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Luxury retail trade in Australia earned record \$6.2B in 2023: CBRE

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Luxury travel and spending are rebounding as the global community recovers financially from the pandemic and converges on Australia. Image credit: Four Seasons Hotels & Resorts Sydney

By EMILY IRIS DEGN

Real estate services and investment firm Coldwell Banker Richard Ellis (CBRE) is digging into the industry scene in the land Down Under.

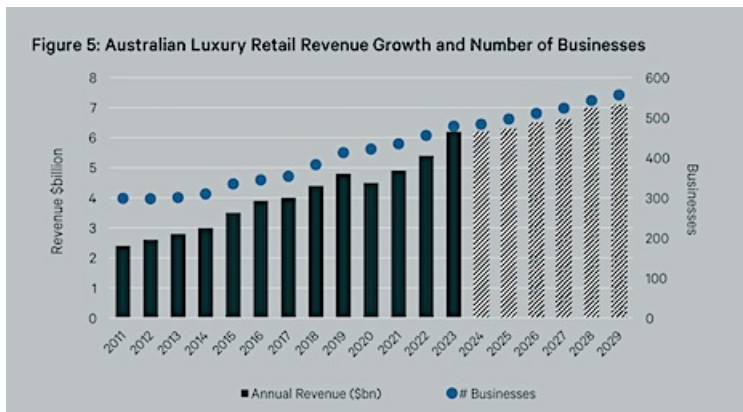
The new **Luxury Retail Australia** report shows that the trade achieved a record \$6.2 billion in 2023. Three companies rose to the top French fashion and leather goods house Hermès, Swiss luxury conglomerate Richemont and French fashion house Louis Vuitton saw respective revenue growths of 177 percent, 153 percent and 87 percent from 2019 to last year.

The report is based on current anecdotal and “evidence-based views” from CBRE and its experts. These contributions are supported by analyses of data from 2018 to 2024 that cover seven pillars: affordability, tourism, market overview, key trends, brand and occupier performance, submarkets and airport luxury.

Luxe lift

Australia’s luxury scene is gaining ground as its international tourism business makes its recovery and citizens continue to build wealth.

Discretionary spending is rising and more high-net-worth individuals are immigrating to the country in the Southern Hemisphere. Amidst this transforming landscape, top-end labels are securing prime addresses in major markets such as Sydney, Brisbane, Adelaide, Melbourne and Perth.



Luxury retail is growing, and is expected to continue doing so for at least the rest of the decade. Image credit: CBRE

In total, 483 retailers operate in the nation. This includes global and domestic names.

Out of all the categories, consumers in the country are buying clothing and footwear the most. Generating \$4.3 billion in 2024, the segment represented 69 percent of total revenue.

Jewelry and watches are bringing in \$1.5 billion this year, accounting for a market share of 25 percent.

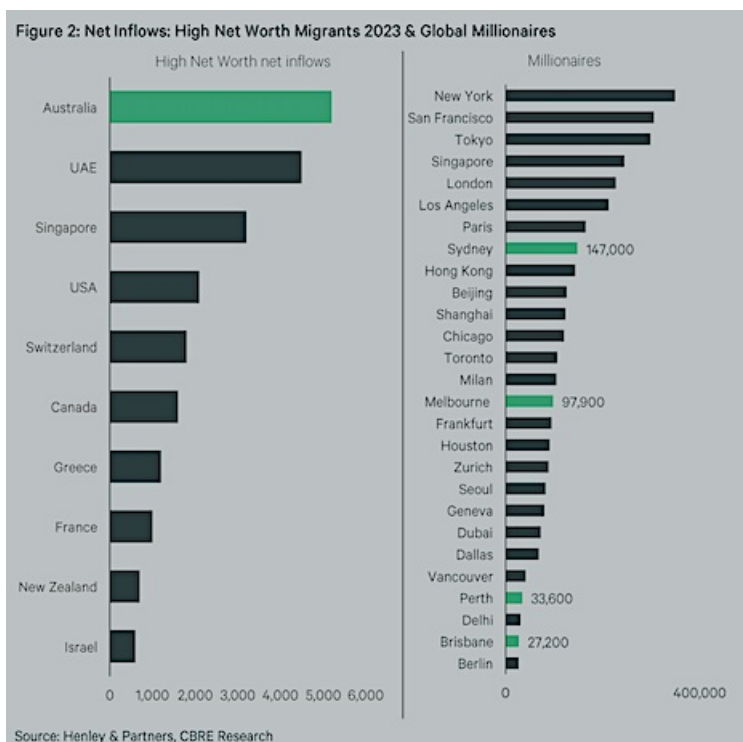
These trends are driven by a consumer shift that is underway.

As Millennials and Gen Zers acquire greater resources, they are rising to become core target groups for luxury marketers. Social media is largely shaping their preferences, which tend to lean sustainable or status-oriented.

The report advises top-dollar houses to keep the demographic in mind when strategizing in Australia.

Luxury takes flight

International passenger numbers are rebounding in the country.



The wealthy are turning their eyes toward Australia for vacation spots and second homes. Image credit: CBRE

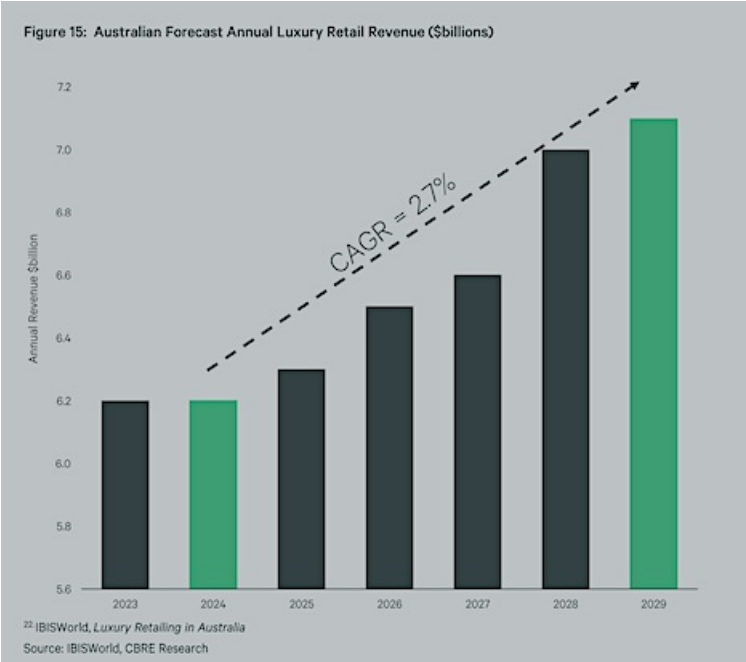
In particular, arrivals from South Korea, a critical region for high-end brands, have recovered by 103 percent in 2023 compared to 2019. Other tourists are also beginning to spend at pre-pandemic rates.

This is presenting a potentially lucrative moment for luxury in Australia.

Those seeking the attention of these visitors are turning to airports, a venue at the heart of the travel world. The large hubs in Sydney and Melbourne are especially proving to be popular for retailers to set up fresh storefronts.

As jet-setting affluents look for premium shopping outlets en route, pre-flight and post-landing, airports around the world are embarking on development projects to satisfy this desire.

From the construction of dedicated luxury terminals to ultra-exclusive lounge reveals ([see story](#)), there has already been a bevy of openings in 2024 inside major locations such as Hartsfield-Jackson Atlanta International ([see story](#)) and, most recently, Paris Charles de Gaulle ([see story](#)).



Forecasted growth looks particularly strong, especially as the next decade draws closer. Image credit: CBRE

With the 2032 Olympic Games coming to Brisbane, there will undoubtedly be more Australian inaugurations in the eight years ahead.