



HOW **GLOBAL** IS THE BUSINESS OF **RETAIL**?

GLOBAL RESEARCH AND CONSULTING

2014 EDITION | FULL REPORT

CBRE



CONTENTS



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INTRODUCTION



How Global is the Business of Retail? analyses the operational networks of 334 leading international retailers across 61 countries and covers the vast majority of the world's economy. Now in its seventh year, the focus of this edition is threefold:

- To map the footprint of leading global retailers at country level and 189 of the world's largest cities. This is examined in the first section: **Global Retailer Footprint** which also looks at variations between retailers from different regions and sectors
- To provide a definitive benchmark against which to measure future changes in the global retail environment. This is set out in the **Global Rankings** section and identifies the countries and cities which have been most successful in attracting leading international retailers
- To examine the extent to which retailers have expanded their global operations in 2013. We have once again measured all the international retailers entering each market last year, providing a comprehensive view of the cities and countries that retailers are targeting. This is covered in **Hot Markets**

KEY FINDINGS

Overall cross-border retailer activity accelerated in 2013 with the number of new entrants at city level up by 30%. This reflects the growing number of retailers that are crossing borders to grow their businesses. In contrast, the rate of expansion among the world's leading retailers has slowed - their footprint at city level grew by just 1.8% last year.

Retailers focused on larger markets in 2013. 83% of the survey cities saw at least one new entrant in 2013 (compared with 81% last year), but the top target markets saw a 28% rise in new entrants. The composition of the top target markets also changed. In 2013, 18 of the top target markets were mature markets – in 2012 it was only 14. Some retailers are refocusing their expansion plans on the world's major retail destinations, including recovering European markets and Asian and South American cities where international retailers are still under-represented.

Paris was the top target market last year with 50 new entrants, most of which were smaller European based brands. Tokyo moved into second place with an upturn in economic prospects attracting 48 new entrants, followed by Hong Kong with 43 new entrants and Abu Dhabi with 42 new entrants. Berlin was in fifth place with three other German cities (Frankfurt, Munich and Cologne) also featuring in the top target markets.

China remains a key target for cross-border retailers with Beijing sixth in the global ranking of new entrants and Shanghai in ninth position. However, it was the emerging markets - most notably Hangzhou - that saw the biggest increase in cross-border activity last year, with major new shopping centres providing the opportunity for retailers to enter these markets.

The most sought after emerging market globally was Hanoi with 22 new entrants, reflecting the growing popularity of Asia to cross-border retailers.

Retailers based in the Americas continue to dominate cross-border retailer activity, and are increasingly global in their outlook. Europe accounted for 40% of new market entrants by American based retailers in 2013 and Asia (35%) was not far behind. The vast majority of these retailers were from the U.S. They entered 45 out of the 61 countries in the survey and accounted for 23% of all new entrants at city level. Japan, with 9% of all new market entrants, was their main target market.

Italian, British and French retailers were also highly active last year, focusing mainly on their own region, although Asia, with China and Hong Kong in particular, were also key targets.

Michael Kors and Zara Home entered more new cities than any other retailer in 2013, with Hennes & Mauritz (H&M), Desigual, Superdry, Victoria's Secret, & Other Stories and Hollister also in the top 10.

The Luxury & Business Fashion sector was the most active in 2013, accounting for 24% of new openings, followed by Mid-Range Fashion (20%). However, among the world's leading 334 retailers, Homeware & Department Stores saw the largest increase in their footprint (4.4% at city level) with Zara Home and Tiger leading the way.



GLOBAL RETAILER FOOTPRINT



This section establishes the size of retailers’ footprints – their presence across markets – at both country and city level. It also highlights the differences between 2013 and 2012 activity, focusing on where retailers originate from and the sectors they are in. The analysis in this section is based on 334 leading international retailers.

The globalisation of the retail sector continues, even though the pace of growth amongst the world’s leading retailers has slowed. Over half of the retailers surveyed (51%) are now present in each of The Americas, Europe Middle East and Africa (EMEA) and Asia Pacific, compared with 50% in 2012. A further 20% are present in two regions and just under a third are present in one region only.

Retailers from the Americas are by far the most global with 80% of them present in all three regions (Figure 1), up from 77% in 2012. As noted in previous reports, the maturity of the U.S. retail market has forced retailers to cross borders to grow their businesses. U.S. retailers have been doing this for longer than retailers in other regions and as a result they have the most extensive global store networks.

▼ FIGURE 1: RETAILER DISTRIBUTION BY REGION OF ORIGIN

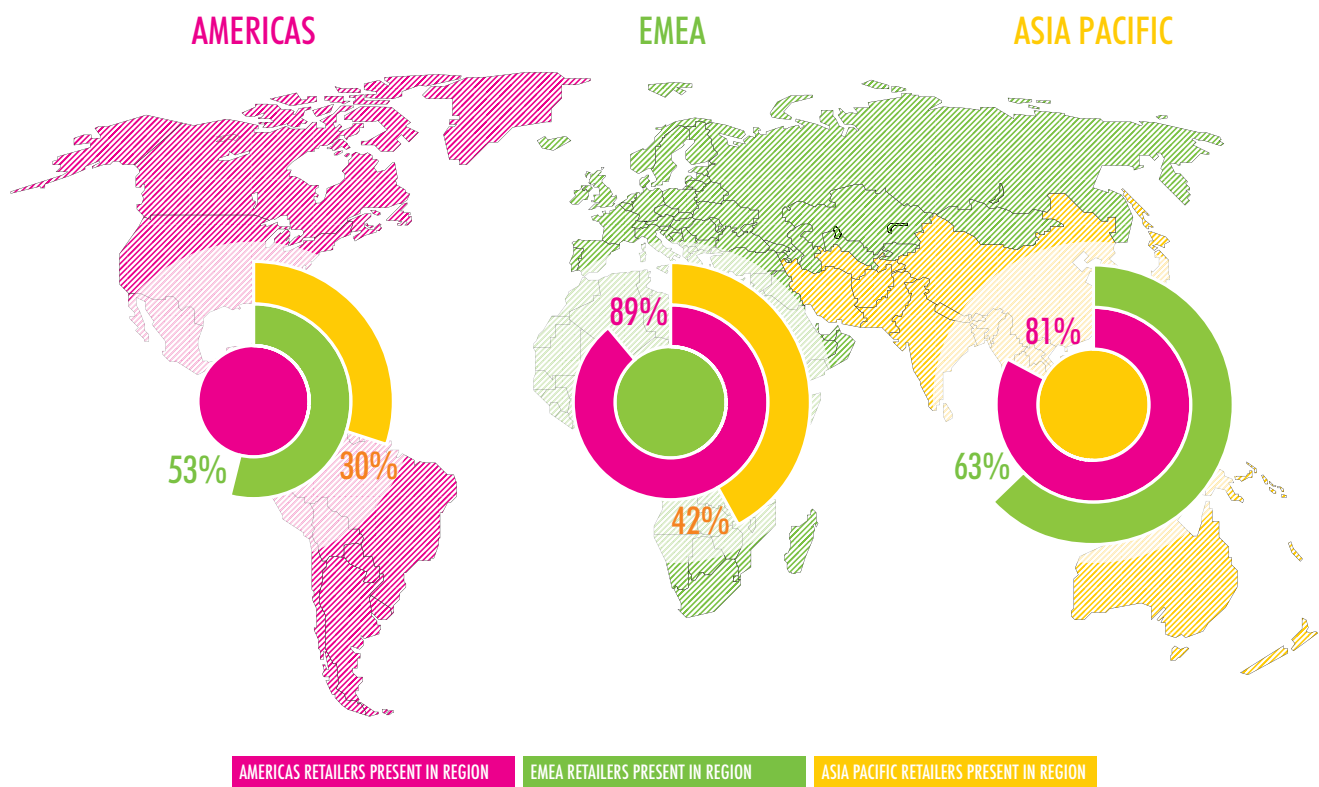
ORIGIN OF RETAILER	1 REGION	2 REGIONS	3 REGIONS
AMERICAS	8%	12%	80%
ASIA PACIFIC	53%	23%	25%
EMEA	30%	22%	48%
TOTAL	29%	20%	51%

Source: CBRE Research Q1 2014

Retailers from the Americas are by far the most global with 80% of them present in all three regions

The proportion of EMEA based retailers in all three regions (48%) has not changed significantly. Nevertheless, their global footprint remains far more extensive than retailers based in Asia Pacific of which only 25% are present in all three regions. In fact, over half of Asia Pacific retailers are present in their own region only compared with 30% of EMEA retailers and 8% of American retailers. This is unlikely to change in the short term as Asia still offers substantial opportunities for Asian (and other cross-border) retailers due to the urbanisation of large cities, growing middle class populations and the potential further easing of Foreign Direct Investment (FDI) restrictions in emerging markets such as India and Vietnam. As a result, retailers from Asia Pacific will continue to focus their cross-border expansion plans on their own region.

▼ FIGURE 2: CROSS-REGIONAL RETAILER PRESENCE



Source: CBRE Research Q1 2014

When Asia Pacific based retailers do move to other regions they have a clear preference for EMEA (see Figure 2), specifically the Middle East. As they are relatively small in scale and have less resource compared to American and European retailers, Asia Pacific based retailers have tended to target the less mature Middle Eastern markets, before taking on the competition in major European cities. There are, of course, exceptions - UNIQLO has a network of stores in the U.K., Russia and France, and MUJI is represented in 11 European countries. The Japanese department store Isetan Mitsukoshi is also established in Italy and the U.K. The popularity of the Middle East among Asia Pacific based retailers is also down to the strategy of major franchise operators such as Al Shaya and Al Futtaim which are actively looking for new concepts in their region.

American retailers also have a preference for EMEA with a staggering 89% of them present in the region, although a similarly high 81% are present in Asia Pacific. Retailers from EMEA are more likely to expand into Asia Pacific than the Americas - with 63% of them in Asia Pacific and 53% in the Americas. This is due in part to the greater opportunities for retailers in Asia Pacific but it also reflects the difficulties that retailers face in entering the two largest markets in the Americas – the U.S. is a mature and highly competitive market and Brazil has a prohibitive tax regime.

WHERE ARE RETAILERS EXPANDING FROM?

The overall footprint of global retailers at country level grew by 1.7% in 2013. Retailers from the Americas have been the most expansive in recent years and this trend continued in 2013. The country footprint of retailers based in the Americas grew by 2.9% last year compared with 1.8% for Asia Pacific based retailers and 1.3% for EMEA based retailers.

The rate of growth declined slightly in all regions as many of the world’s largest retailers have now built a presence in the markets they want to be in. Nevertheless, they continue to grow their store portfolios and an increasing number of retailers are seeking to expand into new markets.

At city level, retailers based in the Americas were again the most expansive, growing their footprint by 2.7%. It is also clear that Asia Pacific based retailers are more focused on growing their network at country level (1.8%) than at city level (1%). Their expansion ambitions are concentrated on capital cities or major markets because of vast populations in these cities, higher consumption power and the availability of high quality retail space. Nevertheless, rapid urbanisation in emerging markets in Asia should encourage more Asia Pacific retailers to expand their network at city level.

▼ FIGURE 3: GROWTH IN RETAILER FOOTPRINT AT COUNTRY LEVEL

ORIGIN OF RETAILER	AVERAGE NUMBER OF COUNTRIES - 2014	AVERAGE NUMBER OF COUNTRIES - 2013	% CHANGE
AMERICAS	19.3	18.8	2.9%
ASIA PACIFIC	7.0	6.9	1.8%
EMEA	20.6	20.3	1.3%
OVERALL TOTAL	18.0	17.7	1.7%

Source: CBRE Research Q1 2014

EXPANSION DIFFERENCES BY SECTOR

As in previous editions when comparing the average footprint of retailers by the number of countries or cities they operate in, the nature of the business in which they trade should also be considered. To examine this, the retailers in the survey were classified into nine categories and a variety of sub-categories according to their particular focus (see Appendix 2).

Retailers from the Homeware & Department Stores sector grew their footprint the most in 2013, by 3.4% at country level and 4.4% at city level. Zara Home and Tiger were the most active expanding retailers in this sector.

▼ FIGURE 4: GROWTH IN RETAILER FOOTPRINT AT CITY LEVEL BY REGION OF ORIGIN

ORIGIN OF RETAILER	AVERAGE NUMBER OF CITIES - 2014	AVERAGE NUMBER OF CITIES - 2013	% CHANGE
AMERICAS	51.8	50.5	2.7%
ASIA PACIFIC	14.5	14.3	1.0%
EMEA	45.7	45.1	1.4%
OVERALL AVERAGE	41.9	41.2	1.8%

Source: CBRE Research Q1 2014

Value & Denim retailers placed more emphasis on increasing their depth of coverage at city level in 2013, rather than entering new countries, growing their city level footprint by 3.2%. Having gained a presence in a new country, Value & Denim retailers are arguably better placed than retailers in other sectors to enter new cities in that country because of the universal appeal of their brands. As a result, Value & Denim retailers have a presence in 60 cities, on average, higher than any other sector. Only Coffee & Restaurants come close, for similar reasons.

▼ FIGURE 5: AVERAGE NUMBER OF COUNTRIES RETAILERS ARE PRESENT IN BY SECTOR

RETAILER SECTOR	AVERAGE COUNTRY FOOTPRINT	% CHANGE ON 2013
HOMEWARE & DEPARTMENT STORES	8.2	3.4%
MID-RANGE FASHION	18.5	2.6%
COFFEE & RESTAURANTS	22.3	2.2%
LUXURY & BUSINESS FASHION	24.4	1.9%
VALUE & DENIM	25.1	1.9%
OTHER	17.5	1.4%
SPECIALIST CLOTHING	19.3	0.9%
CONSUMER ELECTRONICS	14.6	0.4%
SUPERMARKET	10.5	-2.7%
OVERALL AVERAGE	18.0	1.7%

Source: CBRE Research Q1 2014

▼ FIGURE 6: AVERAGE NUMBER OF CITIES RETAILERS ARE PRESENT IN BY SECTOR

RETAILER SECTOR	AVERAGE CITY FOOTPRINT	% CHANGE ON 2013
HOMEWARE & DEPARTMENT STORES	22.0	4.4%
VALUE & DENIM	60.9	3.2%
MID-RANGE FASHION	42.6	2.5%
LUXURY & BUSINESS FASHION	48.5	1.8%
CONSUMER ELECTRONICS	41.0	1.2%
COFFEE & RESTAURANTS	59.7	0.9%
SPECIALIST CLOTHING	42.1	0.8%
OTHER	47.5	0.2%
SUPERMARKET	29.4	-0.9%
OVERALL AVERAGE	42.0	1.8%

Source: CBRE Research Q1 2014

HOT MARKETS



This section provides a comprehensive overview of the cities and countries that retailers targeted in 2013, based on all new international entrants to these markets.

Retailers targeted a wide range of locations in 2013 with 136 (83%) of the 163 cities surveyed seeing at least one new retailer entrant last year. The vast majority (90%) of the top target markets were cities that already have a high number of cross-border retailers (defined as mature markets in this publication).

The overall level of cross-border retailer activity in 2013 (1,281 new entrants at city level) was significantly up on 2012 (1,017 new entrants). However, retailers have been more targeted in their expansion activity, focusing on more mature markets. The survey revealed that the top target cities saw 583 new market entrants in 2013 compared with just 443 in 2012. The composition of the top target markets has also changed somewhat. In 2013, 18 of the top target markets were considered mature markets. The equivalent figure in 2012 was just 14. The only emerging market to make it into the top

target markets was Hanoi (ranked 13th). In summary, it is clear that retailers are refocusing their expansion plans on the world's major retail destinations. Paris, Tokyo and Hong Kong were the main targets for cross-border retailers in 2013.

Tokyo saw 48 new entrants in 2013, twice as many as the previous year. This reflects the recent uplift in economic sentiment, following the implementation of 'Abenomics' policies in 2012. This combined with consumer sentiment at its highest level since 2005 has given retailers the confidence to invest in new store openings. Smaller retail groups dominated new entries, although a number of major international groups introduced new concepts or sister brands to the Japanese capital. Notable examples include Monki and Kate Spade Saturday. Half (24) of all the new entrants originated from the U.S., with European retailers (18) making up most of the balance. Two of the four

Asian market entrants were footwear retailers: Charles & Keith from Singapore and mywarisa from Thailand. In fact, footwear retailers accounted for a third of all new market entrants last year. Coffee & Restaurant operators were the next most active sector with 13 new entrants. In contrast to Hong Kong and Singapore (the other mature Asian markets) nearly all the new entrants (90%) in Tokyo opened in high street locations, reflecting the dominance of this format.

Hong Kong remains one of the most sought after cities by cross-border retailers. With 43 new entrants, it was the third most targeted city in 2013, having been top of the global ranking in 2012. The retail sector is supported by strong economic growth, stable domestic demand, and a high number of international tourists, principally from mainland China. Retailers were active across the fashion spectrum, although footwear and underwear brands saw the biggest rise in activity with UGG Australia, Superga and Intimissimi among the new entrants. Hong Kong continues to be a gateway for international retailers looking at China (although less so than previously) with

Alice + Olivia, BOGGI Milano and Topshop all opening their first store in the Greater China region in Hong Kong in 2013. Half of the new entrants originate from Europe, although Asian retailers were also active, accounting for 25% of new entrants. Most (60%) of the incoming retailers opened in shopping centres due to the limited amount of prime high street space and the high rents in those locations.

Abu Dhabi has previously lacked a luxury shopping destination but the opening of The Galleria, a 33,000 sq m upscale shopping and dining destination, has now redefined the retail platform in the city. The Galleria's glamorous concept and prime location within Al Maryah Island has provided the first genuine upscale retail hub in the capital, and as a result a high number of new luxury international brands have been attracted to Abu Dhabi. The new centre attracted most of the new entrants to Abu Dhabi in 2013 making it the fourth most sought after market globally.

PARIS WAS THE #1 TARGET FOR RETAILERS ENTERING NEW MARKETS IN 2013



Paris attracted 50 new market entrants last year, placing it top of the global ranking. Whilst this reflects a renewed confidence in the market, the majority of the new entrants were smaller European based chains. The most prominent among these were mid-market footwear retailers including Jones, Mary Paz and Footlocker Kids which have filled a notable gap in the Paris market.

Paris also welcomed 10 new Luxury and Business Fashion brands last year including Tag Heuer and Shang Xia, the first overseas store of the Chinese based and Hermes backed fashion brand.

Unusually among western European cities, Paris benefitted from three new shopping centres in 2013. The largest of these Aéroville-Roissy (84,000 sq m) and Beaugrenelle (45,000 sq m) attracted a handful of the new entrants. Shopping centres in the Paris region have been restructured and extensions built to create space for international retailers looking to enter the market. Shopping centres such as Parly 2, Rosny 2, Forum des Halles, Val D'Europe, Carré Sénart, Parinor and others, all offer expansion possibilities to new retailers.

However it was the prime high street locations of central Paris where most chose to open their first store. Rents have increased significantly in these locations

(more than doubling since 2005) in some prime high streets, suggesting that retailers are also achieving good turnover levels there and are keen to position their brand to a global consumer.

This, in turn, is attracting new retailers and explains, in part, the large number of new entrants to the capital in 2013. Apart from Avenue des Champs-Élysées (where rents rose by 80% between Q2 2012 and Q3 2013) new entrants opened in over 20 different high street locations in 2013 including: Rue St Honoré, Avenue Montaigne, Rue de des Francs Bourgeois and Avenue de L'Opéra. A number of key areas and streets are most in demand including the Marais and the Left Bank (Boulevard St. Germain/Rue de Rennes/Rue de Sèvres) where availability is non-existent.

Berlin was in fifth place with Frankfurt, Munich and Cologne also featuring in the top target markets. Low unemployment, rising wages and employment levels at record highs have created strong fundamentals for consumption in Germany and are encouraging retailers to target a wide range of cities. Notable new entries in Berlin included Apple and Pull & Bear (which also entered Frankfurt). Berlin's status as the capital city, the recent success of international brands and the attraction of The Hackescher Markt area and Leipziger Platz No. 12 have all contributed to the influx of international retailers over the last two years. New developments on Kurfürstendamm will provide further opportunities for incoming retailers

in coming years. New shopping centre development in the shape of Skyline Plaza has also boosted new arrivals in Frankfurt, although high street locations were a major target as well.

China remains a key target for cross-border retailers with many cities seeing an increase in new market entrants in 2013 compared with the previous year. Most notable among these were Beijing, Shanghai and Hangzhou. Beijing was number six in the global ranking and hosted 34 new entrants in 2013 (there were just 14 in 2012). Luxury retailers were the most active with Paul Smith and Stella McCartney opening their first store in the Chinese

FIGURE 7: TOP TARGET MARKETS - 2014



Source: CBRE Research Q1 2014

Footnote: For the purpose of this analysis, a mature market is defined as a city where 25% or more of the 334 retailers have a presence. See also Appendix 4

capital last year. Shanghai attracted 31 new entrants, making it the ninth most sought after city globally. It was chosen as a point of entry to the Chinese market by a range of retailers including Vera Wang, Maje and 10 Corso Como. Shanghai's shopping centre development market remains very active, with two of the new high-end malls (iAPM and Jing'an Kerry Centre) attracting one-third of all market entrants to the city in 2013, including Karl Lagerfeld, Stayreal Cafe and Greyhound Cafe.

The emerging markets in China saw the biggest increase in cross-border retailer activity last year. This was most evident in Hangzhou which moved from 54th position to 40th in CBRE's City Ranking (Appendix 4). The city, which has the fifth highest GDP per capita in China, attracted 17 new brands in 2013. Most of these, including fashion retailers Desigual, Tommy Hilfiger, Stradivarius, Massimo Dutti and OYSHO, opened in the newly completed 210,000 sq m Xixi In-City Plaza. New completions could further spur leasing demand, particularly in emerging markets where prime retail space is limited.

London is the home of more international brands than any other city, yet it still attracted 31 new market entrants in 2013. Notable additions included J. Crew and Cadenza as well as luxury retailers Isabel Marant and Tom Ford who opened stores in Bruton Street and Sloane Street.

Moscow was the seventh most sought after market globally with 31 new market entrants, twice as many as last year. Russia's capital city attracted retailers from across the retail spectrum, although there were fewer new entrants from the luxury sector than previous years. Almost half the new entrants were from the U.S.

Taipei was the 10th most attractive city to foreign retailers together with Frankfurt and Singapore. Some 29 new retailers entered the market in 2013, a huge increase on 2012 when there were just five new entrants. The gradual removal of import restrictions on clothes made in China has led to an influx of mid-market fashion retailers in 2013 including Pull & Bear, Stussy, Hazzys, Rouge Diamant and UNITED ARROWS. The luxury sector was less active, apart from the arrival of high-end footwear retailers Berluti, Christian Louboutin and Giuseppe Zanotti Design. Taipei is a major target for Japanese retailers which accounted for one quarter of all market entrants, including Natural Kitchen and Plaza Tokyo. A strong economy and a growth in tourist numbers has bolstered Singapore's status as a gateway city for

international retailers looking to expand in South East Asia. In 2013, Mid-Range Fashion retailers COS and Kate Spade Saturday both picked Singapore as the home of their first store in the region. The most active sector was Specialist Clothing, in particular sports goods and accessories retailers, followed by the Luxury & Business Fashion retailers. The Orchard area is the preferred destination for new market entrants, especially among those requiring a prominent location. However, an increasing number of retailers are taking space in prime shopping centres in the secondary locations. This has been made possible by landlords actively seeking to reposition their centres by introducing new brands.

Hanoi was the most sought after emerging market in 2013 with 27 new market entrants. Luxury & Business Fashion and Coffee & Restaurant operators were the most active sectors. Newly arrived high end retailers such as Omega, Rolex, and Ermenegildo Zegna targeted Trang Tien Plaza, which reopened in early 2013 after a major renovation. Many of the food and beverage and low-to-mid-range fashion retailers took space in Vincom Mega Mall Royal City (230,000 sq m), the most high profile of a number of centres that recently opened in suburban Hanoi. Retailers are increasingly attracted to suburban locations due to the lower rents on offer and the huge consumption potential of the lower-to-mid income residences nearby. Despite the large number of new entrants in 2013, Ho Chi Minh City remains the most attractive gateway city for retailers new to Vietnam. Of the 12 new entrants last year, only three opened in Hanoi first or simultaneously with Ho Chi Minh City. The overall level of cross-border retailer activity in Vietnam is expected to gather pace following the liberalisation of FDI in wholly-owned retail businesses in 2015.

The emerging markets in China saw the biggest increase in cross-border retailer activity last year

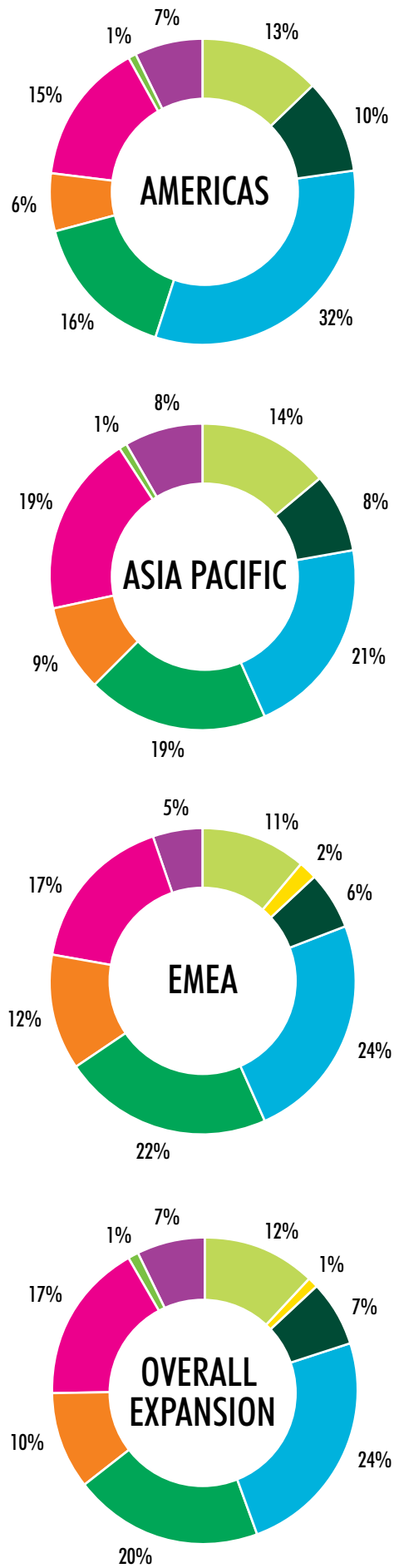
NEW MARKET ENTRANTS BY RETAIL SECTOR

The Luxury & Business Fashion sector accounted for the highest proportion (24%) of new market entrants globally with Mid-Range Fashion (20%) just behind. In Asia, luxury retailers continue to be the most active (just) although they are scaling back their rate of expansion and focusing on enhancing their product offer, services and in-store customer experience. In contrast, a high one third (32%) of all new market entrants to the Americas were from the Luxury & Business Fashion sector, reflecting the improved outlook for U.S. consumption. U.S. cities were most in demand, with Dallas (8 new entrants), Chicago (7) and San Francisco (6) the main targets. High end retailers are also targeting the growing middle class population in LATAM (Latin America) with Rio de Janeiro, Santiago, São Paulo and Lima all attracting new luxury retailers in 2013.

Luxury & Business Fashion retailers were highly active in EMEA entering the most new markets in the region in 2013. German cities were by far the biggest target - accounting for 29% of all new entrants. Mid-Range Fashion retailers accounted for 22% of openings in EMEA but were significantly less active in the Americas, with the exception of Los Angeles with seven new entrants last year, including from France: Maje and Sandro. Coffee & Restaurants (12%) is a growth area in markets around the world, as international and regional retailers expand to meet consumer demand for entertainment-based retail.



FIGURE 8: NEW MARKET ENTRANTS AT CITY LEVEL

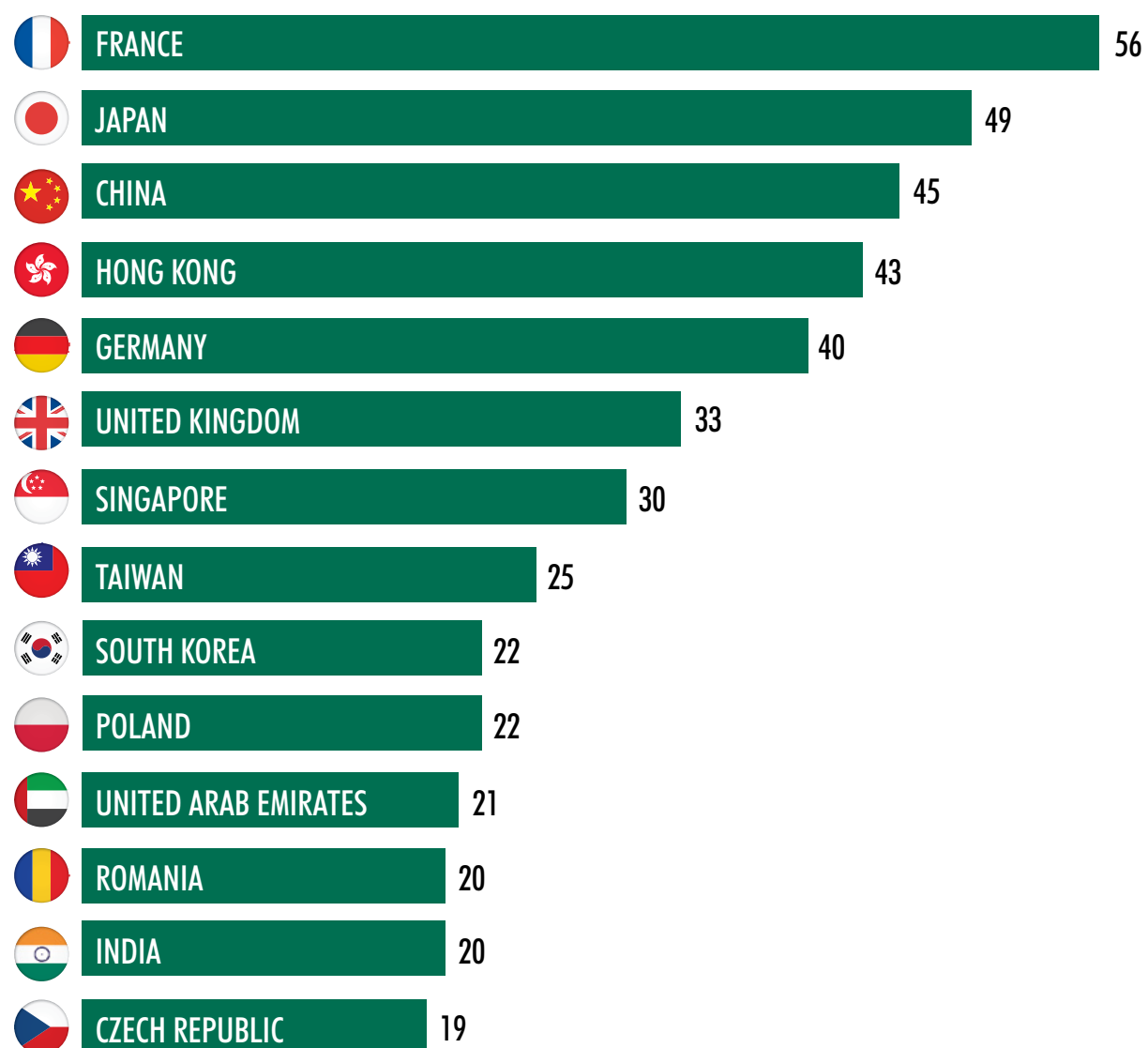


Source: CBRE Research Q1 2014

COUNTRY ANALYSIS

France topped the country ranking of new entrants following a rise of 11 places from the previous year. Whilst Paris was the point of entry for most of these new entrants, retailers also chose nine other cities for their first store in France. Japan was the second most sought after market, followed by China and Hong Kong. Germany, which has four cities in the top target markets, was in fifth place. The UK was a little further behind in sixth position with 33 new entrants. Like France, it has moved up the rankings from the previous year, reflecting a growing willingness by international retailers to invest in these recovering markets. Singapore, Taiwan and South Korea are also in the top 10, highlighting the still huge growth potential for cross-border retailers in Asia, in both emerging and more mature markets. Poland (9th=) attracted 22 new entrants, of which 20 were from Western Europe.

▼ FIGURE 9: NEW MARKET ENTRANTS BY COUNTRY



Source: CBRE Research Q1 2014

France was the most targeted country, attracting 56 new brands in 2013



UNITED STATES OF AMERICA — AN OPPORTUNITY AND A CHALLENGE

A stable economy and solid growth in consumer spending has translated into measurable sales and rental growth in some cities. Against this background, retail property owners are investing in the expansion of their malls and shopping centres, as well as taking a more aggressive stance in attracting new retailers to complement the ones that are currently the best performers. So what are the prospects for international retailers looking to expand into the U.S.?

The U.S. retail sector operates in a free market, making it relatively straight forward for international retailers to enter, but retailers do face two key challenges: one perceived but unsubstantiated, the other more material.

On the one hand, the U.S. retail sector is considered highly competitive and this is perceived as a barrier to entry to all but the most patient and operationally disciplined retailers. The recent failure of Fresh & Easy (Tesco) has reinforced the belief that even the most successful global retailers can fail in the U.S. However, the success of retailers such as ALDI, Zara and UNIQLO (to name a few) contradict this notion, and show that a compelling consumer offer can prosper.

On the other hand, a more tangible barrier, and one that is not given due consideration, is the lack of quality retail space available in the most sought after markets and properties. This is the main barrier to developing a store network in the U.S. And with retail

mall development at an historic low, and high street rental levels above pre-crisis levels, accessing high quality real estate space is now more challenging than at any time in the past 20 years.

This has forced many retailers, both domestic and international, to adopt a more flexible approach when acquiring real estate. Retailers that typically trade in malls need to diversify into lifestyle centres and high streets if they are serious about developing a portfolio of stores. To take full advantage of potential real estate options, they also need the flexibility to operate from a range of store sizes and formats.

In summary, the U.S. offers good opportunities for international retailers seeking to expand there, but new entrants should be prepared to grow their business at a slow pace. With retail sales due to grow modestly in coming years, the most valuable attribute in delivering a successful store expansion program will be patience.

RETAILER MOVEMENTS BY REGION

Retailers from the Americas continue to focus their expansion plans on countries in other regions. Some 40% of cross-border movements by retailers based in America were in Europe and 35% were in Asia; only 18% were in other countries in the Americas. The majority of these cross-border movements were by U.S. retailers, reflecting the maturity of their home market and their need to enter new markets to grow their business. In contrast, Asia based retailers still favour expansion within their own region, where there are substantial opportunities to grow market share. European retailers were also focused on their own region – over half of all cross-border movements were in other countries in the region, although Asia (26%) was also a popular target for expanding European retailers.

Asia based retailers still favour expansion within their own region, where there are substantial opportunities to grow market share

FIGURE 10: TARGET MARKETS BY RETAILERS' REGION OF ORIGIN



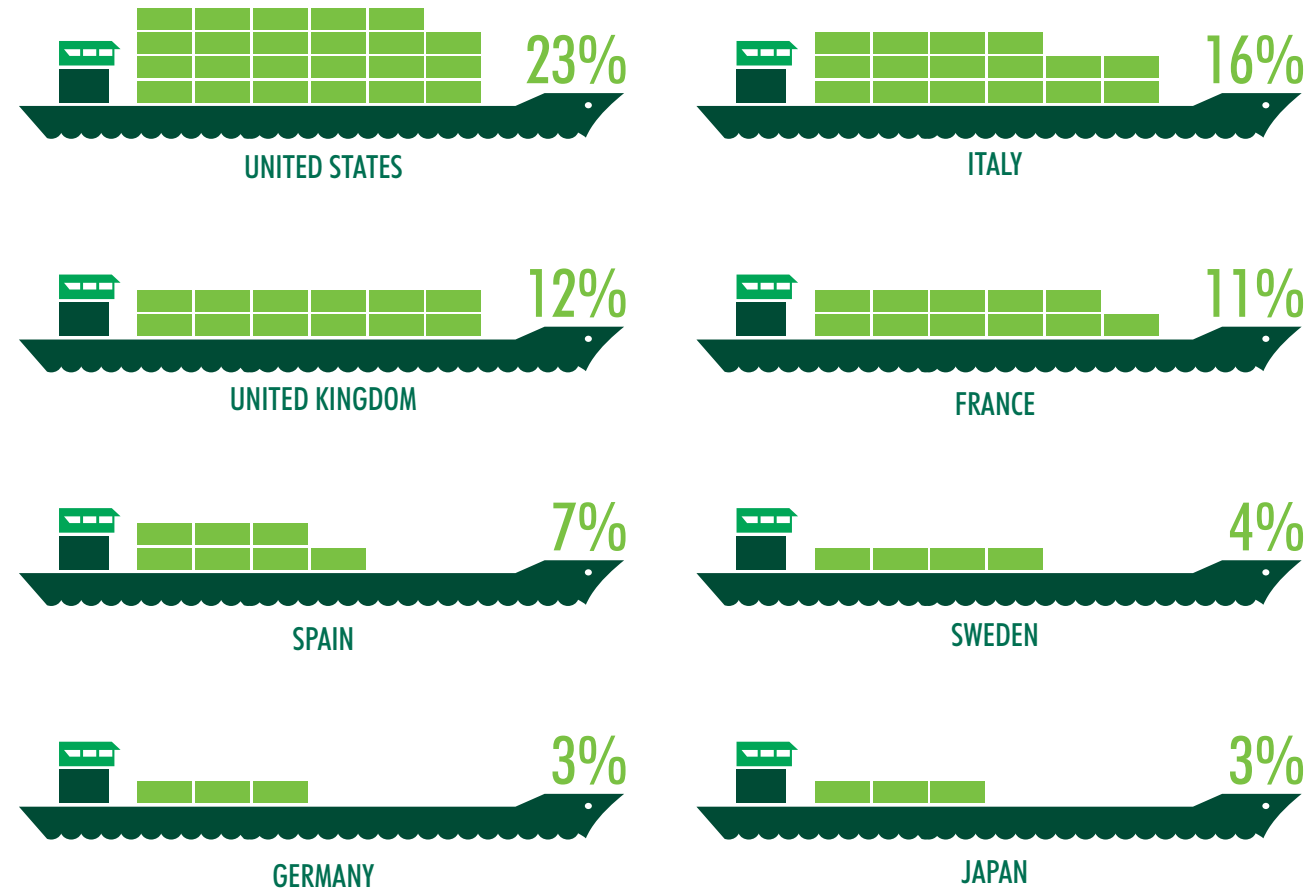
Source: CBRE Research Q1 2014

RETAILERS' COUNTRY OF ORIGIN

Retailers from the U.S. continue to dominate cross-border retailer expansion. The other major exporters were all European, led by Italy, the U.K. and France. Having previously focused on Western Europe and Asia, U.S. retailers are now more global in their outlook. Of the 61 countries in the survey, 45 saw a new entrant from the U.S in 2013. Nevertheless, Japan was their main target last year, accounting for 9% of all new market entrants. Retailers from Italy, the U.K. and France focused their expansion activity on Europe and Asia, with China and Hong Kong being their main targets.

Retailers from the U.S. continue to dominate cross-border retailer expansion

FIGURE 11: TOP EXPORTING COUNTRIES - PERCENTAGE OF RETAILERS EXPANDING AT CITY LEVEL



Source: CBRE Research Q1 2014



GLOBAL RANKINGS

This section identifies the countries and cities which have been most successful in attracting the 334 leading international retailers on which this research is based.

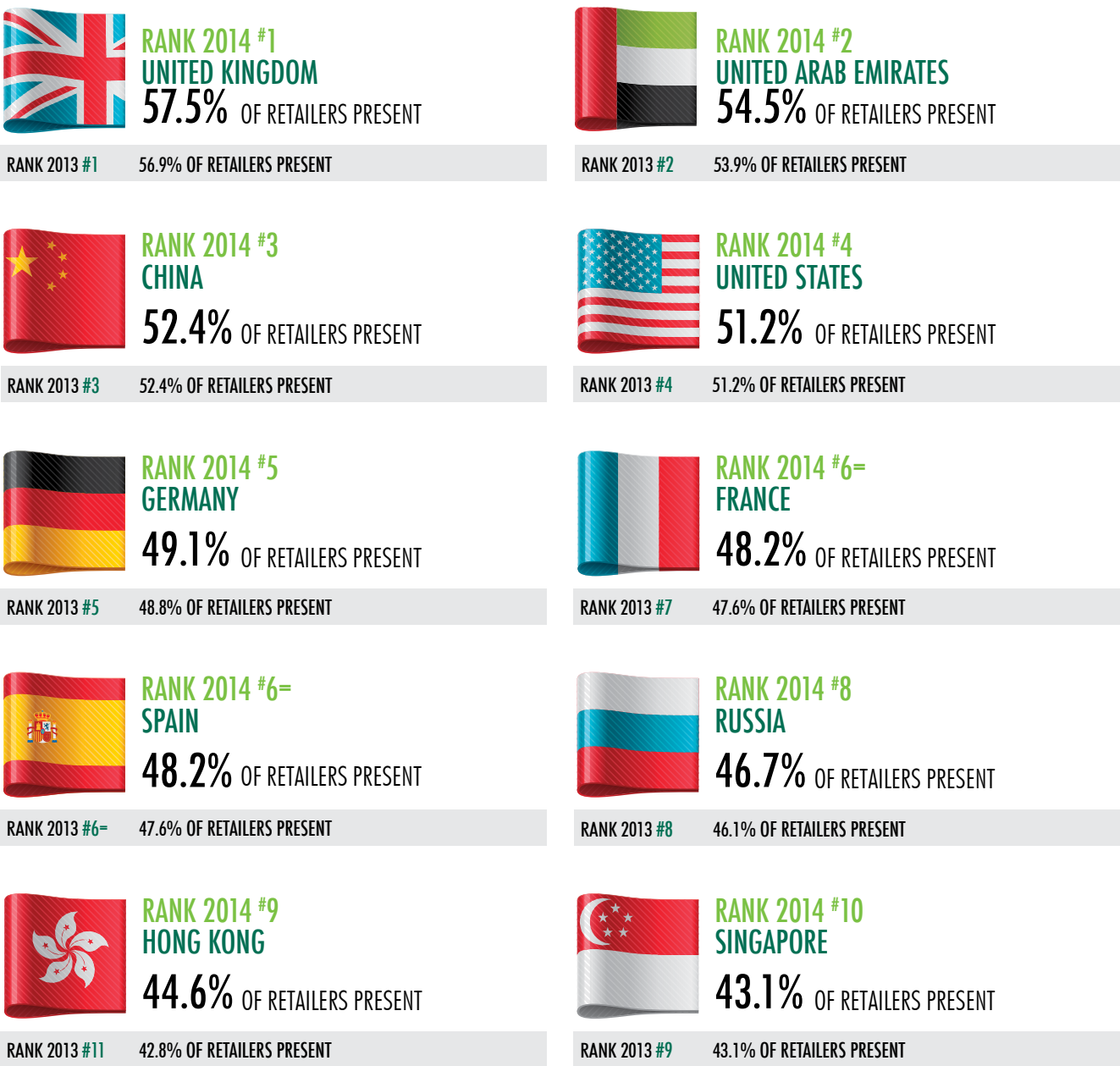
GLOBAL COUNTRY RANKINGS OF INTERNATIONAL RETAILER PRESENCE

The top ten markets are largely unchanged from the 2012 rankings. The United Kingdom retains the top spot as the most penetrated market by international retailers. 57.5% of retailers surveyed are present there. The United Arab Emirates (54.5%), China (52.4%), U.S. (51.2%) and Germany (49.1%) make up the remainder of the top five.

France moves up one place to join Spain in sixth place with 48.2% of retailers present; Russia (46.7%) remains eighth, Hong Kong moves up two places to ninth (44.6%) and Singapore (43.1%) moves up one place to 10th. Europe continues to dominate the top ten although Asian markets are climbing up the rankings with, for example, Hong Kong and Singapore moving ahead of Italy (now in 11th position).

The United Kingdom retains the top spot as the most penetrated market by international retailers

▼ FIGURE 12: TOP 10 COUNTRY RANKINGS 2014 – PERCENTAGE OF RETAILERS PRESENT BY COUNTRY



Source: CBRE Research Q1 2014

MOVERS AND SHAKERS

A number of markets outside the top 10 have also made significant moves up the rankings or seen notable increases in the penetration of international retailers.

Thailand, for example, although still in 25th place saw a 2% increase in the presence of international brands. Retailer interest in emerging Asian economies has risen due to growing middle class populations and rising disposable income. Having established a strong presence in key cities in Asia, many retail brands are now shifting their focus to the developing markets of South East Asia. In Bangkok, Luxury & Business Fashion retailers are the most ambitious with Miu Miu and Brioni both opening their first store in Thailand last year. However, the

prolonged political unrest in the country and the potential knock-on effect on tourist numbers could well result in retailers taking a more cautious approach to expansion in the near future, in spite of new opportunities to access space arising from the active shopping centre development market.

Lithuania and Estonia have both climbed up the rankings. Lithuania moved up four places to 48th position with 17% of retailers now present there and Estonia moved up two places to 55th. In both markets shopping centres are enhancing their tenant mix in a bid to attract consumers, including creating extra space to cater for incoming brands. For example, Rocca Al Mare in Tallinn was recently extended to cater for H&M and Debenhams - both new entrants to Estonia.

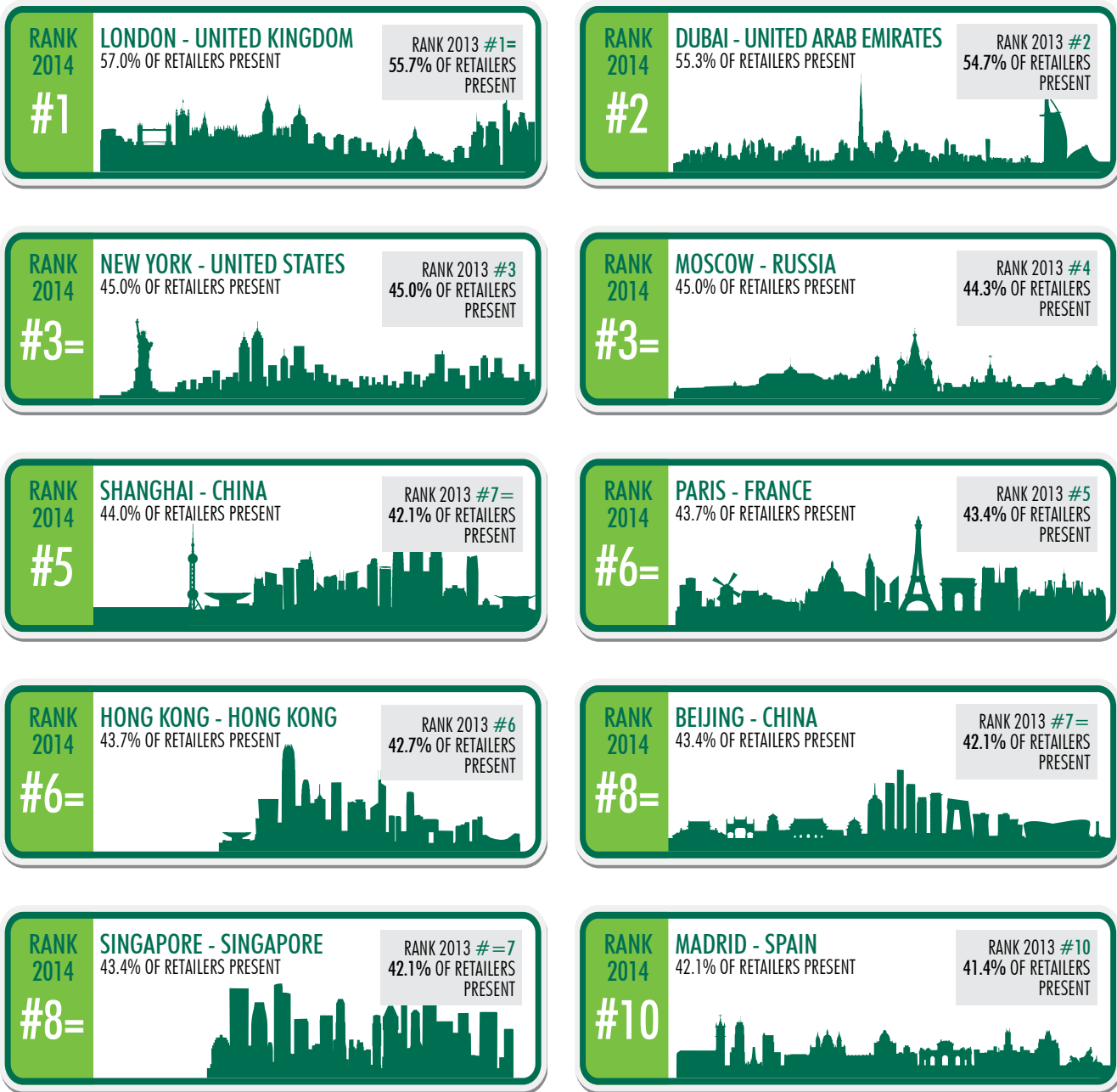
GLOBAL CITY RANKINGS OF INTERNATIONAL RETAILER PRESENCE

The research also analysed the relevant positions of all the cities within the survey.

The ranking of cities at the top end of the spectrum closely mirrors the country rankings. London, like the U.K., retains its number one spot as the most penetrated city for international retailers. Despite high rental levels, a fiercely competitive market and a lack of available prime space, London continues to attract retailers from

across the world. Retailers in Central London benefited from an increase in overseas visitors in 2012 – the year of the Olympics – and this legacy remains, with a record 8 million visitors in the first half of 2013. Dubai and New York retain their second and third place in the global ranking although New York now shares third place with Moscow. Shanghai was the highest climber in the top 10 moving up two places to fifth. Paris, Hong Kong, Singapore, Berlin and Madrid make up the remainder of the top 10.

▼ FIGURE 13: TOP 10 CITY RANKING 2014 – PERCENTAGE OF RETAILERS PRESENT BY CITY



Source: CBRE Research Q1 2014

Footnote: City level information was not available for every market therefore the analysis conducted at city level is for a slightly smaller proportion of the retailers. Rankings based on actual number of retailers present and percentages have been rounded up.

WHICH ARE THE MOST POPULAR GLOBAL CITIES FOR RETAILERS OUTSIDE OF THEIR “HOME” REGION?

When looking at markets outside of their home region, London remains the top target for American retailers. The proportion of American retailers that have a presence in London has risen 4.2% since 2012, and as a result two thirds of retailers based in the Americas are now present in the U.K. capital, way ahead of second placed Dubai (57.7%). Retailers from the Americas have also increased their presence in Asia. This was most notable among three of the Asia ‘gateway’ cities. The proportion of American retailers present in Beijing increased by 2.8% in 2013, with a 1.4% increase recorded in Hong Kong and Shanghai.

When looking at European retailers’ target markets outside of their home region, Dubai tops the ranking with 61% of European retailers present there. Four Middle Eastern markets are represented in the top 10. Asian cities are also important target markets for European retailers, accounting for half of the top 10. European retailers have increased their presence in four out of five of these markets in 2013.

Asia Pacific retailers are less well travelled. Not only do they have significant growth opportunities in their own region, they also have more barriers to overcome when crossing borders into North America and Europe, such as language, cultural differences, and the fact that operating costs are typically more expensive in the west. The most infiltrated city outside of their own region is Dubai - 23.5% of Asia Pacific retailers have a presence there. As noted above, when Asian retailers do leave their home region, Middle Eastern markets are a main target. In addition to Dubai, the top five target markets also include Abu Dhabi, Doha and Kuwait City where around 10% of Asia Pacific retailers have a presence.

▼ FIGURE 14: AMERICAN RETAILERS TARGET MARKETS OUTSIDE OF THEIR HOME REGION

COUNTRY	CITY	% OF RETAILERS IN CITY - 2014	% OF RETAILERS IN CITY - 2013
UNITED KINGDOM	LONDON	67.6%	63.4%
UNITED ARAB EMIRATES	DUBAI	57.7%	57.7%
HONG KONG	HONG KONG	49.3%	47.9%
KUWAIT	KUWAIT CITY	47.9%	47.9%
CHINA	SHANGHAI	47.9%	46.5%
CHINA	BEIJING	46.5%	43.7%
MEXICO	MEXICO CITY	45.1%	42.3%
SINGAPORE	SINGAPORE	45.1%	45.1%
UNITED KINGDOM	MANCHESTER	42.3%	40.8%
AUSTRALIA	SYDNEY	42.3%	39.4%
JAPAN	TOKYO	42.3%	42.3%

Source: CBRE Research Q1 2014

Retailers from the Americas have increased their presence in Asia

▼ FIGURE 15: EUROPEAN RETAILERS TARGET MARKETS OUTSIDE OF THEIR HOME REGION

COUNTRY	CITY	% OF RETAILERS IN CITY - 2014	% OF RETAILERS IN CITY - 2013
UNITED ARAB EMIRATES	DUBAI	61.0%	60.4%
KUWAIT	KUWAIT CITY	46.5%	46.5%
CHINA	SHANGHAI	43.3%	40.6%
SINGAPORE	SINGAPORE	43.3%	41.7%
CHINA	BEIJING	42.8%	41.7%
HONG KONG	HONG KONG	41.2%	40.1%
JAPAN	TOKYO	38.0%	38.0%
QATAR	DOHA	36.9%	36.9%
UNITED STATES	NEW YORK	36.4%	36.4%
UNITED ARAB EMIRATES	ABU DHABI	35.3%	35.3%

Source: CBRE Research Q1 2014

▼ FIGURE 16: ASIA PACIFIC RETAILERS TARGET MARKETS OUTSIDE OF THEIR HOME REGION

COUNTRY	CITY	% OF RETAILERS IN CITY - 2014	% OF RETAILERS IN CITY - 2013
UNITED ARAB EMIRATES	DUBAI	23.5%	21.6%
UNITED KINGDOM	LONDON	15.7%	15.7%
UNITED ARAB EMIRATES	ABU DHABI	9.8%	9.8%
QATAR	DOHA	9.8%	9.8%
KUWAIT	KUWAIT CITY	9.8%	9.8%
RUSSIA	MOSCOW	9.8%	9.8%
FRANCE	PARIS	9.8%	9.8%
IRELAND	DUBLIN	7.8%	7.8%
UNITED KINGDOM	LEEDS	7.8%	7.8%
UNITED STATES	NEW YORK	7.8%	7.8%
UNITED STATES	SEATTLE	7.8%	7.8%

Source: CBRE Research Q1 2014

Asian cities are important targets for European retailers

When Asian retailers do leave their home region, Middle Eastern markets are a main target



OUTLOOK

Although cross-border retailer activity among the world's leading retailers is slowing, our research shows that the amount of retailers expanding into new markets is increasing, quite substantially. Given this, the internationalisation of the retail sector is set to continue apace.

Emerging markets have led cross-border retailer expansion in recent years with Asia Pacific still providing the biggest opportunities, particularly in the major cities of South East Asia and in the Tier 2 cities in China. But the improving economic prospects in Western Europe and North America will see more retailers targeting mature markets in coming years. We have already seen evidence of this in 2013 with Paris, Tokyo, London and Berlin in the top six most sought after cities and France topping

the new entry ranking at country level. Retailers are also becoming more global in their outlook with, for example, a high 45 of the 61 countries in the survey seeing at least one new entrant from a U.S. retailer last year.

As more retailers seek to expand into new markets, shopping centres are playing an increasingly important role. Global shopping centre development is at an all-time high and is providing the opportunity for retailers to enter new markets, particularly in Asia, Latin America and Eastern Europe. But is it not just about new centres. Shopping centre owners are putting sizable resources into revamping, extending and freshening up their existing centres. Securing major international brands is a key part of this strategy as is the introduction of new retailers that differentiate their centres from the competition.

Creating a retail experience will be the mantra for shopping centre owners for years to come, which is partly a reaction to the growth of e-commerce and the perceived threat to store-based retailing. In reality, retailers are adapting to the consumer led revolution, whereby individuals have total flexibility in the way they shop, and it is clear that the store itself will continue to have huge relevance in the multichannel world. For retailers with international ambitions the internet is facilitating their entry into new markets by allowing them to first test their brand with an online-only offering before committing to a physical store. The growth of the online environment has also elevated the importance of the brand – not just among luxury retailers, but across the

retail spectrum with consumers seeking out aspirational brands as well as value oriented fashion offers, and this is driving demand for new stores.

Whilst there are many reasons to be optimistic about cross-border retailer activity in 2014, international expansion is not a panacea for running a successful business. The cost of setting up in a new market is a major barrier to entry in some markets, as is the ability to access the right type of space. The global economy may be picking up, but retailers are still developing their multichannel strategies and are not about to abandon their cautious approach to store expansion. Taking time to find the right type of space will be as important as ever.

APPENDICES

▼ APPENDIX 1: SAMPLE, BASIC DATA AND METHODOLOGY

The retailers were selected based on a variety of sources including surveys of retailers’ turnover and brand presence, global and national retail directories and the views of the local CBRE professionals on the dominant retailers in their markets. From these sources, 334 leading international brand retailers were identified as representative of the global retail community. For each of the retailers in the sample, research was undertaken to identify whether they had a presence in each of the 61 countries and 189 cities included in the study.

When determining whether a retailer was “present” in a market, the survey required a retailer to be operating a stand-alone store within the country or city concerned. “Concession” operations within a department store and units within airports were generally discounted for the purposes of the study.

Given that the vast majority of the significant countries in the global economy were included, at national level the results therefore provide an accurate picture of “how global” each of the retailers are. However, it is clearly possible for retailers to be present in many more cities than were included in this research: for example, the project only examines 17 cities in the United States and only one or two cities in many other countries.

While some retailers may indeed only be present in these “dominant” cities, others will have a much more extensive network which provides greater penetration of the national market. Equally, the study only looks at presence in a city on a “yes-no” basis – it takes no regard of how many outlets a retailer may have in each city. It is therefore important to bear this in mind when interpreting comments about how “international” markets, sectors or retailers may be; such comments should be viewed in the context of the methodology of this research.

▼ APPENDIX 2: SECTOR DEFINITIONS

- **Coffee & Restaurants (19 retailers):** includes fast food, restaurants, confectionary retailers and coffee shops.
- **Consumer Electronics (16):** includes computing, phones, other electronics and electrical retailers.
- **Homeware & Department Stores (48):** includes DIY, department stores and furniture retailers.
- **Luxury & Business Fashion (54):** includes any luxury retailer from all areas of retailing, including men’s and women’s luxury clothing/footwear, jewellery and business clothing retailers.
- **Mid-Range Fashion (70):** includes men’s and women’s mid-market and casual fashion retailers.
- **Other (33):** includes all other types of retailers including chemists, pet stores, books, music and DVD retailers.
- **Specialist Clothing (49):** includes general (as opposed to luxury) footwear, underwear, sportswear, childrens wear and accessories retailers.
- **Supermarkets (21):** includes multiple grocery/ convenience stores, supermarkets and hypermarkets.
- **Value & Denim (24):** includes value and discount clothing, and denim retailers.

APPENDIX 3: COUNTRY RETAILER REPRESENTATION RANKING

RANK 2014	COUNTRY	% OF RETAILERS PRESENT - 2014	% OF RETAILERS PRESENT - 2013	RANK 2013	RANK 2014	COUNTRY	% OF RETAILERS PRESENT - 2014	% OF RETAILERS PRESENT - 2013	RANK 2013
1	UNITED KINGDOM	57%	57%	1	39	CROATIA	25%	24%	38=
2	UNITED ARAB EMIRATES	55%	54%	2	40	BULGARIA	23%	22%	41
3	CHINA	52%	52%	3	41=	EGYPT	23%	23%	40
4	UNITED STATES	51%	51%	4	41=	SLOVAKIA	23%	22%	42
5	GERMANY	49%	49%	5	43	DENMARK	22%	21%	43
6=	FRANCE	48%	47%	7	44	SLOVENIA	22%	20%	44
6=	SPAIN	48%	48%	6	45	BRAZIL	19%	18%	45=
8	RUSSIA	47%	46%	8	46	SERBIA	19%	18%	45=
9	HONG KONG	45%	43%	11	47	MOROCCO	18%	18%	47
10	SINGAPORE	43%	43%	9=	48	LITHUANIA	17%	15%	54
11	ITALY	43%	43%	9=	49=	NORWAY	16%	16%	48
12	KUWAIT	42%	42%	12	49=	VIETNAM	16%	16%	50=
13	TURKEY	39%	39%	13	51=	LATVIA	16%	16%	50=
14=	BELGIUM	38%	37%	14=	51=	NEW ZEALAND	16%	16%	48
14=	JAPAN	38%	37%	14=	53	SOUTH AFRICA	16%	14%	55=
16	AUSTRIA	37%	37%	16	54	LUXEMBOURG	16%	16%	52
17=	CZECH REPUBLIC	36%	35%	18	55=	CHILE	15%	14%	55=
17=	NETHERLANDS	36%	35%	19	55=	ESTONIA	15%	13%	57
17=	POLAND	36%	36%	17	55=	FINLAND	15%	15%	53
20	CANADA	35%	34%	20=	58	ARGENTINA	12%	12%	58
21	SWITZERLAND	34%	34%	20=	59	OMAN	12%	12%	59
22=	MALAYSIA	34%	34%	22	60	VENEZUELA	10%	10%	60
22=	TAIWAN	34%	33%	24	61	PERU	9%	8%	61
24	PORTUGAL	34%	34%	23					
25	THAILAND	33%	31%	25					
26=	AUSTRALIA	30%	30%	28					
26=	GREECE	30%	30%	26=					
26=	QATAR	30%	30%	26=					
29	SOUTH KOREA	29%	28%	29					
30	INDONESIA	28%	28%	30=					
31=	HUNGARY	28%	28%	32=					
31=	UKRAINE	28%	28%	30=					
33=	INDIA	28%	27%	34					
33=	ROMANIA	28%	28%	32=					
35=	IRELAND	27%	27%	35					
35=	MEXICO	27%	26%	36					
37	PHILIPPINES	26%	25%	37					
38	SWEDEN	25%	24%	38=					

Source: CBRE Research Q1 2014

APPENDIX 4: CITY RETAILER REPRESENTATION RANKING

RANK 2014	CITY	% OF RETAILERS PRESENT - 2014	RANK 2013	RANK 2014	CITY	% OF RETAILERS PRESENT - 2014	RANK 2013
1	LONDON, UNITED KINGDOM	57.0%	1	39	LISBON, PORTUGAL	30.4%	38
2	DUBAI, UNITED ARAB EMIRATES	55.3%	2	40	HANGZHOU, CHINA	29.8%	54=
3=	NEW YORK, UNITED STATES	45.0%	3	41	COLOGNE, GERMANY	29.4%	40=
3=	MOSCOW, RUSSIA	45.0%	4	42=	BRUSSELS, BELGIUM	29.1%	42=
5	SHANGHAI, CHINA	44.0%	7=	42=	ATHENS, GREECE	29.1%	40=
6=	HONG KONG, HONG KONG	43.7%	6	44=	HOUSTON, UNITED STATES	28.8%	44=
6=	PARIS, FRANCE	43.7%	5	44=	DOHA, QATAR	28.8%	42=
8=	BEIJING, CHINA	43.4%	7=	46=	JAKARTA, INDONESIA	28.5%	47=
8=	SINGAPORE, SINGAPORE	43.4%	7=	46=	DUSSELDORF, GERMANY	28.5%	44=
10	MADRID, SPAIN	42.1%	10	46=	BIRMINGHAM, UNITED KINGDOM	28.5%	46
11	KUWAIT CITY, KUWAIT	40.8%	11	49=	BUCHAREST, ROMANIA	28.2%	49
12	BARCELONA, SPAIN	39.2%	12	49=	KIEV, UKRAINE	28.2%	63
13=	LOS ANGELES, UNITED STATES	38.8%	13=	51=	VANCOUVER, CANADA	27.8%	56
13=	BERLIN, GERMANY	38.8%	15=	51=	SHENZHEN, CHINA	27.8%	50=
15	TOKYO, JAPAN	38.2%	13=	51=	OSAKA, JAPAN	27.8%	50=
16	MILAN, ITALY	37.9%	15=	51=	ST PETERSBURG, RUSSIA	27.8%	47=
17	MUNICH, GERMANY	37.5%	17=	55	ANTWERP, BELGIUM	27.5%	50=
18	ISTANBUL, TURKEY	37.2%	17=	56=	MEXICO CITY, MEXICO	27.2%	56=
19	HAMBURG, GERMANY	35.6%	19	56=	SAN DIEGO, UNITED STATES	27.2%	56=
20=	LAS VEGAS, UNITED STATES	35.0%	20	56=	VALENCIA, SPAIN	27.2%	50=
20=	PRAGUE, CZECH REPUBLIC	35.0%	23=	59=	CHENGDU, CHINA	26.9%	56=
22	VIENNA, AUSTRIA	34.6%	21=	59=	SEOUL, SOUTH KOREA	26.9%	54=
23	MIAMI, UNITED STATES	34.3%	21=	59=	BUDAPEST, HUNGARY	26.9%	56=
24=	FRANKFURT, GERMANY	34.0%	31=	59=	GLASGOW, UNITED KINGDOM	26.9%	56=
24=	AMSTERDAM, NETHERLANDS	34.0%	28	63=	MELBOURNE, AUSTRALIA	26.5%	66=
26=	SAN FRANCISCO, UNITED STATES	33.7%	26=	63=	SYDNEY, AUSTRALIA	26.5%	66=
26=	WASHINGTON DC, UNITED STATES	33.7%	29=	63=	DUBLIN, IRELAND	26.5%	64
26=	KUALA LUMPUR, MALAYSIA	33.7%	23=	63=	ZURICH, SWITZERLAND	26.5%	56=
29=	BOSTON, UNITED STATES	33.3%	26=	67	GUANGZHOU, CHINA	26.2%	66=
29=	CHICAGO, UNITED STATES	33.3%	29=	68	PHOENIX, UNITED STATES	25.9%	65
29=	ROME, ITALY	33.3%	23=	69	NEW DELHI, INDIA	25.6%	74=
29=	WARSAW, POLAND	33.3%	31=	70=	DENVER, UNITED STATES	25.2%	66=
33=	DALLAS/FORTH WORTH, UNITED STATES	32.4%	34	70=	NANJING, CHINA	25.2%	71=
33=	ABU DHABI, UNITED ARAB EMIRATES	32.4%	39	70=	LYON, FRANCE	25.2%	66=
35=	TAIPEI, TAIWAN	32.0%	35=	70=	LEEDS, UNITED KINGDOM	25.2%	74=
35=	MANCHESTER, UNITED KINGDOM	32.0%	33	70=	LIVERPOOL, UNITED KINGDOM	25.2%	71=
37	BANGKOK, THAILAND	31.7%	35=	75	PHILADELPHIA, UNITED STATES	24.9%	73
38	TORONTO, CANADA	31.4%	37	76	CALGARY, CANADA	24.6%	77

RANK 2014	CITY	% OF RETAILERS PRESENT - 2014	RANK 2013	RANK 2014	CITY	% OF RETAILERS PRESENT - 2014	RANK 2013
77	SEATTLE, UNITED STATES	24.3%	74=	114=	DETROIT, UNITED STATES	18.1%	115=
78	STOCKHOLM, SWEDEN	23.9%	78	114=	BELGRADE, SERBIA	18.1%	117
79=	HONOLULU, UNITED STATES	23.0%	83=	114=	SOUTHAMPTON, UNITED KINGDOM	18.1%	113=
79=	SHENYANG, CHINA	23.0%	79=	118=	XI'AN, CHINA	17.5%	118=
79=	MALAGA, SPAIN	23.0%	79=	118=	SALZBERG, AUSTRIA	17.5%	118=
79=	BRISTOL, UNITED KINGDOM	23.0%	79=	118=	LIUBLJANA, SLOVENIA	17.5%	118=
83=	MONTREAL, CANADA	22.7%	83=	121=	BRISBANE, AUSTRALIA	17.2%	121=
83=	TIANJIN, CHINA	22.7%	83=	121=	BUSAN, SOUTH KOREA	17.2%	121=
83=	COPENHAGEN, DENMARK	22.7%	83=	121=	UTRECHT, NETHERLANDS	17.2%	123=
83=	NICE, FRANCE	22.7%	88=	124=	TALLINN, ESTONIA	16.8%	142=
83=	ROTTERDAM, NETHERLANDS	22.7%	88=	124=	THESSALONIKI, GREECE	16.8%	123=
83=	EDINBURGH, UNITED KINGDOM	22.7%	82	126=	BANGALORE, INDIA	16.5%	128=
89=	LILLE, FRANCE	22.3%	83=	126=	TURIN, ITALY	16.5%	123=
89=	PORTO, PORTUGAL	22.3%	88=	126=	CASABLANCA, MOROCCO	16.5%	127
91=	MANILA, PHILIPPINES	22.0%	106=	126=	LODZ, POLAND	16.5%	123=
91=	MARSEILLE, FRANCE	22.0%	88=	130	QINGDAO, CHINA	16.2%	128=
93=	MUMBAI, INDIA	21.7%	93=	131=	WUHAN, CHINA	15.9%	128=
93=	KRAKOW, POLAND	21.7%	93=	131=	OSLO, NORWAY	15.9%	131=
93=	ZARAGOZA, SPAIN	21.7%	92	133=	GUADALAJARA, MEXICO	15.5%	139=
96=	DALIAN, CHINA	21.4%	93=	133=	HO CHI MINH CITY, VIETNAM	15.5%	136
96=	CAIRO, EGYPT	21.4%	93=	133=	VILNIUS, LITHUANIA	15.5%	139=
98	STUTTGART, GERMANY	21.0%	97	133=	LUXEMBOURG, LUXEMBOURG	15.5%	131=
99	SOFIA, BULGARIA	20.7%	98=	133=	YEKATERINBURG, RUSSIA	15.5%	131=
100=	SUZHOU, CHINA	20.4%	98=	138=	WINNIPEG, CANADA	15.2%	134
100=	GRAZ, AUSTRIA	20.4%	98=	138=	SANTIAGO, CHILE	15.2%	139
100=	ZAGREB, CROATIA	20.4%	98=	140=	HELSINKI, FINLAND	14.9%	135
100=	BRATISLAVA, SLOVAKIA	20.4%	106=	140=	RIGA, LATVIA	14.9%	136=
100=	GENEVA, SWITZERLAND	20.4%	98=	142	AUCKLAND, NEW ZEALAND	14.6%	136=
100=	BELFAST, UNITED KINGDOM	20.4%	103=	143=	PERTH, AUSTRALIA	13.9%	142=
106=	SEVILLA, SPAIN	20.1%	103=	143=	TAICHUNG, TAIWAN	13.9%	144
106=	ANKARA, TURKEY	20.1%	103=	145	JOHANNESBURG, SOUTH AFRICA	13.6%	146=
108=	CHONGQING, CHINA	19.7%	109=	146	NIZHNY NOVGOROD, RUSSIA	13.3%	145
108=	YOKOHAMA, JAPAN	19.7%	109=	147=	AARHUS, DENMARK	12.9%	146=
108=	BRNO, CZECH REPUBLIC	19.7%	106=	147=	CORK, IRELAND	12.9%	146=
111	BORDEAUX, FRANCE	19.4%	109=	149=	MONTERREY, MEXICO	12.6%	152=
112	NAPOLI, ITALY	19.1%	109=	149=	KELANG, MALAYSIA	12.6%	149=
113	KAOHSIUNG, TAIWAN	18.4%	113=	151=	PALERMO, ITALY	12.3%	149=
114=	SAO PAULO, BRAZIL	18.1%	115=	151=	SAMARA, RUSSIA	12.3%	151

Source: CBRE Research Q1 2014

RANK 2014	CITY	% OF RETAILERS PRESENT - 2014	RANK 2013
153=	ADELAIDE, AUSTRALIA	11.7%	155
153=	QUEZON CITY, PHILIPPINES	11.7%	152=
153=	CAPE TOWN, SOUTH AFRICA	11.7%	156=
153=	GOTHENBURG, SWEDEN	11.7%	154
157=	CHENNAI, INDIA	11.3%	156=
157=	SPLIT, CROATIA	11.3%	162
159	CANCUN, MEXICO	11.0%	156=
160=	RIO DE JANERIO, BRAZIL	10.7%	159=
160=	SURABAYA, INDONESIA	10.7%	159=
162=	CARACAS, VENEZUELA	10.4%	159=
162=	HANOI, VIETNAM	10.4%	170=
164=	KOLKATA, INDIA	10.0%	162=
164=	CEBU, PHILIPPINES	10.0%	162=
164=	DEBRECEN, HUNGARY	10.0%	166=
164=	MARIBOR, SLOVENIA	10.0%	162=
168=	NINGBO, CHINA	9.7%	172=
168=	MUSCAT, OMAN	9.7%	166=
170=	BUENOS AIRES, ARGENTINA	9.4%	166=
170=	BERGEN, NORWAY	9.4%	170=
170=	NOVI SAD, SERBIA	9.4%	172=
170=	JERSEY, UNITED KINGDOM	9.4%	166=
174=	HYDERABAD, INDIA	9.1%	172=
174=	KHARKOV, UKRAINE	9.1%	172=
176=	WELLINGTON, NEW ZEALAND	8.7%	176=
176=	KAUNAS, LITHUANIA	8.7%	176=
176=	RABAT, MOROCCO	8.7%	176=
179=	LIMA, PERU	8.1%	180=
179=	KOSICE, SLOVAKIA	8.1%	179
181	CHRISTCHURCH, NEW ZEALAND	7.8%	180=
182	IASI, ROMANIA	7.1%	182
183	TAMPERE, FINLAND	6.5%	183
184	DURBAN, SOUTH AFRICA	6.1%	184
185	PLOVDIV, BULGARIA	5.5%	185
186	TARTU, ESTONIA	4.9%	186
187	CORDOBA, ARGENTINA	3.6%	187
188=	PUENTE ALTO, CHILE	0.6%	188=
188=	DAUGAVPILS, LATVIA	0.6%	188=

Source: CBRE Research Q1 2014

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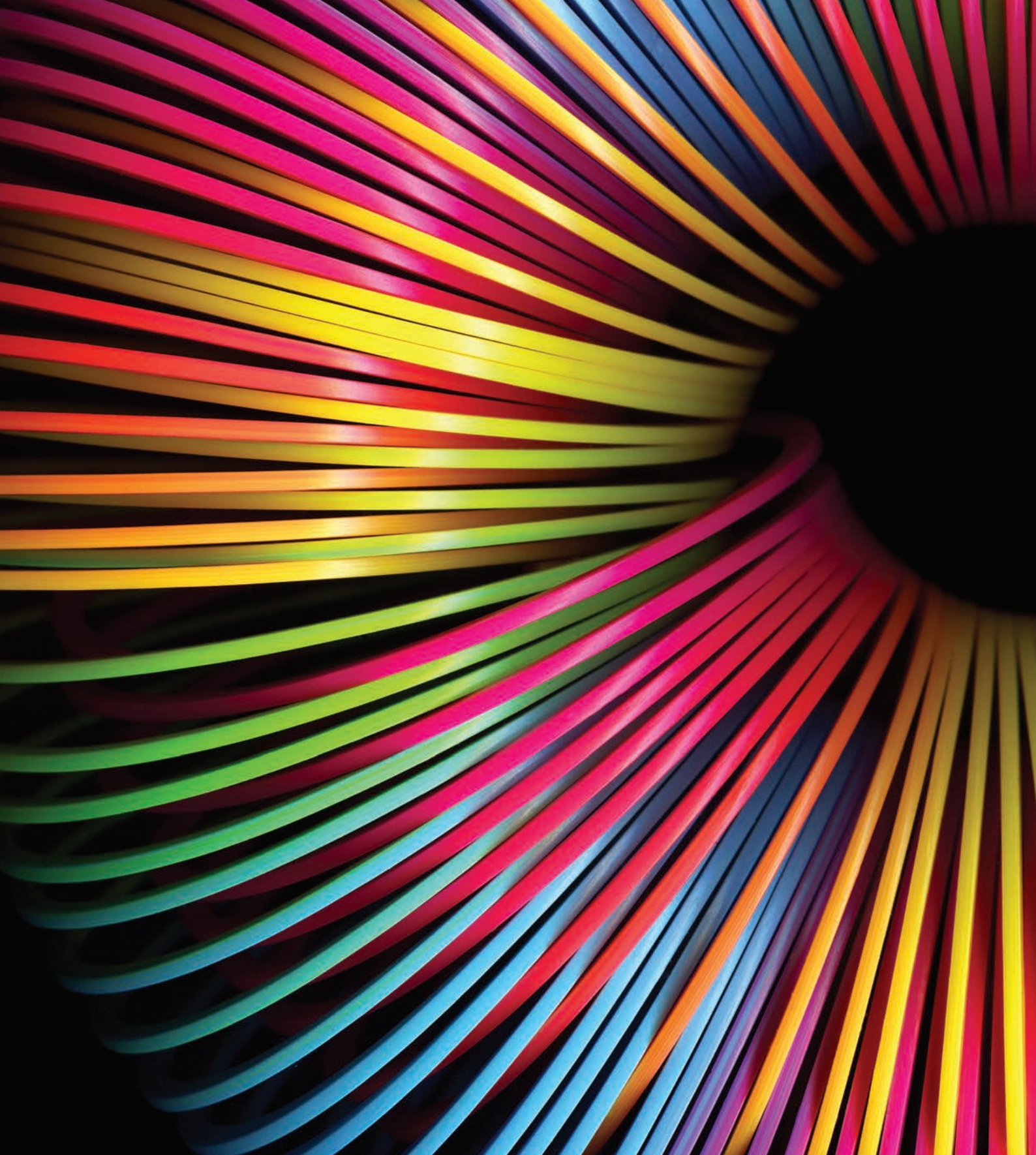
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