



Graaf Group's Gennaro Autore, with his dog Nero, at the soon-to-open luxury stores in Sydney's Martin Place. PHOTO: OSCAR COLMAN

## Luxury retail booms as CBDs recover

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Two years ago, as COVID-19 lockdowns began to take effect, few could have predicted that Australia would soon experience a boom in luxury retail, with new flagship boutiques opening across the country in response to an increased appetite for high-end clothing and accessories.

**For the first time in Australia, Italian luxury brands Missoni and Brunello Cucinelli will have retail flagships as Graaf Group announced on Monday their installation at 25 Martin Place, formerly known as the MLC Centre.** Dexus is investing \$170 million in the Harry Seidler-designed building, which will sit alongside new boutiques for Valentino and Dolce & Gabbana.

*“Definitely, the pandemic has increased our appetite for luxury brands,”*

says Gennaro Autore, founding director of Graaf Group, which handles distribution of Missoni and Brunello Cucinelli in Australia.

“All the indications are extremely positive. COVID-19 has increased the importance of local customers, and brands are seeing that, and investing in their presence here.”

The Italian brands will join a roster of

glittery names already in the Sydney CBD – Dior recently reopened its Castlereagh Street flagship after an 18-month revamp, as did Fendi and Hermes. Watch retailer Roger Dubuis launched its first Australian standalone store in December, and so too did Swiss jeweller Piaget.

The surge in retail is not confined to Sydney: Western Australia recently got its first Ralph Lauren store, and in Melbourne's Chadstone, the American brand launched Australia's first “world of Ralph Lauren” store.

Soon, Cartier's Oceania flagship will open on George Street in Sydney, and Versace will open a flagship in the city in May. Cartier is reportedly considering keeping its older space on Castlereagh Street as well as its boutique, so popular has it been during the pandemic.

The investment in bricks-and-mortar is not simply a response to pandemic luxury shopping, said Mr Autore; these discussions had been in place “for three or four years at least”.

“These brands have not had a standalone presence here, and that is becoming increasingly relevant,” said Mr Autore.

*“When we talk about luxury, it's not about the product itself. It is the feeling you have when you visit the store. It's the way you*

*feel when you walk in, the way you are treated. The experience of shopping in-store is not the same as being in front of a computer. When it comes to luxury brands, the experience is so important.”*

The importance of flagship stores comes as department stores continue to struggle for relevance. Last week, Myer announced its net profit of \$32.3 million for the first half of 2021-22, a 25 per cent drop from 2020-21, and 18 per cent below the year before that.

Like David Jones, Myer has been shedding floor space, with CEO John King open about his goal of shrinking the retailer's footprint by 20 per cent.

Even as international travel opens up, Mr Autore is bullish on luxury retail's prospects locally, saying that “so far, the indications are that Australians will still buy here”.

He adds that as CBDs become more densely populated as people return to work, naturally footfall will spread to luxury retail. And Australians have money to spend.

Despite the much-discussed rise of living costs, many Australians are in a good financial position, with households and businesses having stowed away \$424 billion in savings during the pandemic.