



PRESS RELEASE

INTERNATIONAL RETAILERS CHECK OUT SYDNEY CBD

The King and George Streets precinct of the Sydney CBD continues to evolve as the city's premier retail destination, driven by keen interest from international retailers in flagship store opportunities.

The latest *Sydney CBD Prime Retailing* report from global property advisor Savills says high-end brands are increasingly gravitating towards historic buildings in King and George Streets precinct for high-exposure boutique retail stores.

"King and George Streets precinct continue to emerge as the precinct of choice for premium retailers in the Sydney CBD," says Savills NSW Divisional Director Research Belinda Nowland.

"Some of the world's leading brands now have flagship stores in the area and international retailers are activity seeking out high profile opportunities there."

"This area is also benefitting from major retail redevelopments underway in other parts of the city, particularly Pitt Street Mall. Demand for space remains strong, and vacancy rates and new opportunities are expected to remain tight in the short-term."

The Savills research shows the retail vacancy rate in Sydney's CBD Core remains tight at 3.3% in October, compared to 3.2% six months earlier.

One of the most prominent new retail stores in the King and George Streets precinct is the flagship Apple store, the second largest Apple retail outlet in the world.

A new high-profile opportunity for another landmark retail outlet is now available across the road from the Apple store on the opposite corner of King and George Streets. It is the first time this site has been offered in 100 years.

The King & George project at 70 King Street previously housed ANZ on the ground floor and a boutique hotel upstairs.

The historic 70 King Street property is now being redeveloped as a premium retail site, with commercial offices above, with the redevelopment scheduled for completion in the last quarter of 2010.

Savills and Knight Frank have been appointed as joint retail leasing agents for this prestigious corner retail site in the heart of the Sydney CBD.

Vivian Xu, Savills Retail Leasing Executive, said the site is arguably the best in the maturing King and George Streets precinct and will deliver a rare 1,500 sq m of prime retail exposure.

“This is a rare opportunity to secure one of Sydney’s landmark corner retail locations,” Ms Xu said.

“It is a prized offering in the tightly held CBD retail market as it provides high visibility and a constant flow of pedestrian and tourist traffic.

“The site is ideally suited to a stand-alone flagship store for an international retailer seeking to make a statement in the Sydney market.”

The multi-level, ground-floor retail space at King & George will feature a floor-to-ceiling height of approximately six metres plus an internal loading dock.

The site offers maximum exposure in a rapidly evolving retail precinct that already boasts some of the world’s leading luxury brands, including Armani, Autore Pearl, Bally, Bang & Olufsen, Ben Sherman, Burberry, Cerrone, Claude Sebastian, Hugo Boss, Mont Blanc, Paspaley Pearls, Tag Heuer, as well as high-profile youth brands Adidas, French Connection, Oakley, Quiksilver, Roxy and Lifestyle Virgin Megastore and Gen Y Telstra T-Life and Apple Flagship Store.

Savills’ *Sydney CBD Prime Retailing* report surveyed a total of 1,064 tenancies in October across the city’s four main retail precincts - CBD Core, Rocks/Circular Quay, King Street Wharf, and World Square.

The report shows the overall retail vacancy rate across all precincts has fallen by 0.4% during the past six months, from 4.7% in April to 4.3% in October.

Savills’ Ms Nowland said Sydney retail vacancies and rents are forecast to remain stable in the short-term, with retail space tightly held, particularly in the CBD Core.

According to the Savills research, retail rentals are currently between \$750 per sq m and \$6,000 per sq m gross for CBD tenancies outside Pitt Street Mall and from \$5,000 per sq m to \$13,600 per sq m gross within the Pitt Street Mall, with the biggest premiums paid for street front areas.

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