

P R E S S R E L E A S E

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LONDON IS NUMBER ONE DESTINATION FOR WORLD'S TOP RETAILERS

Dubai rivals New York and Paris as leading international retail hot spot

London, 29 April 2009 – London has emerged as the most international retail city in the world, attracting 60% of the world's top retailers, according to the latest retail research report from CB Richard Ellis, *How Global is the Business of Retail?* London was followed by Paris (49% of retailers) and New York (47%) to round out the top three most popular destinations for retailers, but the surprise entry in fourth position was Dubai, enforcing its importance to the global retail landscape.

CBRE's annual study mapped the global footprint of 280 of the world's top retailers across 67 countries, exploring the globalisation of the retail industry and highlighting differences between sectors and regions. For the first time, the 2009 report also analyses retail globalisation at a city level, allowing for additional scrutiny of retailer expansion strategies.

Sydney ranks as the most international retail city in Australia but still trails well behind its international counterparts with just 23% of the 280 retailers surveyed having a presence in this market. Melbourne is next in the Australian rankings (21.4%) followed by Brisbane (13.2%). Auckland tops the list in New Zealand (12.8%) followed by Wellington (8.2%).

However, changes are afoot, with international retailers increasingly on the hunt for opportunities in this region according to CB Richard Ellis Regional Director, Retail Services, Joshua Loudoun.

Australia was ranked in the survey's Top 20 list for new international openings, coming in at 19th on the list following the arrival of 13 new brands in the past 12 months, among them Apple, Jimmy Choo and Canadian apparel group Lululemon Athletica.

Further openings are slated for this year, with US retail giant Costco due to open its first Australian store in Melbourne in June.

Mr Loudoun said the transparency of the Australian market, the relative strength of our economy and strong population growth had been some of the drawcards for international retailers - in particular the luxury brands,

many of whom had produced some of their strongest results in Australia in the first quarter, despite the prevailing financial market conditions.

International results

Europe clearly dominated the rankings, accounting for seven of the 10 leading destinations. New York City, Dubai and Tokyo were the exceptions to this rule, representing their respective global regions. Dubai's fourth position ranking, closely trailing New York, confirms its position as a new force in global retailing. Its rapid emergence as a retail hot spot can be attributed to a number of factors: the recent development boom in Dubai which created significant amounts of new retail space; the region's appetite for international brands; and the network of franchise partners which help retailers to effectively expand into this market. Asian cities were also strongly represented in the global ranking, with Tokyo, Singapore, Hong Kong and Beijing all featuring in the top 15 most international retail cities.

At a country level, the United Kingdom continues to lead the world as the most international retail market with 58% of all retailers surveyed present. Although Europe continues to dominate the top markets, containing eight out of the top 15 most international retail locations, emerging economies such as China, Russia and the United Arab Emirates have gained significant ground in the past 12 months. China, Russia and Japan performed particularly strongly in the 2008 global retail ranking, achieving sixth, seventh and 14th positions respectively. Middle Eastern countries have also seen a marked increase in retailers entering the region. The UAE jumped two places in the ranking, from sixth in 2007 to fourth in 2008, with 45% of international retailers present compared to 39% in 2007. Saudi Arabia also made a notable leap up the rankings from 28th position in 2007 to 15th position in 2008, with 37% of international brands present.

Australia ranked 33rd on the list, with 26% of international retailers, while New Zealand came in at 55th on the list with 14% of retailers present.

Despite being one of the largest and most established retail markets in the world, the United States surprisingly only registered in 10th position globally, with 39% of international retailers present. This can be attributed, at least in part, to the size, maturity and strength of its domestic market. US retailers tend to penetrate their vast national market extensively before considering international expansion. Since by way of comparison, a retailer would need to have a presence in more than 20 European countries to achieve the same market coverage (in terms of population and spending power) that a US retailer could achieve in that market alone, it is easier to make sense of this trend.

Peter Gold, Head of EMEA Cross Border Retail, CB Richard Ellis, commented; "Despite the global economic slowdown, many retailers, especially cash-rich private companies, have continued their expansion plans throughout the past 12 months. Our survey of 280 retailers saw retailers expand their international presence by an average of 12% in the past year, being represented in a further two more countries than in the previous year. This was primarily driven by clothing, footwear and accessories retailers from Europe. Interestingly, retailers have continued not just to internationalise, but to globalise – 40% of all new store openings in 2008 were outside the retailer's home region.

"The emerging markets have been the primary beneficiaries of recent retailer expansion activity, with Middle Eastern, Asian and Eastern European countries dominating the list of new openings. The two common drivers of this trend appear to have been rising local consumer affluence and the opening of major new shopping centres. In Serbia, for instance, the opening of the New Delta shopping mall attracted a significant number of new international retailers. And in Romania, the country's entry into the EU coincided with the opening of several new shopping centres which allowed international retailers to open their first stores in the country.

"It remains to be seen whether this pace of expansion into emerging markets will be sustained through 2009 and 2010. Yet the globalisation of the retail industry is undoubtedly an ongoing long-term trend which is not going away."

The report also analysed which types or categories of retailers have the strongest international presence, and found that luxury retailers dominate global retail in terms of their footprint around the world. An astounding 90% of luxury retailers have a presence in more than 10 markets and 40% are present in more than 30 countries.

Top 15 Most International Retail Cities

Rank	City	% of retailers present in city
1	London	59.26%
2	Paris	49.79%
3	New York	46.91%
4	Dubai	45.68%
5	Madrid	44.03%
6	Moscow	42.39%
7	Berlin	40.33%
8	Munich	39.92%
9	Barcelona	39.09%
10	Tokyo	38.68%
11	Singapore	38.27%
12	Hamburg	38.27%
13	Hong Kong	37.86%
14	Milan	37.45%
15	Beijing	36.21%

Percentages relate to sample of retailers surveyed for the *How Global is the Business of Retail?* report 2009

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For a copy of 'How Global is the Business of Retail? 2009', please visit: www.cbre.eu

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