

retail lab

The Paris
Retail Market

September 2024

NEWMARK

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Introduction

Paris was the focus of global attention this summer with the staging of the Olympic Games, considered by some to be the finest in history. Beyond the flawless organization and media coverage of the event, **the economic impact has been mixed, although this will undoubtedly be positive in the longer term.**

For the time being the context is relatively favorable for consumption, helped by the fall in inflation, although many uncertainties remain due to the deterioration of certain economic indicators and the instability of the political situation. Furthermore, new measures taken by the City of Paris, such as the introduction of a low-emission zone and the introduction of a right of pre-emption in the 5th, 6th and 7th arrondissements, will require close monitoring of their impact on retail activity in the capital.

Despite this, **optimism prevails regarding the future of the Paris retail market.** Despite being tested on several occasions in recent years (Yellow vests movement, transport strikes, health crisis, etc.), its resilience

has largely been sustained since the start of 2024. Although leasing activity has not returned to the exceptional levels of the last two years, a period marked by strong demand from retailers wishing to open in the run-up to the Olympic Games, there has still been a fair amount of movement.

Paris remains attractive, **as evidenced by the number of new international brands arriving, the resilience of market rents and the relatively low vacancy rates.** Despite year-on-year decreases in take-up volumes, activity in the investment market has picked up, with several significant transactions signed in the capital's prime locations.

The hierarchy of the city's main retail streets remains broadly unchanged. The Marais and the Champs-Élysées continue to enjoy strong demand from retailers, while other less international streets (rue de Passy, rue du Commerce, avenue Victor Hugo, etc.) remain sought-after. Other areas are continuing their transformation, such as the Madeleine-Capucines district, as well as rue François 1^{er} and

avenue Montaigne, which have been revitalized by various refurbishment and renovation/extension projects.

Another encouraging factor is the diversity of demand from retailers. Several sectors, such as restaurants, food, sportswear, cosmetics, accessories, second-hand goods and electric vehicles, are experiencing a positive dynamic, while the incursion into Paris of brands usually located on the outskirts is continuing.

Finally, **new types of players are emerging on the market: brands created by celebrities and influencers.** Newmark has analyzed this phenomenon, based on a sample of almost 700 brands in France and around the world. Not all of them are opening their own shops, but several have projects, some of them significant, in the center of Paris. **Illustrating the growing influence of social media on brand communication and distribution,** this phenomenon is thus having a significant impact on the retail property market.



Antoine Salmon
Co-Head of Retail Leasing



Vianney d'Ersu
Co-Head of Retail Leasing

We are delighted to share this new market study with you. Newmark's retail team is always available to discuss major market trends and to advise you on your projects.

We hope you find it interesting!



ECONOMIC CONTEXT

THE PARIS RETAIL MARKET



Threats to the Recovery

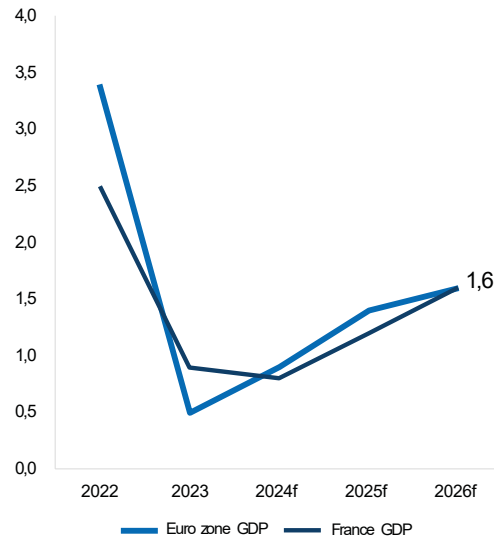
Although the French economy was sluggish in 2023, it will grow slightly in 2024, thanks to a slight upturn in consumption and purchasing power. In recent months, **inflation has slowed significantly**, dropping below the 2% threshold in August 2024 (+1.9% year-on-year).

Helped by the stabilization of commodity and energy prices, it could continue to fall in 2025, thereby contributing to the economic recovery. However, these optimistic forecasts could be jeopardized by France's political instability.

Should this continue, it could compromise the improvement in France's financial situation and the easing of interest rates, which in the spring still suggested a gradual recovery in private investment.

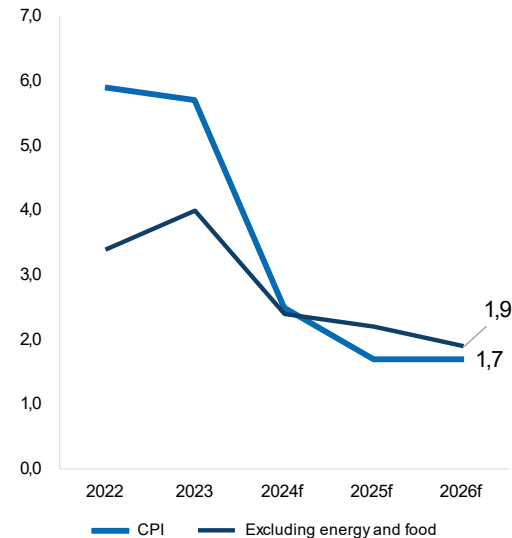
GDP

Annual growth in France and Europe, as a %



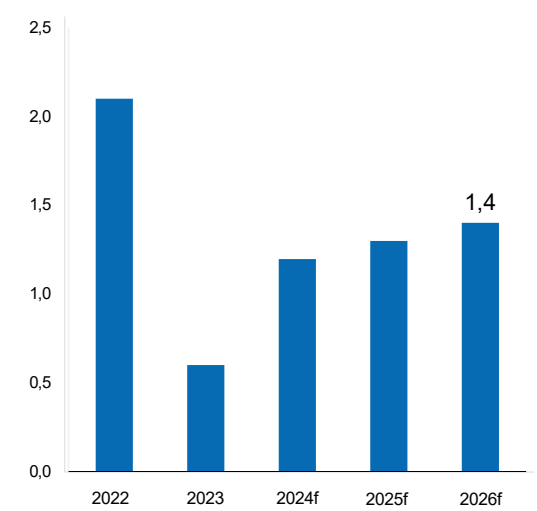
Consumer prices

Annual growth in France, as a %



Household consumption

Annual growth in France, as a %



Source: BCE, Banque de France, Macroeconomic forecasts.

Households and businesses: very low morale

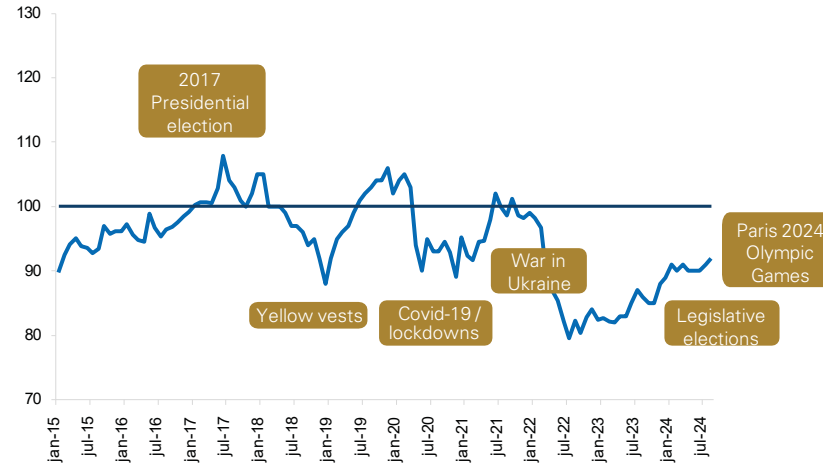
Household sentiment improved slightly in August. It remains well below its long-term average, despite a resilient job market and falling inflation. However, prices for certain items remain high, and the French are still not drawing significantly on their savings, the rate of which even increased recently (17.9% in Q2 2024, +0.3 points on Q1).

Consumers are therefore likely to continue to make consumption choices, notably in favor of discount formats. Business confidence improved slightly in August but remains below its long-term average. In the retail sector, new legal proceedings affecting brands have recently been reported, adding to the list of players in difficulty.



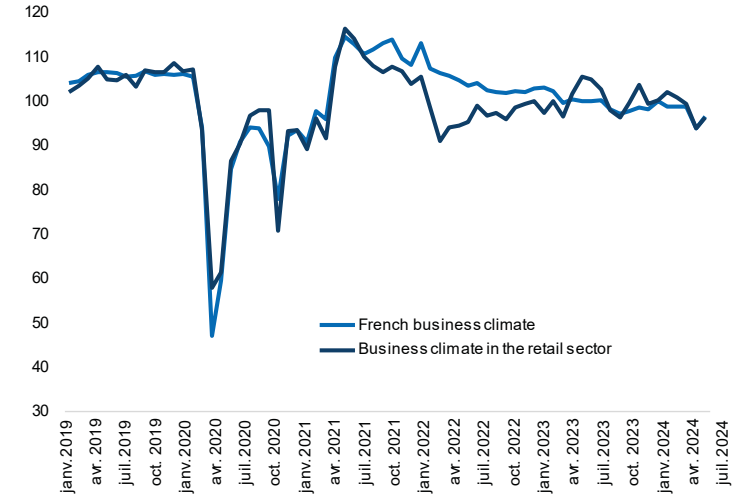
Household opinion

In France, synthetic indicator



Business leaders' confidence

Business climate, synthetic indicator and retail indicator

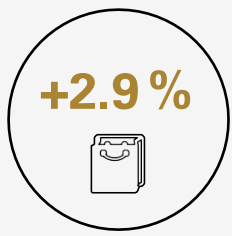


Source : INSEE

No respite for insolvencies

Insolvencies by sector

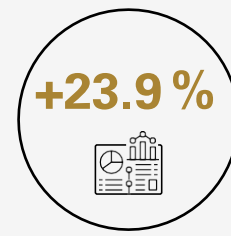
Examples, cumulative 12 months to end-July 2024, compared with the 2010-2019 average



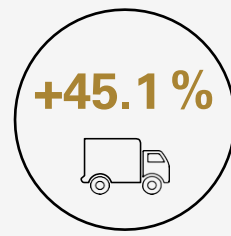
RETAIL



ACCOMMODATION - RESTAURANTS



REAL ESTATE ACTIVITIES



TRANSPORT - STORAGE

Source : Banque de France

The number of insolvencies, which had rebounded sharply from 2022 onwards, continues to rise. All sectors combined, 63,095 insolvencies were recorded in France between August 2023 and July 2024, **up 6.3% on the pre-Covid average (2010-2019).**

The retail and hospitality sectors are among those hardest hit. Several legal proceedings have taken place since January, even if many of them resulted in takeovers (Jennyfer by Sinoproud, Chaussexpo by Chaussea, Naf Naf by Migiboy Tekstil, etc.). The most significant of these was

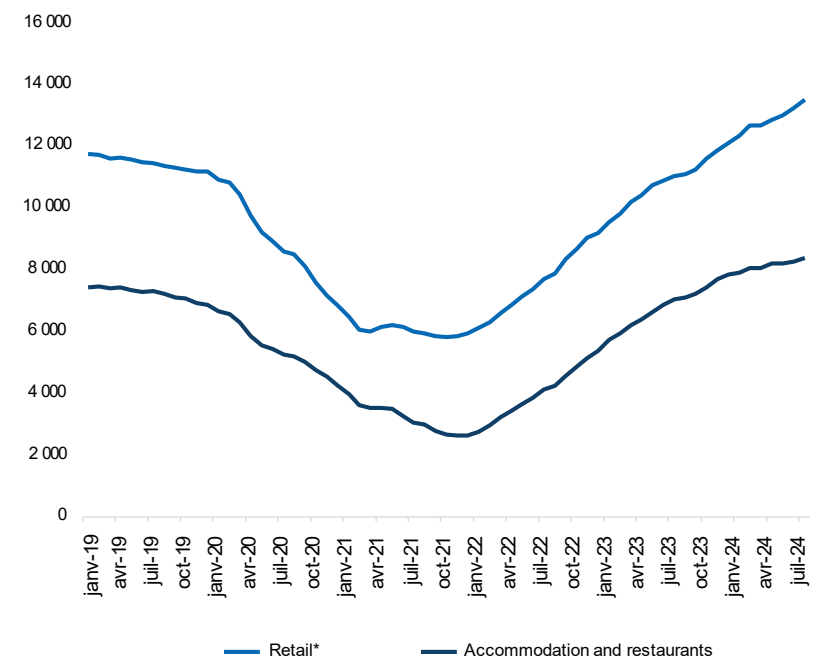
Casino's takeover at the beginning of the year, which redrew the map of the French supermarket sector through store sales.

However, the impact of brand difficulties varies greatly from one region to another. For example, brands recently liquidated or forced to close stores often have a limited network in Paris, limiting the risk of destabilization in a city whose market is characterized by its depth and diversity of shops.



Company insolvencies

Cumulative 12-month figures for France



Source : Banque de France /*Including automotive repair

Examples of legal proceedings since the start of 2024

26

Number of brands involved in legal proceedings since the start of 2024

50%

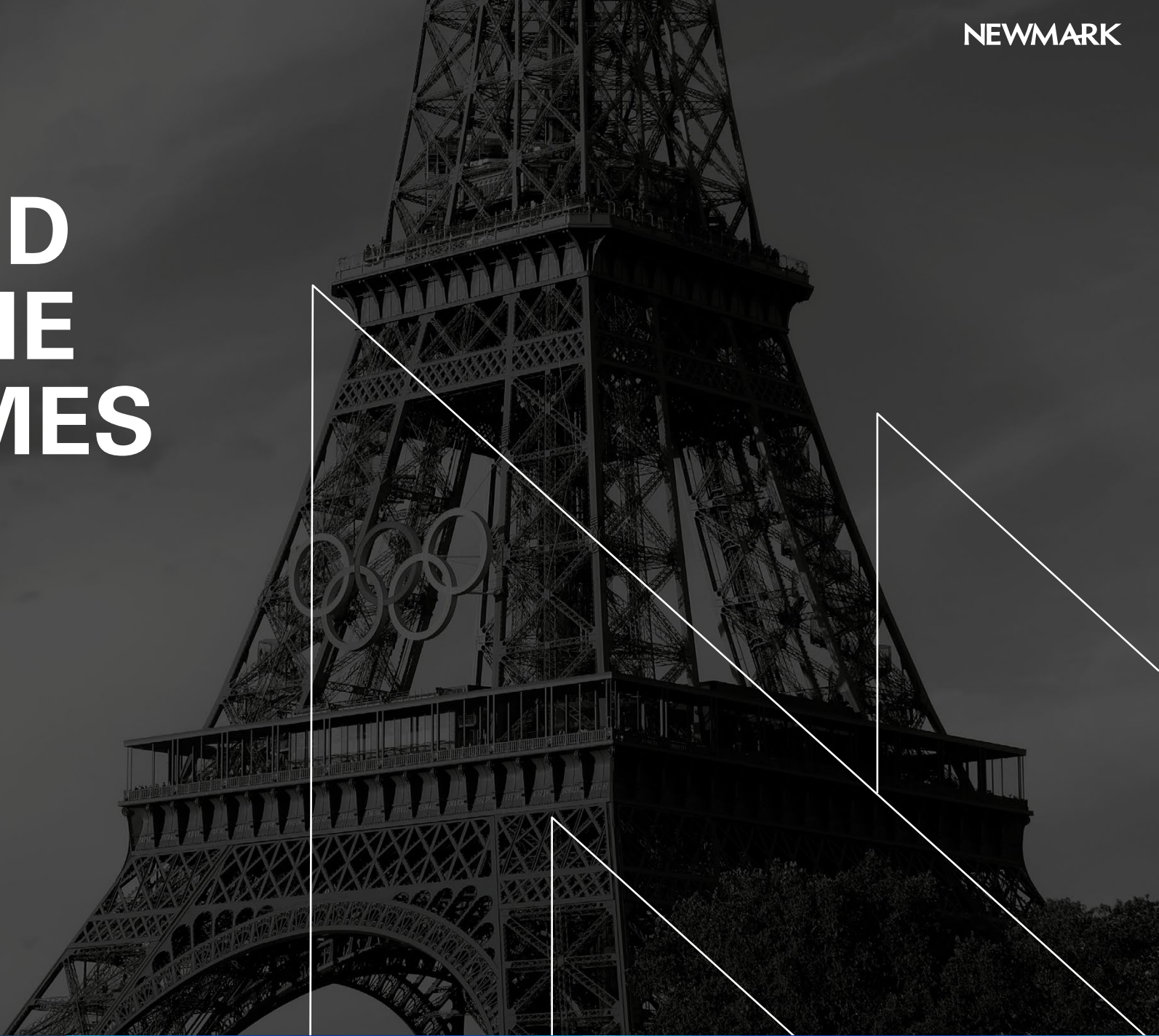
of the total number of companies involved in legal proceedings since the start of 2024 belong to the fashion sector

BRAND	TYPE	CATEGORY	NUMBER OF SHOPS		
			FRANCE	SHARE GREATER PARIS REGION	SHARE PARIS
Générale pour l'enfant (DPAM, Natalys, Sergent Major*)	Administration	Clothing	459	17%	5%
Rallye (Casino Super et Hyper)	Liquidation	Groceries	401	13%	2%
Pimkie	Safeguard	Clothing	235	9%	2%
Chaussexpo	Liquidation	Shoes	178	2%	0%
Christine Laure	Administration	Clothing	136	14%	2%
Esprit	Administration	Clothing	81	10%	1%
Gautier	Administration	Household goods	73	14%	3%
Cash Converters	Administration	Consignment store	62	19%	2%
Olly Gan	Liquidation	Clothing	61	8%	0%
The Body Shop	Liquidation	Beauty	60	40%	13%
Burton of London	Liquidation	Clothing	51	12%	2%
Groupe Indexia (Hubside.Store*)	Liquidation	High-Tech	39	18%	3%
Des Marques & Vous	Liquidation	Clothing	36	0%	0%
Interior's	Liquidation	Household goods	29	14%	3%
Jour	Administration	Food	28	75%	46%
Doc'Biker	Administration	Services	21	76%	43%
Arche	Administration	Shoes	15	47%	47%
Comptoir de Champagne	Liquidation	Groceries	14	0%	0%
Scotch & Soda	Liquidation	Clothing	13	15%	15%
Les Georgettes	Liquidation	Accessories	10	20%	20%

Sources: Newmark, Codata and brand websites / *2023 and 2024

TOURIST NUMBERS AND IMPACT OF THE OLYMPIC GAMES

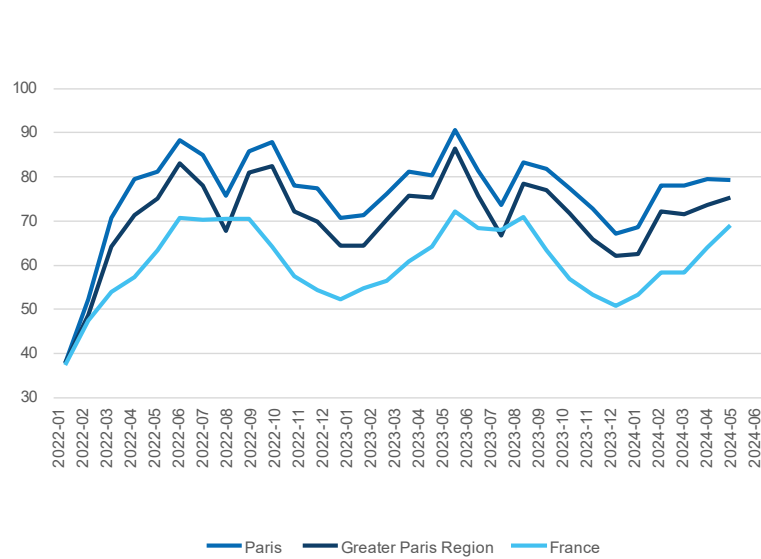
THE PARIS RETAIL MARKET



A lackluster start to summer

Hotel occupancy rates

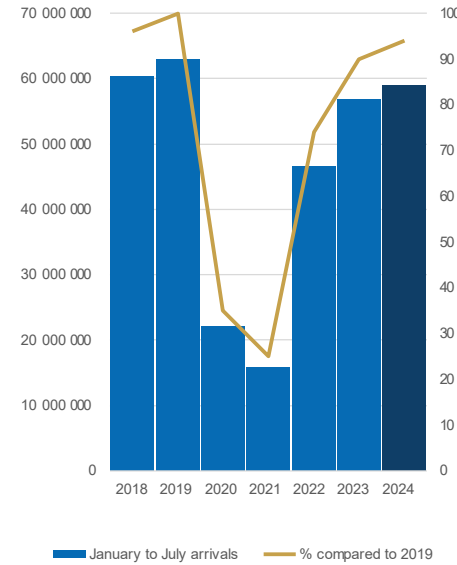
Per month, as a %



Source : INSEE

Paris airport arrivals

Passenger arrivals at Orly and Roissy-CDG, in millions



Source : ADP

+3.8%

Increase in arrivals between January-July 2023 and January-July 2024

93.9%

Share of total arrivals from January-July 2024 compared with the same period in 2019

While tourist numbers continued to recover at the start of the year, **the run-up to the Olympic Games saw a certain slowdown in hotel activity in Paris**, illustrated by stagnating occupancy rates in the capital.

In June 2024, Paris hotel occupancy rates were more than 10 points lower than for the same period the previous year. Furthermore, the rise in passenger arrivals at Paris airports has slowed slightly, although they remain fairly close to pre-Covid levels (93.9% of 2019 volume).



2024 Olympic Games: mixed results before and during the Games

15.3 million visitors were expected to visit Paris and the surrounding region during the Olympic Games*, most of them French (13.4 million, including 6.5 million from the Greater Paris Region).

A week before the opening ceremony, several retail and restaurant federations were reporting a 30% fall in sales over the year, and even a 70% fall for those located in the area inaccessible without a QR code. At the end of the summer sales**, Alliance du Commerce also reported a **3.9% year-on-year drop in sales for clothing chains in Paris, 9 points less than nationwide.**

*Combined Olympic and Paralympic Games

**From June 26th to July 23rd, 2024.

Main beneficiaries during the event



ACCOMMODATION SECTOR



RESTAURANTS AND SHOPS NEAR THE OLYMPIC VENUES



SPORT RETAILERS

2024 Olympic Games: mixed results before and during the Games

During the Olympic Games (July 26th-August 11th), activity picked up again:

- 11.2 million people visited the Greater Paris Region (+4% vs. the same period in 2023), 85% of whom were French (including residents of the Paris region), and attended the competitions at the various venues (Paris, Saint-Denis, Versailles, etc.).
- Tourists accounted for just over a quarter of visitors, i.e. 3.1 million (+19.2% vs. 2023), including 1.7 million foreigners (+13%). Americans, Germans and Britons were the main visitors, but the Olympic Games also enabled Paris to **win back other nationalities** (Brazil, China, Japan, etc.), who had been slow to return “en masse” since the end of the health crisis.
- The Olympic Games have boosted the performance of the hotel sector, with a clear increase in occupancy rates (84% in Paris, up 10.1 points on 2023) **and very good results immediately after the event**. Between August 12th and 27th, the number of visitors to the capital jumped by almost 20% compared to the same period last year.



In terms of spending, the picture is more mixed. The Olympic Games mainly benefited restaurants and shops located in the vicinity of Olympic venues, as well as sport retailers (omnichannel footfall, stores and online, up 10% for Décathlon) and certain consumer goods. For the whole of Paris and the Greater Paris Region, the impact of the Olympic Games was more modest, even negative: Procos reported a “pronounced drop in activity” in Paris.

Positive impact, but very localized

Increase in consumer goods sales, weeks 31 and 32, 2024
In value, compared with the same period in 2023

Paris and Inner Suburbs **+6%**

Close to Olympic Games areas **+15.5%**

Olympic Games areas **+18.6%**

Source : NielsenIQ Scantrack

Longer-term impacts

The post-Olympic impact is likely to be positive. **In the short term, these benefits will be limited** and subject to several uncertainties (French political situation, etc.). According to INSEE, **the Olympic Games will support French growth by 0.25 points in Q3 2024**, while the knock-on effect on other tourism sectors, which is more uncertain, could boost it by a further 0.05 points.

In the tourism sector, **Paris will undoubtedly benefit from the positive image projected by the capital** during the event, whether in terms of showcasing its heritage or improving perceptions of aspects such as safety and cleanliness, which are particularly important for certain nationalities.

The impact on image is all the greater given **that no host city has ever benefited as much as Paris from the influence of social networks**. Between 2012 and 2024, the cumulative number of users on the world's top five social media platforms* increased sixfold. The images of the Paris Olympics, the most Instagrammable in history, should amplify Paris' success as a major tourist destination. **The recovery in foreign visitor arrivals could accelerate**, particularly from Asia.

This more positive image and the rebound in international visitor numbers could lead to **more plans for new foreign brands to arrive in Paris**, and an increase in expansion plans for those already present in the capital. This would enable the real estate sector to continue to benefit from the market momentum generated by the Olympic Games.

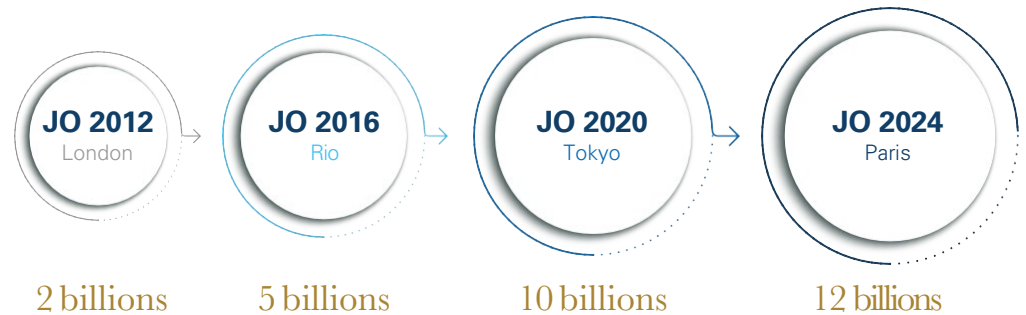
The showcasing of French heritage and the **high visibility of certain luxury brands** during the event could also help to bolster sales in the sector, which have been slowing down in recent months.

Finally, the already close ties between luxury and sport are set to become even closer, while the Olympic Games (that created **new opportunities for sportswear brands**) could also result in the opening of new flagships, of which there are already many in Paris.



The most Instagrammable Olympics in history

Cumulative number of users of the world's five largest social media platforms*, in billions



Source : Businessofapps.com / *Facebook, Youtube, WhatsApp, Instagram, TikTok

*Facebook, Youtube, WhatsApp, Instagram, TikTok

PARIS RETAIL MARKET OVERVIEW

THE PARIS RETAIL MARKET





Fundamental trends

The results of the latest APUR survey illustrate the **impact of new consumer trends and sociological changes on the capital's retail supply.**

The rise of online retail and the dematerialization of transactions are affecting personal goods stores and banking and travel agencies, while the drop in car ownership among Parisian households is accelerating the decrease in the number of garages and service stations.

On the other hand, increases have been seen in **local grocery formats**, stores supporting the **boom in soft mobility**, second-hand goods, and health and wellness.

Main increases

Number of stores, 2020-2023 trend



Grocery stores
+ 4%



Health and Wellness
+ 15%



Bicycle Sales, Repair and Rental
+ 39%



Restaurants
+ 1%



Medical Activities
+ 4%



Second-hand clothes, discount stores
+ 28%

Main decreases

Number of stores, 2020-2023 trend



Personal Equipment
- 8%



Bank Agencies
- 7%



Garages and Concessions
- 9%



Wholesale Trade
- 23%

Source : APUR, Les Commerces à Paris en 2023.

Numerous and varied development plans

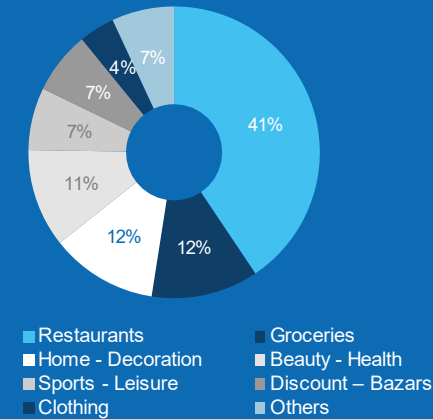
Despite an uncertain political and economic context, many brands are still keen to expand. **The 120 or so expansion plans** identified by Newmark since the beginning of the year account for **almost 1,800 potential new store openings** in France by 2024, in a wide range of sectors including food services, sport, pet shops and discount outlets. **Several brands** continue to expand at a steady pace (Action, Normal, etc.). **Others are more recent** (Krispy Kreme, Venchi, etc.) or are looking to relaunch.

In Paris, developments are equally important and varied, as evidenced by the numerous projects and openings in the sportswear, fashion, fast-food, food (bakeries, coffee shops), beauty and second-hand sectors. Recent months have also seen the **expansion into Paris of low-price and/or out-of-town brands** (Grand Frais, Action, Primaprix, etc.).

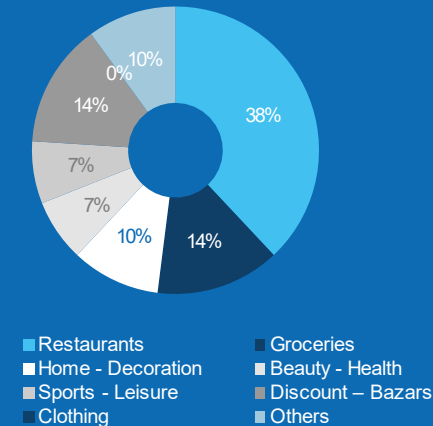
Analysis of development projects

Share on the total number of retailers expanding in France, by activity sector

All retailers



Retailers with the greatest ambitions (> 20 openings announced in 2024)



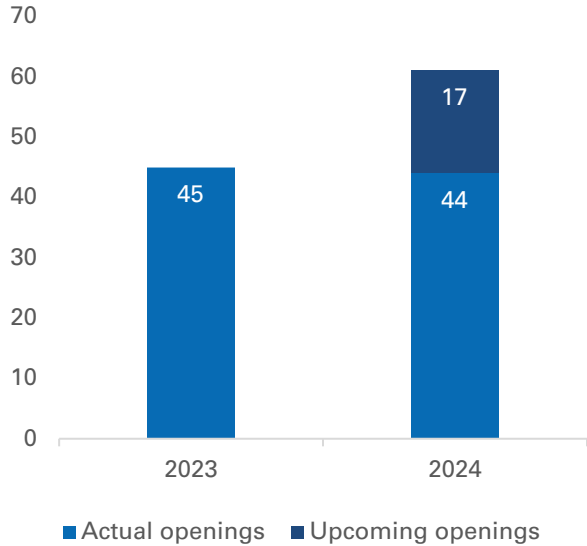
Examples of retailers under development In France and Paris

- Action
- Alain Afflelou
- Atol
- Basic Fit
- Boulangerie Ange
- Columbus Café
- Del Arte
- Easycash
- Fitness Park
- Five Guys
- Grand Frais
- Intersport
- Ixina
- KFC
- Marie Blachère
- Maxi Zoo
- McDonald's
- Neoness
- Normal
- Palais des Thés
- Pitaya
- Venchi
- Anytime Fitness
- Chicken Street
- Chungchun
- Elancia
- Good News
- JFG Clinic
- Krispy Kreme
- La Chaise longue
- L'Atelier d'Amaya
- Moonbo
- Noir
- On Air
- Popeyes
- Pop Mart
- Primaprix
- The French Bastards
- Tohana



New foreign brands: ever-increasing numbers

New foreign brands in Paris
Number of first store openings



Source : Newmark

36%

Fashion's share of all new foreign arrivals in Paris in 2024 (as of September 1st)

23%

Pop-up stores as a percentage of all new foreign arrivals in Paris in 2024 (as of September 1st)

In 2023, Paris saw a major influx of foreign retailers opening their first stores in France. **In 2024, there will be even more.** 43 have already opened since January (including almost a dozen pop-up stores, some linked to the Olympic Games). The **fashion and restaurant sectors** account for the lion's share of these new brands, with their rather upmarket positioning. Lastly, **the Marais district remains the preferred destination** for new arrivals, accounting for 40% of all new arrivals recorded since the start of 2024 in Paris (Farm Rio, My Jewellery, Newcop, etc.).

New foreign brands: the Marais, the most popular neighborhood

Examples of new arrivals

In Paris in 2024 (actual or planned openings by the end of the year)

BRAND	CATEGORY	GEO. ORIGIN	ADDRESS
Autry	Fashion / Sportswear	Italy	108 rue Vieille du Temple, Paris 3 th
Benihana	Restaurants	USA	163 rue Saint-Honoré, Paris 1 st
Farm Rio	Fashion	Brazil	56 rue Vieille du Temple, Paris 4 th
Flabelus	Fashion	Spain	45 rue Bonaparte, Paris 6 th
Fueguia 1833	Beauty	Argentina	60 rue François 1er, Paris 8 th
Luca Faloni	Fashion	UK	10 place de la Madeleine, Paris 8 th
My Jewellery	Accessories	Netherlands	5 rue des Rosiers, Paris 4 th
Naked Copenhagen	Fashion / Sportswear	Denmark	38 rue Ste-Croix de la Bret., Paris 4 th
Newcop	Fashion / Sportswear	Spain	19 rue du Temple, Paris 4 th
Pink Gellac	Beauty	Netherlands	98 rue de Rivoli, Paris 4 ^e
Pomandère	Fashion	Italy	26 rue Saint-Sulpice, Paris 6 ^e
Restoration Hardware	Home / Restaurants	USA	23 av. des Champs-Élysées, Paris 8 ^e
The Row	Fashion	USA	1 rue du Mont-Thabor, Paris 1 ^{er}

Preferred districts

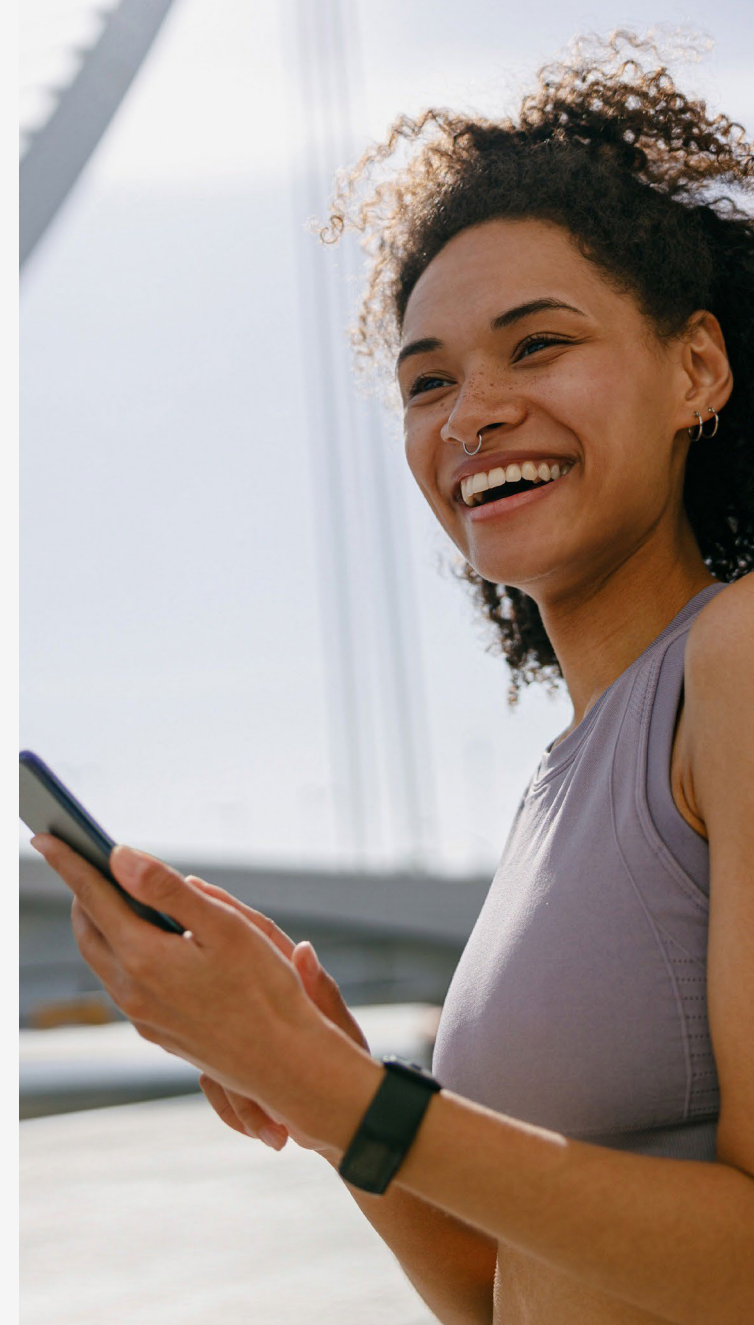
Share of each district in total new openings in Paris

- 1
MARAIS
41% in 2024*
 13% in 2023

- 2
RIVOLI
14% in 2024*
 11% in 2023

- 3
LES HALLES DISTRICT
9% in 2024*
 13% in 2023

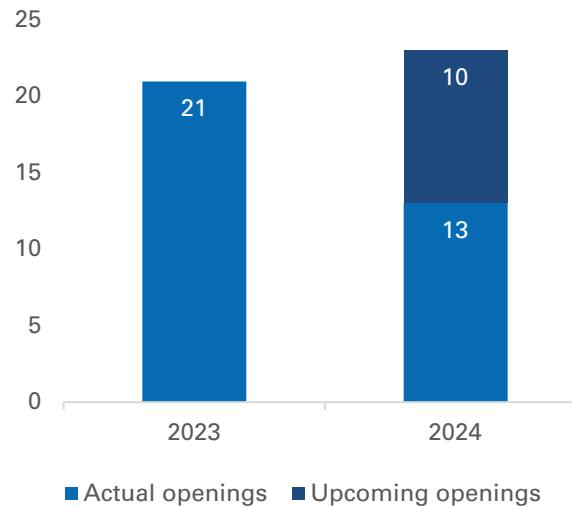
Source : Newmark





Luxury: a few more openings than in 2023

Luxury shop openings in Paris
Number of openings per year



Source : Newmark

46%

Share of creations in total luxury store openings in Paris in 2024 (as of September 1st)

38%

Share of watch and jewelry brands in total luxury store openings in Paris in 2024 (as of September 1st)

In 2024, the number of luxury stores opening in Paris will be more or less the same as in 2023, and therefore **a far cry from the immediate post-Covid** period (around forty in 2021 and 2022). Since January, only 13 stores have opened in the capital, and 10 or so will be opened between now and the end of the year.

As was the case last year, **the Golden Triangle accounts for a high proportion of store openings in Paris** (rue François 1er, avenue Montaigne). On the other hand, after the boom of the last ten years, there has been less activity on rue Saint-Honoré, even if a few significant transactions are expected soon.



Luxury: the Golden Triangle is highly sought-after

Examples of recent and upcoming openings
In Paris

BRAND	ADDRESS	TYPE
Alexander McQueen	57 avenue Montaigne, Paris 8 th	Creation
Anshindo	15 rue de la Paix, Paris 2 nd	Relocation
Balenciaga	56 avenue Montaigne, Paris 8 th	Relocation
Breitling	76 avenue des Champs-Élysées, Paris 8 th	Temporary shop
Burberry	17-19 avenue Montaigne, Paris 8 th	Temporary shop
Chanel	39 rue François 1 ^{er} , Paris 8 th	Temporary shop
Cifonelli	35 rue François 1 ^{er} , Paris 8 th	Relocation
IWC	73 avenue des Champs-Élysées, Paris 8 th	Creation
Maison Michel	40 avenue Montaigne, Paris 8 th	Creation
Rolex (Lassaussois)	8 rue de Sèvres, Paris 6 th	Relocation
Saint Laurent	37 avenue Montaigne, Paris 8 th	Creation

Preferred districts
Share of each district in total new luxury openings in Paris

1 FRANÇOIS 1^{ER}
17 % in 2024
14 % in 2023

2 CHAMPS-ÉLYSÉES
17 % in 2024
10 % in 2023

3 SÈVRES SAINT-GERMAIN
17 % in 2024
5 % in 2023

Source : Newmark

Parisian prime retail pitches

Key figures and trends

The buoyant retail market is benefiting almost all the capital's prime retail streets and main shopping areas, with market rents stabilizing and even increasing in some areas. Since last year there has been **particularly strong movement on avenue des Champs-Élysées**, driven by demand from sportswear and luxury brands. There are also numerous

projects in the rest of the Golden Triangle, on avenue Montaigne and rue François 1er in particular. Outside the luxury segment, **two other districts have been very busy with openings and transactions in recent months: the Marais**, where demand from new foreign brands and sectors such as sports, fashion and beauty remains very strong; and

the **Opéra/Madeleine/Capucines sector**, also driven by the sports and fashion sectors, but also by carmakers (Alpine and Cadillac, after Cupra and Vinfast). However, the impact of IKEA's closure on the district's dynamism remains to be seen. Finally, **there are fewer significant openings and projects on the Left Bank.**

STREET/DISTRICT	VACANCY RATE %	PRIME RENT €/SQ M/YEAR ZONE A	RETAILER DEMAND	EXAMPLES OF RECENT AND UPCOMING OPENINGS
Avenue des Champs-Élysées	5.2%	13,000 – 15,000	Strong	On Running, Miniso, IWC, Calvin Klein, Restoration Hardware, Breitling, Canada Goose
Avenue Montaigne	1.8%	13,000 – 15,000	Average	Maison Michel, Alexander McQueen, Burberry, Valentino, Saint Laurent
Rue Saint-Honoré	2.1%	11,000 – 13,000	Strong	Autry, Aqua di Parma, Stone Island, Pierre Hardy, ST Dupont
Rue du Faubourg Saint-Honoré	7.3%	10,000 – 12,000	Low	Au Départ, Alaïa, Casablanca
Rue de la Paix / Place Vendôme	1.7%	6,000 – 8,000	Average	De Beers, Anshindo, Bijoux Burma, Jacques Marie Mage
Rue François 1 ^{er}	11.5%	5,000 – 6,000	Average	Issey Miyake, Chanel, Jaguar, Fuegoia 1833, Maison Francis Kurkdjian, Zuhair Murad
Marais*	4.4%	4,700 – 5,000	Strong	Birkenstock, Salomon, Farm Rio, New Balance, Krispy Kreme, Polene, My Jewellery, Autry
Boulevard Haussmann	6.3%	4,000 – 5,000	Average	JD Sports, Renault, Five Guys
Rue de Passy	2.1%	3,000 – 3,500	Strong	Cookidiction, Chez Meunier, Weekend Max Mara, Bobbies, Longchamp
Bd Saint-Germain / Rue de Sèvres	3.1%	2,500 – 3,500	Average	Lassaussois, Ralph's Coffee, Viabizzuno, Renault
Avenue de l'Opéra	4.9%	2,500 – 3,500	Strong	Läderach, V12 Trackside, Café Kitsuné
Madeleine / Capucines	8.0%	2,500 – 3,500	Average	Ekosport, Hoka, Façonnable, Alpine, Pierre Hermé, Luca Faloni, LDLC, Oysho, Le Tanneur
Rue de Rennes	6.7%	2,000 – 3,000	Average	Five Guys, JD Sports, Tudor, Meilleur Moment, Miniso
Rue de Rivoli	2.1%	2,000 – 3,000	Average	Pandora, Five Guys, Läderach, Doppelgänger, Stellar, Pink Gellac
Boulevard Saint-Michel	13.6%	2,000 – 3,000	Low	Guerrisol, Ecclo, Signorvino

Source: Newmark / *Average vacancy rate in the six main streets of the Marais / prime rent of rue des Francs Bourgeois
 NB: Vacancy rates and prime rents shown in the table relate to the most attractive section of each retail street.

Spotlight on the Champs-Élysées

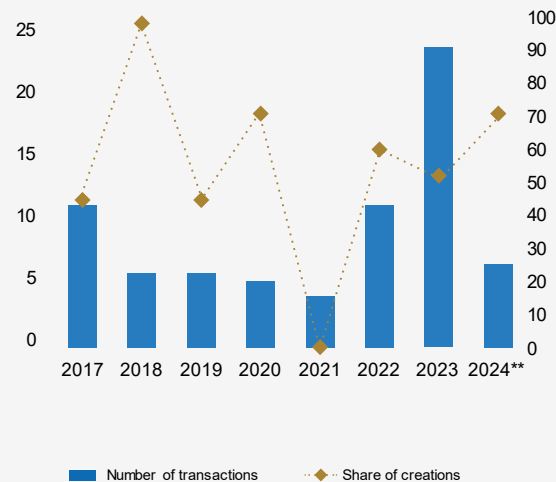
Since Paris was awarded the Olympic Games, no street has seen as much real estate activity as the Champs-Élysées. Since 2017, there have been 66 transactions, 59% of them since 2022. The number was particularly high in 2023 (23 transactions totaling almost 26,000 sq m). In 2024, leasing activity slowed down, which was to be expected given the rapid increase in the number of leases signed by international retailers, some of whom were eager to open during the Olympic Games.

The decrease in the number of transactions can also be explained by the reduction in the number of real estate opportunities on the avenue. Today's limited supply will nonetheless be replenished by vacancies and deliveries of refurbished space, not to mention several premises currently occupied on a temporary basis. Leasing activity could therefore recover by 2025, if demand from retailers matches available store formats.

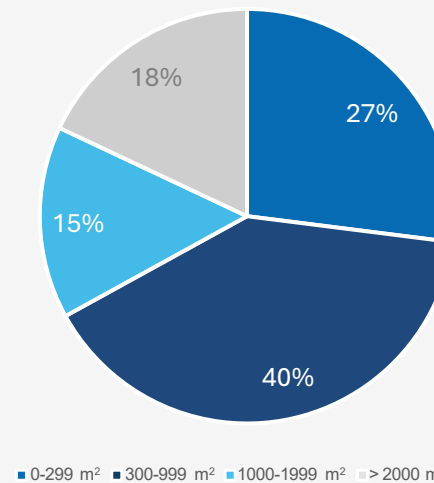


Analysis of transactions

Change in the number of transactions on avenue des Champs-Élysées*



Breakdown of the number of transactions recorded since 2017 by surface category, as a %



Source: Newmark / * Lettings and owner occupier sales of retail premises / ** As of September 1st

53%

Share of creations in the total number of transactions since 2017 (as of September 1st)

26%

Share of temporary stores in total transactions since 2017 (as of September 1st)

38%

Share of brands present on the Champs-Élysées for less than 5 years (as of September 1st)

Source : Newmark

CELEBRITY AND INFLUENCER BRANDS: A BOOMING PHENOMENON

THE PARIS RETAIL MARKET

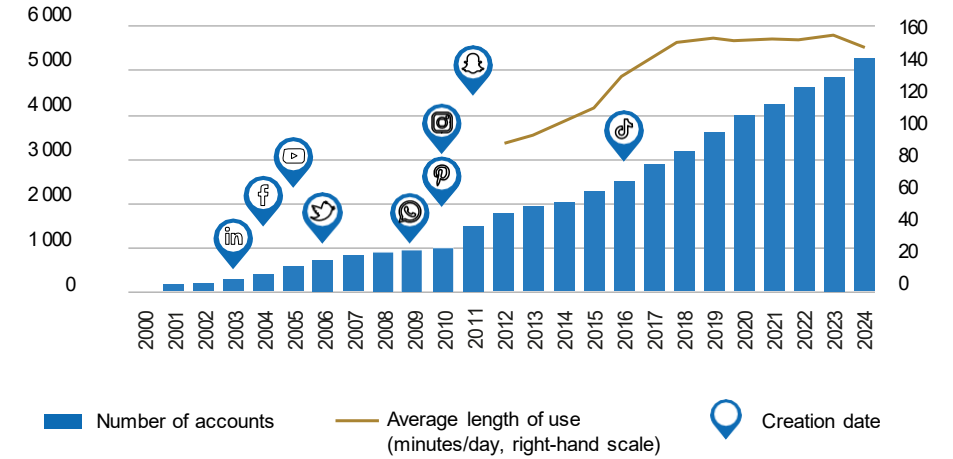
A phenomenon linked to the explosion of social media

The existence of brands associated with celebrities is not a recent phenomenon. In the world of sport, for example, there was the collaboration between Nike and Michael Jordan in the 1980s, and between Adidas and the New York rap group Run-DMC. **In recent years, however, this phenomenon has taken on a whole new dimension** and is now booming. This growth is due to **the surge in social media** use, with the number of accounts almost tripling over the last ten years.

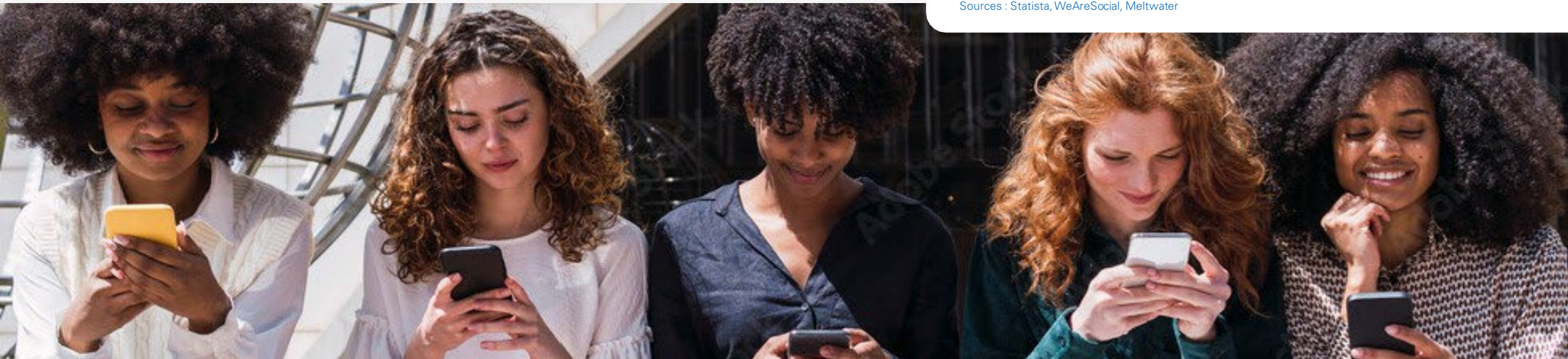
The explosion in the use of social media has amplified the exposure of celebrities, both “traditional” stars from the world of art and sport, and a new breed of celebrities, such as those from reality TV or those who produce their own content, notably on YouTube. **Some of these new stars boast impressive follower numbers, which sometimes rival those of more “established” personalities.**

Change in the number of social media accounts

In millions, globally



Sources : Statista, WeAreSocial, Meltwater



A phenomenon linked to the explosion of social media

More and more celebrities **are taking advantage of this increased visibility and direct connection with their fans to launch their own brands**, rather than collaborating with other brands. This approach is also benefiting from the emergence of new sales channels without intermediaries, such as “TikTok Shop”, launched at the end of 2023, which enables influencers to sell via videos or live streams.



PLATFORM	SHARE OF USERS FOLLOWING BRAND ACCOUNTS OR MAKING PURCHASES	TOTAL NUMBER OF ACTIVE USERS WORLDWIDE
Instagram	62.7%	2,000,000,000
Facebook	54.3%	3,049,000,000
TikTok	44.9%	1,562,000,000
Pinterest	36.6%	482,000,000
X (Twitter)	35.7%	619,000,000
Linkedin	24.1%	771,000,000
Snapchat	22.1%	750,000,000

Sources : Statista, WeAreSocial, Meltwater

The economic potential of celebrity and influencer brands is all the greater since Gen Z, born between the late 1990s and early 2010s and therefore raised on social media, represent a growing share of consumers. This **hyper-connected generation** shows a certain distrust of traditional communication channels and places a high value on the individual.

Many use social media not only for information, but also to make purchases: 24.9% of 16–24-year-olds use them mainly to follow the accounts of influencers and celebrities, and 24.3% to search for products to buy.

Celebrity endorsements of existing brands have been a part of marketing strategy for decades. But in a world where celebrities have built enormous social media followings and have become effective influencers, many stars are making a pivot: instead of endorsing or serving as an influencer for other companies' products, they are launching their own brands to profit from their renown.

What Makes a Successful Celebrity Brand?

Harvard Business Review, May-June 2024



Almost 700 brands analyzed

It is hard to count all the celebrity and influencer brands in the world. Creations are frequent and their notoriety varies considerably from one country to another. However, **Newmark was able to identify 675, created by 536 celebrities***.

This vast sample allows us to identify the major trends in the celebrity brand market. **The majority are recent (44% were created after 2020) and originate in the USA (40% of our sample).** This can be explained by the strength of **the American entertainment industry** and a highly developed

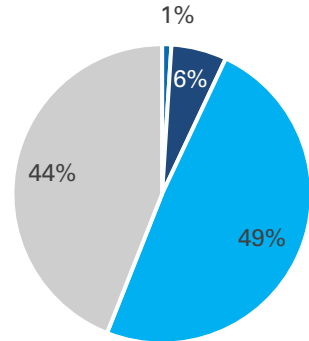
distribution sector. As a result, many American celebrity brands exert great influence beyond their own borders, whereas brands created by celebrities from other countries tend to have a more limited commercial reach.

Nevertheless, the trend towards the development of celebrity brands can also be found in other regions, notably Asia (26% of our sample), a breeding ground for ultra-connected consumers whose cultural influence continues to grow. **In France, Newmark counted 136 celebrity and influencer brands,** more than half of which appeared after 2020.

* This sample excludes celebrity collaborations with brands other than their own.

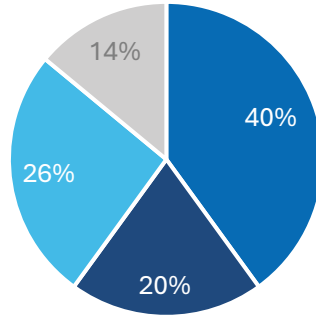
Breakdown of the 675 celebrity brands identified by Newmark

By year of creation
% of the total number



- Pre-2000
- 2000-2009
- 2010-2019
- Post-2020

By geographic origin
% of the total number



- USA
- France
- Asia
- Others

A wide range of profiles

Celebrities who have launched one or more of the brands identified by Newmark operate in a variety of fields. **The cultural sector clearly dominates** and accounts for 54% of celebrities who have created their own brand, whether Hollywood actors (Kate Hudson, Gwyneth Paltrow), Bollywood actors (Salman Khan), or Anglo-Saxon, French and Asian singers (Beyoncé, Rihanna, Slimane, G-Dragon, etc.). **It is followed by the fashion sector** (16%), then health and beauty (14%), in which several types of influencer stand out (coaches, make-up artists, doctors, etc.).

Fashion and beauty are the main product categories sold by celebrities through their brands (68%). Celebrities capitalize on fans' desire to identify with their idols, and to feel **part of a community**

that shares common values and recognition signs. Certain market categories are particularly dynamic, such as active wear and cosmetics.

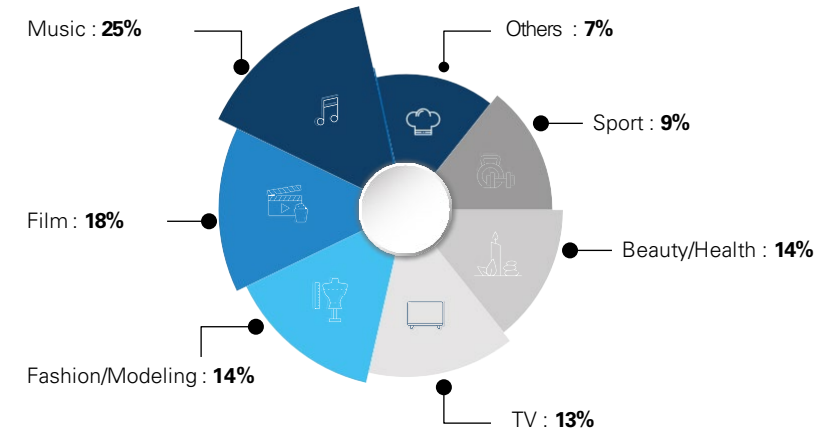
The restaurant and food sectors are also well represented. **Fast-food concepts and beverage brands have proliferated in Asia and the United States.** Several stars, sometimes backed by major luxury brands, have launched their own spirits businesses, such as Beyoncé and her Sir Davis Whisky brand, and Kendall Jenner's 818 tequila.



Breakdown of the 675 celebrity brands identified by Newmark

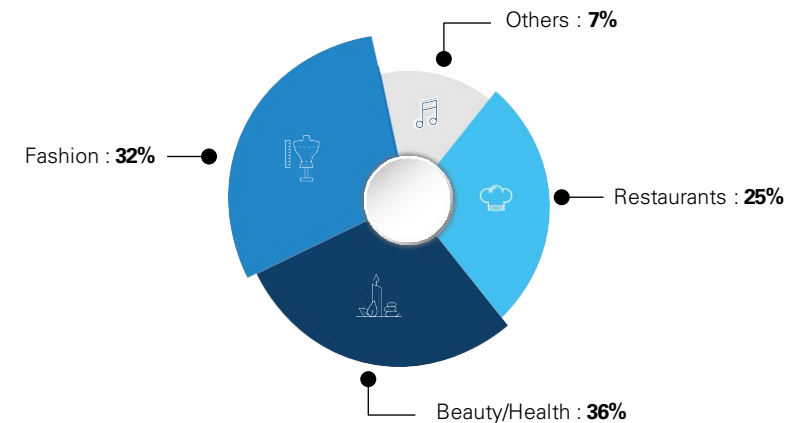
Fields in which the celebrity works

% of the total number



Categories of products sold

% of the total number

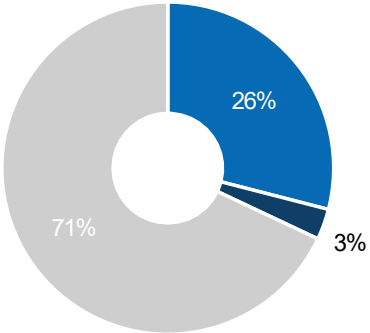


A more prominent role in real estate markets

A range of development methods

Share of celebrity brands with, or having had, stores

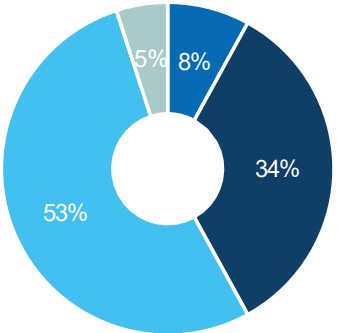
% of the total number of brands surveyed by Newmark worldwide, as of September 1st 2024



- Brands that have at least one store
- Brands with more than 10 stores
- Brands without stores

Categories of products sold by celebrities who have, or have had, stores

% of the total number of brand outlets surveyed by Newmark, as of September 1st 2024



- Beauty/Health
- Fashion
- Restaurants
- Others

Source : Newmark

While celebrity and influencer brands are mainly sold online, distribution in physical stores is on the rise. **This trend adds a "phygital" aspect to the retail landscape, influencing the retail real estate market.**

This physical presence takes various forms. Distribution through third parties is the most common, whether through partnerships with **established brands, like Ariana Grande's R.E.M. Beauty at Sephora**, or by setting up corners and stands in department stores, such as Rihanna's Fenty at Selfridges in the UK. This strategy allows celebrity brands to leverage the established strength of major retailers **while these retailers benefit from the customer traffic and image boost generated by these collaborations.**

Some celebrities also open their own stores, primarily as pop-up shops tied to specific events. Permanent stores are less common; among the 675 brands identified by Newmark, fewer than 5% operate more than ten stores or restaurants, including names like **Fabletics, Golf Wang and the burger chain Wahlburgers.**



A more prominent role in real estate markets

Relying on a direct relationship with their customers and strong storytelling, **the celebrity brand store model is similar to the direct-to-consumer model** (or “DNVB” in France). However, celebrity brands' key selling point is their creator's notoriety, which makes their **model much less dependent on customer acquisition costs** than that of DNVBs. **That said, fame is no guarantee of success**, and therefore of the longevity of celebrity brand stores.

There have been failures, sometimes due to a positioning at odds with the celebrity's image. What's more, an influencer's popularity can be highly ephemeral and volatile, while the risk of “bad buzz” is very real and can brutally compromise the success of a brand (or a label, as in the case of the difficulties caused to Adidas by its association with Kanye West).

Examples of brands with over 1.5 million followers*

And with at least one permanent store

CELEBRITY	BRAND	NUMBER OF FOLLOWERS	CATEGORY	NUMBER OF STORES
Kim Kardashian	Skims	6,100,000	Fashion	3
Jeffree Star	Jeffree Star Cosmetics	6,000,000	Beauty	1
Rihanna	Savage X Fenty	5,100,000	Fashion	5
Emily Weiss	Glossier	3,100,000	Beauty	12
Ashley & Mary-Kate Olsen	The Row	2,500,000	Fashion	4
Khloé Kardashian	Good American	2,400,000	Fashion	3
Kate Hudson	Fabletics	2,000,000	Fashion	98
Gwyneth Paltrow	Goop	1,800,000	Fashion / Other	6
Tyler the Creator	Golf Wang	1,700,000	Fashion	15

Source : Newmark /* Official account



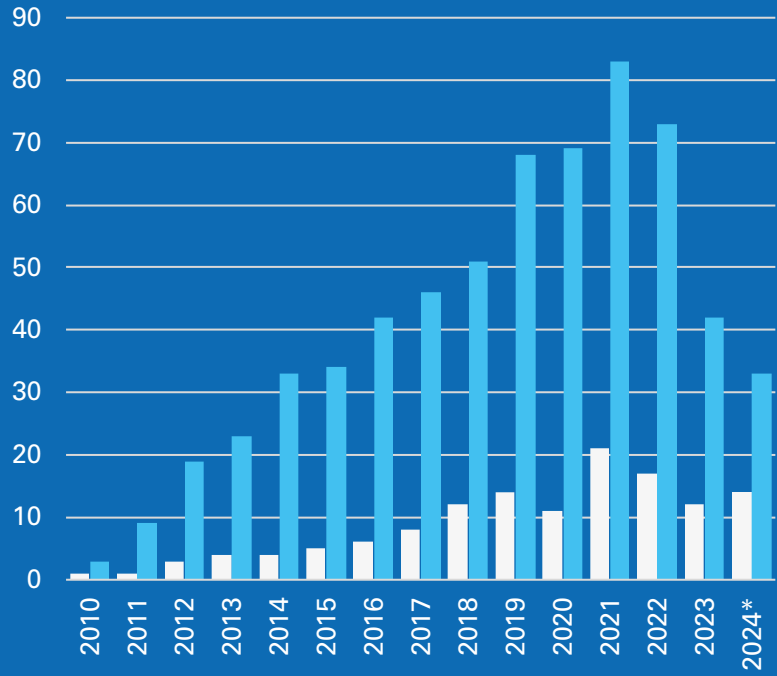
How present are they in the French market?

In France, the phenomenon is less developed than in the United States. Newmark has identified over 130 celebrity and influencer brands. **Of these, 55% were created after 2020**, and 74% by influencers rather than “traditional” celebrities. France also stands out for the types of products sold by celebrities. The beauty category is relatively underdeveloped and mainly involves influencers (Léane Marts, Fabian CRFX), while restaurants and food are over-represented. The traditional restaurant sector is one of the most heavily invested, thanks to the success of certain reality TV shows (Top Chef). In the fashion sector, celebrities' and influencers' brands focus on streetwear and sportswear (Orelsan's Avnier, for example, is distributed half online and half in a network of partner boutiques).

Eden Park, a clothing brand created in 1987 by French rugby players, was a pioneer in store openings. Today, it has over 50 and remains the most developed. As for the other French celebrity and influencer brands, 70% have opened points of sale, mostly in the form of pop-up stores. Those with their own stores tend to have only one or two. Rouje, the fashion brand of influencer Jeanne Damas, is an exception, with three stores in Paris, plus a presence at Le Bon Marché and Galeries Lafayette.

A steady pace of creations

Change in the number of brand creations by celebrities and influencers



Source : Newmark /*as of September 1st



Despite this somewhat modest development, the number of celebrity and influencer brand boutiques opening in France is on the rise. French brands are not the only ones concerned. Due to its global importance as a tourist destination and its status as the capital of luxury and fashion, **Paris is attracting the interest of international celebrity brands.** Some of these are available in department stores (Skims, Victoria Beckham and Savage x Fenty at Galeries Lafayette). Others have opened or are about to open in Paris: Anine Bing, an influencer and former model, has two eponymous boutiques in Paris, while The Row, the Olsen sisters' fashion label, is soon to open its first store in France.

In smaller cities, new stores are more often the result of French influencers and temporary projects (Big Flo & Oli's Visionnaire in Toulouse, Léane Marts in Nantes). It's not a question of international reach, but of the influencer's proximity to their French audience.

Examples in France

Celebrity brands that have recently opened in France, or have plans to do so

CELEBRITY/INFLUENCER	BRAND	ACTIVITY SECTOR	ADDRESS	FORMAT
MICHOU	MEALY	Restaurant	8 place de l'hôtel de Ville, Amiens (80)	High street
NATOO	MOUSSE	Restaurant/ Beauty	37 rue des Archives, Paris 4 th	High street
JEANNE DAMAS	ROUJE	Fashion	Le Bon Marché, Paris 7 th	Department store
NOHOLITA	GALEHIA	Décoration	76 rue Réaumur, Paris 2 nd	High street
LÉANE MARTS	BEAUTY MART'S	Beauty	Passage Pommeraye, Nantes (44)	Arcade / Shopping center
ZAKARIA HADDAD (ZACK NANI)	KAZDALERIE	Restaurant	16 rue Villeroy, Lyon (69)	High street
LEBOUSEUH	LOCKD	Fashion	7 rue Notre-Dame Des Victoires, Paris 2 nd	High street
LENA SITUATIONS	HÔTEL MAHFOUF	Mode / Restaurant	12 rue Philippe de Girard, 10 th	High street
BIGFLO ET OLI	VISIONNAIRE	Fashion	23 rue des Puits Clos, Toulouse (31)	High street
FLEUR FRATACCI	FLEUR & COMPAGNIE	Fashion	Euratlille, Lille (59)	Arcade / Shopping center
PAULINE TORRÈS (PAULINE TRSS)	PAUEME	Fashion	30 rue d'Aboukir, Paris 2 nd	High street
CÉLIA LEO (SISSY MUA)	TSE ATHLETICS	Fashion	71 rue de la Fontaine du Roi, Paris 11 th	High street
CHLOÉ BLEINC (CHLOÉ BBBB)	MAISON DORÉE	Jewelry	51 rue de Turenne, Paris 3 rd	High street
ARIANA GRANDE	R.E.M BEAUTY	Beauty	110 rue La Boétie, Paris 8 th	High street
SELENA GOMEZ	RARE BEAUTY	Beauty	116 rue de Turenne, Paris 3 rd	High street
JAY CHOU	MACHI MACHI	Restaurant	74 avenue de Choisy, Paris 13 th	High street
KIM KARDASHIAN	SKIMS	Fashion	Galeries Lafayette Champs-Élysées	Department store
RIHANNA	SAVAGE X FENTY	Fashion	Galeries Lafayette	Department store
RIHANNA	FENTY BEAUTY	Beauty	Westfield Part-Dieu, Lyon (69)	Arcade / Shopping center
EDDIE LEWIS	TOCA SOCIAL	Leisure	Westfield CNIT, Puteaux (92)	Arcade / Shopping center
VICTORIA BECKHAM	VICTORIA BECKHAM	Fashion	Galeries Lafayette Haussmann, Paris 9 th	Department store
MARY-KATE & ASHLEY OLSEN	THE ROW	Fashion	1 rue du Mont-Thabor, Paris 1 st	High street

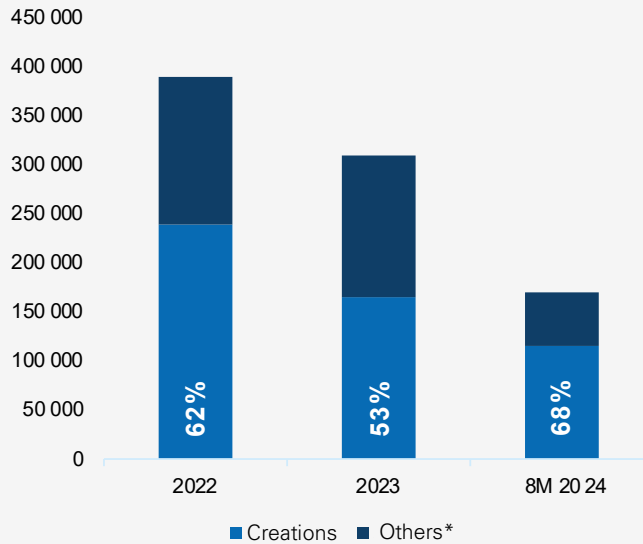
RETAIL PROJECT DEVELOPMENTS

THE PARIS RETAIL MARKET



Changes to retail property stock

Change in retail complex openings in France
 Total annual volume, projects > 5,000 sq m, all formats, in sq m



Sources : Newmark, Procos / *Extensions or transfers-extensions.

Breakdown of delivered projects by format

As a % between 2022 and 2024*



High Street
 France : 16%
 IDF : 38%



Shopping centers
 France : 21%
 IDF : 31%



Retail parks
 France : 57%
 IDF : 28%



Others
 France : 6%
 IDF : 3%

The trend towards a drastic reduction in new retail space continues unabated. Since the start of 2024, only 170,000 sq m have been delivered in France, of which 26% is in the Greater Paris Region. Over the whole year, the volume of deliveries could be lower than in 2023.

The Greater Paris Region accounts for 24% of all projects delivered in France since 2022, with a balanced distribution across format types. On the other hand, almost 60% of all openings on a national scale are retail parks.

Source : Newmark /*As of September 1st

Recent and upcoming deliveries

The redevelopment of existing retail sites continues, as illustrated by that of Boom Boom Villette in the 19th arrondissement (former Vill'Up) and, outside Paris, by the opening in Domus (Rosny-sous-Bois) of Nikito's 10,000 sq m in place of the former Alinea store. Both projects reflect the growing importance of leisure activities, often combined with an expanded restaurant offer.

Extensions to existing centers and the creation of new complexes are much rarer. In the Greater Paris Region, these types of projects are mainly associated with the construction of the Grand Paris Express and/or the development of new districts, such as the extension of the CNIT above the new RER E station, and projects to strengthen the retail offer in Saint-Ouen, notably in the new Docks district ("La Communale" and "Cours des Lavandières").

Examples in Paris and in the Greater Paris Region

YEAR OPENED	PROJECT NAME	TOWN	AREA SQ M	TYPE
2025	PÔLE DE LOISIRS	Corneilles-en-Parisis (95)	36,000	Creation
2025	BOBIGNY CŒUR DE VILLE	Bobigny (93)	14,000	Redevelopment
2024	BOOM BOOM VILLETTE	Paris 19 th	25,000	Redevelopment
2024	PARENTHÈSES	Persan (95)	10,700	Extension
2024	DOMUS*	Rosny-sous-Bois (93)	10,000	Redevelopment
2024	CNIT	Puteaux (92)	9,000	Extension
2024	LA COMMUNALE	Saint-Ouen (93)	7,500	Creation
2024	ENOX 2 (« food park »)	Gennevilliers (92)	1,600	Extension
2023	COURS DES LAVANDIERES**	Saint-Ouen (93)	12,000	Creation
2023	LE SPOT	Evry (91)	30,000	Redevelopment/Extension

Source: Newmark /* "Nikito" leisure concept /* Project delivered in several phases.



THE INVESTMENT MARKET

THE PARIS RETAIL MARKET



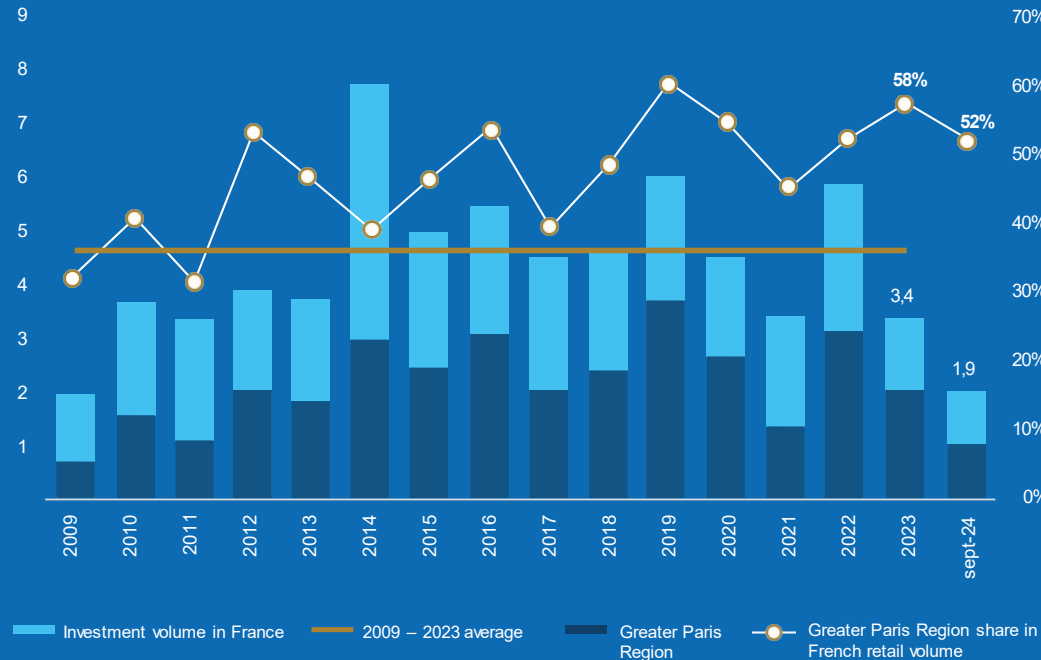
Summer upturn

Taking all formats together, investment in the French retail market between January and September 2024 totaled just **over 1.9 billion euros**. While this volume is still significantly lower than that recorded at the end of Q3 2023 (2.3 billion), activity accelerated this summer with the completion of several large transactions (sale of a portfolio of 4 hypermarkets by Mercialis and BNP Paribas Reim, a large retail park in northern France, the Mandarin Oriental on rue Saint-Honoré in Paris, etc.). In the Greater Paris Region, total retail investment since the start of 2024 amounts to almost one billion euros. After a start to the year

mainly driven by the sale of the “O Parinor” shopping center in Aulnay-sous-Bois, the high street has returned to center stage: it now accounts for 41% of investment volume in France and 69% of investment in the Greater Paris Region. Paris is once again the driving force, thanks to the sale of several mixed-use developments (“40 George V”, “7 Meyerbeer”, etc.) and the “Mandarin Oriental” retail complex.

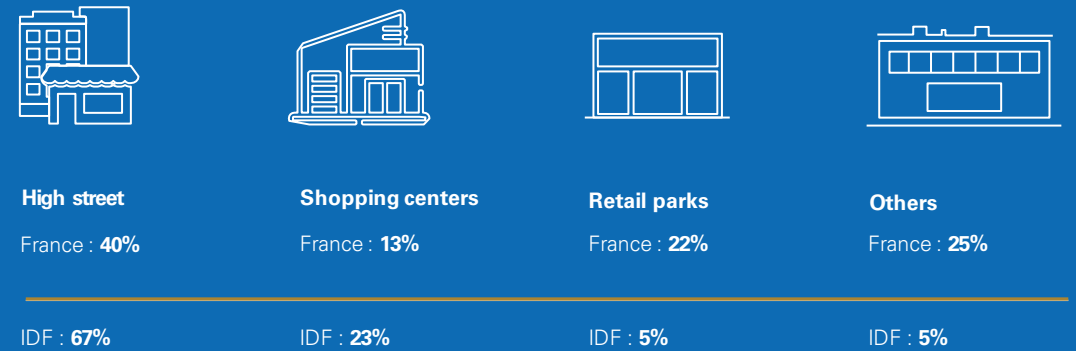
Retail investment volumes

In France, in € billion



Retail investment volumes by format

Share as a %, between January and September 2024



Investment transactions

Recent examples in France

DATE	BUILDING / ADDRESS	TOWN	SELLER	BUYER	AREA SQ M	VOLUME €
Q1 2024	O'Parinor shopping center	Aulnay-sous-Bois (93)	Hammerson / Patrizia	Sofidy / Klépierre	49,000	●
Q3 2024	Mandarin Oriental	Paris 1	Mandarin Oriental	Blackstone	1,100	●
Q3 2024	Metro AG portfolio (43 %)	France	Amundi	AB Sagax	-	●
Q2 2024	40 avenue George V	Paris 8	Private investors	Foncière Renaissance	5,683	●
Q3 2024	Azur portfolio (4 hypermarkets)	Nîmes (30), Fréjus (83), Aix-en-Provence (13), Istres (13)	Mercialys / BNP Paribas Reim	Foncière Magellan, MTV Capital, Ciméa Patrimoine	56,700	●
Q2 2024	7 rue Meyerbeer	Paris 9	Constellation	URSSAF	4,275	●
Q3 2024	Promenade de Flandre	Neville-en-Ferrain (59)	Ceetrus	Batipart	56,500	●
Q2 2024	Portfolio of 22 assets (including 231 rue Saint-Honoré)	France	Beauvau Capital	Foncière Magellan	8,700	●
Q2 2024	42 rue de Sèvres	Paris 7	Pimco	Barings Real Estate	4,567	●
Q1 2024	Arcal'Oz	Seynod (01)	BNP Paribas Reim	Altarea IM	13,700	●
Q1 2024	Val Saint-Clair	Hérouville Saint-Clair (14)	Mitiska Reim	Sogenial	17,450	●
Q1 2024	BHV portfolio (several shops)	Paris 4	Groupe Galeries Lafayette	6e Sens	3,000	●
Q1 2024	Champ de Mars shopping center	Angoulême (16)	Klepierre	Bradford AM	14,600	●
Q2 2024	Val de Sambre	Louvroil (59)	Ceetrus	Iroko	8,903	●
Q1 2024	7 place du Capitole	Toulouse (31)	Redevco	Sofidy	4,590	●

Source : Newmark

● > €200 M ● M€ 100 - 200 M ● €50 - 100 M ● €20 - 50 M ● < €20 M

Stable prime yields

While the ECB began a first phase of easing with a 25 bps cut in its key rates in June, uncertainties surrounding the dissolution of the French National Assembly led to a sharp rise in the 10-year OAT rate. Against this backdrop, coupled with a slowdown in economic activity in France and a geopolitical situation that continues to deteriorate, prime real estate yields remained stable across all asset classes in Q2 2024. This trend is unlikely to change between now and the end of the year.

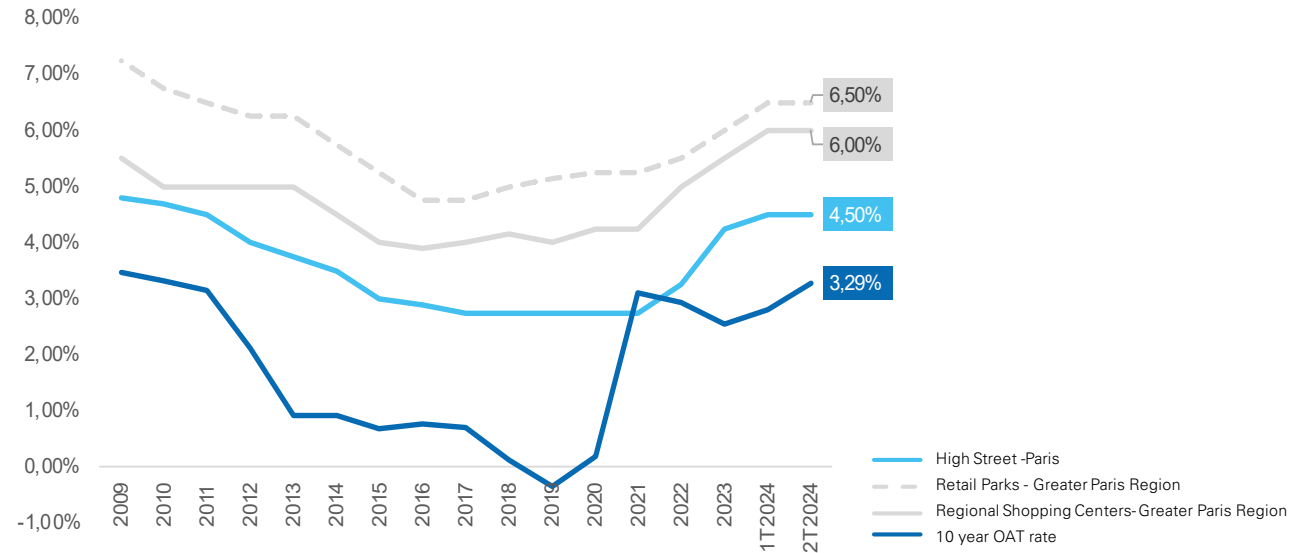
While several large transactions are still in the pipeline, investors remain highly selective, and sales processes are lengthy and complex.

The prime retail yield in Paris stands at 4.50%. Although a few recent or ongoing negotiations are showing lower levels, these are essentially sublet assets with potential for value creation.



Prime yields

Prime retail yields in Paris and in the Greater Paris Region, as a %

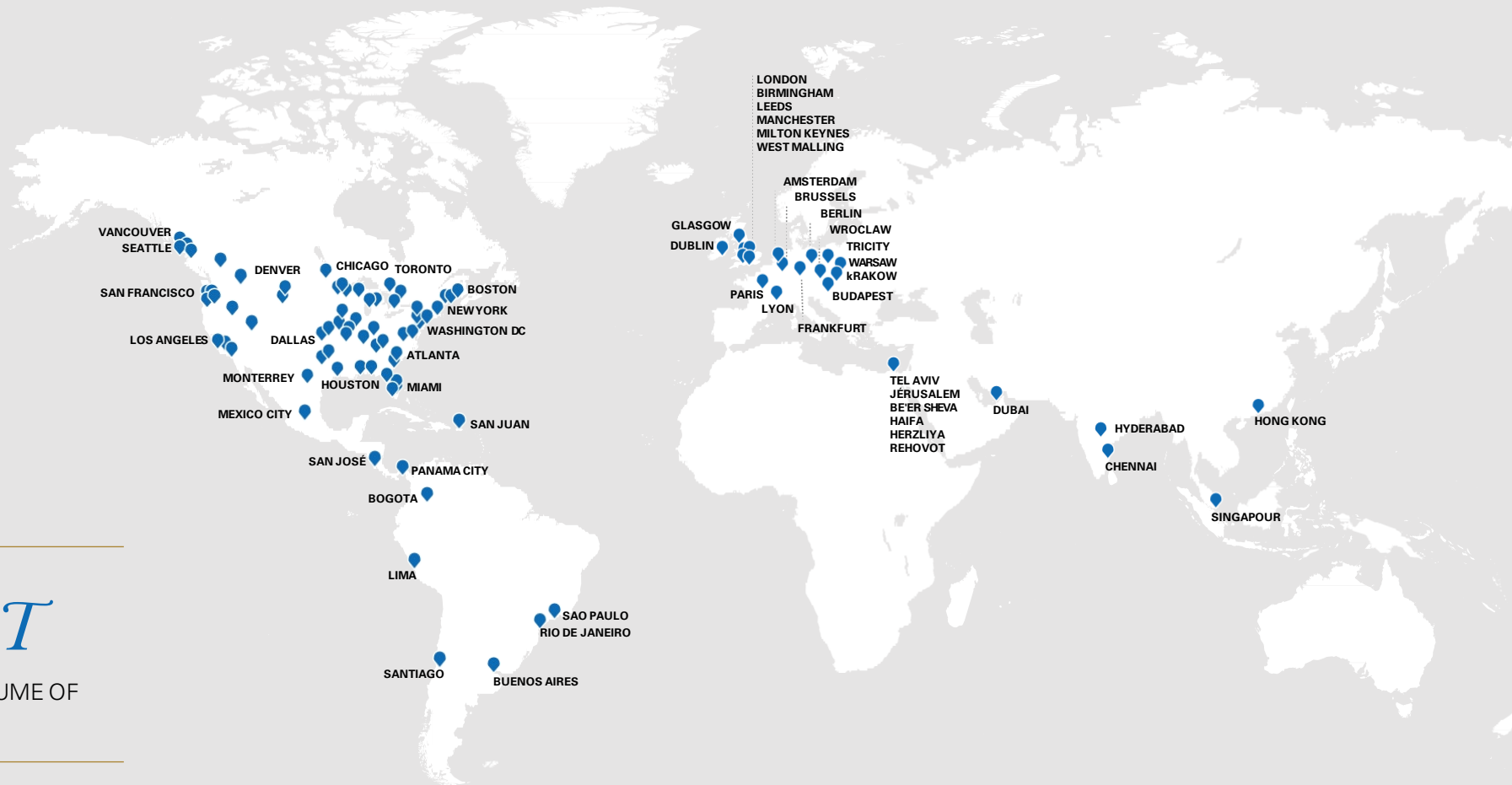


Sources : Newmark / RCA / Banque de France

RETAIL SERVICES



Newmark globally



~7,400

EMPLOYEES

~170

OFFICES

\$2.5B

TURNOVER

~\$1.7T

2022 - 2023 VOLUME OF TRANSACTIONS

90+

YEARS SINCE IT WAS FOUNDED IN 1929

55+

COMPANIES ACQUIRED SINCE 2011

160

PROFESSIONALS IN THE UNITED STATES

51

PROFESSIONALS IN NEW YORK

Newmark France's retail leasing team

MORE THAN 35 YEARS COMBINED EXPERIENCE.

A team with extensive experience in the Paris market, where it has carried out many transactions, including some of the most significant in recent years

The desire to capitalize on this expertise to support our institutional landlord and retailer clients in large regional cities

THE STRENGTH OF AN INTERNATIONAL NETWORK:

for retailers, who we support in their development not only in France but also in many European countries through Newmark's tenant representation teams based in London, Paris and Madrid

for landlords, thanks to our knowledge of the local market, combined with Newmark's ability to attract top international brands to France, particularly from the American and Asian continents



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Some recent references



Some recent references



Our advisors are anticipating the future of retail with one unique story in mind: yours. _____

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Recent Publications



In the retail sector, one of the most significant and visible effects of the organization of the Olympic Games was the profound transformation of the capital's "star" retail street, avenue des Champs-Élysées. Newmark examined this subject in detail in a study published in July 2024: "The renaissance of the Champs-Élysées, impact of the Olympic Games and future scenarios". The study can be found on the Newmark website, in English and French.

<https://www.nrmk.com/insights/thought-leadership/the-renaissance-of-the-champs-%C3%A9lys%C3%A9es>



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