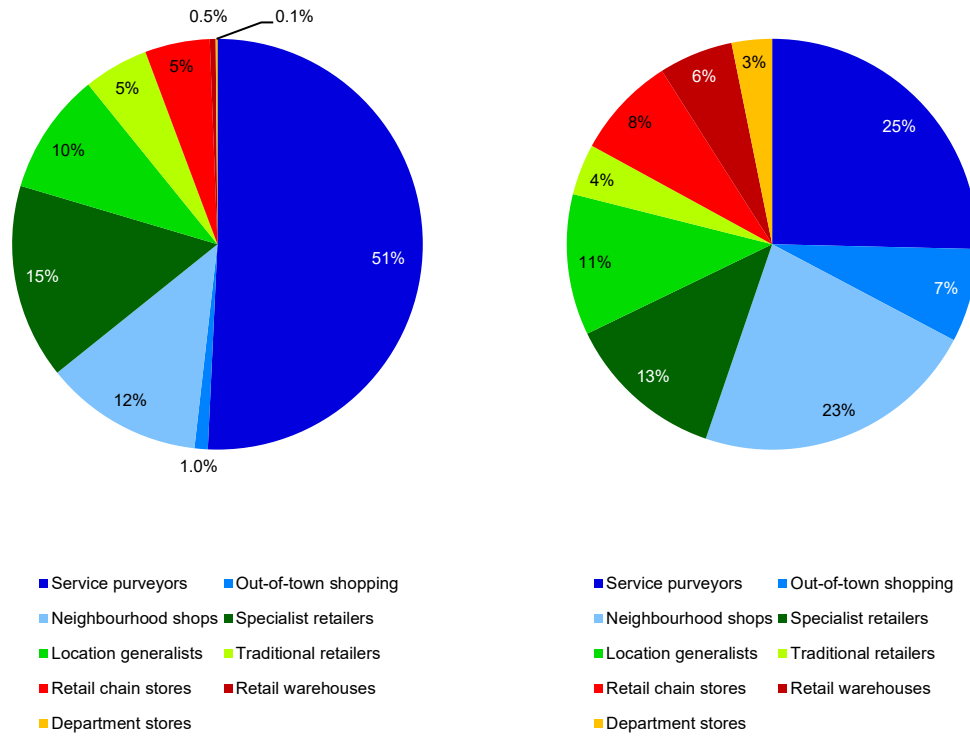
Catchment area Large

Concentration of chain stores (2023) 76.3%

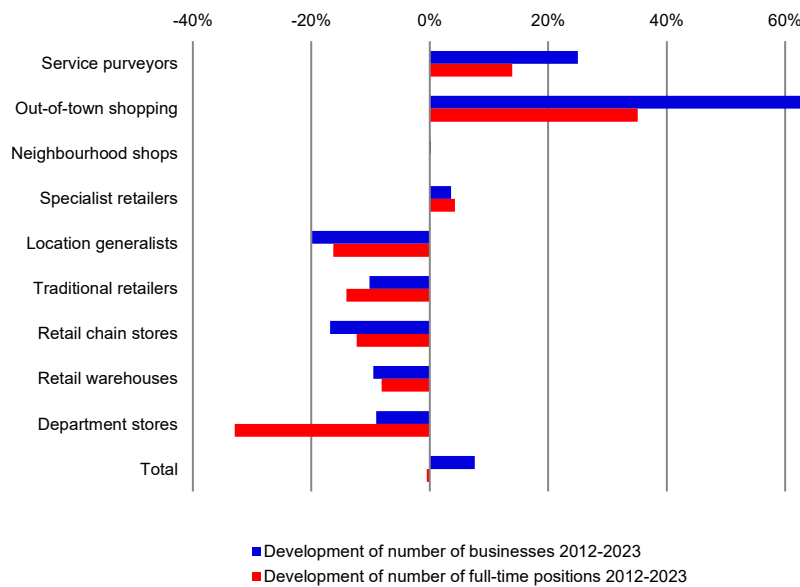


8.3 Retail warehouses: Distribution

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)




















































8.4 How do the Retail warehouses sell?

Characteristic	Typical features																																	
Retail location	Car-orientated, commercial or special zones, retail parks, arterial roads																																	
	<table border="1"> <caption>Percentage of Retail Warehouses and Total Properties by Commune Type</caption> <thead> <tr> <th>Commune Type</th> <th>Retail warehouses (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Large centre</td> <td>10</td> <td>15</td> </tr> <tr> <td>Medium-sized centre</td> <td>12</td> <td>15</td> </tr> <tr> <td>Small centre</td> <td>8</td> <td>10</td> </tr> <tr> <td>Suburban communes</td> <td>48</td> <td>25</td> </tr> <tr> <td>High-income communes</td> <td>2</td> <td>5</td> </tr> <tr> <td>Periurban communes</td> <td>5</td> <td>8</td> </tr> <tr> <td>Tourist area</td> <td>3</td> <td>5</td> </tr> <tr> <td>Industrial-tertiary communes</td> <td>5</td> <td>10</td> </tr> <tr> <td>Rural commuter communes</td> <td>1</td> <td>5</td> </tr> <tr> <td>Agro-industrial communes</td> <td>1</td> <td>5</td> </tr> </tbody> </table>	Commune Type	Retail warehouses (%)	Total (%)	Large centre	10	15	Medium-sized centre	12	15	Small centre	8	10	Suburban communes	48	25	High-income communes	2	5	Periurban communes	5	8	Tourist area	3	5	Industrial-tertiary communes	5	10	Rural commuter communes	1	5	Agro-industrial communes	1	5
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Surface area layout	Grid layout, large surface area																																	
Building/plot	Own plot																																	
Type of property	Stand-alone retail business or shopping centre																																	
Number of storeys	Occupying one or several floors																																	
Architecture	Functional, modern																																	
Access/connections	Access and deliveries important and complicated (loading ramp)																																	
Retail space flexibility	Important																																	
Standard of fittings	Mainly basic and functional																																	
Requirements of property for sale	Deliveries are important, storage rooms needed																																	

8.6 Retail warehouses: 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)	Very important	Less important Important		
				
				
				
Accessibility by public transport (incl. parking)	Secondary	Less important Important		
				
				
				
Agglomeration benefit	Fairly unimportant	Less important Important		
				
				
				
Passing trade	Secondary	Less important Important		
				
				
				
Visibility	Fairly unimportant	Less important Important		
				
				
				
Image of sales location	Secondary	Less important Important		
		