

RETAIL

Galleries Lafayette in talks to cede ownership of historic Paris department store

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Galleries Lafayette has owned BHV Marais since 1991. Image credit: Galleries Lafayette

By LUXURY DAILY NEWS SERVICE

France's **Galleries Lafayette Group** is in talks to sell subsidiary historic department store BHV Marais.

Founded in 1856, the deal would offload BHV Marais' flagship on the Rue de Rivoli in Paris, as well as a second location within Paris' Parly 2 shopping center, to Socit des Grands Magasins (Groupe SGM) a family-owned firm specializing in large-scale urban retail. Galleries Lafayette has made several investments to expand the BHV Marais' dining, cultural and retail offerings since acquiring the luxury retail giant in 1991, further broadening its appeal to local and foreign visitors alike.

"As I see it, acquiring BHV Marais would be a one-of-a-kind opportunity," said Frdric Merlin, chairman of Groupe SGM, in a statement.

"We have always been involved in developing retail in city centers, so how can we be anything but excited at the prospect of working on a project like this in the heart of the world's most beautiful city?" Mr. Merlin said. "For Groupe SGM, it is an extraordinary opportunity to continue to enhance a time-honored department store for the benefit of Parisians and other people visiting BHV Marais and the Parly 2 store."

Changing hands

By ceding ownership, Galleries Lafayette entrusts that Groupe SGM will use its established retail expertise the real estate operator has built and manages 17 shopping malls and stores around France to attract new patrons to BHV Marais while retaining loyal customers.

More specifically, Groupe SGM's specialty, optimizing city-center retail centers, will help to maximize the potential of BHV Marais' central location on Rue di Rivoli, a popular shopping destination.

The change of hands would allow Galleries Lafayette to dedicate the additional resources and time to focusing on its eponymous brand, on growing it outside of France in select locations in India, China, and the Middle East, and to recovering from the financial blow caused by the COVID-19 crisis.



Galeries Lafayette in Paris is an opulent luxury emporium. Image credit: Shutterstock

In addition, the brand will also work to serve its customers more effectively by establishing an omnichannel, fully data-oriented strategy, and by implementing experiential elements into its retail locations in city centers. Galeries Lafayette and Groupe SGM have worked together since 2021.

Last November, Galeries Lafayette Group became full owner of leading French ecommerce retailer La Redoute.

Alongside this development, La Redoute's Nathalie Balla and Eric Courteille stepped down as co-CEOs, a position they shared since 2014. In their stead, Philippe Berlan, who had previously acted as La Redoute's deputy managing director, took over the position ([see story](#)).

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