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THE LONG WAY BACK

SINCE EUROPEAN RETAIL LANDSCAPES ARE NOW LARGELY REOPENED, THE INDUSTRY IS FACING A RADICAL NEW BEGINNING.

DEAR READER,

IMAGE: ACROSS

Around two and a half months after the shutdown, the Covid-19 crisis still keeps the retail real estate and placemaking industry well and truly on its toes. Even though stores and marketplaces in many European countries have mostly re-opened, dramatic declines in frequencies and revenues remain more of a rule instead of an exception. Europe's consumers remain anxious due to the crisis situation that is still ongoing. Even though those responsible in the retail industry take any means necessary to enable secure and smooth consumption, the actions to fight Covid-19 seem like tilting at windmills. The way back may well be a long one. Therefore, we compiled for you what Europe's opinion leaders have to say on this matter.

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EXPERT ARTICLE

THE RETAIL REAL ESTATE INDUSTRY IS FINDING ITSELF ON VERY THIN ICE

An attempt to explain the current situation faced by retail tenants.

BY KLAUS STRIEBICH

IMAGE: RARE ADVISE

Klaus Striebich

Managing Director of RaRE Advise and Member of the ACROSS Advisory Board

In numerous articles, posts, webinars, commissioned expert opinions, and other elaborations one is able to read and listen to why owners of commercial real estate can still "insist" on payment of rent despite officially mandated closures during the period of Covid-19 / coronavirus. However, an equal number of explanations have also be given as to why tenants of such retail properties should have exactly the opposing "rights".

Are the multitude of differing and conflicting statements of any help? Has a battle against and by means of paragraphs broken out, instead of against the real problem? A little more knowledge and understanding of the other side might prove helpful, paired with a genuine desire for mutual solidarity as well as the foresight to comprehend that success in the future will only be achieved by working together, and that short-term individual perspectives will likely exacerbate the real problem.

This report serves as an attempt to illustrate the situation faced by retail tenants in retail properties. The current situation regarding the retail sector will be presented in three phases: "pre-", "mid-", and "post-" the period encompassing the coronavirus pandemic.

PRE-CORONAVIRUS

There is no denying that the situation with regard to brick-and-mortar retail was somewhat problematic even prior to the sudden outbreak of the virus. Noticeable changes in consumer behavior, coupled with the need for retailers to adopt a multi-channel concept, the technical race to catch up in terms of digitalization, etc., have clearly revealed a number of deficits, problems, and challenges. However, the fact that even the somewhat weaker market participants at the time were, nevertheless, welcome buyers of existing or newly developed rental space in the real estate industry cannot be refuted. Where possible, they were to conclude long-term leases at rental rates that were in line with market levels.

Was that indicative of the rather short-term thinking and behavior of both owners and landlords, ignorance of the situation, naivety, or even negligence? "Honi soit qui mal y pense"(Shame on him who thinks this evil) – motto of the British Order of the Garter, probably coined by King Edward III. (1312-1377). From a retail perspective, a normal month can be depicted as shown in the table below.

This is a simplified model, which, of course, can also show variations depending on the company and its dependencies. A "normal" month serves as the starting point, generating a sales volume of 100 (or percent, if preferable) and a cost of goods to be sold of 50, which logically results in a margin of 50. That margin is then used to cover the costs incurred in the course of that month, e.g., personnel, rental costs, depreciation and interest, marketing, and other expenses. A profit is desirable, as is the case in the example (of 5). In the given example, the cash flow of the retailer is comprised of the generated surplus of 5 and the non-discharged Depreciation Allowance / Interest item of 5, which amounts to a total of 10.

Effects of Sales Losses

		"Normal Month" Starting Point
Sales	**100**	
- Cost of Sales		50
= Margin	**50**	
- Personnel		15
- Rental Costs		15
- Depreciation Allowance/Interest		5
- Marketing		5
- Other Expenses		5
= Profit/Loss	**5**	
"Cash Flow"		**10**

An unforeseen drop in sales of -6, for example, would then result in a monthly loss of -1 (expected sales of 100 – sales drop of 6 = actual sales of 94 – cost of goods sold of 50 = margin of 44 – costs of 45 = loss of -1). In fact, the cost of goods sold is (normally) not reduced, because the goods have already been purchased and are in stock, thereby rendering them payable. The running costs were incurred as planned, because the actual sales are not shown until the end of the month.

The purpose of this simple calculation example is to highlight the fragility of the retail sector, whose development can vary from day to day. The retail sector is, of course, responsible for reacting to such changes and taking measures to ensure that profits are made across the board, which is what makes subsequent future investments possible.

MID-CORONAVIRUS

Slight fluctuations in sales can usually be managed, as long as there are days or months in which additional sales can be generated (also in order to sell goods that have accumulated in the warehouse).

The primary problem caused by the lockdown in March was, effectively, the extremely high drop in sales of approximately 50%, which was neither planned nor foreseeable. The originally planned profit of 5 resulted in a loss of -45 (which is the equivalent of 9 months of planned profit).

Effects of Sales Losses

		"March 2020" Decrease in Sales	50%
Sales	**50**		
- Cost of Sales		50	paid/in stock
= Margin	**0**		
- Personnel		15	paid
- Rental Costs		15	paid
- Depreciation Allowance/Interest		5	
- Marketing		5	
- Other Expenses		5	
= Profit/Loss	**-45**		
"Cash Flow"		**-40**	

The following month of April, which saw the complete closure of brick-and-mortar stores, exacerbated the problem to a monthly loss of (only) -56, based on the -76% drop in sales reported in the textile industry, for example. Retailers had already reacted or had been forced to react to the situation by making adjustments to the supply of goods (if possible), as well as to personnel and other costs. If the rent for the month of April was not paid, the loss is only reduced to -41 (which is equivalent to 8 months of planned profit).

Effects of Sales Losses

	"April 2020" Decrease in Sales		76% 20% Adjustments
Sales	**24**		
- Cost of Sales		40	Possible Partial Cancellation
= Margin	**-16**		
- Personnel		12	*PRP Optimization
- Rental Costs		15	
- Depreciation Allowance/Interest		5	
- Marketing		4	Cost Reduction
- Other Expenses		4	Cost Reduction
= Profit/Loss	**-56**		
"Cash Flow"		-51	

*Personnel Resource Planning

In simple terms, the months of March and April will result in a loss of at least -50 (10 months x 5 – losses in March and April of -101) from a planned annual profit of 60 (12 months x 5). How long a retail company can depend on its own resources or on the support of banks and owners for its survival varies from case to case. Insolvency or a lack of funds can be brought on relatively quickly, thereby rendering "the end" economically foreseeable. All parties involved should be aware of such consequences. Rapid reaction by the responsible retail managers, primarily through the creation and maintenance of liquidity, is both necessary and essential for survival.

Such action includes the use of all aid packages offered by the government, such as the use of short-time working allowances (who is the work done by in such cases?), credit guarantees (which at some point have to be paid back), deferrals (which were granted by law for a period of three months), or other suspensions of payments. The cash flow consideration shall be left to the reader, because loan commitments and payments usually take four to six weeks to be processed, and short-time work allowances have to be pre-financed or are "topped up" in order to secure the workforce. The figures speak for themselves.

Companies that are prepared for crises have quickly been able to make use of their online offers and media presence and have been able to compensate for one thing or another; however, even those companies are far from able to compensate for the lost offline sales.

POST-CORONAVIRUS

During the month of May, the opportunity to open locations and generate sales has been re-established. Retailers have to plan anew and should, for example, make the following assumptions (again, in very simplified terms): During the month, a drop in sales will level off at around -33 (depending on the number of opening days in the month and the corresponding purchasing behavior of the customers), cost adjustments and measures will be implemented in the amount of -33% for goods (because these should actually be available on site) and personnel; all measures will only be changed by -20%. There will be a deficit in the result as well as in the cash flow.

Effects of Sales Losses

	"May 2020" Decrease in Sales		33% et seq. 20% Quick Measures Individual 33% Adjustments
Sales	**67**		
- Cost of Sales		40	Possible partial cancellation? (Goods should be in stock.)
= Margin	**27**		
- Personnel		12	PRP Optimization?
- Rental Costs		10.05	Rental Reduction
- Depreciation Allowance/Interest		5	
- Marketing		3.35	Cost Reduction
- Other Expenses		4	Partial Cost Reduction
= Profit/Loss	**-7.4**		
"Cash Flow"		**-2.4**	

With the knowledge gained from the three previous coronavirus months, the retailer's planned result for this year has probably changed from +60 to: -63.4 (9 months x 5 – losses for the months of March to May), which is effectively representative of a reversal of all previous signs (viewed somewhat cynically).

An extremely positive outlook could involve the retailer being able to reach the planned sales level of 100 again (from the month of June), but due to the high stock of goods and tougher market conditions, being required to operate with discounts of 10% on average in addition to slightly increased marketing efforts: *chart right

The looming danger of upcoming discount battles as a result of accumulated inventory and the lack of a catch-up effect in customer purchasing will, in turn, make it impossible to make a profit in terms of the operating result. The current state of affairs can only be eased in small steps – if at all. The implications for the year-end result can be deduced and calculated.

SO MUCH FOR THE SITUATION IN THE RETAIL SECTOR

Property owners and landlords are, naturally, commercial enterprises as well and have obligations and payments to make. A (simplified, quite positive) presentation of a commercial property under the assumption of various premises, which can, of course, differ from other cases, illustrates this point:

Effects of Sales Losses

		"Sales with Discounts in 2020" Decrease in Sales	0%. 10% Discount
Sales	**100**		
- Cost of Sales		55.56	Partial Depreciation
= Margin	**44.44**		
- Personnel		15	
- Rental Costs		15	
- Depreciation Allowance/Interest		5	
- Marketing		5.5	Additional Expenditure
- Other Expenses		5	Cost Reduction
= Profit/Loss	**-1.06**		
"Cash Flow"		**3.94**	

Effects of Sales (= Rental) Losses

"Cap Rate" 5.4% Value of the Asset 1,852 Equity Share in € 741	Starting Point	"April 2020" Missing Rental Income 50%	"May 2020" Missing Rental Income Measures 75%	Notes
Sales = Rents	**100**	**50**	**25**	
- Operating Costs	7	7	7	real estate business unaffected
= NOI	93	43	18	
- Interest 1.5%	16.67	16.67	16.67	interest burden unaffected
- Repayment 2.0%	22.22	22.22	Grace Period	loan period extended
FC Share in % **60.0%**				
- Depreciation Allowance **2.0%**	22.22	22.22	22.22	no effect on cash flow
- Other Expenditures	5.0	2.50	1.25 Cost Reduction	
= Profit/Loss	26.89	-20.61	-22.14	
Equity Yield	3.6%	-2,8%	-3.0%	
- "Before Depreciation Allowance"	**6.6%**	**0.2%**	**0.0%**	depreciation allowance or repayment
Cash Flow	**49.11**	**1.61**	**0.08**	

To explain the sample calculation: The sales generated by the property owners are the rents. In this example, the starting point is 100. Operating costs for the property (non-distributable service charges, etc.) amount to 7. Regarding interest, 16.6 is to be paid (with a debt ratio of 60% and an interest rate of 1.5%), and an average rate of 2% is to be assumed for repayment, which results in a repayment amount of 22.2. With the additional "other costs" of 5, a cash flow of 49 is generated, a surplus of 26.9 is achieved using a factoring rate of 2%, which then results in a return on equity of 6.6% or 3.6%.

A 50% loss of rental income (equivalent to a decline in turnover) naturally results in a huge slump in surplus and thus a loss – as can be seen in the "March 2020" column. More importantly, however, the cash flow remains positive. In times such as these, property landlords also have to react in an entrepreneurial manner. Possible measures include adjusting the other costs, if necessary, and discussions with banks to extend repayment periods, if expedient. The operating costs and interest on the borrowed capital remain unchanged in the calculation. In the "May 2020" column, the calculation is backwards, and one could remain cash flow neutral using this calculation approach as well as the measures implemented if rents were reduced by up to 75%. At this point, the discussion regarding suspended service charge payments or yield promises for investors has been deliberately left aside.

Up to this point, neither party would achieve a good result, but it may allow for long-term survival. If the tenant, despite various measures and efforts, does not succeed in continuing to operate successfully and has to (forcibly) give up the location, the landlord will be faced with the issue of subsequent use and the assessment of a possible rental rate.

Another (simplified) calculation model compares the situation involving a reduction in rent with a possible long-term reduction in rent:

Temporary Reduction vs. Long-term Rental Decrease

		Today					Tomorrow	
							-1.00%	Decrease in Rents
Rent	p.a.		€120.00				€118.80	
	monthly		€10.00				€9.90	
Property Yield			5.0%				5.0%	
Property Value			€2,400				€2,376	
							- €24	Loss of Value =
Reduction		100%			2 Months			
				- €20.00				
New Rent	p.a.			€100.00				
Loan-to-value		60%	€1,440			61%	€1,440	
Equity Share			€960				€936	
							- €24	Equity Loss
Interest Rate		2.0%	€28.80				€28.80	
Repayment Rate		2.0%	€28.80				€28.80	
Operating Costs		10.0%	€12.00				€11.88	
Income			€50.40	€30.40			€49.32	
Return on Equity			5.25%				5.27%	
				3.17%	-39.7%			

EXPERT ARTICLE

The reduction of two months' rent in one year is counterbalanced by the threat of a possible decrease in rents of less than 1%. The costs associated with a change of tenant and loss of rental income have not been included for the sake of simplicity. The extent to which the valuation of the properties will change in the event of a complete loss of market participants on the tenant market and a reduced number of requests for space (and generally not suitable for one's own property) can be assessed by each individual (or entered into discussion with one's property valuer).

CONCLUSION

Sober calculation, threat, or assistance? Every case and every situation presents itself in an individual and different way. There are many different parameters that have to be considered and weighed by both parties. The aforementioned calculations only serve as examples and are not "blueprints". They merely serve as illustrations. In addition, there are numerous other aspects, parameters, and, most importantly, ideas regarding possible further cooperation.

It is absolutely essential that we closely consider the situation of the respective other party, to communicate and act in a sensible manner. This should, ideally, be done in an active, cooperative, and constructive manner and with a view to long-term, joint success, which will enable us to overcome even such – hopefully short-term – difficult times.

CLOSING REMARK

The complete omission of legal and contractual discussions or so-called formal requirements of any kind was entirely deliberate.

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REMAINING OPTIMISTIC

However, according to Otto Ambagtsheer, CEO of VIA Outlets, the way in which customers shop will change, at least on a temporary basis. For example, in some of the company's markets, they will not be able to let guests try on clothes before they buy them, and clothes that are returned will need to be quarantined for three days.

ACROSS:* *THE CORONA CRISIS PARALYZED ALMOST THE ENTIRE EUROPEAN RETAIL LANDSCAPE. HOW IS VIA OUTLETS HANDLING THE CURRENT CHALLENGES?

OTTO AMBAGTSHEER: After having had to close eight of our eleven centers following government advice, we are already starting to reopen some centers; Zweibrücken Fashion Outlet near Frankfurt, Fashion Arena Prague Outlet and Wroclaw Fashion Outlet in Poland are now open for business again. The remaining five are in the process of opening in the near future, with Landquart Fashion Outlet as the next one in line, following the communication of an opening date by the local authorities. During these reopenings, the health and safety of our guests and employees remains our main concern during these unprecedented times and we are making every effort to ensure a safe shopping experience as well as the wellbeing of our staff. Measures to allow for social distancing have been put in place, alongside reinforced sanitary and hygiene advice and stations throughout the center and in the stores. Where centers are still closed, we continue actively working to reduce operating costs and working alongside brand partners to ensure both parties come out of the crisis in the best possible shape.

Whilst the Covid-19 pandemic has affected us, just like every other retail player around the world, we are confident in VIA Outlets' resilience and remain optimistic about the future. Not only has the outlet segment historically performed well in times of economic downturn, but we also know that–following this particular crisis–many brands will have vast amounts of excess stocks due to temporary closure of the centers as well as their full-price stores. We see that many brand partners are asking for additional

IMAGE: VIA OUTLETS

Otto Ambagtsheer
CEO of VIA Outlets

space, temporary stores and pop-up spaces. We are doing our best to help them by offering additional space in centers where they already have a presence as well as in new centers to allow them to explore new markets.

ACROSS:* *WHICH OF YOUR PROPERTIES HAVE REMAINED OPEN?

AMBAGTSHEER: Oslo Fashion Outlet, Hede Fashion Outlet in Gothenburg and Batavia Stad Fashion Outlet near Amsterdam, have remained open throughout the pandemic. In these regions, governments have not asked us to close, and we have therefore remained committed to our role as a service provider for our brand partners–ensuring that the retailers that have chosen to keep their stores open, have had access to the stores.

INTERVIEW

ACROSS: ***HOW SUSTAINABLE WILL THE CHANGE IN CONSUMER BEHAVIOR ACTUALLY BE AFTER THE CRISIS?***

AMBAGTSHEER: As the global economy will be uncertain for some time, customers are set to become increasingly attracted to deals. This is a major reason why outlets are so resilient in difficult economic times; customers become increasingly price-sensitive whilst still attracted to brands and prioritizing quality over quantity. After long periods of lockdown, there will also be an increased appetite for real, human experiences and customers will be looking for places where they can feel safe and secure to enjoy these experiences. Open air centers will be particularly favored in this respect. Furthermore, one-stop shop locations will see an upswing as they allow guests to cover many different needs with minimal travelling. This trend is already evident in the centers we have re-opened within our portfolio, where we see healthy footfall numbers shortly after the majority of the key brands have re-opened their doors. And it is clear that the guests that are present are on a mission, as the spend per visitor is at the same or, in some cases, higher level as prior to the pandemic.

Changed customer behavior means that we need to implement some changes, such as putting crowd management in place while guests will want to avoid crowds and big groups of people. The way in which customers shop will also change, at least on a temporary basis. For example, in some of our markets, we will not be able to let guests try on clothes before they buy them, and clothes that are returned will need to be quarantined for three days. In some of our stores, guests will also be able to shop by appointment, even before or after closing hours, or get the support of a virtual personal shopper. Like many other things during this pandemic, this will quickly become the new normal, and we do not think it will negatively affect the customer experience in any significant way.

ACROSS: ***THE PRODUCT RANGES OF OUTLET CENTERS ARE NOT PARTICULARLY GEARED TOWARDS MEETING CONSUMERS' BASIC NEEDS. DO YOU EXPECT CONSUMERS TO BECOME MORE HESITANT TO BUY DESIGNER GOODS?***

AMBAGTSHEER: Outlet centers do not aim to cover the most basic shopping needs of consumers; however, they do cater to another basic need: the need for social experiences and real human connections. We aim to offer guests a day out for the entire family, and in the post-Covid-19 world, this will be more important than ever. Whilst consumers may temporarily be more hesitant to make expensive purchases, we know that outlets are resilient in times of economic downturn, as consumers become increasingly price-sensitive while remaining attracted to quality and familiar brands.

ACROSS: ***OUTLET DESTINATIONS ARE STRONGLY CHARACTERIZED BY LOCAL AND INTERNATIONAL TOURISM. SINCE TRAVELLING WILL REMAIN RESTRICTED ALL OVER EUROPE, DO YOU EXPECT FURTHER SALES LOSSES IN THIS CONTEXT?***

AMBAGTSHEER: Looking at the rest of 2020, we do not expect much tourism from non-EU countries. While it might pick up in the latter half of the year, the numbers will be relatively small and the majority of sales will come from domestic guests. However, we do expect an upturn in guests choosing to go on vacation in their own countries–so-called staycationers–which will lead to more growth coming from domestic tourism as well as cross-border tourism. We remain active in the tourism space by maintaining good relationships with accommodation and transportation providers and tourist attractions in our regions, in order to attract as many tourists as possible under the current circumstances.

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STRICTER FINANCING CONDITIONS FOR RETAIL PROPERTIES

BY RICHARD HAIMANN

Business closures and rent losses in the coronavirus crisis have made banks even more cautious about retail properties and shopping centers. In the case of refinancing, portfolio holders have to calculate with higher interest rates and additional equity.

IMAGE: BERLINHYP

Gero Bergmann

Market Director at commercial real estate financier BerlinHyp: "In general, it can be assumed that financing will become reasonably more expensive in the foreseeable future as a result of the crisis."

IMAGE: HELABA

Stefan Mitropoulos

real estate analyst at Landesbank Hessen-Thüringen (Helaba): "The closure of shops temporarily ordered by numerous governments in Europe to combat the pandemic is an additional burden on retail property, which is already under pressure due to the growing competition from e-commerce."

Due to the loss of rental income in the coronavirus pandemic, banks are tightening their conditions for financing retail properties and shopping centers or are withdrawing from business altogether. "In general, it can be assumed that financing will become reasonably more expensive in the foreseeable future as a result of the crisis," says Gero Bergmann, Market Director at commercial real estate financier BerlinHyp. "Due to the impact of the coronavirus pandemic on the retail sector, we are currently not handing out any new loans for investments in shopping centers," says Walter Allwicher, Head of Communications at Deutsche Pfandbriefbank.

"The closure of shops temporarily ordered by numerous governments in Europe to combat the pandemic is an additional burden on retail property, which is already under pressure due to the growing competition from e-commerce," says Stefan Mitropoulos, real estate analyst at Landesbank Hessen-Thüringen (Helaba), the largest commercial real estate financier on the German market with a loan portfolio of more than 36 billion euros. "If banks nevertheless offer follow-up and new financing for such properties, they must compensate their risk with an adequate premium."

Not only banks, but also investors currently rate commercial real estate as risky investment objects. This is shown by the "Real Estate Climate", a monthly report produced by the real estate research company bulwiengesa for the real estate financier Deutsche Hypo. According to the index, which is based on a survey of 1,200 market players, the climate for retail real estate fell to 24.5 points in May, which is lower than in 2009 during the financial crisis.

SELECTIVE FINANCING

Banks have become cautious in financing retail real estate and shopping centers not only since the virus pushed the global economy into recession this spring. "Against the background of the ongoing structural change in the retail sector, we have been granting loans for retail real estate selectively for years and have continuously reduced our exposure," says Deutsche Pfandbriefbank Head of Communications Allwicher. Among the properties still financed were specialist retail centers and supermarkets. "For retail properties with local supply character and inner-city locations, we are maintaining our selective approach," says Allwicher.

In addition, global economic development already slowed down significantly in 2019 due to the trade conflicts against China and the EU fueled by US President Donald Trump. This caused many financial institutions to become generally cautious. Aareal Bank, for example, already reduced the volume of non-performing loan exposures by 40 per cent, or 800 million euros, in the second half of last year. At the same time, it reduced financing risks in Italy by 600 million euros in the fourth quarter of 2019 alone. "In the past year, we took advantage of opportunities to reduce risk positions at reasonable expense against the backdrop of changed regulation, economic slowdown and political uncertainties," says CFO Marc Heß.

Despite the reluctance of banks, portfolio holders need not fear that they will not receive follow-up financing. However, they must be prepared for higher interest costs or equity capital contributions. In the case of pending refinancing, "depending on the risk assessment, new agreements could possibly be reached", says Market Director Bergmann. "The risk can be countered, for example, with an increased equity requirement or higher redemption rates". Deutsche Pfandbriefbank makes a similar statement: "We naturally want to support our customers in follow-up financing wherever possible," says Allwicher.

NO REVALUATIONS FOR THE TIME BEING

At the same time, the banks are not interested in putting themselves and the portfolio holders in too much trouble by demanding too high additional contributions or repayment instalments. For this reason, the banks are initially refraining from revaluing retail properties and shopping centers. "The order of the day is to proceed calmly and carefully," says Bergmann. "In our view, short-term value adjustments are not appropriate. This is why BerlinHyp has not made any adjustments so far. "In individual cases, however, long-term adjustments will not be absent," said the Management Board.

It is not in the interest of the banks to force the owners of retail real estate into foreclosure, says Günter Vornholz, Professor of Real Estate Economics at the EBZ Business School in Bochum. "In the current market environment, this would only result in significant losses for borrowers and lenders at the same time, because there are currently hardly any prospective buyers for retail properties and shopping centers". Investors would only re-enter the market segment "when the pandemic is over and people can go shopping again without fear," says Vornholz. The fact that governments have now lifted the closure of shops again is not enough to attract consumers in sufficient numbers to the shops and shopping centers. "The fear of an infection is too great for many consumers," says Vornholz.

This is also shown by a new study by the University of Copenhagen, which compared shopping behavior in Denmark and Sweden from mid-March to early April on the basis of transaction data from 860,000 credit cards. Denmark, like most other European countries, has had shops and restaurants closed except for basic supplies.

FINANCING

Sweden, on the other hand, has taken a special path and has refrained from imposing restrictions on retail and catering. Nevertheless, according to the study, consumer demand in both countries has fallen by a similar amount in the period under review–by 29 percent in Denmark and by 25 percent in Sweden.

BerlinHyp board member Bergmann therefore expects a sluggish recovery in the retail sector: "Even though many shops are already open again at the moment, we believe that the effects will continue to be felt in the long term until a level similar to that before the lockdown can be reached again, since even now consumer demand is still quite restrained."

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OPINION

FLEXIBLE REACTION IN TIMES OF CHANGE

BY RENÉ POPIK, IMAGE: HB REAVIS SLOVAKIA

At present, it would be unlikely to find a business that hasn't been affected by the current situation. In recent weeks, the protection of public health has been paramount to us. We have therefore implemented many measures on several different levels. This includes our construction sites, our offices, and the office buildings that we manage. We have done so across all of the six markets where we operate. The health of our employees, as well as the employees of our tenants and our business partners is the absolute top priority for us.

René Popik
CEO of HB Reavis Slovakia

"At the end of 2020, we intended to celebrate the opening of Nivy Station and welcome our first customers. We planned to change the face of Bratislava by working together and presenting a unique public space designed for travelling, shopping and relaxation. Due to the effects of the pandemic and state implemented measures, the possible opening date has become Spring 2021, when the project will be in construction readiness."

The Covid-19 pandemic has affected our lives and businesses in an unpredictable manner, and the retail market, in particular, has started a long marathon filled with many obstacles. In HB Reavis, we are currently working to ensure that we, as a company, find the best way to respond to the current economic situation. We have been operating in this market for more than 26 years and have gone through many retail cycles. Therefore, we know the next steps that need to be taken in the near future. Our priority is to keep as many projects and activities running as possible, albeit not at full speed, so that we can overcome this challenging period and return back to balance.

Today, we are asking ourselves many questions to which no one knows clear answers. How long will this situation last? When will we return to living as we did before? We are in close contact with most of you, and we have been listening to the challenges, problems, and difficult decisions you are facing. Our priority is to make the situation as bearable for you as we possibly can.

At the end of 2020, we intended to celebrate the outcome of our many years of work. By opening of our multifunctional project Nivy Station and welcoming our first customers, we planned to change the face of Bratislava by working together and presenting a unique public space designed for travelling, shopping and relaxation. Due to the effects of the pandemic and state implemented measures, the possible opening date has become Spring 2021, when the project will be in construction readiness. After that, a lot will depend on the recovery of the retail market.

The Nivy station is taking shape day by day despite the current situation. All the steel structures, that together weigh more than 4,000 tones, are now finished. The construction is almost closed off, the skylights – thanks to which the spaces will be full of natural sunlight – are now complete and the roof cladding is 95% complete. Work on the construction of the relaxation zones on the roof is already underway.

All HVAC units have already been installed, they are now being connected and works continue on the distribution systems for all the internal installations. The internal partitions in the interiors are 70% complete, we started laying the floors in the passageways and installing suspended ceilings and glass railings. We implemented measures to protect public health at the beginning of March, i.e. in advance of the national actions. These measures still remain in force, some of which go beyond the recommendations of the Public Health Authority of the Slovak Republic.

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WHEN MANAGERS WAIVE THEIR SALARIES

In light of the Covid-19 crisis, the management teams of several industry players express their solidarity with tenants and shareholders. The management board members of URW, Eurocommercial Properties, and Werelhave waive parts of their salaries or remunerations.

A virus caused a worldwide crisis with health and as well as economy-related ramifications. Lockdowns and their consequences have a substantial impact on the retail real estate industry. Conflicts between tenants, operators, as well as investors intensify due to massive sales losses. Positive initiatives can distract from these emotionally charged situations.

That is why a press release by Unibail-Rodamco-Westfield (URW) that was published on April 8, 2020 caused quite a stir. The company announced a sign of solidarity, with full support of its supervisory board. CEO Christophe Cuvillier, CFO Jaap Tonckens, and all members of the Group's senior management team have taken the initiative to reduce their remuneration by 25% for the period during which the partial activity measures will be in place. In recognition of this effort, the members of the supervisory board have chosen to reduce their fees by the same percentage, and all the senior executives of the Group's US and European management committees have decided to reduce their fixed income by 20% during this period. The unpaid remuneration will be donated to support efforts to fight the Covid-19 crisis in all countries in which URW operates.

STAFF SALARIES REMAIN UNAFFECTED

On May 6, 2020, two further industry players announced similar actions of solidarity. Eurocommercial Properties a nnounced that all members of the management board have reduced their base salaries by 20% from the May payment for a period of three months and their variable remuneration has been cancelled to cut costs. According to their statement, Eurocommercial Properties is an efficient company with one of the lowest headcounts in proportion to assets and income in the industry. The company with its headquarters in Amsterdam has therefore no intention of reducing staff levels or staff salaries.

Wereldhave also announced on May 6 that its statutory management board has decided to further align themselves with its shareholders and tenants and therefore taken the initiative to lower their salaries by 15% for a period of three months. Furthermore, the Management Board now has 87,259 shares in total vested and unvested to underwrite their confidence in the strategic direction of the company.

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OPINION

COVID-19: THE SITUATION ON MILAN'S MARKET IS CHANGING DAILY

BY SILVIA GANDELLINI, IMAGE: CBRE

Silvia Gandellini
Head of Retail at CBRE Italy Investment Properties

The situation related to the Covid-19 impact is changing quickly, day by day, with an unavoidable impact on retail and real estate markets: consequences depends on how long it will last, but some forecasts may be assumed. Retail investments in the first quarter of 2020 broke a record with a volume of €800 million, and half of this value is related to one single deal: the sale of 32.5% of La Villata SpA, Esselunga's Real Estate company, to Unicredit. Among other deals, the most important is the sale of a mixed-use building (retail and office) by Hines, advised by CBRE, in the heart of Milan for a value in excess of €200 million.

"Outlets will probably have a longer recovery: domestic and foreign tourism usually contributes a lot to the total turnover."

Second and third quarters will see a decrease in terms of investments, due both to travel restrictions and a "wait and see" approach of international investors. Some of them, with an opportunistic approach, are willing to buy retail assets at lower prices, other core investors are focused only on prime locations. Based on our knowledge, CBRE foresees a slight yield increase in all sub-retail asset classes, except for supermarkets, which remains stable thanks to the demonstrated resilience. This increase is not only related to the risk of revenue losses in the short term, but to the risk of an economic slowdown with contraction in consumption, and a consequent lower affordability of rental levels in a long term.

Looking at retail asset classes, what are the risks and opportunities? Prime centers need more time to recover turnovers due to entrance restrictions and consequently will probably report temporary rent discounts. Recovery will be faster in secondary centers, but some retailers might be forced to close their shops due to their expansion strategies. In case of a contraction in consumption, retail parks can play a key role in attracting clients thanks to their retail aggressive pricing policy. Outlets will probably have a longer recovery: domestic and foreign tourism usually contributes a lot to the total turnover. Anyway, their performances will improve in the mid and long term thanks to the shopping experience provided and, as shown during the previous economic crisis, outlets are counter-cyclical in consumer crises. The high street sector will show a gap between luxury and mass market brands: shops in prime locations will have a slower recovery being linked to Asian tourism, however, they will maintain their leadership role in the long term. Mass market brands might need rent adjustments to balance revenue losses, but they will learn a big lesson from this emergency about how to manage the omnichannel model.

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MORE COURAGE, MORE CREATIVITY

BY SUSANNE OSADNIK

Corona is rapidly changing the world of retail. Shopping centers also experience these changes. Operators and tenants are facing far-reaching changes. Especially the severely affected fashion industry will accelerate these changes.

Resilience. This term has never been used as often before as right now. Derived from the Latin word that generally means "to bounce off", it stands for the ability to develop a certain tolerance for blows of fate on a mental level. This is exactly what we need today: in our everyday lives, our jobs, in business, and also in retail.

From center managers to retailers and landlords–they all implore the resilience of shopping centers. Shopping centers around the world lost billions in the past weeks due to rent losses and business bankruptcies. Fashion labels are fleeing towards financial protective shields or take up massive loans, while luxury labels like Armani, Gucci, and Prada are mass-producing face masks instead of haute couture. How is one supposed to look towards the future and be resilient under these circumstances?

CHANGING USE OF RETAIL AREAS–EVEN WITHOUT COVID-19

Even though stores have reopened by now, it is clear to see that nothing is like it was before the corona crisis: Customers are hesitant and withhold their spending. Hygienic measures deter some visitors just as much as wearing these annoying masks. Several restaurants and bars in centers remain closed because it is not economically feasible if they are only allowed to use 50 percent of their tables and chairs.

This begs the question, in which ways corona will permanently change these centers. Which tenants will survive this situation? What can be done with vacant areas? What will the industry mix look like in a few months? These questions affect all operators equally, as these problems are as international as the tenants in most of the shopping malls–even

IMAGE: IPH HANDELSIMMOBILIEN GMBH

The industrial engineer Lars Jähnichen has been managing iph Handelsimmobilien GmbH since 2017.

IMAGE: ECE

Joanna Fisher started her career in 1998 as Center Manager at ECE. She is Member of the ACROSS Advisory Board.

IMAGE: BULWIENGESA

Joseph Frechen's responsibilities include analyzing and evaluating shopping centers.

though they are not necessarily new, as Redevco admits. Even before corona, the Dutch real estate investment company, which has several retail properties in its portfolio, has been very much aware "that the use of retail areas as we know them is changing, and that we see in our assets that functions are shifting. This trend is not particularly tied to Covid-19…"

Shopping center operator ECE manages 195 centers all across Europe and they believe it is yet too early for long-term oriented analyses and plans. "One cannot yet say exactly how the corona crisis as a whole will affect the industry mix," says Joanna Fischer, Director Center Management at ECE and Member of the ACROSS Advisory Board. "We are currently focusing on finding joint solutions with tenants and owners, which will allow as many tenants as possible to continue." The experienced retail expert believes that insolvency protection proceedings, like the ones that are currently on the way for Esprit and other fashion chains, are no reason to automatically assume that they become insolvent. In fact, it could be an opportunity for realignment and adaption to current and future challenges.

FASHION INDUSTRY IN DANGER OF LOSING ITS ROLE AS THE CENTERS' SPINE

Esprit has the same opinion. The fashion group has been tinkering with its retail concept for years; closing stores, reducing staff. Corona was a further hit that came at the wrong time. The insolvency protection proceeding is a kind of lifeline. For example, it provides the opportunity to get out of the stores' leasing contracts within three months. It is not yet known how many stores will be closed forever. However, what is clear is that there will be substantially fewer stores this summer, when the group intends to present its sustainable premium-casual-life-brand.

Over the past years, the textile industry has been receding in the stationary retail sector and focusing more and more on online retail. "Last year, we already generated only 70 percent of our fashion revenue in the stationary sector, and this trend still continues," says Lars Jähnichen, Managing Director of iph Handelsimmobilien GmbH. "Corona accelerates a process that has already started some time ago. What is truly disastrous about this development is that it weakens the industry, which was basically the spine of our shopping centers in the past."

Due to the fashion industry's forecasted losses of 20 to 30 percent as a result of the corona crisis, retail real estate expert Jähnichen believes that many tenants will break away and tear gaps in centers, which will be hard to mend in the foreseeable future. He predicts that "quite a few second or even third floors in centers will no longer be used for retail. Hotels, co-working, and residential uses could be feasible alternatives." However, these alternatives will not work everywhere, as these uses cannot be used as passe-partout solutions. "Each center has to find its own individual solutions," says Jähnichen.

NEW CONCEPTS, LOTS OF POTENTIAL FOR INNOVATION

Joseph Frechen also agrees with this assessment. The Head of Retail at bulwiengesa, a consulting company for the real estate industry, is certain that the corona-effect will accelerate the retail sector's structural changes. "A part of the retail revenue that has shifted to online retail during the shutdown will remain permanently lost to stationary retail," says Frechen. As a result, rents will decline. "It remains to be seen to what degree the crisis will affect rents in the retail sector."

Whereas something else has already been clear to the trained businessman: "We need new concepts and a lot of potential for innovation, which will surely find its way, particularly alongside an extensive pop-up culture. These are the future challenges for center and asset managers, now more than ever before. Nobody will be able rest on their laurels of a stable cash flow over longer periods of time."

However, this will no longer be possible anyway if shopping centers turn more and more into typical operator-run properties. Retail experts see opportunities for centers, for example, in an industry mix that is geared more towards local and regional offers. "This is an opportunity to highlight the extraordinary, the things that stand out in everyday life and cannot be bought or ordered anywhere else," says Frechen. International chain stores could focus more on major locations and would still reach all of their customers due to their online business.

Now it is necessary to be creative. Many retailers and center operators have already proven that this can work. While everything was shut down, 240 stores in Hamburg launched the "Altona bringt's" ("Altona is bringing it") initiative and created a platform where customers could select and order their goods at any time and have them delivered to their homes–major players and local shops worked hand in hand for this initiative. The management team of Ulm's Blautal Center launched Germany's highest drive-in cinema on the center's park deck. Since mid-May, they already have two screenings per day. Especially family and afternoon screenings are currently increasing frequencies there after the lockdown.

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EXPERT ARTICLE

LEISURE AS THE LAST OPPORTUNITY FOR MALLS TO BECOME LIFESTYLE DESTINATIONS

The reign of retail is over. The Covid-19 crisis is not a black swan for the shopping mall industry.

BY GILLES DEVENDEVILLE

Malls already started to decline in US because they had not taken fundamental changes in customer's expectations into consideration. The merchandising mix was just starting to include more spaces for food halls, green areas, and leisure concepts in comparison to traditional retail's activities. Millennials were the first to say that they are willing to "purchase happiness instead of products" (Forbes). People were already wondering how to spend money in more responsible sectors than retail or for smarter reasons like wellness, education, or active leisure. This crisis has dramatically fostered this distortion between offer and demand.

The model of shopping malls is in jeopardy. After weeks of containment, it is the whole family that will go back to the roots and basic expectations like breathing, walking, playing, eating, or learning but preferably outdoors and together. Outdoor activities will be on the top of the list and the "under one roof "dogma will become a handicap instead of an advantage. People have experienced new ways of shopping like e-commerce and historical destinations like markets–strip malls and city centers will lure people again.

ONLY LEISURE CAN PLAY A ROLE OF CATALYST TO REGENERATE MALLS

Quintessentially, leisure is universal as it can tackle all segments of people. No matter how old or rich you are, leisure can satisfy any of your expectations using innovative technologies to create immersive experiences. Flying, skiing, surfing indoor is possible from 5 to 85 years when evolutive concepts are in play.

Malls must create a new business model to secure leisure anchors. People have been frustrated enough with contain-

IMAGE: REAL CONSULTING

Gilles Devendeville

Founding Director of Real Consulting, a strategic consulting firm focusing on Leisure–Retailtainment–Placemaking

ment; freedom of living is a right and leisure is a debt. It must be a standard, delivered on demand and freely accessible. Co-branding, sponsoring, licensing is a new territory to explore to generate additional income. Fortunately, times are changing and tech labs to launch innovative concepts are thriving and global partnerships like with the Void are signed.

FOCUS ON RETAILTAINMENT

Landlords must regenerate their core business to become lifestyle destinations. Retailtainment has changed the immersive journey of customers by bringing giant games indoors. It is now a question of strategic diversification of the assets themselves. Mixed-use resorts can only diversify the risk and deliver amazing experiences operated by professionals in the fields of art, education, culture, entertainment, or sport. New anchors will be e-sports arenas, surf campuses, art schools, co-working buildings or wellness centers surrounded by green areas, sport clusters on roof tops or virtual museums broadcasting augmented expositions all around the resorts. They will transform retail arenas into lifestyle destinations and will let malls do their own business with a better master planning and place making strategy.

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KEEP CALM AND CARRY ON, JUST NOT AS BEFORE

The Covid-19 pandemic will cause lasting change in the way that we live, work, play, and particularly in the way we shop.

BY GARY BURROWS

It is an undeniable truth that digital engagement has had a massive boost over the past two months, with a 74% rise in online shopping[1]. It seems unimaginable today that retailers have not embraced e-commerce, yet the fact is that many retailers, large and small, are still way behind the digital curve. Consider Irish fast fashion retailer Primark, who decided not to have an e-commerce platform, and who are losing 650 million pounds per month in revenue[2]. By the time the world re-opens its shop doors, that will be over one billion pounds. I am not saying that all of those losses would have been mitigated by an e-commerce channel, but a significant proportion would have been–and more importantly, their customers might not be so disconnected from the Primark brands. The CEO of Nike recently announced that there had been a bounce back in China, however their physical store losses where mitigated by Nike's excellent direct-to-consumer e-commerce, providing consistent online sales during the lockdown.

The recent online buying boom has been largely driven by household essentials, pharmacy items, grocery and foodstuff. According to Rakuten Intelligence there was a 210% increase in grocery shopping online during March 2020 on a YOY basis[3]. The other side of this boom also includes fitness equipment, toys, electronics and games, and alcohol which has seen a 400% increase in curbside pick-up and home delivery. The purchasing is relatively predictable as trends are influenced by news media- panic buying to protect the family whilst buying computer games and activities to keep stuck-at-home kids busy. The sports equipment category increase is a direct reflection of the guilt created by the alcohol consumption. This trend is based on the enforced lockdown situation and, yes, this is a less than normal situation.

IMAGE: FIT FOR COMMERCE.

Gary Burrows
Managing director of Malls and Meeting Places for FitForCommerce

QUICKLY ADAPTING TO CHANGE

Human behavior adapts to the external inputs that arise, therefore it's easy to track and just as easy to predict. As a collective average, we don't like change, however we adapt to it very quickly out of necessity. It's been said that if you change a person's pattern of behavior three times, then that pattern will stick. Our behavior has changed more than we realize during this lockdown and the link that has driven this change is sketchy at best. Who could have predicted that a global increase in digital spending would be caused by a physical virus? In 2019 the average online sales as a percentage to total sales was around 11% although much higher in mature markets like the UK at 19% and less in emerging markets. This has followed a predictable growth path of economic stability, distribution of revenue, steady introduction of innovation etc. 2020 is going to see that evolutionary leap, as human shopping behavior gets used to online grocery shopping, curbside pickup, home deliveries, and all of the others. Some of this behavior change will be sticky as we get used these new ways. We will also abandon poor quality, high friction and frustrating web sites that drop out, lose your order or cannot complete a transaction at the end. This stickiness will only increase as technology improves and retailers improve the quality of their sites and add services, logistics and systems that make it even easier to shop online.

The reality is that digital just received a steroid shot in the arm and has had an evolutionary leap which has increased its market share for good. Many established big brand names have fallen by the wayside during this time especially department stores whilst others got stronger. The best market improvements usually occur when under stress and outside of our comfort zone. Diversifying supply is important. Take Staples, for example, a traditional office supply company that is lean and agile enough to adapt and evolve quickly. As a result, they are now selling groceries and perishable products. Companies like Walmart are big winners during Covid-19, as they have an excellent e-commerce channel, store pickup programs and logistics systems. Unfortunately, great fashion names like Animal have closed up shop, as have many others, like Debenhams who have entered bankruptcy measures.

REQUIREMENT FOR A MERGED ECOSYSTEM

On the positive side the vacancies created by Covid-19 will be filled in some way, with social and cultural activity, leisure and entertainment, plus the expectation that online pureplay retailers will expand into the physical realm– especially given a predictable glut of low rent space. Now is the time to do this and the opportunities will be many and varied. Amazon and Alibaba are storming it right now, however they have begun to understand what we already know, that people love people and we have a biological, emotional and cultural need to be together, socialize, interact and feel part of something bigger than oneself.

It is easier to convert a physical customer into a merged digital and physical customer (a.k.a. omnichannel), rather than a digital to a physical. Having said that, there is a growing and increasingly urgent customer requirement for a merged ecosystem, which is why Dubai Mall have just opened a virtual mall, with their JV partner Noon. This is a virtual digital copy of Dubai Mall and will begin to add services and offers to this enabling channel. With Alibaba buying into Auchan and starting to develop its own malls, and Amazon opening stores within Nordstrom. It's clear that the best and most creative minds in retail believe that we need a merged digital and physical retail singularity.

As we move into a post Covid-19 world, with malls and meeting places opening from China to the Middle East and Central Europe, consumers are waking up to a new reality. This includes restrictive and protective measures, social distancing, limited access, increased booking ahead requirements, pedestrian traffic flows, and physical barriers at till points. It is expected that it will be two months after malls and meeting places re-open that visitor numbers and dislocated international supply chains begin to normalize. In a recent Reuters news article5 Ingka malls advised that they are back up to 70% of previous visitor numbers three weeks after re-opening. It will take eighteen months for mall owners and operators to fully recover from the Covid-19 pandemic, however what does recover actually mean? In reality it means that it will take eighteen months to adapt and evolve to the changes demanded by new consumer behaviors, new ways of working, operating and engaging. This will include how mall and meeting place owners and operators lease a mall and what that lease structure looks like. Again, merging the digital and physical is a likely way forward, especially if digitally native retailers are stepping into the physical world.

We have to consider how malls and meeting places will be impacted, especially food and beverage, leisure and entertainment and event activity. The latest advice in some countries for restaurants is only 25% of normal capacity, which makes the size and nature of the unit financially untenable. Is this just short term, or are there long-term reductions? If so, then the restaurants will downsize and the space repurposed. The same is true of cinemas, bowling alleys, family entertainment centers, concert venues, gyms and leisure centers, water parks etc. How will this fair in a post Covid-19 world? It's likely that testing measures will mitigate risk and disclaimers will become a feature of everyday life, if you want to carry out group or close contact activity.

INCREASED USE OF AUGMENTED REALITY

The use of technology in the form of artificial intelligence and personalized digital interactions will be embraced by malls and meeting places, not only for customer service provision, but also including heat mapping of customers to detect the infected. Use of contactless payments has already increased by 40% and the transaction limit has been increased to 45 pounds in the UK, driven by consumer behavior. Use of augmented/virtual reality will increase, in order to try fashion items, and even blue lights in changing rooms, to kill bacteria. Increased self-check-out, the Amazon Go technologies, and the new radar systems that remove the need for a checkout, that requires human interaction. In the short term we could see the theme park type of "fast pass" for really busy stores, as mall owners and operators restrict queuing in malls. Car parks will also be limited and more frictionless payment systems will become standard.

Mall and meeting place owners and operators will have to retrain their staff quickly and increase the medical provision, identification and management of situations. Security staff will all have to become proficient at dealing with outbreak emergencies, isolation of infected with specialist rooms dedicated for this. Increased numbers of security to limit visitor access at a given point, crowd control and social distancing enforcement. Cleaners will have to man the toilets and control customer flows, which is not normal for them to manage customers. New protective and preventative equipment will become the norm and deep cleans will increase, as will service charge costs.

The malls and meeting places were evolving quickly before this pandemic. However, there was still resistance to change, as is human nature. In a post Covid-19 world, embracing "digital first" is not just a wishful saying; It's a fundamental and basic requirement of a smart mall and meeting place. It is surprising to have to go through a high friction process of inputting personal details and getting a verification code in a text message, to get free Wi-Fi. Mall and meeting place owners and operators need to assess their assets and understand where the gaps are in their digital ecosystem and put in place budgets to meet customer expectations. Retailer tenants should be demanding this. Both retailers and mall owners need to share data now and remove these illogical barriers to trade collaboration. If a retailer is on a turnover rent, then transactional data sharing with the landlord is a basic expectation. The more that data is shared, the better that a true partnership can exist. When this happens, the customer will benefit and will finally be put ahead of the historical distrust between landlords and retailers/operators.

THE FUTURE IS ALREADY HERE

If we do consider the mall and meeting place as one ecosystem, meaning the social, cultural and community heart, then the tenants and landlords need to act as one, in order to provide the smart space that customers demand. Tenants also have responsibility to pull their weight and each should be assessed based on their attraction ratio. Does every tenant in the meeting place have a gamified, e-commerce, omni-channel business that adds to the overall ecosystem? If not then they are a weak digital link in the matrix and need to up their game. Some of the local or single store tenants may not have the capacity to deliver this, which is why landlords need to create a retail singularity even if that means landlord is providing and enabling a fully merged digital and physical customer experience and journey for tenants. Part of this is the digital mall or virtual mall, open 24/7 and backed by a smart logistics system that has last mile logistics at its core.

It has been said that the future is already here, it's just unevenly distributed. Adoption of digitally smart and enabled customer experiences is spotty at best. The best outcome in our industry from this devastating pandemic would be to finally give the customer what she wants: a seamless, enriching customer experience in a world of retail singularity.

1. ACI Worldwide
2. Nasdaq article, published March 23, 2020 (RTT News)
3. Digital Commerce article by James Melton, March 19, 2020

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OPINION

AFTER CORONA, MORE THAN EVER: THE FUTURE OF RETAIL IS SUSTAINABLE

BY THIMO SCHWENZFEIER, IMAGE: MESSE FRANKFURT

When the Dutch trend researcher Li Edelkoort recently talked in favor of consumption from his quarantine, retail was already locked and loaded to somehow make up for the lost weeks. However, there is one issue that got a little drowned out in the current crisis, even though it was the clear #1 issue at consumer goods fairs at the beginning of the year: Sustainability.

Thimo Schwenzfeier

Show Director at Messe Frankfurt, responsible for Neonyt, the global hub for fashion, sustainability, and innovation during the Berlin Fashion Week

> *"Fridays for Future, Earth day or the Fashion Revolution Week are just a few examples of a young, global movement that is only just beginning to fight for its market relevance."*

The Neonyt, the world's most relevant fair for sustainable fashion during Berlin Fashion Week, reported absolute record numbers. 23 percent more exhibitors and twice as many industry visitors as in summer of 2019. The increase in the conventional retail sector was particularly striking. Sustainability is the most exciting topic for retail, even though there are still many questions that need to be answered. Starting with the myriad of seals and certificates to the insecurity when it comes to range design–green and sustainable labels mixed versus green corners–as well as from margins to additional and intermediate supplies and POS support. A learning from January was that many sustainable brands have done their homework.

Consumers are also very much attracted to sustainability. 57 percent of Germans are strongly interested in green products. But only 41 percent feel well informed about the options for sustainable consumption. Particularly the target group of 16- to 29-year-olds is in need of significantly more information.

This is exactly the advantage that stationary retail has over e-commerce. One-on-one consultations convey a product's history–even from a distance. Consumers can be made aware of the positive attributes of sustainable products if they are staged appealingly and informatively. In addition, retailers can position themselves as being future-oriented with the corresponding communication. They provide customers with the seemingly lost, good feeling that shopping can give them and which they have been searching for years. A lost feeling that drove them more and more into the arms of online providers.

It is important to accept that sustainability is not a short-lived trend. This issue will not just go away to make room for the next hype. Even though the focus has currently shifted a bit due to the corona crisis, sustainable consumption will come back even stronger after the crisis. Fridays for Future, Earth day or the Fashion Revolution Week are just a few examples of a young, global movement that is only just beginning to fight for its market relevance. Retailers and brands that identify with this issue sincerely and early on, and base their positioning on it, will also be successful in the future.

Hopefully, consumption will soon be able to leave its quarantine behind completely. And then we are on our way towards a sustainable future. Li Edelkoort said right before the crisis that this way is a source of hope. Very entertaining and with lots of challenges, but not frightening.

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HOW TO REOPEN YOUR SHOPPING CENTERS, USER GUIDE

The need for marketing, center operations and leasing teams to work together to help their destinations recover faster and stronger from the COVID-19 crisis is paramount. Coniq has written this practical how to guide following numerous conversions with clients and partners so your pre- and post- reopening plans are a huge success.

THE FOUR MAIN TAKEAWAYS

1. Post-COVID shoppers are attracted by a different retail mix, wth a focus on homeware and well-being brands and products.

2. Within these shoppers, there are four main segments emerging from the COVID situation. How you attract and communicate to these segments will impact how well you bounce back so initially try to identify the “Hibernate and Spend” group.

3. As your centres reopen and these shoppers come back, there will be four main phases detailed on the Coniq Re covery Wave. Building a deep understanding of who comes back in the “First Shoppers phase” will lay the foundation for the recovery of your centres.

4. You are drivers and not passengers on this journey. You will need to measure and react much more quickly than you have in the past to deliver the right marketing messages to the right people at the right time.

MOVE QUICKLY

How managers, including heads of marketing, retail, leasing and operations, collaboratively respond to these uncharted times will define the pace of business recovery - and, for a number of companies, survivability.

Though there is much talk about a “new normal” post lock-down, there is little direction from the industry on what shopping malls and outlets should do to drive sales leading up to and after your destinations reopen. To help you, we have developed a framework to use when developing a plan of action to successfully engage customers.

CONSUMERS SEEK WELLBEING AND HOMEWARE BRANDS

During the recent lockdown, people changed how they shopped. The diagram below shows what consumers spent money on in centres that opened in Europe and the Middle East between April 25 and May 5, 2020.

Top 10 brands by number of transactions		
	2019	2020
1	**Under Armour** (sportswear)	**Under Armour** (sportswear)
2	**Mammut** (sportswear, luggage)	**Villeroy & Boch** (kitchenware)
3	**Tom Tailor** (fashion)	**Tom Tailor** (fashion)
4	**Asics** (sportswear)	**Estella** (towels, fabrics, soft furnishings)
5	**Jack Wolfskin** (sportswear, outdoor fashion)	**Le Creuset** (kitchenware)
6	**Move** (homeware)	**WMF** (homeware)
7	**Ecco** (shoes)	**DKNY** (fashion)
8	**Michael Kors** (fashion)	**Wellensteyn** (sportswear)
9	**The Body Shop** (soap)	**Alfi** (homeware)
10	**Odlo** (sportswear)	**Odlo** (sportswear)

SOURCE: CONIQ

It's amazing to see how quickly the feelings of shoppers show themselves in the sales numbers from Coniq's IQ platform. This time last year, there was just one homeware brand in the top 10. One year later, there are now five. Shopping centres must look at the brand mix as well as making sure that these brands are open to shoppers.

NEW CONSUMER SEGMENTS ARE EMERGING

There are four main shopper types emerging, according to research of 4,800 UK consumers by EY in April 2020; and each one needs to be treated differently in order to capitalise on pent-up consumer demand to shop again in retail destinations:

"Cut deep" makes up 27% of consumers. These are the people hardest hit by the pandemic, and the most pessimistic about the future. "Cut deep" will shop only for essential items so they will likely be the last segment to come back to your centre and spend, and only after they know they can afford it.

"Save and stockpile" consists of 35% of consumers. These people are not so concerned about the pandemic but they are worried about their families. "Save and stockpile" will want to hear how you can help their family members get through this challenging time. This is a huge opportunity to build loyalty by being there for them.

"Stay calm, carry on" makes up 26% of consumers. These people are not changing their spending habits too much, and don't feel directly impacted by the pandemic. That said, they are worried that others may stockpile, which means they will be watching what others are doing and buying. "Stay calm and carry on" are important because they have and will continue to spend money so identification is key.

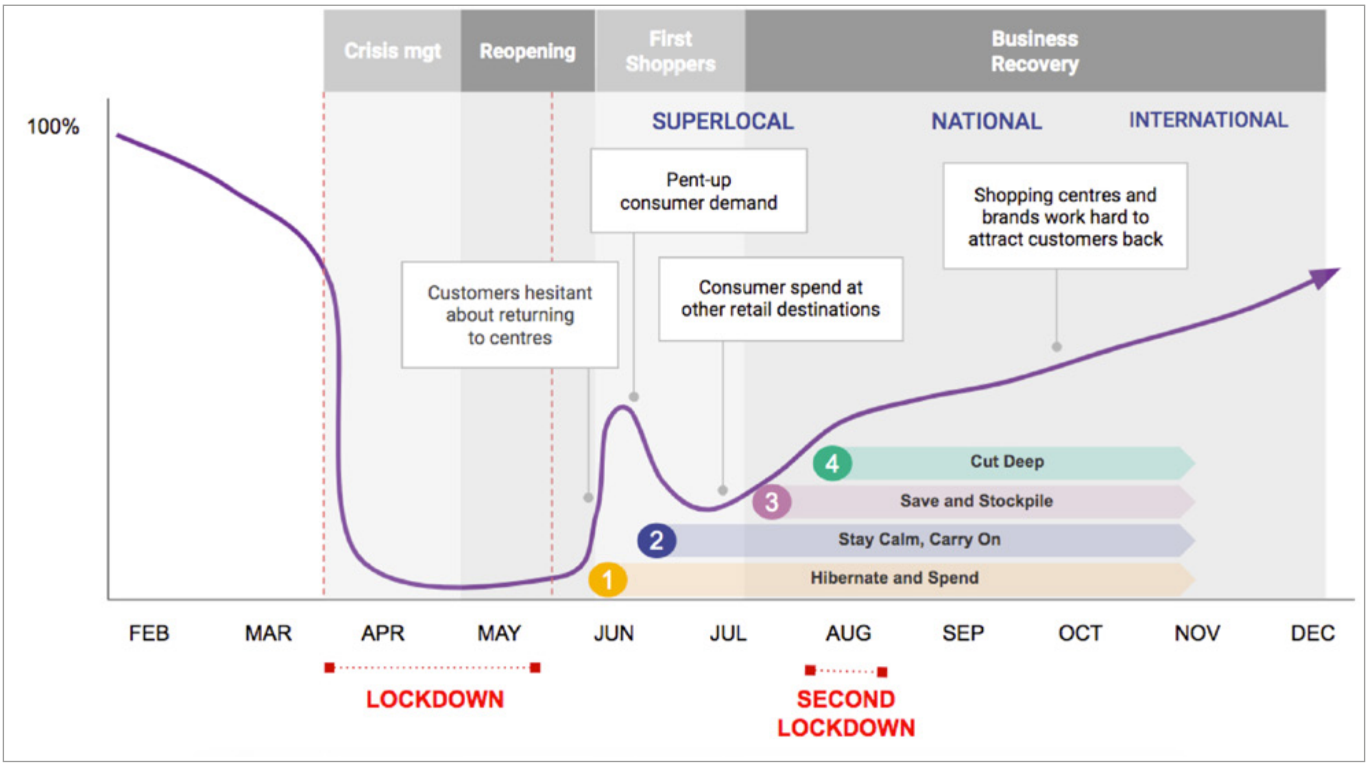
"Hibernate and spend" consists of 11% of consumers. These are the most concerned about the pandemic. Yet, they are also best positioned to deal with it, financially as well as mentally. "Hibernate and spend" are optimistic about the future so focus much of your initial marketing efforts on them. They will be the first in your centre, and will fuel your bounceback in the short and mid-term.

EY's four consumer segments capture how shoppers are behaving during the lockdown, so will not become long term segments - but they are very important to understand as you reopen your centres. The people shopping in the first weeks and months will not be the same shopper profiles as you are used to seeing, so market and communicate accordingly.

CONIQ'S RECOVERY WAVE

The Coronavirus started to impact retail in early February when sales began to fall. However, it wasn't until the middle of March that the dire consequences hit shopping centres and retail shops.

The Coniq Recovery Wave, with its purple line, models the fall and recovery of sales over the course of the next nine months. We have outlined four core phases during this time, which reflect the type of engagement and action required on your part: first (crisis management), second (reopening), third (first shoppers) and fourth (business recovery).



SOURCE: CONIQ

We have also overlaid on top of the wave the consumer segments you will need to identify and engage, based on the research from EY, starting with "Hibernate and Spend" customers - those likely to return first to your centre. Simultaneously, you should interact with other identified customer segments to fuel your business recovery later in the year.

It's important to acknowledge that most of your customers will come from your local community, so this should be a primary focus of your marketing efforts. As the public gains confidence in travelling, visitors to your centres will eventually expand to include people from farther afield, eventually from other countries.

This recovery wave is a framework to plan your customer engagement strategy, reflective of the need to actively embrace change in how you interact with and attract shoppers to your retail destination.

PRACTICAL STEPS TO ACCELERATE BUSINESS RECOVERY

How you respond and interact with your customers during and immediately after lockdowns will greatly influence the pace of business recovery. This is particularly true if there are lockdowns in the future because of the spread of the Coronavirus.

To help you focus your budgets and resources, we have provided a framework of activities mapped to each phase in the Coniq Recovery Wave, taking into consideration the needs and wants of shoppers.

PHASE	FOCUS	SHOPPER MISSION	ACTIONS
1 Crisis management	Build and maintain engagement with shoppers and to support the community.	Shoppers are switching to online shopping for non-grocery items. Discretionary spend will be delayed, diverted or destroyed. Shoppers will engage with empathetic brands that care. Increased time at home to browse interesting content, exercise, research.	• Keep talking with brands. They need time to get ready to reopen • Segment your customer database ready for reopening phase • Share reopening check lists with staff and brands • Revise and practice safe shopping processes • Develop and share reopening marketing plans
2 Reopen your centres	Build up demand for reopening, but in a socially responsible way.	"Hibernate and spend" shoppers will be responsive to news, wanting to know when the centre will be open, which brands will be open and what safe shopping limitations are in place. "Stay Calm, Carry On" shoppers will look for reassurance and enticing offers.	• Brands and staff need to understand new restrictions and processes - roll-play safe shopping processes • Check size and quality of your membership database • Measure engagement with comms to build local demand for reopening • Prepare bounce back reporting and marketing activities ready for first shoppers
3 First shoppers	Drive footfall and attract the highest spending shoppers.	"Hibernate and spend" shoppers are keen to come back to physical retail to release their delayed demand. "Stay Calm, Carry On" shoppers will want to experience physical retail but with caution. All shoppers want to support their local economy and community.	• Drive data capture on these first shoppers. They are likely to be very loyal and potentially high value • Monitor social media sentiment and local news • Gather feedback from staff, brand staff and shoppers - and react • Track which brands attract shoppers • Track which marketing messages resonate and adapt
4 Business recovery	Shorten recovery as much as possible and support tenants.	Shopping behaviour that was radically changed during lockdown will settle into a new pattern. Old behaviours are being reset so now is the chance to reposition in the minds of shoppers and brands - to support IRL experiences, acquire shoppers and tell the brand story.	• Analyse shifts in customer segments and spend behaviour from pre-Covid era. Answer: How will this insight change your marketing and brand mix? • Work closely with brands to understand their new needs (as omnichannel retail is now key) • Share comparative data to help brands understand their recovery vs other similar brands

SOURCE: CONIQ

ACT SHORT-TERM, THINK LONG-TERM

The speed in which shopping centres successfully bounce back from current and future lockdowns will be based on how executives adapt to changes in consumer attitudes and behaviours.

From what we have seen already, business leaders have embraced this unprecedented challenge as an opportunity to improve their organisations. They have thought more about the future, asking themselves if the time has arrived to offer e-commerce to customers in addition to creating an enticing and entertaining retail destination to attract shoppers.

This user guide offers tips to help you capitalise on the short-term consumer demand to shop again in malls and outlets. Many of the ideas presented in the recovery wave will also enable you to establish an efficient customer engagement program to weather business disruptions and change in the long-term.

ABOUT CONIQ

Coniq is the Total Customer Engagement Company for growth minded shopping malls, outlets and retail brands seeking a faster, cheaper and simpler way to generate revenue by understanding, anticipating and engaging customers in real-time across multiple channels from a single platform, Coniq IQ. The Coniq platform powers over £1 billion of sales annually for its customers, with more than 20 million consumers shopping at more than 1,800 brands in 24 countries worldwide.

Click here for web view

PEOPLE

NREP HENRIK SKAK BENDER


IMAGE: NREP

NREP strengthens leadership by signing new partner as COO. NREP taps Henrik Skak Bender as new COO and partner. The former Group CFO at WS Audiology joins NREP to strengthen the leadership team at a time where focus on culture, performance and people is key for realizing an ambitious 2025 growth plan.

“NREP is at the absolute forefront of its industry and is an incredible company with strong values and a huge potential. I feel privileged to join an organization that cares deeply for both customers and employees, driven by a purposeful ambition of making real estate better and more sustainable. I look forward to contributing to this exciting growth journey with my experience of building and driving efficient, agile organizations based on strong values,” says Henrik Skak Bender.

INTU JAMES SAUNDERS


IMAGE: INTU

intu appoints James Saunders as new Chief People Officer. intu has appointed a chief people officer to its executive team to bring a new focus to its people strategy as part of intu’s five-year strategy.

Vodafone’s former Head of HR James Saunders has taken up the newly-created role to lead intu’s employee experience, and attract, inspire and retain talent within the business. James has also held senior roles within HR and transformation teams at Nationwide Building Society.

Matthew Roberts, intu’s chief executive said: “Since becoming chief executive last year, I have focused on introducing new expertise and a fresh perspective to intu’s executive committee to allow us to deliver our strategy. The chief people officer role is a key appointment within the smaller and more focused executive team.

NEWSEC TONI PERÄTALO


IMAGE: NEWSEC

Toni Perätalo has been appointed as Head of Client Relations and Sales in Capital Markets team as of May 1, 2020. Toni returned from parental leave to his new assignment.

He is now responsible for sales and client relationship development in the Capital Markets team and in collaboration with other Newsec teams. Toni joined Newsec in 2013 and has been Partner since 2016. He has an extensive domestic and international network and a strong experience of large and complex real estate transactions both on sell and buy side – not to mention many other projects within Newsec.

QUINTAIN RICHARD POYSER


IMAGE: QUINTAIN

Quintain appoints Richard Poyser as Head of Retail Leasing & Asset Management for Wembley Park. He will report to Matt Slade, Retail Director at Quintain.

Surrounding the world-famous national stadium, Wembley Park’s transformation reflects its legendary past and strong cultural heritage where many of the world’s greatest musicians, entertainers and sportspeople have played. In his new role, Richard will be responsible for the leasing and asset management of retail and leisure on Wembley Park, complementing the separate leasing activities of London Designer Outlet, the capital’s leading fashion and lifestyle outlet centre.

NEINVER STEPHAN FICKL

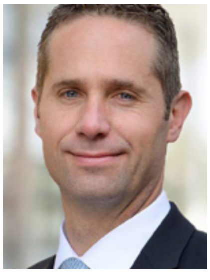


IMAGE: NEINVER

Neinver has appointed Stephan Fickl as the company’s new Group Leasing Director. He assumes responsibility for this area of the group at the international level and reports directly to the Managing Director.

Stephan has over 20 years of experience in the retail industry across three continents, covering department stores, shopping centres and outlet centres. He will steer the group’s leasing strategy across the six European countries and 23 assets currently operated by the Spanish company, starting his role in an unprecedent time for retail. Neinver’s new Group Leasing Director comes from McArthurGlen Group, where for seven years he held the position of Regional Leasing Director Northern Europe, being responsible for the leasing of seven designer outlet centres.

PEOPLE

INTU DAVID HARGRAVE


IMAGE: INTU

intu announced the appointment of David Hargrave as Chief Restructuring Officer. David Hargrave has 20 years of experience as a partner in the restructuring practices of both PwC and EY, specialising in business turnarounds across many sectors. He has also been appointed to the Board as a non-executive director.

NEPI ROCKCASTLE STEVEN BROWN


IMAGE: NEPI ROCKCASTLE

The company welcomes Steven Brown to the Board of Directors. Steven Brown will also serve as a member of the following committees of the board: Investment Committee, Risk Committee and Social and Ethics Committee. Brown has a strong background within the property industry, commencing as a listed property analyst in 2008 for Corovest. Following this, he joined Standard Bank's Global Markets division in the equity derivatives finance team and thereafter joined the South African real estate division focusing on structured lending and equity transactions. Since 2013, Steven Brown has been involved with a number of listed real estate companies focusing on deal origination and structuring. Brown currently acts as Chief Executive Officer and Managing Director of Fortress REIT Limited, a company that he joined in December 2015, following the acquisition by Fortress REIT Limited of Capital Property Fund.

SPONDA KATJA HOLMSTRÖM


IMAGE: SPONDA

Katja Holmström appointed as head of Sponda's retail business.

Sponda has appointed Katja Holmström as Director, Retail and a member of the company's Extended Management Team. Holmström will start in her new position in early August and she will be responsible for developing and managing Sponda's Retail business. Holmström has 15 years of experience in real estate development, especially in the shopping centre sector, with a number of different companies. She will transfer to her new position from Nuveen Real Estate, where she has worked as Senior Portfolio Manager with responsibility for the company's Finnish operations and for the Kamppi shopping centre property.

CUSHMAN & WAKEFIELD POLAND KRZYSZTOF MISIAK


IMAGE: CUSHMAN & WAKEFIELD POLAND

Krzysztof Misiak appointed head of Cushman & Wakefield Poland. Global real estate services firm Cushman & Wakefield has appointed Krzysztof Misiak as Head of Poland to succeed Charles Taylor who leaves the firm after 30 years.

Krzysztof Misiak, Head of the firm's Office Agency in Poland, has worked for Cushman & Wakefield for 13 years. He was appointed Head of Regional Cities in the Office Agency team in 2012 and successfully launched the Cushman & Wakefield brand in Poland's core regional markets. In 2018, he became Head of Office Agency in Poland. One of the best-known professionals in the Polish commercial real estate market, he has acted on close to 300 leases for more than 500,000 sq m.

PATRIZIA THOMAS WELS


IMAGE: PATRIZIA

Patrizia appoints Thomas Wels as CO-CEO. He will be responsible for the development of PATRIZIA's growing and diversified platform business and support the expansion into new business areas and international markets.

The Supervisory Board of Patrizia AG, the global partner for pan-European real estate investment, announced the appointment of Thomas Wels as new Co-CEO of Patrizia. Previously he served as Vice Chairman and Senior Advisor for UBS Asset Management. The former Head of Global Real Estate of UBS Asset Management will be responsible for the further development of Patrizia's growing and diversified platform business and support the expansion into new business areas and international markets. Wels will assume responsibility as Co-CEO effective 1 May 2020.

PEOPLE

IMMOFINANZ RONNY PECIK


IMAGE: IMMOFINANZ

The Supervisory Board of Immofinanz resolved upon the appointment of Ronny Pecik as member of the Executive Board of the company for three years starting with 4 May 2020. Ronny Pecik will be Chief Executive Officer (CEO).

"Ronny Pecik is a leading entrepreneur and his many years of experience in executive and supervisory board positions, carry a special strengthening of the Executive Board in challenging times like these. Further there is also a strong entrepreneurial responsibility grounded in the significant stake in Immofinanz", says Michael Knap, Chairman of the Supervisory Board of Immofinanz.

KUNGSLEDEN YLVA SARBY


IMAGE: KUNGSLEDEN

Ylva Sarby Westman is to be the new CFO of Kungsleden. Ylva will remain the Group's Deputy CEO. At the same time, Kungsleden's management team will be strengthened by the addition of Fredrik Sandell, the company's current Treasurer.

"I am delighted that Ylva is to become Kungsleden's new CFO. With 25 years in the industry, 11 of which in various senior positions at Kungsleden, she is one of the most experienced and well-qualified people in the real estate sector. Ylva has highly valuable expertise from the entire real estate business and is an experienced and much appreciated leader," says Biljana Pehrsson, CEO of Kungsleden.

TOOLBOX GROUP ED COOKE


IMAGE: TOOLBOX GROUP

Ed Cooke joins Toolbox Group to lead their global expansion plans. Toolbox Group founder and CEO Michelle Buxton has announced Ed Cooke, former Revo CEO, as their new Global Growth Director. Cooke, who takes up the newly created role with the company on 5 May 2020, has been brought in specifically to lead the continued strategic expansion of the award-winning technology and marketing innovation company. Cooke's appointment also includes a seat on the Toolbox Group Board and shows the Group's commitment to innovation, diversification and growth, even during this time of market volatility. Cooke, who has been with Revo for 11 years, four of which were as CEO, announced his departure from the retail property and placemaking champion in August 2019.

CITYCON SANNA YLINIEMI


IMAGE: CITYCON

Prior to the new appointment, Yliniemi held the position of Vice President, Operations Development at Citycon. In her new position, Yliniemi is responsible at the Group level for the operations and results of the approximately 40 shopping centres owned by Citycon. Yliniemi is also a member of Citycon's Extended Management Committee.

She has more than 15 years of experience in the retail sector and the shopping centre industry. She has been employed by Citycon for 10 years, since 2010. Prior to being appointed Vice President, Operations Development, Yliniemi held the position of Commercial Director at Citycon. Her responsibilities in her previous roles at Citycon have included the commercial planning and implementation of the refurbishment and expansion project of Iso Omena.

SIGNA THOMAS DRIES


IMAGE: KLAUS MELLENTH

Financial expert Thomas Dries will support Signa in the area of banking as well as on the international capital markets. He will carry out his activities from Signa's Berlin offices. He has been active in the banking area with a focus on real estate for almost 30 years. Most recently he was Deputy Head of Real Estate Finance at the Landesbank Hessen-Thüringen (Helaba), where he was responsible for the bank's real estate lending business in Germany, Austria and Switzerland.Prior to that, he was also responsible for the German, Austrian and Swiss markets as the Head of Real Estate Structured Finance Corporate & Investment Banking at Société Générale. He had previously already worked for Helaba from 2002 to 2008. At that time, he dealt with the acquisition and support of real estate customers.

PEOPLE

MEYER BERGMAN JOSIP KARDUN


IMAGE: MEYER BERGMAN

Josip ardun joins Meyer Bergman as CIO. He has 20 years of pan-European real estate investment and management experience. He previously served as CEO of Blackstone's largest European operating platform where he managed over 10 billion of assets across 14 countries.

Meyer Bergman, the private equity real estate manager, has appointed Josip Kardun as Chief Investment Officer as it looks to expand its mixed-use focus across core European cities, with an increasing shift towards the office, residential and leisure sectors.During his 20-year real estate career, Kardun has worked with some of the world's leading investors. His expertise spans multiple markets and asset classes, with a track record covering large-scale acquisitions, asset management, property management and growing listed firms.

CEETRUS POLAND ADA WALENTEK


IMAGE: CEETRUS POLAND

Ada Walentek was appointed to a position of general manager for Ceetrus Poland. With this appointment she has taken charge of company's strategy, management and development on Polish market.

Ada Walentek has been promoted within global structures of Ceetrus company and currently has become general manager of the company. She has been working for Ceetrus since 2015 and until February 2019 she was Operations Leader for Poland. Before that position she was responsible for commercialization as a Leasing Director.

LAND OF FASHION VOLKER STINNES


IMAGE: LAND OF FASHION

Volker Stinnes named new CEO of Land of Fashion. He has extensive international experience in consumer goods, initially holding roles within Unilever and Sony, followed by the positions of CFO and then Global Sales Director for the Napapijri brand (VF Corporation). In his most recent position as Business Director for the Bicester Village Shopping Collection by Value Retail, he continued to strenghten his experience in building partnerships with premium and luxury fashion brands within the outlet sector.

Volker is committed to embracing the Land of Fashion's philosophy and brand values by creating experiential shopping destinations, each tailored by geographic location for a unique customer experience.

MEC METRO-ECE CENTERMANAGEMENT GMBH SVEN SCHNEEWEISS


IMAGE: MEC METRO-ECE CENTERMANAGEMENT GMBH

MEC Metro-ECE Centermanagement GmbH & Co. KG is filling the position of Head of Technical Property Management (TPM) with immediate effect with Sven Schneeweiß. He will take over the management of the division from Sebastian Kienert, CFO, who had previously managed it ad interim.

"With Sven Schneeweiß as the new head of TPM, we have chosen an experienced technician and businessman to meet the demand for complex technical construction projects," says CFO Sebastian Kienert.

Together with the experienced project managers in the TPM team, Schneeweiß is responsible for larger-volume construction projects.

LUNSON MITCHENALL ZAZ ROBB


IMAGE: LUNSON MITCHENALL

The niche retail and leisure agent, Lunson Mitchenall, has extended its London team with the appointment of Zaz Robb. This comes shortly after Lunson Mitchenall announced an array of promotions at the firm last month.

Zaz, who is formerly of Shackleton, joins the London team as a surveyor at the firm's new office in Covent Garden. In her role at Lunson Mitchenall, Zaz will be working on projects including Canary Wharf, The O2, Brent Cross, Southbank Centre and Elephant & Castle, as well as a range of clients such as AEG, Crosstree, Hammerson, The Canary Wharf Group and Delancey.

PEOPLE

INTER IKEA GROUP JON ABRAHAMSSON RING


IMAGE: INTER IKEA GROUP

Jon Abrahamsson Ring will be the new CEO of Inter Ikea Group. “Torbjörn Lööf, who has successfully led Inter IKEA Group, headed by Inter IKEA Holding B.V., for the last seven years, has decided to end his assignment,” says Anders Dahlvig, chairman of Inter IKEA Holding B.V. “His successor will be Jon Abrahamsson Ring, who today leads IKEA franchising.”

To facilitate a good handover, Jon will first become Inter IKEA Group Deputy CEO as from 1 March, reporting to Torbjörn. He will start as CEO on 1 September. His succession will be announced in due time. Torbjörn Lööf joined IKEA in 1989, and he has since held various leadership roles throughout the IKEA business.

HAMMERSON SIMON BETTY


IMAGE: HAMMERSON

Hammerson has announced that Simon Betty has been appointed to the newly created role of Managing Director City Quarters and Developments, representing another important milestone for Hammerson’s implementation of its City Quarters strategy.

Simon will be responsible for driving the City Quarters vision, which will see the group move beyond pure retail, delivering vibrant mixed-use neighbourhoods surrounding the Group’s existing flagship destinations. Simon joined Hammerson in 2006 and has extensive experience across the business having worked across developments, retail parks, investor relations and Group strategy prior to his current role in Ireland.

LEGAL & GENERAL SHUEN CHAN


IMAGE: LEGAL & GENERAL

LGIM Real Assets (a division of Legal & General Investment Management) announces that it has appointed Shuen Chan as Head of ESG as it continues to establish itself as a global leader in responsible investment. Shuen will take the lead on ESG and support Legal & General’s strategic objective to embed sustainability in all areas of its Real Assets business, focusing on the LGIM Real Assets real estate equity platform and its rapidly expanding private credit portfolio (which includes infrastructure). She brings 25 years of experience in sustainability, capital markets and asset management, with expertise in ESG, climate change and impact investing. Most recently, Shuen co-founded a purpose-driven ESG advisory firm, Sustineri, helping institutional investors build a case for sustainable investing in the transition to a low-carbon economy.

MCARTHURGLEN VICTOR BUSSER


IMAGE: MCARTHURGLEN

Mcarthurglen appointed Victor Busser as Group Managing Director Leasing. Busser, who was Leasing Director at McArthurGlen from 2008 to 2011, has spent the past eight years as General Manager of Arcus Real Estate. Before joining McArthurGlen in 2008, he worked at Neinver Italy for five years as Country Manager. Prior to that he had also held leasing roles at The Mills Corporation and at Cushman & Wakefield. He succeeds Adrian Nelson who is retiring this Easter after serving McArthurGlen and its brand partners for 16 years, most recently as Group Leasing and Brand Development Director.

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ACROSS ADVISORY BOARD

The body's declared aim is to offer its expertise in topic formulation. It identifies the challenges the industry faces as well as the opportunities, emerging trends, etc. it sees. ACROSS's Advisory Board currently has 22 members. These are (in alphabetical order):


IMAGE: ATP

CHRISTOPH ACHAMMER
Chairman of the Board at ATP architects engineers


IMAGE: ECE

JONATHAN DOUGHTY
Global Head of Foodservice, Leisure and Placemaking at ECE


IMAGE: ATRIUM

SCOTT DWYER
Group Chief Operating Officer at Atrium


IMAGE: ECE

JOANNA FISHER
Managing Director Center Management at ECE


IMAGE: URW

ANDREAS HOHLMANN
Managing Director Germany of the Unibail-Rodamco-Westfield Group


IMAGE: FIBA

YURDAER KAHRAMAN
CEO and Board Member of FİBA Commercial Properties


IMAGE: MULTI

JOSIP KARDUN
Chief Investment Officer of Meyer Bergman


IMAGE: UMDASCH

SILVIO KIRCHMAIR
CEO of umdasch The Store Makers Management GmbH


IMAGE: ICSC

BILL KISTLER
Retail Real Estate Expert


IMAGE: NEINVER

DANIEL LOSANTOS
CEO of Neinver


IMAGE: MCARTHURGLEN

HENRIK MADSEN
Senior Retail Expert


IMAGE: MK ILLUMINATION

THOMAS MARK
President of MK Illumination Group


IMAGE: CINEPLEXX

CHRISTOF PAPOUSEK
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IMAGE: ROS

THOMAS REICHENAUER
Co-Founder & Managing Director of ROS Retail Outlet Shopping


IMAGE: IMMOFINANZ GROUP

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IMAGE: RETEAM

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IMAGE: SCSC

JAN TANNER
Expert Consultant for the shopping center, retail real estate, and retail industry


IMAGE: BOOSTCOM

PETER TONSTAD
CEO of Boostcom


IMAGE: UNION INVESTMENT

HENRIKE WALDBURG
Head of Investment Management Retail at Union Investment


IMAGE: DANIEL HAGER

MARCUS WILD
CEO of SES Spar European Shopping Centers

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