Sport, beauty are H1 French retail winners, apparel weak but busy with openings

By Matthieu Guinebault - July 18, 2018

The apparel sector, despite weak consumer sales, shared the positive trend in retail openings enjoyed by several sectors in France in the first half of the year. According to real estate specialist Knight Frank, some retail chains in particular were very active in Paris and outside the capital, with major store openings.

It highlighted the growth in store numbers by Decathlon, Intersport, JD Sport, Kiabi, Orchesta and Zeeman, all of them active on high streets as well as in city suburbs and shopping malls. It also called out Calzedonia, Superdry, Primark, Uniqlo, Amazon Jewelry and La Redoute, busy with openings both in malls and on commercial streets, as well as Chausséa (in shopping malls and city suburbs), Takko (city suburbs) and Women’secret (on commercial high streets).

“It is mostly prime locations that are benefiting from this dynamism, with recent and future openings of scores of flagship stores, like Primark in Toulouse and Strasbourg, Uniqlo in Rennes, Toulouse and Nantes, and Zara in Lille,” said Knight Frank. “Some of the leading fast-fashion retailers are also very active with openings in smaller towns, for example H&M with its newly opened store in Vannes, or the one planned for 2019 in Agen,” it added.

The six-monthly report underlined how mass-market retailers also played a part in this positive trend, bolstered by the country’s favourable macro-economic indicators, noting for example that JD Sport has taken over two H&M stores on major commercial streets in Lyon.

Beauty retailers aren’t resting on their laurels either, with major openings by L’Oréal in Lyon and by Rituals in Rouen.

In Paris, “many other kinds of retail players are currently buoyant: luxury and designer brands and the catering, food, sport, cosmetics and home decoration sectors account for a significant share of new openings. Such a variety of sectors and concepts is proof of the ebullience of the retail scene in the French capital’s most central areas, which are also constantly going upmarket,” the real estate firm said.
Knight Frank confirmed the data it published in May, when it indicated that the rental value of prime locations would remain stable in the first half of 2018, a trend which began in 2017. Outside of Paris, Lyon, Bordeaux and Nice were the top three cities in terms of rental value in the first six months of the year, at approximately €2,500 per sq m per year. Strasbourg and Toulouse were directly behind them, with rental values between €2,000 and €2,200.

It has been a troubled financial year for some sectors but sport goods recorded a 4% rise overall in retail sales, and a 9%-10% one in the women’s segment was good news, according to the French office of national statistics INSEE.

Beauty and perfumery sales were up 3%, with online perfumery sales growing by 27%. But apparel sales have fallen by 13% in the last decade, and the 2.8% slump recorded by the sector in the first five months of the year shows it is failing to build on the 0.6% increase posted last year. As for footwear, retail sales fell by 4.4% last year, and by 12% between 2012 and 2017 in stores over 400 sq m.

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