

# THE RETAIL AND HOTEL INDUSTRY – A LONG-LASTING **LOVE STORY?**



**SYNERGIES** UNION INVESTMENT COMBINES THE RETAIL AND HOTEL SECTORS MORE INTRICATELY

**STATIONARY RETAIL** TEN OF THE COOLEST STORES IN EUROPE

**INTERVIEW** C&A MANAGER NORBERT SCHEELE ON WHY RETAIL PROVIDES AN ATTRACTIVE WORK ENVIRONMENT

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## DEAR READER,

From fashion capitals selling luxury products to bustling marketplaces peddling local goods, the shopping available at certain destinations is a powerful draw for many tourists. Shopping and vacations have always been closely linked. In the same way, the retail and hotel asset classes have always been interdependent. Both were particularly hard hit by the Covid pandemic but recovered relatively quickly. They have proven to be crisis-resistant and innovative.

Therefore, the symbiotic relationship between retail and the hotel industry is the main focus of our cover story. Many industry players seek new ways to bring the two asset classes closer to exploit similarities. "We are now viewing these asset classes together in our new department," says Andreas Löcher, Head of Investment Management Operational at Union Investment. "There are many successful alliances out there, such as between perfume and fashion, so why not hotels?" In an in-depth interview, Löcher and his colleague Roman Müller (page 14), Head of Investment Management Retail, show the potential of dovetailing retail and the hotel industry, where the first collaborations are already taking place, and the future journey may lead. This interview lays the foundation for our cover story, which will be continued in an ACROSS Retail Talk on June 18. Industry experts such as Klaus Striebich (page 28), Managing Director of RaRE Advise and head of the ACROSS Advisory Board, and Professor Christian Buer (page 24), Heilbronn University and founder of the consultancy Nemis, confirm the relevance of this connection and emphasize on the potential for success and why we should focus on the outlet and luxury sectors in particular. Several excellent case studies can already be observed on the market, as Lars Jähnichen (page 34), CEO of IPH Group, and Torsten Kuttig (page 30), Director Hotel Development at ECE Work & Live GmbH, impressively explain.

Furthermore, in addition to this cover story, we have compiled other exciting developments in the industry. Benoy and Pragma, for example, explain the most important rules to be observed in mixed-use projects (page 46). Norbert Scheele, C&A Head of European Expansion and vice president of the Austrian retail association, is a veteran of the fashion retail industry and discusses the greatest challenges facing the placemaking and retail industry in an extensive ACROSS interview (page 58). We report on MPC Properties' first "MPC Echo" conference, which focused on great ideas and innovative business practices in the real estate industry and sustainable business operations (page 52). In addition, learn about some of the most exciting and experiential store concepts in Europe today (page 68).

We hope this new issue of ACROSS informs, motivates, and inspires you. Please feel free to give us your feedback!

Yours sincerely,

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Join our ACROSS Retail Talk on "Retail and the Hotel Industry" on June 18th. A high-caliber panel will discuss retail and hotel industry synergies from the most diverse perspectives: investors, developers, operators, and consultants.



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RETAIL/GRAI

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Our industry is strong and is capable of achieving a great deal. The ACROSS Advisory Board presents some of the most colorful, exciting and outstanding European projects.



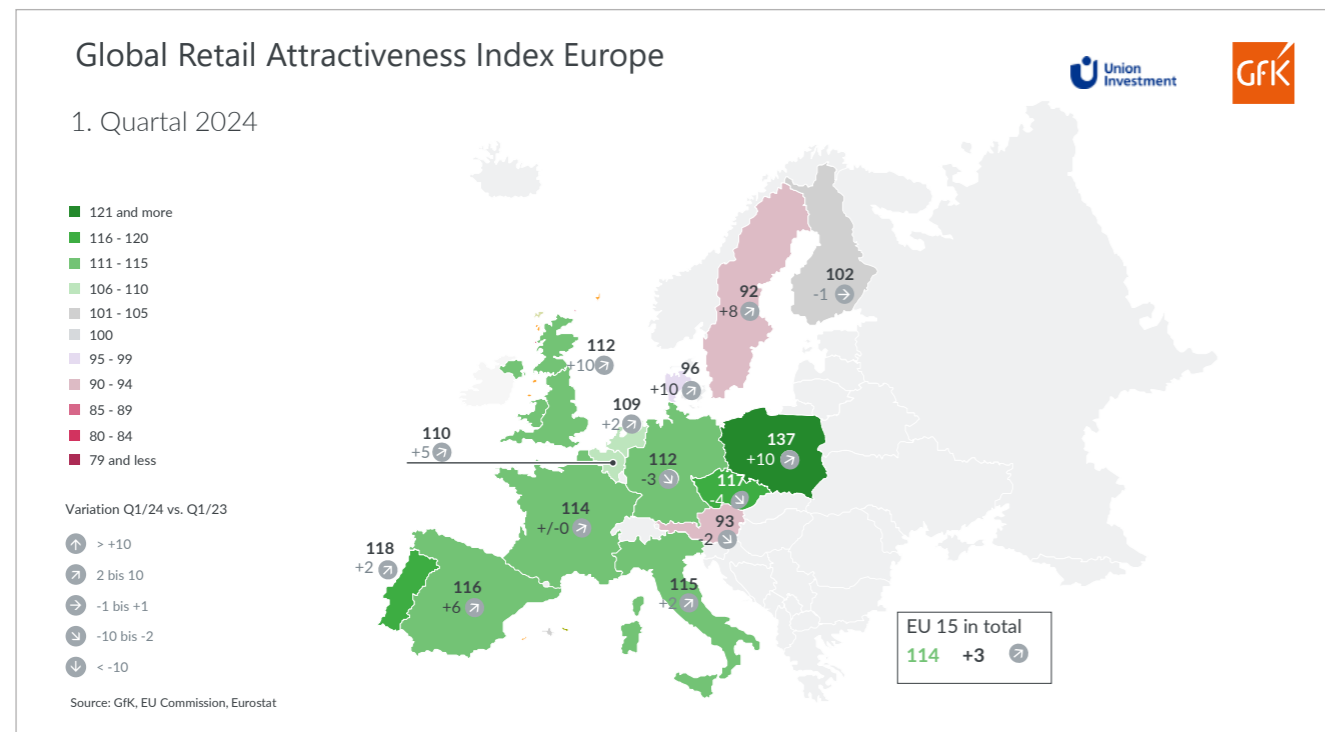
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# RETAIL ATTRACTIVENESS INDEX: EUROPEAN RETAIL MARKETS REBOUND AFTER PANDEMIC

The GRAI 1/2024 rises to 114 points, which is the highest level since 2018. It shows increased signs of recovery in nine European countries. A strong growth is especially visible in the UK, Denmark and Poland while overseas regions lag behind Europe.



The positive trend in European retail markets is becoming more entrenched. The signs of recovery that emerged in the first quarter of 2023 gained in strength and breadth in Q2 2023. This upward trend then continued in the majority of countries in the first quarter of 2024. Nine of the fifteen European retail markets included in the Global Retail Attractiveness Index (GRAI) compiled by Union Investment and GfK experienced

growth over the year. The indicator now stands at 114 points overall, representing a slight increase of three points compared to the previous year. The biggest rises were seen in the UK, Denmark and Poland, with 10 points each, and in Sweden, which added 8 points. Readings declined slightly in the Czech Republic (minus 4 points), Germany (minus 3 points), Austria (minus 2 points) and Finland (minus 1 point).

“Consumer confidence increased in all 15 markets compared to the prior year, with significant double-digit increases in Poland, the UK and Southern European markets. Retail sales were also encouraging. These two factors boosted the EU-15 index to its highest level since 2018,” said Markus Diers, head of Asset Management Retail at Union

Investment. Consumer sentiment (91 points) improved by 12 points compared with the first quarter of 2023, while retail sales (138 points) were up 5 points. In contrast, the mood among retailers (95 points) was almost unchanged despite higher sales. The labor market indicator (137 points) was likewise flat year-on-year.

## Development of Retail Index for Europe and its components



Variation Q1/24 to Q1/23 in points (unemployment and retail revenue on a rolling 12-month basis)

Country	Consumer Confidence	Retail Confidence	unemployment (inverse)	Retail sales	Retail Index
Germany	+4	-14	-1	+4	-3
France	+14	-12	-4	+4	+/-0
Italy	+8	-6	+3	+2	+2
Spain	+11	+2	+3	+11	+6
United Kingdom	+21	n.a.	+11	+6	+10
Austria	+4	-3	-8	+3	-2
The Netherlands	+10	-7	-2	+6	+2
Belgium	+12	-5	+4	+3	+5
Ireland	n.a.	n.a.	-2	+5	n.a.
Portugal	+14	-7	-3	+5	+2
Denmark	+21	+35	-22	+2	+10
Finland	+3	+9	-20	+1	-1
Sweden	+22	+21	-10	+3	+8
Poland	+30	+2	-1	+10	+10
Czech Republic	+12	-22	-4	+1	-4
<b>EU15 in total</b>	<b>+12</b>	<b>+/-0</b>	<b>+1</b>	<b>+5</b>	<b>+3</b>

Source: GfK, Eurostat, EU Commission

## CEE AND SOUTHERN EUROPE DOMINATE THE TOP GROUP

Poland continues to top the country ranking in the EU-15 index with 137 points, an increase of 10 points compared to the previous year. In second and third place are Portugal (118 points) and the Czech Republic (117 points). Joining the top group is Spain with 116 points, followed by Italy and France (115 points and 114 points respectively). Due to weak retail sentiment, Germany comes seventh in the current country ranking (112 points).

“The improvement in the GRAI is a further indication of the turnaround in retail after the pan-

demic,” said Andreas Löcher, head of Investment Management Operational at Union Investment. “However, we shouldn’t overlook the fact that polarization of the retail market is continuing apace. Convenience and experience are clear winners of this trend, i.e. local shops on the one hand and best-in-class shopping on the other. Shopping destinations in excellent micro-locations that also benefit from tourism – such as ALEXA in Berlin and Palladium in Prague from our portfolio – remain compelling and will likely attract more investor capital. Outside these two crisis-resistant sub-segments, transformation efforts need to be stepped up to stay relevant.”





Andreas Löcher (left), Head of Investment Management Operational at Union Investment, and Markus Diers (right), Head of Asset Management Retail at Union Investment.

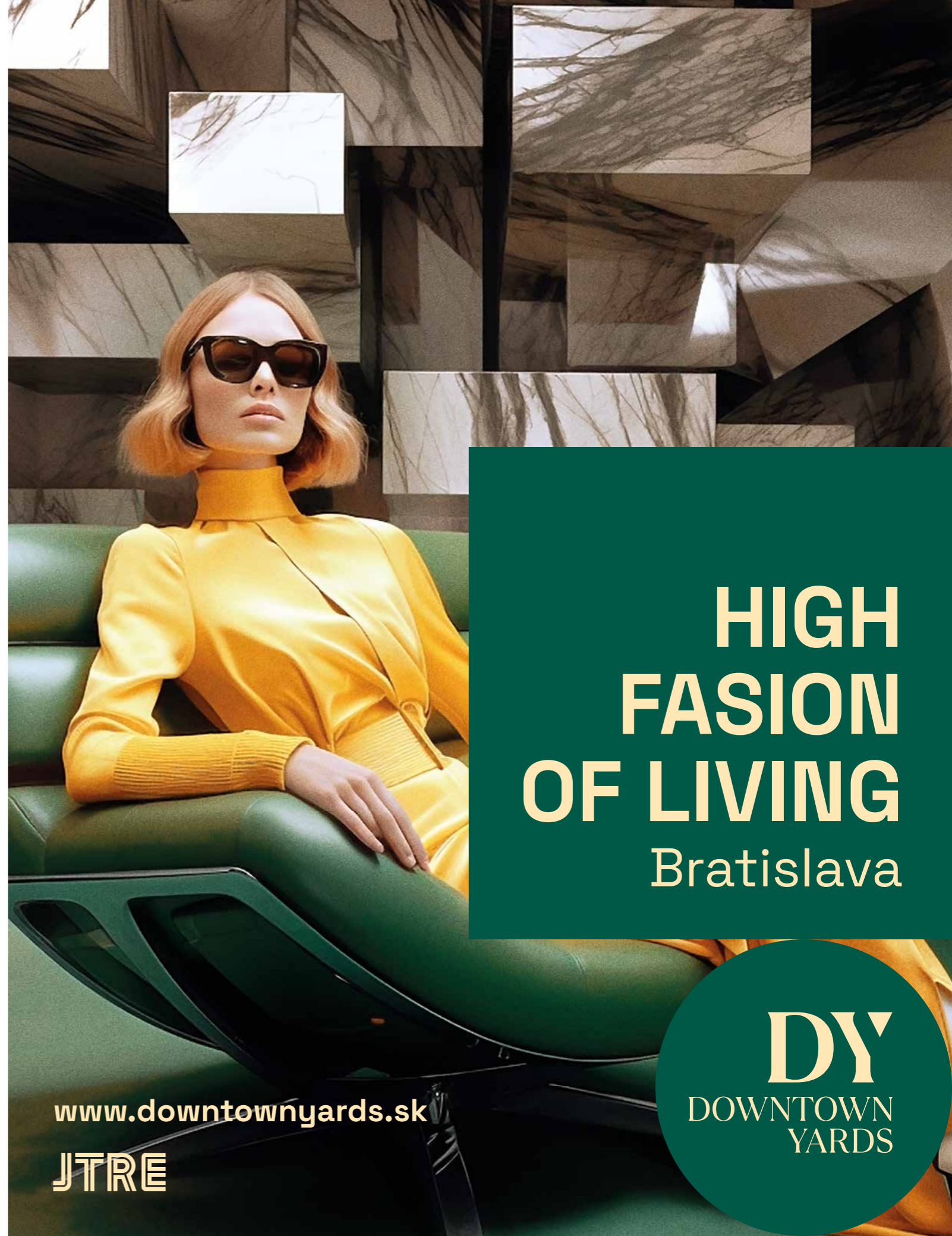
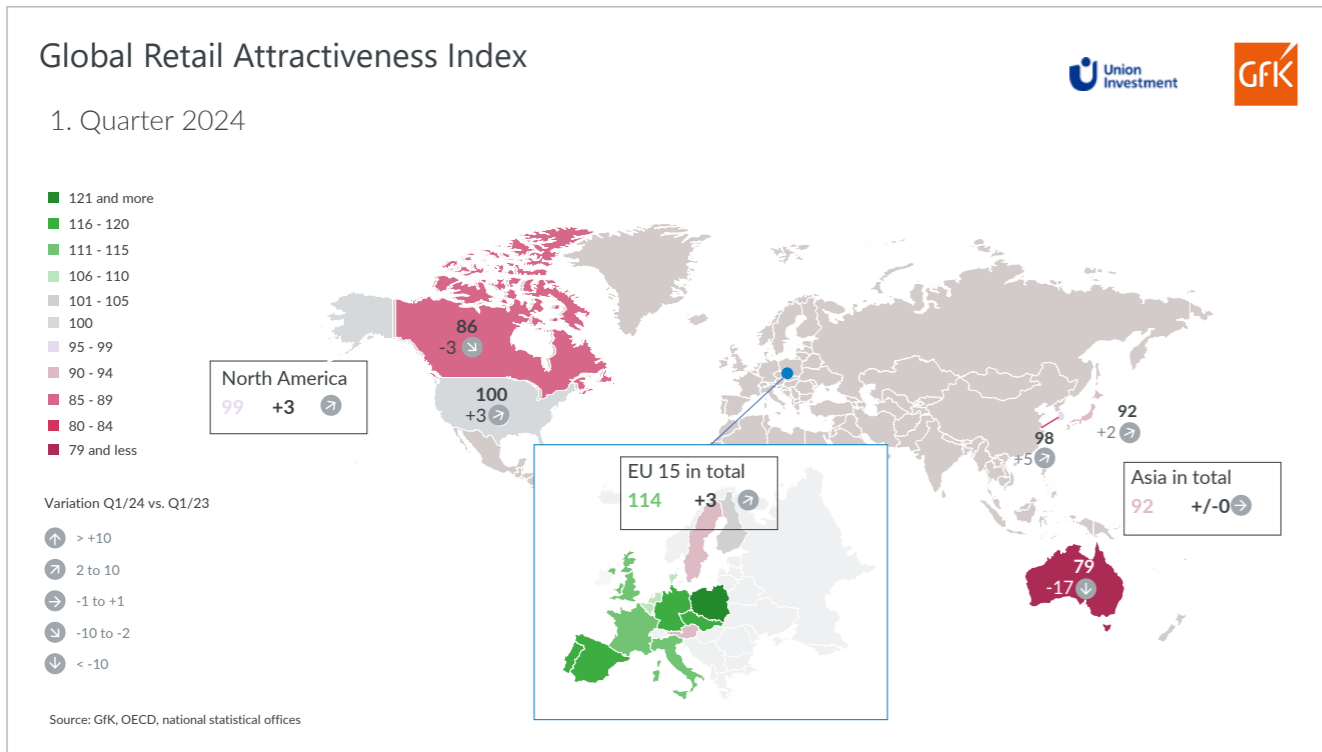
**PERFORMANCE IN OVERSEAS REGIONS CONTINUES TO LAG BEHIND**

While European retail markets have found their way out of the crisis, North American markets are underperforming. But it is the Asia-Pacific region in particular that continues to lag

significantly behind Europe. The GRAI's North America index improved slightly by 3 points during the year and stood at an average of 99 points at the end of the first quarter of 2024, while the retail index in Asia-Pacific remained at a subdued 92 points. The gap to the EU retail index thus increased to 22 points.

The slight gain in North America was primarily driven by improved consumer sentiment (plus 15 points). The labor market, meanwhile, adversely impacted the index (minus 9 points). The retail index for Asia-Pacific showed a similar picture of improved consumer sentiment combined with a weak labor market.

The winners in the two overseas regions include South Korea (plus 5 points), the US (plus 3 points) and Japan (plus 2 points). Australia (minus 17 points) and Canada (minus 3 points) experienced the biggest decline over the year. The Canadian retail market is struggling and retained its bottom place in the GRAI's global country ranking.



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# THE RETAIL AND HOTEL INDUSTRY – A LONG-LASTING LOVE STORY?

Retail tourism is here to stay. Travelers collectively spend billions of euros every year when they shop. They create jobs, providing income for retailers, craftsmen, and designers. Retail is one of the world's most diverse industries, shaping every part of the travel experience, and retail tourism is playing a pivotal role in the recovery of the travel and tourism sector, which saw inbound tourism revenues surge by 82 percent in 2022, according to the World Travel & Tourism Council (WTTC). Despite all the challenges brought on by the pandemic, retail tourism remains strong. Furthermore, if tourism and hospitality are to play an important role in the future of retail, then the presence and location of hotels is crucial, experts say. What, however, does the joint potential of the retail and hotel industry look like? This ACROSS cover story analyzes the synergies between the retail and hotel industries.



Shopping has been recognized as an important leisure activity for many years. According to YouGov data, roughly one in five global leisure travelers say they travel mainly for shopping. "It brings in revenue and foreign exchange earnings, creates jobs, and gives travel destinations more variety. It can help spread economic development across regions, particularly through out-of-town retail malls, parks, and villages," states the World Travel and Tourism Council. According to the Council, the US, mainland China, Germany, Japan, India, the UK, and France report the highest direct contribution of retail tourism to GDP.

To understand how retailers and other stakeholders in the travel and tourism sector see future challenges and opportunities, the World Travel and Tourism Council has identified five key areas that are currently shaping and will continue to shape the future of retail and tourism.

## 1. Retailtainment

A combination of the terms "retail" and "entertainment", this marketing concept has emerged as a significant factor in incentivizing shopping at tourism destinations. Marketers and retailers can attract more footfall by transforming a shopping center, for example, or an individual store into a place of entertainment, leisure activities, and experiences, or by holding retail-related events.

## 2. Sustainable and Ethical Retail

As consumers become more conscious of their impact on the environment and society, retail tourism shifts towards more sustainable and ethical practices, whether it is in the design of stores or in products that are ethically produced or have plastic-free packaging.

## 3. Local Products, Local Culture, and Local Experiences

The local touch, with a focus on exclusive, local brands and crafts that cannot be found elsewhere, is an area of growth and importance at destinations. As tourists seek more uniquely local experiences when they travel, there are opportunities for local products to be sold by family-run businesses and for people to experience more of the respective culture through artisans and their work.

## 4. The Growth of Digitalization

Industry experts have emphasized the continued and growing relevance of digitalization since the onset of COVID-19 – in particular, the importance of, and demand for, e-commerce and digital payment platforms. Retailers will increasingly use technology such as AI and data analytics to offer personalized experiences and recommendations to shoppers, both online and in-store. However, shopping at a physical store will endure as it provides experiences and memories that cannot be replicated online.

## 5. Strong Demand for Luxury with Simultaneous Segmentation

In addition to these trends and developments, reports and industry experts clearly highlight the ongoing strength of the luxury retail market, with social media being a notable factor in the increasing demand for high-end and exclusive goods and experiences. Demand for luxury goods has grown both in the hotel sector and in the retail industry. The number of luxury hotels has increased, and retail sales are rising. At the same time, demand for discontinued products has also increased, and clear segmentation can be seen in the market.

## OPPORTUNITIES AND CHALLENGES OF CLOSER COOPERATION

If tourism and hospitality are to play important roles in the future of retail (which they must), then the presence and location of hotels is critical. What, however, does such joint potential look like?

Summarized in a very simplified way: A 4-star hotel typically has a similar guest profile to a qual-

## HAMBURGER HAFENCITY

Hardly any new construction project in the shopping center and mixed-use area is planned without a hotel. With Pullman, Novotel and ibis Styles, a total of three hotel brands have moved into the Westfield Überseequartier-Hamburg, which will open at the end of August this year.



ity department store, while overnight guests at a hotel with 150 keys bring potential annual non-food retail expenditure of 3 million euros plus potential F&B expenditure of 3 million euros. Hotels can also provide a wide range of guest facilities, including gyms, spas, treatment rooms, swimming pools, business suits, and quality dining. These multiply reasons to visit, increase footfall, extend dwell times, and amplify guest expenditure by as much as 25%.

If hotels are co-located in retail areas, then it is possible for all of this potential to be captured by local shops. However, real estate economics mean that hotels have traditionally been located in separate cultural quarters, on arterial routes, or hidden on the upper floors of secondary retail pitches, so the full benefit is rarely achieved. It is also important for there to be a strong partnership between retail, hospitality, and public sector management when it comes to placemaking investment and marketing. Understandably, these parties can sometimes have different priorities, which means that opportunities to benefit from each other can be compromised.





**CONSEQUENCES FOR THE RETAIL REAL ESTATE INDUSTRY**

The similarities between the retail and the hotel industries are obvious. Although there are already examples of the combination of retail and the hotel industry, at least in the immediate vicinity, the question is increasingly being raised in the industry as to how the hotel and retail industries can further enrich each other. Retailers and operators are looking at making better use of spaces and service levels for consumers, which can include adding hotel space.

There are plenty of examples of co-locations in capital cities, in cathedral cities, in spa towns, at ski resorts and holiday resorts, as well as at traditional shopping centers. This is especially valid for new mixed-use developments. In HafenCity in Hamburg, Uni-bail has developed a huge shopping center with three hotels attached to it. As already mentioned, the luxury market is particularly active. LVMH has just announced plans for its first Louis Vuitton hotel on Paris's renowned Champs-Élysées. Fendi offers private suites at the Fendi hotel in Rome, and Dior now operates its Dior Spa Cheval Blanc at the Cheval Blanc hotel in Paris. According to industry experts, however, retail giants such as H&M and Zara Home are also looking into entering the hotel sector in order to integrate their products directly into guest rooms, thereby improving the brand experience. However, for now, combining retail and hotels is still new to the market.

This ACROSS cover story shows how many companies are thinking along these lines. Union Investment is a pioneer in the industry. The company is also taking an innova-

**RING-CENTER BERLIN**

"The niu Hide" hotel on the Ring-Center in Berlin: The niu Hide, the world's first modular hotel on the roof of a shopping center, opened in 2019. The hotel from the Novum hospitality brand is located directly on the parking deck of the Ring-Center, which is managed by ECE. The hotel was realized by the hotel project developer MQ Real Estate - in sustainable modular timber construction. This concept provided one of the first examples of how shopping centers can be usefully supplemented with other suitable uses such as apartments, offices or hotels.



**LOUIS-VUITTON-HOTEL PARIS**

Following the trend, the French luxury brand Louis Vuitton is also entering the luxury hotel industry. The first Louis Vuitton hotel is set to open on the Champs-Élysées in Paris in 2026, covering 6,000 square meters.



IMAGE: LOUIS VUITTON VIA X/TWITTER

tive organizational approach. "We are now viewing these asset classes together in our new department," says Andreas Löcher, Head of Investment Management Operational at Union Investment. "There are many successful alliances out there, such as between perfume and fashion, so why not hotels?" Together with his colleague Roman Müller, Head of Investment Management Retail, Löcher explains in an in-depth double interview which megatrends are affecting both areas, where there are further parallels, and which locations they are particularly focusing on, thus laying the foundation for an exciting discussion (page xx.)

This ACROSS cover story aims to highlight the joint potential of the previously separate asset classes. Together with experts, we explored questions such as: What is the significance of shopping tourism for the travel and tourism industry? To what extent do retail and the hotel industry benefit from each other? At which locations is the symbiosis particularly evident? Which retail segments and price categories are particularly popular with shopping tourists and which hotel formats are particularly interesting for the combination of retail and the hotel industry?

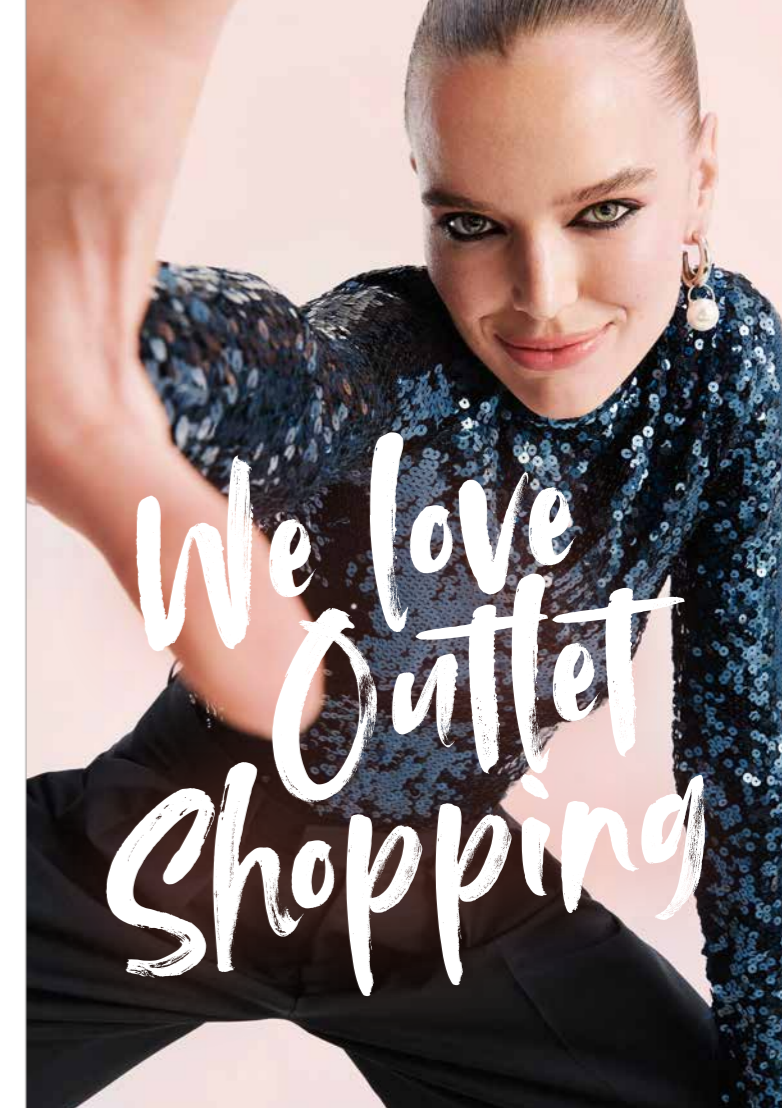
**ART'OTEL AT BATTERSEA POWER STATION**

London's first art'otel opened at Battersea Power Station in December 2022 for first stays, and officially launched in February 2023. With 164 rooms designed by Spanish artist and interior designer Jaime Hayon, this art-inspired, luxury lifestyle hotel was one of London's most anticipated hotel openings. The hotel is located within Battersea Roof Gardens, a new building forming a key part of Electric Boulevard, a new high street for London offering a great mix of shops, bars, restaurants, office space and a park. Electric Boulevard runs from the south of the Power Station between Frank Gehry's Prospect Place and Foster + Partners' Battersea Roof Gardens to the Battersea Power Station Underground Station.



IMAGE: ART'OTEL

The discussion should not and will not end with this cover story. Rather, this ACROSS edition serves as inspiration to continue thinking about and examining the topic. In particular, the symbiosis of retail and the hotel industry will once again be the topic of our next Retail Talk, which is scheduled to take place at 4:00 PM on 18 June 2024. The ACROSS "Retail and the Hotel Industry" Retail Talk will highlight the synergies and opportunities between retail and the hotel industry more intensively. A high-caliber panel will discuss retail and hotel industry synergies from the most diverse perspectives: investors, developers, operators, and consultants. Klaus Striebich (Moderator; RaRE Advise) and Reinhard Winiwarter (Managing Partner ACROSS Magazine) will be joined by: Elena Günther-Jakobs, Associate Director Development Northern & Central Europe at Ruby Hotels, Christian Buer, Professor of Business Administration and Hotel Real Estate & Financing and Head of Tourism & Hospitality; Founder of Nemis, Torsten Kuttig, Director ECE Work & Live GmbH, and Andreas Löcher, Head of Investment Management Operational at Union Investment Real Estate GmbH.



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# POLARIZATION IS THE TREND OF THE MOMENT: “WE’RE ON THE LOOKOUT FOR POLARIZATION WINNERS”

The retail and hotel asset classes are both geared towards the consumer, clearly benefit from tourism and are impacted by the “luxury vs. budget” polarization trend. Six months ago, Union Investment therefore decided to bring together its retail and hotel investment teams by establishing an Investment Management Operational department. The Hamburg-based investment and asset management company is targeting synergies and opportunities for its portfolio in the two property categories and considering acquisitions. Andreas Löcher, Head of Investment Management Operational, and Roman Müller, Head of Investment Management Retail, discuss the megatrends affecting both asset classes, highlight other similarities and identify locations of particular interest.



**ACROSS: TO WHAT EXTENT DO RETAIL AND THE HOTEL INDUSTRY FEED OFF EACH OTHER? WHY DOES LINKING THESE AREAS MAKE SENSE FROM AN INVESTMENT PERSPECTIVE?**

**ANDREAS LÖCHER:** Both asset classes comprise operational real estate, which automatically means there are many similarities. The property itself is used to earn money through the sale of goods or the provision of overnight accommodation. In short: the property is a fundamental driver of success, which is reflected in the profit and loss statement. As such, there is a lot of overlap in terms of how things work and also with regard to the cycle.

**ROMAN MÜLLER:** Both asset classes are extremely user-centric. While tenant and landlord satisfaction are essential for the long-term profitability and attractiveness of retail and hotel

properties, it is also vital to meet customer needs. That’s the biggest similarity between the two asset classes and the starting point for achieving synergies, and also what sets them apart from other property types, such as offices and logistics.

**ACROSS: CAN YOU NAME SOME SPECIFIC SIMILARITIES FOR US?**

**LÖCHER:** Some of the similarities were clearly evident during the COVID-19 pandemic. The retail and hotel industries are early-cyclical. Accordingly, they are directly affected when it comes to issues such as travel restrictions and social distancing, as well as by economic challenges and crises in general. During the pandemic, retail and hotel properties were essentially mothballed, but both asset classes were able to restart operations as soon as restrictions were lifted and they recovered relatively quickly compared to other asset classes.

**MÜLLER:** There are macroeconomic trends and social developments that affect both asset classes in equal measure, thereby enabling us to create synergies, in particular in research and around forecasting consumer trends. One aspect here is the increasing polarization of brands, formats and categories, including the trend towards more luxury on the one hand and a greater focus on discount/budget propositions on the other. Although successful formats do exist in the mid-range segment in both asset classes, they appear to be on the decline in general.



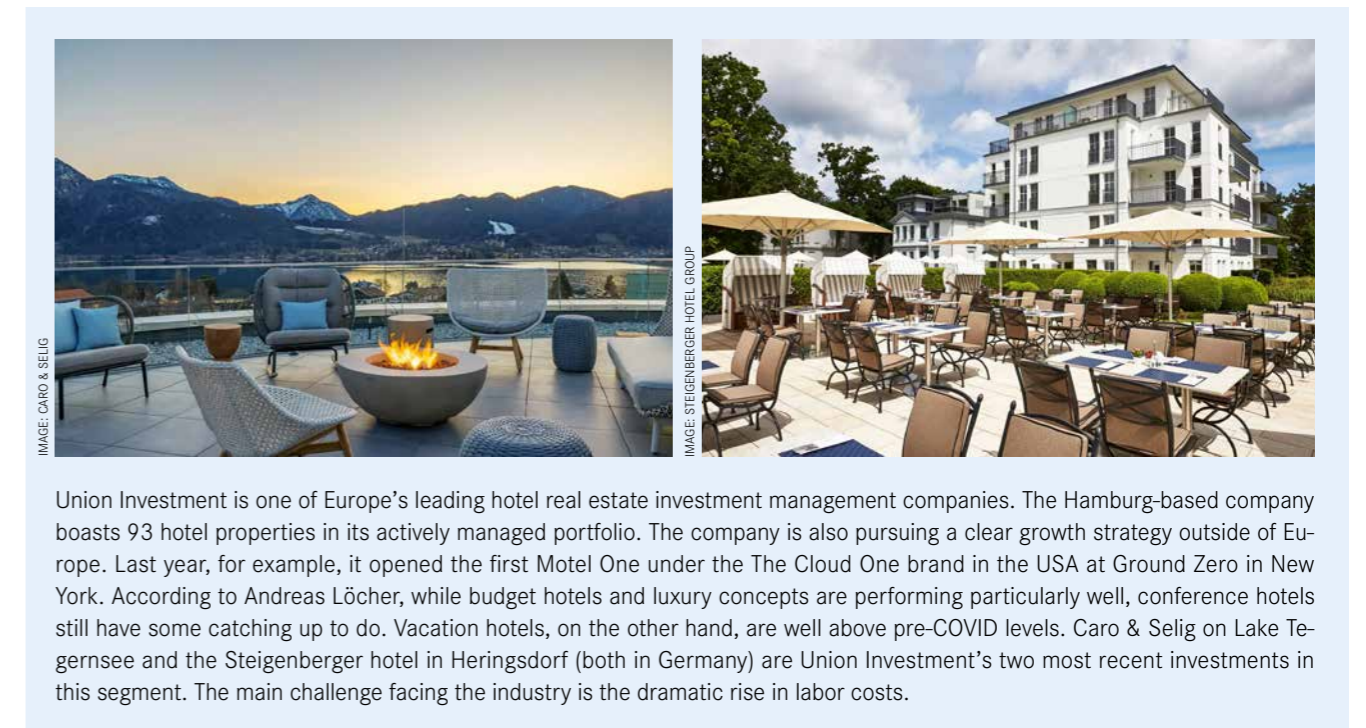
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**ACROSS: WHAT CONCLUSIONS CAN BE DRAWN FROM IDENTIFYING THIS COMMONALITY?**

**LÖCHER:** We want to learn from each other in a holistic manner and leverage synergies in a variety of ways. At Union Investment, we believe that this is particularly relevant in the hotel and retail sectors. Issues range from industry-specific contract clauses and mechanisms to joint research and resource sharing, which has a significant impact on our team’s learning curve and the performance of our portfolio. It thus made sense to have a closer organizational alignment of our retail and hotel activities, which is what we’re doing.

**MÜLLER:** Our investment strategy in the retail sector is based on a “best-in-class” approach. When it comes to shopping centers, we therefore only target the very best properties and prime locations in major European cities. These assets benefit significantly from tourism as well as from strong regional catchment areas. By bringing together our retail and hotel expertise in the new Investment Management Operational department, we can identify good locations across all property types at an even earlier stage, enabling us to develop them accordingly and operate them effectively over the long term.



Union Investment is one of Europe’s leading hotel real estate investment management companies. The Hamburg-based company boasts 93 hotel properties in its actively managed portfolio. The company is also pursuing a clear growth strategy outside of Europe. Last year, for example, it opened the first Motel One under the The Cloud One brand in the USA at Ground Zero in New York. According to Andreas Löcher, while budget hotels and luxury concepts are performing particularly well, conference hotels still have some catching up to do. Vacation hotels, on the other hand, are well above pre-COVID levels. Caro & Selig on Lake Tegernsee and the Steigenberger hotel in Heringsdorf (both in Germany) are Union Investment’s two most recent investments in this segment. The main challenge facing the industry is the dramatic rise in labor costs.





**ACROSS: YOU SAID THAT POLARIZATION IS HAPPENING IN BOTH ASSET CLASSES. TO DATE, THE LINK BETWEEN THE HOTEL AND RETAIL INDUSTRIES HAS BEEN PARTICULARLY EVIDENT IN THE LUXURY SEGMENT.**

**LÖCHER:** The development of innovative hotel concepts has been a feature of the luxury segment in recent years. These service-oriented concepts, which are built around an individualized approach to guests, attract customers who are less price-sensitive when it comes to hotel rates. This trend has actually gained momentum in the current market environment. Having said that, the

**RADISSON BARCELONA**

One and a half years ago, Union Investment acquired the Radisson hotel near the Sagrada Familia in Barcelona, Spain. The company's focus on locations that are attractive to tourists is exemplified by this acquisition, with Barcelona being a leading tourist and shopping destination.



budget segment is also on the rise. Specifically, relatively low labor costs combined with high space efficiency have made the concept economically successful and crisis-resistant.

**ACROSS: COULD YOU GIVE US AN EXAMPLE?**

**LÖCHER:** Motel One is probably the best-known example. Union Investment was their first institutional investor and is currently invested in 10 of the brand's properties across Europe. We also supported Motel One in its expansion into North America with the opening of the Cloud One Hotel in New York City. In the budget segment, successful players have developed very attractive products with competitive rate structures, resulting in very high occupancy. Strong occupancy levels also allow rates to be disproportionately increased in the medium term.

**ACROSS: THAT MIRRORS DEVELOPMENTS IN THE RETAIL SECTOR.**

**MÜLLER:** Absolutely! Developments in retail are pretty similar and the underlying megatrends and structural changes in consumer behavior are also comparable. On the one hand, luxury is doing well, on the other hand, discount formats are very successful at the moment. In addition, today's consumers shop in a much more flexible way than in the past. For example, fast fashion is being paired with luxury accessories as a status symbol. To a certain extent, that combination has replaced the mid-price segment.

**ACROSS: WHAT OTHER POLARIZATION TRENDS HAVE YOU OBSERVED?**

**MÜLLER:** In addition to luxury vs. discount, we've also seen the increasing polarization of convenience and experience in the retail sector. By "convenience", we mean the everyday purchase of fast-moving consumer goods, such as groceries and pet food. In this segment, consumers are quite sensitive with regard to price and time. By contrast, consumers are often willing to invest money and time in a comprehensive "experience" that goes well beyond covering basic needs. Shopping becomes a leisure activity and more of an event. Since a city's shopping heritage and retail offering boost its appeal, this is precisely where the requirements for retail and hotel locations align. For weekend destinations in particular, retail is often considered one of the

most important criteria for travel decisions, along with cultural attractions.

**LÖCHER:** Accordingly, properties with entertainment elements and a high-quality user experience are in much demand among investors. Due to the wider mixed-use trend, the combination of hotel and retail offers genuine 24-hour utilization of a property. The optimal use of a site that results from this duality extends to ancillary issues such as parking spaces, which can be better utilized as a result of multiple types of use.

**ACROSS: HOW CAN RETAIL AND HOTELS BE COMBINED AT A SINGLE LOCATION? WHAT DOES THE LOCAL ENVIRONMENT NEED TO LOOK LIKE?**

**MÜLLER:** The key question to be asked is whether both types of use actually need to be combined within one property. Whether the combination of hotel and retail works better vertically or horizontally has to be considered for each location and each asset. There are some examples where the combination makes perfect sense in terms of micro-location and demand, but the building structure simply doesn't allow for the addition of retail or a hotel within the property. The determining factor is whether both uses can function in a synergetic way within a micro-location. Riem Arcaden in Munich is a best-practice example: we placed two hotels, Novotel and Motel One, in front of the entrances to the shopping center, rather than on the upper floors of the mall. That allowed us to successfully combine those uses without any negative dependencies.

**LÖCHER:** That's absolutely right - the combination doesn't necessarily have to be implemented within a single property. Bikini Berlin, where customers are offered shopping experiences and also have access to an exciting hotel concept, shows that such a set-up can work really well. However, separate buildings can also work, as demonstrated by high-street destinations peppered with lifestyle hotels, such as the various examples on Mariahilfer Strasse in Vienna.

**ACROSS: YOU MENTIONED RIEM ARCADEN, AN URBAN ENSEMBLE THAT HOSTS AN ABOVE-AVERAGE NUMBER OF EVENTS. HOW IMPORTANT IS IT THAT THE RETAIL AND HOTEL SIDE WORK TOGETHER ORGA-**

**PAPER ISLAND, COPENHAGEN 25HOURS**

In 2022, Union Investment acquired the 25hours hotel on PAPER ISLAND in Copenhagen. It is part of the flagship PAPER ISLAND project, an artificial island in a prime city-center location in Copenhagen's harbor. A mixed-use quarter is currently being built on PAPER ISLAND, which alongside the hotel will include 253 apartments, high-quality retail, restaurants, event spaces and the new Water Culture House.



IMAGE: UNION INVESTMENT

**NIZATIONALLY, FOR EXAMPLE WITH REGARD TO EVENTS, IN ORDER TO DEVELOP THEIR POTENTIAL?**

**LÖCHER:** Yes, in addition to a strong core catchment area and the footfall driven by the adjacent trade fair and congress center, Riem Arcaden also benefits from events. There is an organizational structure in place for selecting and implementing events, and our center management team also involves both hotel operators in the selection process. Of course, in this specific case, and also in general, there is scope to become even more active and we intend to do so.

**ACROSS: LET'S GO BACK TO YOUR INVESTMENT CRITERIA AND WORK THROUGH THEM AGAIN.**



**ALEXA IN BERLIN**

Union Investment’s investment strategy is aimed at polarization winners with clear customer benefits. One of the company’s “best-in-class” shopping destinations is Alexa in Berlin, on Alexanderplatz. The rentable area is 57.971 sq m. Alexa brings together shops, restaurants and leisure facilities in the heart of Berlin. It shapes the architecture on Alexanderplatz like no other building. In addition to providing a diverse shopping experience and a range of eateries, the building is used for public events such as concerts. The shopping center enjoys a high level of recognition among Berliners and visiting tourists due to its prominent position and wide selection of shops and facilities. Other notable Berlin sights including the television tower and the Nikolaiviertel quarter are just a short walk from Alexa.



IMAGE: SONAE SIERRA



**MÜLLER:** Our retail investment strategy is aimed at polarization winners with clear customer benefits. On the one hand, we are looking for grocery-anchored retail parks with a strong focus on meeting local needs, and on the other hand we’re interested in “best-in-class” shopping destinations with cross-regional appeal.

**ACROSS: WHICH CENTERS ARE WE TALKING ABOUT HERE?**

**MÜLLER:** In Germany, we’re talking about properties such as Riem Arcaden, which we’ve already mentioned, and Lago in Constance, which

overlooks Lake Constance, or Alexa in Berlin, which is located on Alexanderplatz in the heart of the German capital. In Italy, one of the most popular tourist destinations in Europe, our portfolio includes Le Befane in Rimini and Le Terrazze in La Spezia. In CEE, Manufaktura in Łodz is a prime example. Manufaktura is not just a shopping center it’s the site of a former textile factory that has been transformed into a completely new urban center, focusing on retail, food outlets, and entertainment. Two hotels, albeit not owned by us, are also located adjacent to the market square.

**ACROSS: WHAT CONNECTS THESE LOCATIONS?**

**MÜLLER:** What the locations have in common are high occupancy rates and very good operating figures, with tourism playing a key role in strong KPI performance. Retailers are keen to establish their flagship concepts at these locations and are clearly aiming to expand rather than to downsize. We are more than happy to continue investing in similar assets and locations. However, these are also the locations where we are carefully evaluating whether new use types can be introduced. That might involve the addition of a hotel, for example. The aim here is not to repurpose non-functioning upper floors, but to maximize synergy at the micro-location. The key question is: What can be done to stimulate retail at a specific location? In terms of our investment strategy, that is of the utmost importance.

**ACROSS: WHAT IS THE STRATEGY FOR THE OTHER RETAIL CLASSES?**

**MÜLLER:** In addition to shopping centers and grocery-anchored retail parks, we are looking into high-street assets in prime locations in major European cities. We see a strongly positive trend in that area. If we take a closer look at specific locations, cities such as Lisbon, Madrid, Barcelona, Brussels, Paris and London are at the top of the list.

**LÖCHER:** They’re also the same locations that are exciting for the hotel industry. Our focus in this regard is primarily on metropolitan regions. In particular, locations with strong tourist appeal have bounced back surprisingly quickly in the wake of the pandemic. Two years ago, for exam-

ple, we acquired the Radisson hotel near the Sagrada Familia in Barcelona for our Unilmmo: Europa fund. It’s a very successful hotel concept that is a superb fit with its immediate surroundings. We have generated a gratifyingly high variable rental income from the hotel asset since acquisition.

**ACROSS: WHAT KINDS OF CONCEPTS ARE GENERALLY OF INTEREST TO YOU IN THE HOTEL INDUSTRY?**

**LÖCHER:** Strong, fresh concepts that surprise and delight the guest. In the hotel sector, one thing is clear: the room itself has faded into the background. Common areas have grown in both relative size and importance. This summer, we are opening a 25hours hotel on PAPER ISLAND in Copenhagen, with the “experience” theme featuring heavily in this concept. Large, design-oriented areas will invite guests to linger and, above all, to socialize. The spaces will be optimized for that purpose. Other well-known examples of this trend can be found in the Motel One chain, as well as Ruby Hotels and Premier Inn.

**ACROSS: WHAT DO YOU THINK OF THE SYNERGY BETWEEN THE HOTEL INDUSTRY AND THE OUTLET INDUSTRY? IN YOUR OPINION, ARE OUTLET CENTERS, EVEN ONES THAT ARE A LONG WAY FROM CITY CENTERS BUT LOCATED IN ATTRACTIVE TOURIST REGIONS, PARTICULARLY INTERESTING WHEN IT COMES TO COMBINING RETAIL AND HOTELS?**

**MÜLLER:** Yes, but with the caveat that this only applies to a small number of outlet centers that have significant cross-regional appeal, in other words for centers such as Metzingen in Germany or Parndorf in Austria, which are expected to outperform not only now but also in the future. In this respect, I can only envisage a limited number of top locations in Europe where the combination of outlet center and hospitality makes perfect sense. However, there is also a much larger number of outlet centers which are performing well operationally but whose visitors tend to come from within the respective region. In my opinion, there is only limited scope for hotels at those locations.

**ACROSS: WHAT ARE YOUR THOUGHTS ON THE SYNERGIES IN RETAIL PARKS?**

**MÜLLER:** I don’t see many direct synergies in that kind of scenario. Of course, there are some examples where a hotel is built directly next to or above a retail park, but those cases are rather exceptional and, in my opinion, not an institutional product that justifies a broad investment strategy. The indirect effects are more interesting: tourism within a region creates economic power, economic power creates jobs, greater consumer confidence, higher purchasing power and, accordingly, better conditions for neighborhood retail and retail parks.

**ACROSS: COULD YOU GIVE US SOME EXAMPLES?**

**MÜLLER:** The Algarve in Portugal is one such example. Population density there is quite low,



**MANUFAKTURA IN ŁODZ**

Union Investment’s Manufaktura in Łodz is not just a shopping center, it’s the site of a former textile factory that has been transformed into a completely new urban center, focusing on retail, food outlets and entertainment. Two hotels are also located adjacent to the market square. The rentable area is 104.939 sq m. The uniform red brick façade of the Manufaktura shopping center reminds visitors of the building’s history as a textile factory while also radiating a timeless quality. The property has a BREEAM Excellent rating and is a vibrant shopping destination in Poland’s third largest city. In addition to shopping opportunities, the building also offers space for concerts, open air performances and other public events. A DIY store and cinema also located on the site belong to Leroy Merlin and Cinema City and are therefore not part of the fund assets.



IMAGE: MANUFAKTURA



but driven by tourism, purchasing power has increased significantly. That has had a positive impact on neighborhood retail targeted at both local people and tourists. Obviously, we are monitoring such developments. Similarly, in Austria we have invested in the neighbourhood retail sector in tourist regions.

**LÖCHER:** Tenants who apply their hotel concepts in retail park locations don't generally drive traffic to the retail parks themselves. Their guests are often transients who don't stay long and don't spend much. Examples that we see in the market where hotels are built above retail parks tend to involve properties with unwanted space. Developers are merely trying to improve

property utilization. That's not a concept where we anticipate significant and sustainable investment opportunities.

**ACROSS: FINALLY, THERE ARE RETAILERS, PARTICULARLY IN THE LUXURY SEGMENT, WHO ARE AGGRESSIVELY VENTURING INTO THE HOTEL SECTOR. WHAT DO YOU THINK OF SUCH PLANS?**

**MÜLLER:** Dior and LVMH in Paris, and Fendi in Rome, are undoubtedly showcasing exciting concepts and approaches. With them, it's all about brand building and the user experience. We would love to be part of such concepts in the future, but we don't see a broad institutional entry point at present.

#### HOTEL INDUSTRY GLOSSARY

The prime markets include destinations with a very high number of overnight stays, such as Munich, London and Madrid. A common feature of prime markets is that demand is characterized by both leisure and business tourism. The following are some of the most important metrics and terms in the hotel industry:

##### **Average Daily Rate (ADR):**

Average price per day. Statistical unit representing the average revenue per guest room sold in a given period.

##### **Occupancy rate (Occ):**

Ratio of guest rooms sold to available guest rooms in a given period. The rate can be as high as 90 percent over the course of a year.

##### **Average Length of Stay (ALOS):**

Average length of time a guest stays in the property.

##### **Budget, Economy, Midscale, Upper Midscale, Upscale, Luxury:**

Different segments in the hotel industry: Budget – Economy: 2\*; Economy – Midscale: 3\*; Upper Midscale – Upscale: 4\*; Upscale – Upper Upscale: 5\*; Luxury: 5\*; Superior.

##### **Furniture, Fixture and Equipment (FF&E):**

All items in a hotel that do not belong to the building itself but which relate to its furnishings (e.g. chairs, beds, etc.).

##### **Pipeline:**

Hotel projects that are currently being planned or executed.

##### **Revenue per Available Room (RevPar):**

Accommodation revenue per available room.

##### **Supply:**

Stock of hotels/beds/rooms.



# "RETAIL AND THE HOTEL INDUSTRY" – A PROFITABLE PARTNERSHIP FOR THE BENEFIT OF ALL?

Three years after the coronavirus pandemic, people are traveling again. City trips are particularly popular. This trend is also boosting retail at tourist locations. If tourism and hospitality are to play an important role in the future of retail (and they must), then the presence and location of hotels is crucial. The combination of hotel and retail sectors offers many opportunities. Nevertheless, the two asset classes have hardly been connected to date.



The ACROSS Retail Talk "Retail and the hotel industry" will highlight the synergies and opportunities between retail and the hotel industry. Among other questions, we will discuss:

- To what extent do retail and the hotel industry benefit from each other?
- At which locations is the symbiosis particularly evident? Which hotel formats are particularly interesting for the combination of retail and the hotel industry?
- What are the requirements for an asset to optimally combine retail and hotels?
- Why does it make sense from an investment perspective to combine retail and hotel sectors?
- Possible significance for transaction business?
- ...

A high-caliber panel will discuss retail and hotel industry synergies from the most diverse perspectives: Investors, developers, operators and Consultants. Klaus Striebich (Moderator; RaRE Advise) and Anne-Kathrin Velten (Editor in Chief ACROSS Magazine) will be joined by:

- Elena Günther-Jakobs, Associate Director Development Northern & Central Europe at Ruby Hotels

June 18th, 4 PM (CET)

ACROSS RETAIL TALKS

Anne-Kathrin Velten, ACROSS Magazine | Klaus Striebich, RaRE Advise

„Retail and the hotel industry“ – A profitable partnership for the benefit of all?

Elena Günther-Jakobs, Ruby Hotels | Christian Buer, Nemis | Torsten Kuttig, ECE Work & Live | Andreas Löcher, Union Investment

- Christian Buer, Professor of Business Administration and Hotel Real Estate & Financing and Head of Tourism & Hospitality; founder of Nemis
- Torsten Kuttig, Director ECE Work & Live Hotel
- Andreas Löcher, Head of Investment Management Operational at Union Investment Real Estate GmbH



Join us on June 18th at 4 PM. Register here:



# RIEM ARCADEN STADTQUARTIER MUNICH: WHERE LIVING, WORKING, SHOPPING, AND LEISURE COME TOGETHER

How to combine retail and the hotel industry in practice? Riem Arcaden in Munich, Germany, is one of the best examples of how a good mix can make a district vibrant and liveable and a real estate portfolio stable. However, this best practice example also shows how tenants benefit from the mixed-use approach.



Riem Arcaden is the largest shopping center in Munich, Germany, regarding floor space. It was built in the Messestadt Riem district, opened in 2004, and expanded in 2018. Today, the district around the Riem Exhibition Center in Munich showcases modern urban development, with Riem Arcaden StadtQuartier at its heart. Everything that makes an area vibrant and desirable comes together here. Riem Arcaden Munich combines shopping (120 stores), hotels (589 rooms), offices (30,000 sq m of office space),

living (62 1-4 room apartments) and parking (3,000 parking spaces) on 46,500 sq m. The owner is Union Investment, and the Riem Arcaden is operated by Unibail-Rodamco-Westfield Germany.

As with the Riem Arcaden, the different types of use benefit from their direct proximity to each other: for employees, an office that offers good shopping facilities and attractive restaurants for lunch breaks is much more appealing than a workplace in a more remote location. Hotels benefit from business travelers and, in the case of Riem Arcaden, also from trade fair visitors. Tourism, in turn, benefits not only hotels but also retailers and restaurants, as various tenant statements from the Riem Arcaden show by way of example:



IMAGE: UNION INVESTMENT



IMAGE: MOTEL ONE

## HOTEL PERSPECTIVE: DANIEL DÖRING, HOTEL MANAGER OF THE MOTEL ONE MÜNCHEN MESSE

“At this location, our hotel offers the perfect base for anyone traveling on business and wanting to combine work with leisure activities. Trade fair visitors, in particular, appreciate the opportunity to relax in the nearby Riemer Park with Lake Riem after a trade fair or to enjoy a meal in one of the restaurants right on the doorstep. Office tenants and their employees in the district also benefit from the hotel's proximity. At Motel One, they can enjoy our extensive breakfast buffet every morning. Our lounge offers many cozy and quiet corners for working, or guests can treat themselves to a coffee in a relaxed atmosphere after a long day of shopping. In the evening, they can choose – just as an example – from a selection of 53 types of gin at our bar. Holding small meetings or presentations at our workbench is also possible. The hotel naturally benefits from the conference business and its proximity to the trade fairs. Therefore, we have many trade fair visitors as hotel guests. The hotel's location near the trade fairs is ideal. In addition, the Motel One concept is also interesting for business travelers – top facilities and a high standard of quality and design at an attractive price. Especially during school holidays, we feel an additional tourist effect. This impact is especially due to the good connection to the highway.”



IMAGE: PEEK & CLOPPENBURG DÜSSELDORF

## RETAIL PERSPECTIVE: SIMONE ANTONIO GALLO, GENERAL SALES MANAGER OF PEEK & CLOPPENBURG DÜSSELDORF\* IN RIEM ARCADEN

“This year Riem Arcaden celebrate 20 successful years – and we are happy to be part of this center. Since the center's expansion in 2018, we have been showcasing an interesting variety of fashion and brands for the whole family on two floors and over 4,000 sq m and impressing our customers with our strong advisory skills – especially with our fashion for special occasions. The attractive mix of hotel business, retail, gastronomy, and working space holds great potential.”

*\*There are two independent companies Peek & Cloppenburg with headquarters in Düsseldorf and Hamburg. This information refers to Peek & Cloppenburg B.V. & Co. KG, Düsseldorf, whose store locations you can find under <https://www.peek-cloppenburg.de/de/stores>.*

## GASTRONOMY PERSPECTIVE: CHRISTINA POURRANJBAR, FRANCHISEE OF CIAO BELLA

“We decided on our location at Riem Arcaden Munich, mostly because of the trade fairs and the exciting Riem Arcaden area. A large shopping center, lots of office space, hotels, medical practices, and, last but not least, the many residents in the area. All these aspects help us to maintain a stable occupancy rate, as our frequencies fluctuate greatly due to the trade fairs. Just as we benefit from hotel guests – whether private or business – customers of the center and office employees, these groups also benefit from the diversity here: Trade fair visitors, for example, can quickly purchase a new item of clothing, office workers can make a quick doctor's appointment on-site or enjoy a great variety of food options during their lunch break. Riem Arcaden offers a wide range of options in an airy atmosphere that, in my opinion, stands out from other shopping centers – it's not for nothing that there are regulars who come from the other side of the city to visit our center.”



IMAGE: CIAO BELLA



# HOTELS & RETAIL: “THE MOST OBVIOUS CORRELATION CAN BE FOUND IN THE LUXURY SECTOR”

Shopping tourism is on the rise again. International cases have proven that shopping and overnight stays can constitute a profitable symbiosis. Nevertheless, this profitable combination of hotel and retail is still in its infancy in Europe. Christian Buer, Professor of Business Administration and Hotel Real Estate & Financing at Heilbronn University and Founder of the consulting firm Nemis, explains where and how the combination of hotel and retail has the potential for success and why we should focus on the outlet and luxury sectors in particular.



**ACROSS: HOW SIGNIFICANT IS SHOPPING TOURISM FOR THE TRAVEL AND TOURISM INDUSTRY?**

**CHRISTIAN BUER:** In a more limited sense, the term shopping tourism is associated with a visit to a shopping center or an outlet, with a clear focus on shopping locally. Shopping tourism in the broader sense is particularly important for city tourism. Examples of popular European destinations that are characterized by the combination of leisure and cultural trips with shopping include Berlin, Hamburg, Munich, Paris, and Rome. Those destinations provide travelers with the opportunity to spend some time shopping in addition to the standard tourist program and offer retail options that may not be available in the travelers' home towns. In the latter case, shopping tourism represents an expansion of the original leisure activities.

**ACROSS: TO WHAT EXTENT DO THE RETAIL AND HOTEL INDUSTRIES BENEFIT FROM EACH OTHER?**

**BUER:** There are major differences worldwide in that respect. In Germany, for example, there is rarely a direct connection. Internationally, there are a number of examples in which the hotel is part of the offering of a larger structural facility – usually a shopping center. If we stick with the ex-

ample of Germany, however, retail areas are often integrated into hotels in upscale or luxury hotels that are located in city centers or on shopping streets, and the connection, therefore, is quite evident. However, that can only work in cities in which the optimization of hotel space leads to a higher retail yield than if the space were used by traditional hotel operations or their restaurants.

**ACROSS: WHERE DO THOSE DIFFERENCES COME FROM?**

**BUER:** A symbiosis between retail and hotel is recognizable in the international environments of Dubai, Abu Dhabi, Singapore, Hong Kong, etc. In European cultures, the connection between hotel and retail is more traditional and born by chance. There are usually historical reasons behind that. For example, city centers in Germany were relegated to the provision of utilities and housing in the post-war period. The demand for hotels only began to progressively increase in the mid-1980s. Retail spaces had already been developed by that point.

**ACROSS: IN VERY SPECIFIC TERMS: WHAT FORM CAN SYMBIOSIS TAKE?**

**BUER:** At present, there is a noticeable increase in demand for overnight stays by those traveling to a destination with an outlet. Symbioses can

arise as a result, and models of such symbioses have already been discussed. However, none of the proposals have been implemented yet. For example, there was a model that we'd considered for one location: If a customer generated a minimum turnover at the outlet, he or she would be reimbursed the amount of the overnight stay. In concrete terms, that would mean: The retailer would reward a guest for his or her turnover and give the guest an additional "discount" by covering the cost of the overnight stay. In return, the hotelier would offer the retailer a guaranteed room rate prior to the generation of such a result. The challenge: The target formulation of the core activity of the developer as well as that of the investor would no longer be congruent with that of the operator – retail or hotel. As a result, such an approach remains more of a model than a major marketing instrument. It simply fails to promote the core interest of the respective player. In Germany, such correlative models for the overlapping of different business areas have only been implemented in cooperative, non-binding arrangements so far.

**ACROSS: WHAT IS THE SITUATION IN CITIES THAT ARE ATTRACTIVE TO TOURISTS?**

**BUER:** As explained before, major cities greatly benefit from tourism. In a city like Berlin, shopping tourism is driven by international visitors. The proportion of tax-free sales in the clothing and fashion sector is 52 percent. The second-largest segment is watches and jewelry, which accounts for 30 percent of the tax-free volume. The symbiosis is clearly discernible: International guests appreciate the available shopping opportunities. The leading tax-free provider is "Global Blue", which generated sales of around 1 billion euros in 2008. In 2019, it generated 2.6 billion euros. The average spend at the time was around 502 euros for guests from China and 490 euros for those from the USA. However, the hotel industry's direct "driver effect" on tourism cannot be deduced as a result. The services must be considered separately.

**ACROSS: WHICH RETAIL SEGMENTS AND PRICE CATEGORIES ARE PARTICULARLY POPULAR AMONG SHOPPING TOURISTS? WHICH HOTEL FORMATS ARE PARTICULARLY INTERESTING WHEN IT COMES TO COMBINING THE RETAIL AND HOTEL INDUSTRIES?**

## ARMANI

Armani Hotels & Resorts was founded in 2005 through an agreement between the Italian fashion designer Giorgio Armani and the real estate developer Emaar Properties. The first hotel, the Armani Hotel Dubai, opened in April 2010 in the world's tallest building, the Burj Khalifa. The 160-room hotel extends over 10 floors of the 160-story building and features seven restaurants and lounges, including a Japanese, an Indian, and an Italian restaurant, as well as an Armani Spa. The second Armani hotel was opened in November 2011 in the designer's home city of Milan.



Armani Hotels & Resorts in Milan





**BUER:** Destinations and cities that already cater to the upscale segment of city life will attract upscale city tourists who are eager to do a bit of shopping. There is a correlation between "luxury stores" and "luxury hotels". As a result: If there is a sufficient number of upscale hotels, strong demand for luxury retail goods can also be expected.

**ACROSS: HOW DOES THE CONNECTION BETWEEN THE RETAIL AND HOTEL INDUSTRIES DIFFER IN TERMS OF BUSINESS AND PRIVATE TRAVEL?**

**BUER:** The issue is primarily driven by private travelers who have an affinity for shopping. Business travelers don't usually go shopping. Their retail spending does not go beyond the occasional purchase or the buying of so-called "souvenirs".

**ACROSS: CAN THE HOTEL INDUSTRY PROVIDE A VIABLE MEANS FOR SHOPPING CENTERS TO COMPENSATE FOR VACANCIES, OR IS THE INTEGRATION OF THE HOTEL INDUSTRY, AN ISSUE THAT IS**

**EXCLUSIVELY LIMITED TO THE BEST PERFORMERS?**

**BUER:** It's a question of profitability in each individual case. Many locations are currently examining whether a wide variety of office and retail spaces would be suitable as accommodation solutions. New market providers, such as Numa and Limehome, offer the option of marketing accommodation as a "direct rental" – the so-called no-frills strategy. Good, central locations provide an opportunity for hotels and restaurants to make the retail sector even more attractive. That works quite well and is almost symbiotic. Ultimately, however, every location and every service provider and accommodation provider must find its own customers and guests. Shopping alone will not generate sufficient demand for a hotel to operate profitably. If it can, then it will be in the simple category, and, again, not in "city center locations" (brown-field), but rather at outlets (green-field).

**ACROSS: YOU PREVIOUSLY TOUCHED UPON THE SUBJECT OF OUTLETS. WHAT POTENTIAL DOES THAT FORMAT, WHICH IS**

**NOT TYPICALLY LOCATED IN URBAN AREAS, HAVE? WHAT CHALLENGES NEED TO BE MET IN THAT REGARD?**

**BUER:** Outlets, particularly those that are located in a tourist or tourism-related environment, have potential in terms of the so-called quality of stay and, as such, complement demand behavior. Therefore, if there is an additional offer in the form of a tourist point of interest, the demand for a given outlet will increase. However, it must be integrated into a tourist environment. The Fashion Outlet Landquart in Switzerland serves as one such example. Visitors can do a bit of shopping there and can also take advantage of the tourist attractions offered by the surrounding skiing destinations.

**ACROSS: MOST OWNERS AND MANAGERS OF RETAIL LOCATIONS HAVE NO CONNECTION TO THE HOTEL INDUSTRY. WHAT ARE SOME OF THE OPERATIONAL CHALLENGES?**

**BUER:** The challenges clearly lie in the diverging interests of the two sectors. Cooperation tends to be seen as one-sided due to the low returns in the hotel sector.

**ACROSS: LUXURY BRAND LVMH IS PLANNING TO OPEN A LOUIS VUITTON HOTEL ON THE CHAMPS-ÉLYSÉES IN PARIS. ARE THOSE KINDS OF FORMATS DESTINED FOR THE LUXURY SECTOR, OR IS THERE ALSO POTENTIAL FOR MAINSTREAM BRANDS?**

**BUER:** I expect such concepts to remain unique, perhaps with additional credible locations along the Cote D'Azur or on Sardinia. Only destinations characterized by a distinct sense of luxury can implement such a concept. In complete contrast, we once considered a "discount hotel" and received generally positive feedback from retailers. The restriction was and still remains: The sales area must remain flexible, in other words: If the micro location is no longer successful, it must be possible to close down and relocate the site. However, if a hotel with a term of 20 years is built above a discount store, the capital is tied up in the space and is no longer fungible. That is why such models are generally reserved for the luxury segment, where a strong connection between the brand and the hotel is created, and the hotel is positioned directly above it.



IMAGE NEMIS

**PROF. DR. CHRISTIAN BUER**

Christian Buer is a Professor of Business Administration and Hotel Real Estate & Financing and the Head of Tourism & Hospitality at Heilbronn University. He founded Nemis in 2004 and has since dispensed advice to developers, financiers, and real estate experts, particularly in the area of tourism real estate. The Nemis Group aims to highlight young and dynamic hotel products, such as the Marriott brand Moxy Hotels, in strong economic regions. He is also a partner at Horwath HTL DACH, a leading consulting firm in the hotel, tourism, and leisure sector with offices in Vienna, Zurich, and Frankfurt.



**BULGARI**

In 2001, Italian jeweler Bulgari teamed up with the Luxury Group, the luxury division of Marriott International, to create Bulgari Hotels & Resorts. The first Bulgari Hotel was opened in Milan in 2004 in a renovated 18th-century Milanese palazzo. It offers 58 rooms and suites, an Italian restaurant, a bar, a lounge, and a private garden. The Bulgari Resort in Bali followed in 2006, comprising 59 villas, two restaurants, a bar, a Bulgari Spa, a cliff-top pool, a fitness center, and a Bulgari store. French luxury giant LVMH acquired Bulgari in 2011, making it the owner of Bulgari Hotels & Resorts. The Bulgari Hotel in London was opened in 2012. Today, Bulgari also has hotels in Dubai, Beijing, Shanghai, Tokyo, and Rome. New hotels in Ranfushi (Maldives), Miami Beach, and Los Angeles are scheduled to open in the next two years.



IMAGES: BULGARI HOTELS & RESORTS

The Bulgari Hotel London: Located in Knightsbridge on the edge of Hyde Park.

# “RETAIL AND HOTELS – SEVEN REASONS WHY LEARNING FROM EACH OTHER WILL LEAD TO AN UNBEATABLE POSITION IN THE FUTURE!”

Retail and the hotel industry – is this a new and innovative topic? Certainly not, but it is always worth rethinking and keeping in mind, says Klaus Striebich, Managing Director of RaRE Advise and Head of the ACROSS Advisory Board. From a traditional real estate point of view, placing a hotel next to retail and vice versa has always been the norm. There has always been enough space on site or on the upper floors and demand from customers has always existed.

BY KLAUS STRIEBICH



We have seen many nice and successful examples, be it in tourist hotspots, such as Las Vegas or Macau, with their additional casino backdrops, or large out-of-town malls with huge catchment areas, such as Mall of America, which have dozens of hotels located nearby. There are also good examples within our vicinity.

Retailers and hotels can benefit from each other in a number of ways; these are my “Top 7”:

**1. Cross-Promotion:** Hotels can partner with retail businesses by offering special promotions or discounts to their guests, thereby encouraging them to shop at nearby stores. Similarly, retail businesses can promote hotel packages or accommodation to their customers, which could lead to increased bookings.

**2. Convenience for Guests:** Hotels can enhance the guest experience by offering on-site retail options, such as gift shops, convenience stores, or boutiques. That can provide an additional level of convenience for guests who want to buy forgotten items or souvenirs without having to leave the premises.

**3. Shared Amenities:** Retail businesses located within or near hotels can benefit from the shared amenities, such as parking facilities, security, and foot traffic generated by hotel guests. That can in-

crease visibility and footfall for retail establishments, potentially leading to higher sales.

**4. Tourist Attractions:** Hotels often serve as hubs for tourists, providing them with information about local attractions, restaurants, and shopping destinations. By recommending nearby retail establishments, hotels can drive additional business to those retailers, while retail businesses can enhance the overall tourist experience by providing unique products or experiences.

**5. Collaborative Events:** Hotels and retail businesses can collaborate on events or promotions, such as fashion shows, product launches, and pop-up shops. Such collaborations can attract a wider audience and create buzz around both the hotel and the retail brand.

**6. Corporate Partnerships:** Hotels can form partnerships with corporate retail brands to offer exclusive perks or discounts to their business clientele. That can be particularly appealing for business travelers who may have specific shopping needs or preferences.

**7. Customized Experiences:** Hotels can offer personalized shopping experiences to their guests by partnering with retail businesses to provide curated shopping tours, styling services, or exclusive access to limited-edition products. That adds val-



Klaus Striebich is Managing Director of RaRE Advise and Head of the ACROSS Advisory Board.



IMAGES: SANDS LIFESTYLE MACAU/WYNN LAS VEGAS



Destinations like Macau or Las Vegas are nice and successful examples, how tourist hotspots combine hotels and shopping malls.

ue to the guest experience and encourages spending at retail outlets.

Overall, by leveraging their proximity, shared customer base, and complementary offerings, retail businesses and hotels can create synergistic relationships that benefit both industries and enhance the overall guest experience.

As the needs and desires of customers are in a constant state of change, there will be some locations at which shopping areas/levels are convert-

ed into hotel areas (short stay) or residential apartments (long stay). “Providence Rhode Island est.1828”, one of the oldest shopping centers in the USA, has been transformed from a retail establishment into a housing area, but has retained some services and restaurants.

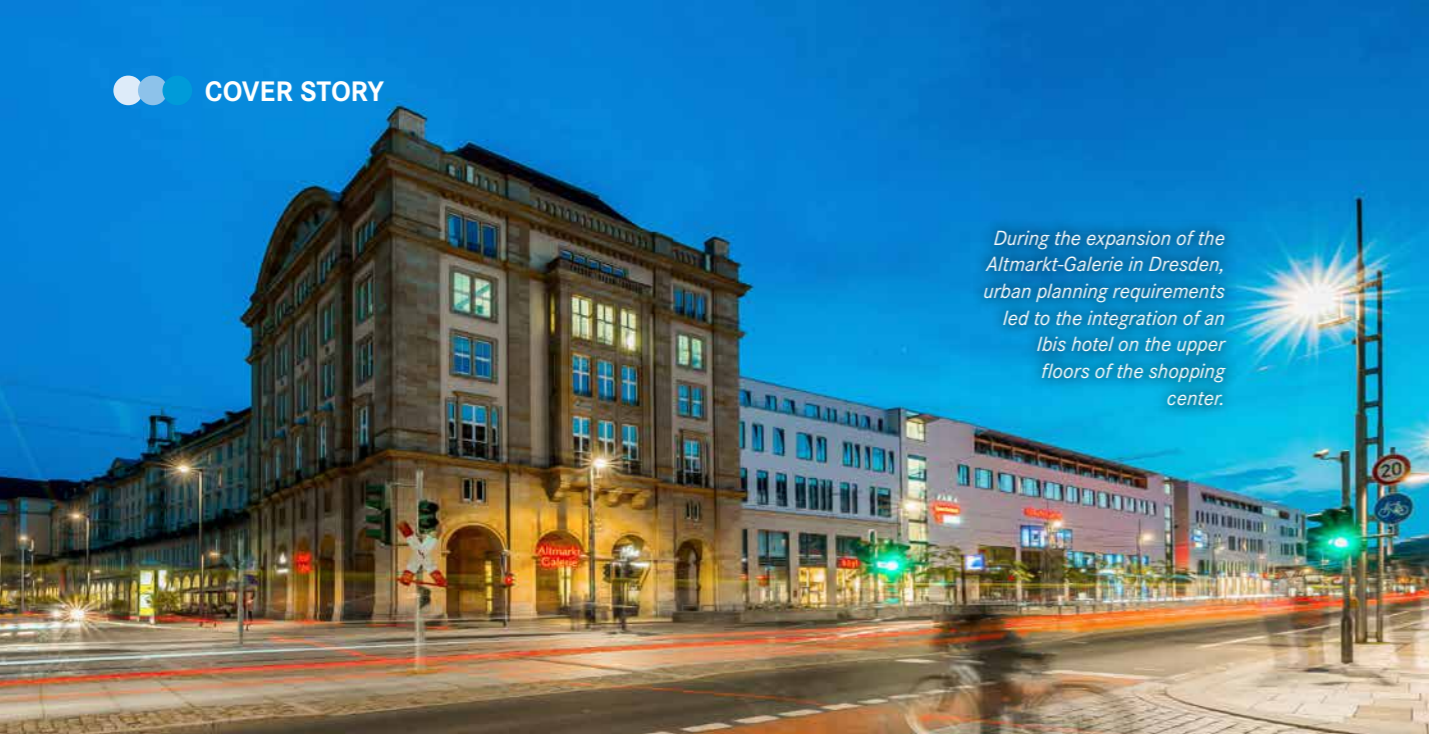
Collaboration and team play involve more than the state-of-the-art. It keeps your facilities and businesses strong and competitive. Simply put: Learn from each other’s strengths and make the most of them.



## Leading owner and operator of shopping centres in Central and Eastern Europe

Promenada Bucharest extension - 55,400m<sup>2</sup> of retail and office GLA by the end of 2026.

- 9 countries
- 337 MILLION visits in 2023
- 56 modern, high-quality shopping centres
- €6.8 BILLION investment portfolio of standing properties
- 2.2 million m<sup>2</sup> GLA



During the expansion of the Altmarkt-Galerie in Dresden, urban planning requirements led to the integration of an Ibis hotel on the upper floors of the shopping center.

IMAGE: ECE

# SHOPPING CENTERS & HOTELS: EXPERIENCE AS A COMMON GUIDING PRINCIPLE

Shopping centers and hotels have increasingly become complementary assets that together, particularly in city-center locations, form a mutually reinforcing symbiosis. Both asset classes are characterized by a variety of offers, service qualities, and experience factors. When combined, the result is an even better mix of uses and, therefore, a win-win situation for everyone involved, explains Torsten Kuttig, Director Hotel Development at ECE Work & Live.

BY TORSTEN KUTTIG



For owners and operators of shopping centers, the integration of hotels at suitable locations, as part of a restructuring and further development effort, is an ideal way to add new offers to their modern marketplaces. For hotel operators, on the other hand, shopping centers offer excellent opportunities to add suitable hotel concepts to established locations that boast strong infrastructure – all within highly frequented city-center locations in which expansion areas for new hotel developments are usually in short supply. Last but not least, investors and real estate owners also regard hotel operators as creditworthy, long-term rental partners with whom existing space can be reoccupied.

## A RETROSPECTIVE VIEW: PRODUCT RANGE VARIETY VERSUS BED AND BREAKFAST

The combination of retail and hospitality is by no means traditional in ECE's home country of Germany. While common guiding concepts such as hospitality and service might suggest as much, the respective strategic orientations of the operators were different for quite some time: When I joined ECE as a young urban planner working on shopping center project development in the early 1990s, the primary objective of new developments was to create a broad range of products



IMAGES: ECE



and services adapted to the size and structure of the respective catchment area. At that time, the quality of the experience was predominantly reflected in the high-quality design of the shopping mall, with the aim of creating a high quality of stay and dwell time in order to attract a wide range of age and consumer groups.

In those days, hotels in medium-sized and large German cities largely catered to the requirements of business travelers: fairly unremarkable architecture, which was matched in terms of design by functionally furnished hotel rooms. The quality of the furnishings and the size of the rooms varied depending on the hotel category. In addition, the rather standardized breakfast buffet that was served in the morning and, depending on the hotel category, the evening dining options, which included a restaurant and bar, were mainly used by the hotel guests themselves.

This is an extremely simplified depiction of both asset classes, which primarily serves to illustrate the original characteristics in terms of the quality and orientation of the respective operator properties. The use of synergies and a structural link were not particularly obvious in that regard. From a real estate perspective, the hotel asset class has only become more of a focal point for investors in the last decade or so and has, therefore, only been considered as a complementary use for shopping centers since then. New concepts, seasonal increases in the number of overnight stays, and

rental contract configurations that are suitable for investors have turned hotels into attractive investment products.

## NORTH AMERICA AND ASIA AS TRAILBLAZERS

My previous knowledge of the combination of shopping centers and hotels primarily stemmed from North America and Asia. Hotels of various sizes and qualities have been part of the overall concepts found at large American shopping centers from the very beginning. Las Vegas, famous for its casinos, theme parks, and large show stages, is an extraordinary example that impressively demonstrates how diverse hotel concepts and high numbers of overnight stays can attract large numbers of visitors. They have made large shopping centers, in addition to an equally overwhelming retail offer, destinations for multi-day shopping and leisure trips and have thus triggered the need for the integration of hotel offers.

The next generation saw the development of huge modern shopping centers, for example in the United Arab Emirates, wherever newer and more spectacular scales of visitor attractions – from indoor ski resorts in the desert to large aquariums – enrich the already staggering retail offer. The integrated hotels, which feature various restaurants, wellness oases, and nightclubs, complement this diversity and are much more than just places for out-of-town visitors to spend the night.



During the course of the expansion of the Ring-Center in Berlin, an NIU hotel was placed on top of the upper parking level using a modular construction method.





There are only a few shopping centers in Europe that have the size and range of facilities to attract visitors for several days at a time. In addition to the diverse retail offer, the tourist attractions in the established cities – from the various sights, cultural and sporting events, theaters, museums, and a wide range of leisure activities to local gastronomic highlights – are what attract tourists and drive the demand for a wide variety of hotel offers and formats.

**VISITOR EXPERIENCE AS THE NEW GUIDING PRINCIPLE FOR BOTH ASSET CLASSES**

Experience is a factor that not only plays a major role in North America and Asia, but in Europe as well. The search for new and exciting experiences is a defining guiding principle behind the change in shopping and travel behavior. It has strongly influenced the restructuring of shopping centers as well as hotels and hotel brands in recent years.

An enhanced quality of experience and well-being through modern and digitally equipped lounge areas reminiscent of hotel lobbies, a significantly expanded gastronomic range in large food courts, and the addition of attractive leisure and entertainment facilities to the diverse mix of tenants and sectors have made shopping and spending time at shopping centers even more of an experience.

Experience is also the guiding theme for hotel operators with respect to their various brand concepts. Hotels have long since evolved beyond simply providing bed and breakfast accommodation. City travelers expect attractive and luxuriously equipped rooms, complete with the latest digital technology. In addition, public areas with restaurants, rooftop bars, conference and childcare facilities, as well as fitness and wellness areas are well worth a visit – for hotel guests and locals alike.

Therefore, a symbiosis between shopping centers and hotels is quite natural: While shopping centers, with their range of offers, are additional attractions for hotel guests, each hotel's special publicly accessible experience enriches the shopping center's variety of offers.

**COMBINED ECE PROJECTS**

At ECE, the first hotels integrated into shopping centers were driven by a number of different factors. In the case of the expansion of the Altmarkt-Galerie in Dresden, it was not only the great demand for hotels in Dresden's old town, which is a popular tourist destination, but also urban planning requirements that led to the integration of an Ibis hotel on the upper floors of the shopping center. In terms of planning and construction, the functional and technical requirements of the new hotel building could be directly taken into account. During the course of the expansion of the Ring-Center in Berlin, an NIU hotel was placed on top of the upper parking level using a modular construction method. In addition to the preliminary structural analyses, specific challenges included the need to address certain technical requirements, such as access and fire protection – from the perspective of both the existing shopping center as well as the hotel.

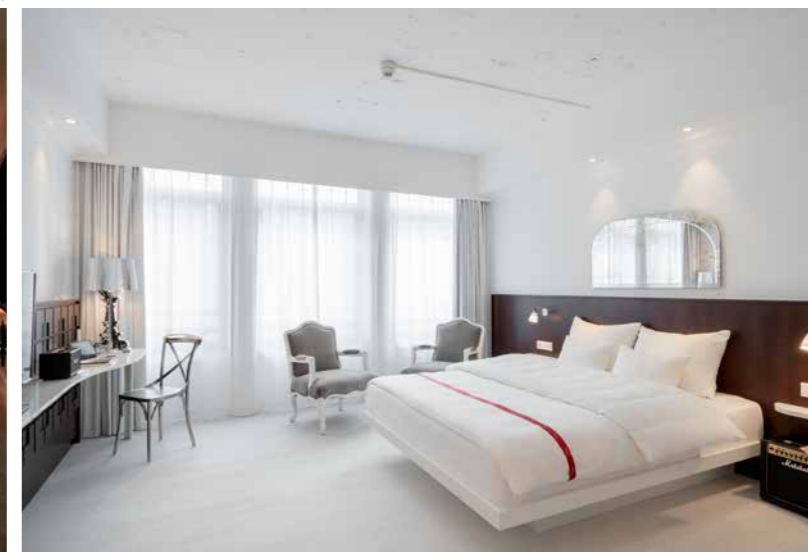
The integration of a Ruby Hotel into parts of the office floors situated above the KÖ-Galerie in Düsseldorf, which is managed by ECE, proved even more challenging. In addition to the aforementioned technical requirements, the creation of a functionally and economically attractive hotel concept within the available floors and former office space had to be executed. As a result of our positive experience in Düsseldorf, we have been looking at other ECE shopping centers in which a suitable hotel concept could be integrated. Ruby itself has also recently opened another hotel within a shopping center in Stuttgart. The trend towards the further integration of retail and hospitality has been strengthened by the positive feedback received via the customer surveys conducted by the respective operators of the aforementioned "symbiosis projects": Visitors and guests greatly appreciate the increase in the variety of offers!

**NEW HOTEL DEVELOPMENT ALMOST EXCLUSIVELY FOUND IN EXISTING BUILDINGS**

The development of hotels within existing building structures is a prevailing current trend. Issues such as ESG, construction and financing costs, as well as the availability of land have led



IMAGES: RUBY HOTELS



*Ruby Hotel, situated above the KÖ-Galerie in Düsseldorf, which is managed by ECE.*

us as project developers to focus our search almost exclusively on existing buildings – from existing hotels in need of refurbishment to shopping centers and office buildings. For example, we are currently converting a former office building in the center of Rome into a Ruby Hotel. We are also converting a centrally located former office building in Copenhagen into a design hotel.

When it comes to shopping centers, we work with our colleagues at ECE Marketplaces to screen the existing shopping centers within ECE's management portfolio that we consider suitable, taking the following criteria into account: Location, technical requirements, space availability and size, as well as any conflicts of use with the existing property.

If all the parameters are in line and the market assessment by our hotel team is also positive, an interdisciplinary ECE team consisting of Architecture, Construction, Leasing, Asset and Center Management gets started on the analysis work required before a potential hotel location is shortlisted. It is only then that operator inquiries for the location and planning considerations are initiated. When it comes to solutions for existing properties, in particular, operator concepts are required that can react flexibly to issues such as room layouts and sizes, the size of public areas, and hotel access on the upper floors.

The conclusion of a long-term lease agreement with the hotel operator offers the owner of the shopping center the opportunity to stabilize or even increase rental income. Throughout the process, the planning considerations of the interdisciplinary ECE team must be used as the basis for coordination with the owner on the implementation, in several decision-making stages: beginning with the location analysis regarding the hotel expansion, the planning analysis for its integration into an existing shopping center through to implementation and financing.

**WIN-WIN SITUATION FOR ALL PARTIES INVOLVED**

In summary, the combination of well-structured shopping centers with attractive hotel concepts has multiple beneficiaries: The operators of both asset classes enjoy a greater variety of offers, which leads to higher visitor and overnight stay numbers and, consequently, to longer stays. That, in turn, is a major contributing factor when it comes to strengthening the overall attraction and appeal of the cities, which also benefit as a result. Moreover, it is the owners and investors whose assets – shopping center or hotel – experience economic stabilization. It is a win-win configuration that is reflected in a common slogan: "Everything in one place: Shop, relax, experience!"



IMAGE: ECE

*Torsten Kuttig has been Director Hotel Development at ECE Work & Live for more than ten years. Prior to that, he worked in shopping center development for 20 years – most of that time at ECE.*

# RETAIL AND HOSPITALITY: FORCED PARTNERSHIP OR TRUE SYNERGY?

It is beneficial for real estate developers, investors, retailers and hoteliers alike to explore the potential for collaboration between the retail and hotel sectors, explains Lars Jähnichen, CEO of IPH Group. Some players have already shown how one can benefit from the growth of the other. "Das Gerber" in Stuttgart is an excellent example of the successful revitalization of a former single-use shopping center in the midst of ongoing operations. Today, it features 11 different types of use under one roof – including a hotel.

BY LARS JÄHNICHEN



Lars Jähnichen is CEO of IPH Group

IMAGE: IPH GROUP

own right. In the hotel industry, the Federal Statistical Office recorded 487.2 million overnight stays in Germany in 2023. That corresponds to an increase of 8.1% compared to 2022 and a decrease of 1.7% compared to 2019. In addition, the triumph of design and boutique hotels, which was evident prior to the pandemic, has continued.

Therefore, it is beneficial for real estate developers, investors, retailers, and hoteliers alike to explore the potential for collaboration between the retail and hotel industries – to ensure that one can benefit from the growth of the other. Where exactly does the potential lie, and what do successful implementation examples look like at the property level?

## COMMON TARGET GROUPS – COMMON INFRASTRUCTURE

The key to such symbiosis is addressing the same target group – for example, city visitors or business travelers. For those two target groups in particular, the combination of shopping, supplemented by restaurants and hotels, is ideal, with the greatest potential lying in the central city center locations. While the hotel occupies the space on the upper floors, which has become increas-



The German retail and hotel industries have one thing in common: Neither sector has returned to the level of the last pre-coronavirus year of 2019. However, a comeback is in full swing in both the hotel and brick-and-mortar retail sectors. In retail, exciting new concepts are entering city centers, including luxury brands and new concept stores, as well as manufacturers such as LEGO and M&M's, which have become retailers in their



"Das Gerber" in Stuttgart is a good example of the successful revitalization of a formerly single-use shopping center during ongoing operations.



IMAGES: IPH CENTERMANAGEMENT GIMBH

"Das Gerber" combines eleven different types of use under one roof.

ingly difficult to lease to retail tenants, the hotel guests generate additional sales for the retailers on the ground floor.

One of the most important connecting elements is gastronomy. It has become increasingly rare for newly opened hotels to have their own restaurants – apart from the breakfast areas. That offers hotel guests the opportunity to eat lunch or dinner at restaurants located in the center, which, in turn, increases the length of stay at the respective shopping center. For the restaurateurs in the centers, an ideal opportunity for evening dining and an effective means of combating the otherwise rather low occupancy rate after 6:00 PM.

When it comes to key location factors, there are also a number of similarities between retail and hotel uses: good accessibility on foot, attractive leisure options, including culture and entertainment, as well as other retail and restaurant options in the neighborhood. Both benefit from the mobility advantages of the respective location, such as good public transport connections, as well as good accessibility via private transport. One possible opportunity is the shared use of parking spaces and underground garages (with their own continuously open hotel access) as well

as shared links to car sharing and other modern forms of mobility in the shared economy.

## DIFFERENT COMPANIES – ONE COMMON PRESENCE

In order to successfully connect the retail and hotel sectors on the operational side, a uniform external image is of particular importance. The management team of the center plays an extremely important role in that respect.

Accordingly, a uniformly recognizable advertising presence on the part of the center and the hotel is the key to successful external perception – including discount campaigns and the coordination of location-related marketing concepts. That requires close dialogue between each party's respective marketing experts: Which promotions can be carried out together? Which customer base of one party brings added value to the other? Networking on social media platforms, such as Instagram or TikTok, with corresponding posts, interactions, and advertisements, can also create important synergies.

It is also ideal if the hotel views itself as part of the shopping center or the entire city district. If that is the case, there are ideal opportunities for





IMAGE: RUBY HOTELS

The Ruby Hotel in Gerber has been open since 2023.



joint campaigns and collaborations on the ground. That can begin with the hotel opening its meeting rooms for internal training sessions and other business appointments for retailers. Shared event areas also create added value for all parties. For hotels with a strong focus on tourism, opening a tourist information center or souvenir store that is accessible from both the center and the hotel is also conceivable.

**GOOD PROJECT MANAGEMENT IS ESSENTIAL FOR SUCCESS**

Meticulous planning and conscientious project management are required, however. Mixed-use properties, in particular, which are revitalized during ongoing operations, have to overcome major challenges to ensure that daily retail and neighborhood operations can continue as smoothly as possible. In addition, the right planning priorities must be established in advance. For example, the hotel's own infrastructure needs to be sensibly accommodated. Due to its distinct nature and use, it differs greatly from the infrastructure of the center's gastronomy facilities and the other areas within the center. Therefore, joint use is not

a viable option. Ensuring separate access options for the center and the hotel is also important, specifically 24/7 access from the parking garage to the hotel. That should go hand in hand with continuous parking garage operation, which must be technically and economically ensured. Individual evacuation from the hotel must also be possible via separate routes to prevent people from walking through the alarm-protected shopping center.

**SUCCESS STORIES FROM BERLIN TO STUTTGART**

Examples from all over Germany show that the symbiosis of retail and hotel concepts not only makes sense in theory, but can also be successful in practice. They include Motel One at the "Mall of Berlin", Ruby, which is part of the "KöGalerie Düsseldorf", as well as the hotel concepts at the "Ring Center Berlin", the "Galerie Rostocker Hof", and the Dorint Esplanade at Goethe Galerie Jena.

Ideally, a sensible combination can even create a new landmark, as the examples of "Bikini Berlin" and Stuttgart's "Das Gerber" district have shown.

At Bikini, a concept mall with an alternative food court is complemented by the "25 Hours Hotel Berlin" – including Germany's famous Monkey Bar, where queues always form, especially during the summer months.

"Das Gerber" in Stuttgart is a good example of the successful revitalization of a former single-use shopping center in the midst of ongoing operations. With eleven different types of use under one roof – including hotel, retail, office, residential, catering, coworking, local amenities, and parking – as well as a DIY store, medical offices, and a children's daycare center in the immediate vicinity, it also embodies the image of a modern urban quarter. That is also beneficial for the owner, as the main uses are almost equally weighted, resulting in a diversified cash flow. The style and orientation of the newly integrated Ruby Hotel also complement the orientation and offering of the "Gerber", with hoteliers benefiting from the central location in Stuttgart and the high density of jobs in the surrounding area. Following the successful redesign of the "Gerber", the neighbor-



IMAGE: IPHCENTERMANAGEMENT GMBH

The symbiosis of retail and hotel in practice: The example of Dorint Esplanade at Goethe Galerie Jena, Germany.

ing retailers have also recorded a positive sales trend, with local bookshops and accessory providers particularly benefiting. The targeted conversion of the upper floor space at the "Gerber" has created a lively neighborhood center.

WHEN IS IT BENEFICIAL TO INTEGRATE HOTEL CONCEPTS INTO A SHOPPING CENTRE?	
Potentially, hotels make sense for almost all shopping centres, as the guests are a positive for the frequency in the retail areas - just as offices and other neighbourhood-forming uses do.	
HOWEVER, THERE ARE SEVEN KEY CRITERIA THAT MUST BE MET FOR THIS TO BE SUCCESSFUL:	
Location and positioning support the same target groups for hotel and center	✓
Willingness to invest and long-term investment horizon of the owner	✓
Space potential and structural requirements for hotel use (e.g. good natural lighting)	✓
An oversupply of retail space - with a simultaneous undersupply of hotel beds	✓
Direct access to the upper floors via the ground floor of the center	✓
Parking facilities in the center (or at least in cooperation with other parties)	✓
Varied gastronomy in the center or in the immediate vicinity	✓



# HOTELS PLAY AN IMPORTANT ROLE IN POSITIONING OUTLET DESTINATIONS

Tourism and shopping belong together – this is most visible within the outlet industry. Many outlet centers are located in leading tourist zones and traditionally work together with the tourism authorities. Outlets and tourist destinations understand and present themselves as a unit. This means that the outlet industry is one step ahead of the shopping center industry, but there is still a lot of potential here, since only 10% of the European outlet centers have hotels at their sites.



The designer outlet industry has strong links with the hospitality industry. Although outlet managements rarely run hotels themselves, the cooperation between the hotel industry and the outlet sector is very close – the more touristic the location, the closer.

“As well as supporting organizations such as the WTTC, offering tax-free shopping facilities for international guests and building relationships at international travel conventions, leading operators have for many years chosen to recruit center managers from the hospitality industry so that hotel best practice is embedded in daily operational activity,” explains Ken Gunn, founder and Managing Director of Ken Gunn Consulting. “Unlike shopping centers, many designer outlet centers employ specialist tourism managers tasked with coordinating specific events like, for example, Chinese New Year and positioning assets as essential destinations on regional tourist circuits.”

Big companies like McArthurGlen, for example, have offices in India, Dubai, China, or SE Asia, where their employees actively work to get the different outlet locations onto travel routes. They are also increasingly active at trade fairs and tourism events worldwide to present their European locations. Another critical factor is the close cooperation with local and national tourist

organizations. For example, McArthurGlen’s location, Parndorf, is working closely with the Austrian National Tourist Office. “This is a great added value, especially when we want to enter a new market, as the office’s experts know the markets inside out and advise us in the best possible way,” explains Mario Schwann, General Manager of Designer Outlet Parndorf. “Our center also cooperates with the Austrian National Tourist Office to offer special intercultural training programs. Customers from Eastern Europe, Asian customers, or visitors from the Middle East have different behaviors, and we teach these to our employees.”

## DESIGNER OUTLETS AS PART OF THE HOLISTIC VACATION EXPERIENCE

In many cases, this close integration with the tourism sector has formed partnerships with nearby hotels, which can often also be found on outlet websites. One example of this is Bicester Village in the UK. The outlet has a subsection for hotels and excursion destinations in the region on its homepage. Not only are the nearest hotels listed here, but visitors can also find entire day trips, restaurant tips in the area, and hotels and packages in London. With articles entitled “Romantic days out in the Cotswolds,” “7 of the finest restaurants in the Cotswolds,” or “Your guide to the best hotels in the Cotswolds,” the design-

er outlet takes a back seat. Still, the holistic experience comes to the fore.

Another example from many in the outlet industry is McArthurGlen’s location in Serravalle, Italy. The designer outlet advertises a 70 percent discount and presents small beauty hotels in the region on its online presence, points out wine tours or cooking classes, and describes the most beautiful bike tours. The location wants to be seen as part of a tourist destination.

## INTEGRATION OF HOTELS

“These examples use the association with quality hotels and alignment with wider regional values to reinforce their credentials as luxury destinations for elite guests,” says Gunn. “However, other outlet centers have gone further and incorporated hotels on site.” Springfields in the East of England, for example, incorporated a Travelodge hotel (3-star) as part of its extension in 2007, Gunwharf Quays has Holiday Inn Express (3-star), Resorts World (Birmingham) has a Genting Hotel (4-star). London Designer Outlet has Premier Inn (3-star), Ibis (3-star), and Hilton (4-star) hotels. At the beginning of February 2024, Moxy (3-star) opened at Outletcity Metzingen.

In Germany, the Van der Valk hotel group plans to develop a new outlet village next to a 4-star hotel and a new holiday village at Wittenburg Village. “This integrated, mixed-use approach

boosts resident-based expenditure potential by more than 60%, bringing substantial benefits to retail performance and asset values”, explains Gunn. Similar examples include Genting Highlands Resort, Pahang, Malaysia – 7 Genting hotels; Viaport Marina, Tuzla, Turkey – Crowne Plaza Hotel (4-Star) and Lihpao Resort, Taichung City, Taiwan – Fullon Hotel (5-Star).

## FUTURE UTILIZATION OF POTENTIAL

Delivering exceptional and extended hospitality for guests is an important aspect of outlet management. With many outlet centers located in leading tourist zones, strong guest synergies mean that hotels play an important role in positioning outlet destinations, extending reasons to visit, attracting upscale guests, and generating additional revenue. “However, out of 211 trading outlet centers in Europe, less than 10% have hotels at their sites”, knows Gunn.

Due to its nature, the outlet industry may be further ahead than the shopping center industry when it comes to cooperation between the hotel and retail industries. Overall, it is also true that natural synergies are only slowly being exploited. Hotels can and should play a more critical role in asset strategy in the future. Gunn also confirms this: “As the outlet format continues to evolve, it is inevitable that hotels will become increasingly important in the development and performance of new locations.”



Ken Gunn is the Managing Director of Ken Gunn Consulting.

Bicester Village in the UK promotes the surrounding region, its attractions, and accommodation intensively and proactively.



IMAGE: BICESTER VILLAGE/HAMMERSON

McArthurGlen's Serravalle location in Italy is not only the largest designer outlet in Europe, it also sees itself as an elementary part of the tourist destination.



IMAGE: MCARTHURGLEN

At the beginning of February 2024, Moxy opened a hotel at Outletcity Metzingen.



IMAGE: MOXY

# CAN AI IDENTIFY POTENTIAL SYNERGIES BETWEEN RETAIL AND HOSPITALITY? AND HOW CAN THESE INSIGHTS BE PRACTICALLY IMPLEMENTED?

The current issue of **ACROSS RETAIL TALKS** explores the synergies between the retail and hotel industries and how these can be utilized, either already or potentially. Oliver Zügel & Steffen Konrath from evAI aim to delve into this question and, using a concrete case study, demonstrate AI's contributions and the practical implications of the insights gained.

BY OLIVER ZÜGEL & STEFFEN KONRATH



Before contemplating potential synergies, examining the differences between these two sectors is essential. The retail and hotel industries exhibit distinct differences in their market approaches due to the specific nature of their services and products and the differing customer interactions and expectations. These include:

**Retail Industry:**

- Primarily sells physical products from attractive brands that customers want to own and use.
- Utilizes discounts and special offers to boost sales, relying on discounted loyalty programs and continuous advertising to encourage repeat purchases.

**Hotel Industry:**

- Provides services designed to offer a positive experience for guests, focusing on hospitality, comfort, and overall experience.
- Increasingly employs dynamic pricing strategies based on demand, season, availability, and (digital) purchasing sources.
- Discounts are often offered in the form of package deals or early booking discounts. They emphasize personalized services and loyalty programs to encourage repeat stays, with a greater emphasis on personal experiences and satisfaction.

The retail experience is heavily influenced by the shopping environment, product availability, cus-

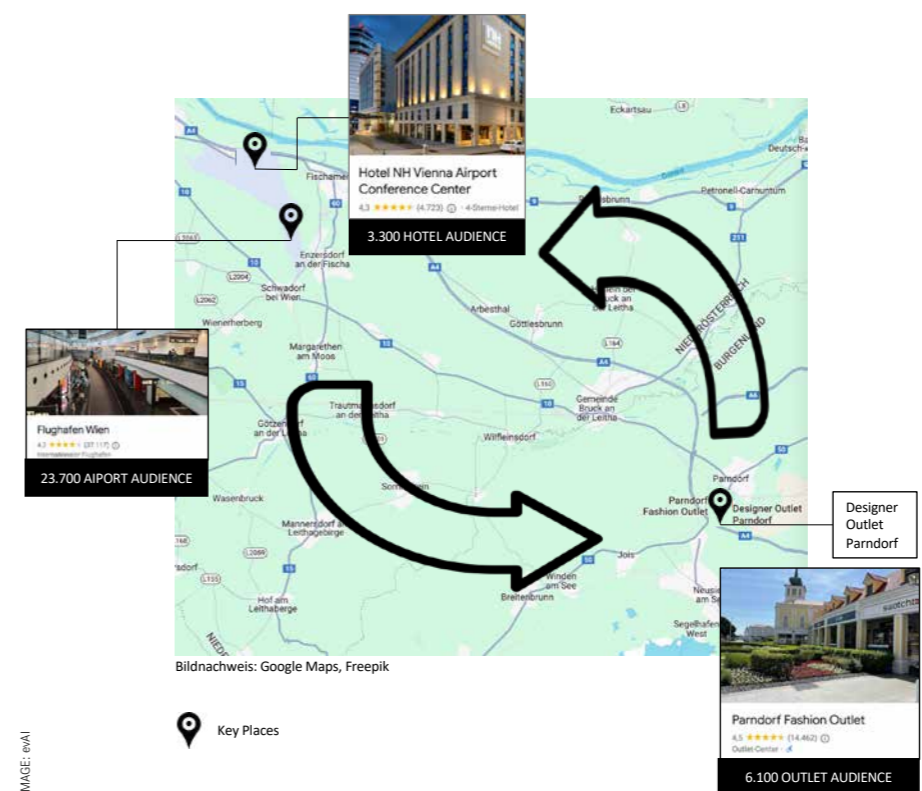
tomers service, and value for money. In contrast, the hotel experience is shaped by the entire stay, including room comfort, service quality, additional amenities, and the staff's hospitality.

When examining potential target groups, we also see different segmentations. The retail industry often segments customers based on demographic, geographic, and behavioral characteristics and purchase history. On the other hand, the hotel industry segments customers more by their lifestyle and travel reasons (business travelers, vacationers, families, couples), length of stay, and specific needs (e.g., wellness, conferences). These different perspectives can be attributed to the shorter sales cycles in retail and the brief, transaction-based interactions with customers. In contrast, the hotel industry has a longer sales cycle, as bookings are typically planned and involve higher investment and consideration. Despite these differences, when examined closely, there are relevant synergy potentials between retail and hospitality. Artificial intelligence (AI) can significantly contribute to identifying and analyzing these synergies by processing vast amounts of unstructured data and providing valuable insights within the context of a combined view. AI can analyze customer data from both industries to identify patterns and overlaps in demographic characteristics, preferences, and purchasing behavior, helping to identify common target groups and potentials.

A key element is the measurable Affinity of people for topics, brands, and activities. Affinity is an expression of a stronger emotional relationship with a place. If people show an affinity for a place or activity, they are more interested and engaged. We will illustrate this with the fol-

lowing case study: Using our proprietary, AI-supported evAI analysis methodology, we examined Vienna Airport, the adjacent nh Airport Hotel, and the Parndorf Fashion Outlet, located approximately 35 kilometers from Vienna Airport:

**SMALL DATA ANALYSIS APPLIED**  
**SHARED LIFESTYLES – VIE AIRPORT, nh HOTEL, PARNDORF FASHION OUTLET**



RETAIL & HOTEL & TRAVEL	LOC	Affinity Numbers	
		Minimum	Maximum
NH Vienna Airport Conference Center	CC	2.800	3.300
Shopping (Retail)	CC	53,57 %	51,52 %
Sports (sports)	CC	78,57 %	75,76 %
Entertainment (leisure)	CC	85,71 %	84,85 %
Vienna International Airport	Airport	20.200	23.700
Frequent Travelers	Airport	35,64 %	35,44 %
Frequent international travelers	Airport	30,69 %	30,80 %
Shopping (Retail)	Airport	53,96 %	54,01 %
Sports (sports)	Airport	79,70 %	79,75 %
Entertainment (leisure)	Airport	86,63 %	86,92 %
Parndorf Fashion Outlet	Outlet	7.400	8.700
Frequent Travelers	Outlet	35,14 %	34,48 %
Frequent international travelers	Outlet	28,38 %	27,59 %
Hotels (lodging)	Outlet	41,89 %	42,53 %

CC - NH Vienna Airport Conference Center  
 Airport - International Airport Vienna  
 LOC - Location

**Affinity** is an expression for a stronger emotional relationship towards a place. If people show affinity towards, e.g., a place or an activity, they are more dedicated.

Measuring the **lifestyle of audiences** near your retail outlets allows you to conquer new marketing opportunities and make additional profits. - Each Airport, each venue, and each hotel shuffles in people with a potential interest in shopping. Lifestyle affinities allow you to discover synergies that are capable of boosting your sales efforts. Since some visitors will stay at the hotels or conference centers at the traveler's destination, all of those can be targeted as prospects of the retail outlets. Traceable audiences can further be used to track down brands that would be a good fit for Parndorf as well, but are not yet present there.





Left: Oliver Zügel, Chairman of GALLUP AG Switzerland and Board Member at evAI

IMAGES: evAI



Right: Steffen Konrath, Founder & CEO, evAI Intelligence GmbH



The absolute numbers show the range of visitors to the nh Hotel, Vienna Airport, and Parndorf Fashion Outlet per week (data basis: Social Genome Data, ages 18-65, with 80%-90% coverage in Austria). The indicated percentages show the respective affinity levels for shopping, sports (activity), entertainment, air travel (frequent travelers), and hotels (overnight stays). For example, between 51% and 53% of visitors to the nh Hotel have an affinity for the retail offerings of the Parndorf Fashion Outlet. Approximately 42% of visitors to the Parndorf Fashion Outlet have an affinity for staying at nh Hotels. A more in-depth analysis of a perfect brand match would show in which specific target group segments the brand affinity between nh Hotels and Parndorf Fashion Outlet is highest and what concrete synergies can be derived from this.

Measuring the lifestyle through the affinity of target groups around retail stores or hotels enables the exploitation of new marketing opportunities. Every airport, venue, and hotel attracts people who are potentially interested in shopping. Evaluating lifestyle affinities allows for discovering synergies and boosting sales efforts. Based on this data and insights, personalized recommendations and offers can be created according to customer preferences and behavior. For example, hotel guests could receive targeted retail offers and vice versa. Dynamic pricing models can also be developed, adjusting prices based on demand, customer profiles, and other factors to maximize revenue potential.

The proprietary evAI method can also create predictive models to identify future trends and demand developments. This can help both retail and hospitality better respond to seasonal fluctuations and changes in customer behavior. Another application of the insights gained is to purposefully analyze the entire customer journey to identify touchpoints and pain points. This helps optimize interactions between retail and hospitality and create a seamless experience.

evAI is a solution provider in the market for "Contextual Intelligence." A proprietary analysis method based on "Natural Language Processing" extracts, analyzes, and contextualizes business-relevant information from texts. Our clients come from the automotive, high-tech, and branded goods industries, as well as retail, increasingly from the placemaking industry. The evAI analysis method identifies relevant communities and their lifestyles, affiliated brand worlds, market participants, barriers, opportunities, risks, and disruptive forces. evAI "designs" forward-looking market models from the collected data and identifies existing and potential catchment areas. Supported by AI, existing but hidden market knowledge is analyzed in the context of the questions posed and incorporated into market models that significantly minimize decision-making and investment risk. For the placemaking industry, evAI analyzes existing and future locations worldwide and their potential down to the postal code level. Billions of data points on communities and their lifestyles are available and help clients leverage agglomeration advantages.



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# SYNERGIES BETWEEN RETAIL AND HOSPITALITY: EXPLORING SHOPPING TOURISM AND THE RISE OF RETAILTAINMENT

In recent years, the intertwining of retail and hospitality has emerged as a crucial factor in the attractiveness of destinations. By integrating shopping opportunities with accommodation options, innovative concepts are created that offer unique experiences for tourists and locals. Thomas Mark, President of MK Illumination, explains how recent developments have set new standards for retailtainment.



Shopping tourism is steadily growing, providing travelers with cultural landmarks and diverse shopping experiences. The burgeoning trend of retailtainment expands traditional shopping by incorporating interactive and entertaining elements. The mixed-use hotels and shopping malls offer numerous benefits and enhance the appeal of urban spaces. Moreover, MK Illumination sets new standards in retailtainment by transforming shopping centers into radiant experience worlds.

## SHOPPING TOURISM: A GROWTH INDUSTRY

Shopping tourism has long become a significant economic sector, revitalizing both the retail and hospitality industries. Tourists increasingly seek comprehensive experiences that combine shopping with leisure activities. Cities like Paris, Milan, and New York are classic examples of destinations benefiting from this development. However, this trend is also rapidly growing in Germany. Cities such as Berlin, Munich, and Hamburg attract shopping tourists from around the world, who not only enjoy the cultural landmarks but also the diverse shopping opportunities.

## RETAILTAINMENT: SHOPPING AS AN EXPERIENCE

A central trend in the combination of retail and hospitality is retailtainment, a fusion of shopping

and entertainment. This concept goes beyond shopping, offering customers interactive, entertaining, and often unique experiences. Examples include theme parks in shopping malls, live events, interactive exhibitions, and gastronomic experiences that enhance traditional shopping, turning it into an all-day experience.

## MIXED-USE: HOTELS AND SHOPPING MALLS

Another critical aspect of the synergies between retail and hospitality is the mixed-use of properties, particularly the integration of hotels in shopping malls. This type of use offers numerous advantages: for retailers, it means a constant customer base, while hotels can provide their guests with the convenience of nearby shopping opportunities. These synergies lead to a win-win situation for both industries, enhancing the overall attractiveness of the destination.

## MK ILLUMINATION: RETAILTAINMENT THROUGH LIGHT INSTALLATIONS

Another aspect that strengthens the synergies between retail and hospitality is the retailtainment concept implemented by MK Illumination. Shopping centers are increasingly becoming radiant experience worlds where shopping takes a back seat, and the associated experience and emotions come to the fore. Modern lighting concepts and emotion-



IMAGE: ZIMPFER\_PHOTOGRAPHY/MK ILLUMINATION



IMAGE: MK ILLUMINATION

al stories transform even long-established shopping centers into impressive "places to be," continually delighting customers.

Studies indicate that locations and retail properties offering consumers a contemporary shopping experience, atmosphere, and service are more resilient to changing shopping habits. The challenge lies in positioning against the rapidly growing online trade. Emotions and the social aspect must be increasingly conveyed, as shopping is a leisure activity with a demand for entertainment. It is a lasting experience shared among friends and on social media.

"In the past, 'silent' would have been an attribute reserved for Christmas. But visually, shopping centers in Germany are now shifting a gear louder," says Thomas Mark, President of MK Illumination, a market leader in festive decorative lighting. Christmas shines according to the marketing concept of a shopping center. When thousands of light points make eyes sparkle, they are part of a story that evokes emotions.

"In customer briefings, individuality and the wow effect are almost always demanded," describes Thomas Mark at the beginning of the exchange process with the customer. "That's why we work closely with our design teams and clients locally." However, light stimuli and images can quickly lead to saturation. "The trend in our design work is towards interactivity and entertainment. Therefore, we are constantly challenged to create collective emotionalization."

In some shopping centers in Germany, traditional motifs prevail, while in others, innovative ones lead.

"It all depends on the center's philosophy and the planned marketing concept," explains Mark.

In the "Höfe am Brühl" center in Leipzig, a bespoke concept highlights the historical significance of classical music dedicated to legendary composers such as Johann Sebastian Bach, Felix Mendelssohn Bartholdy, Edvard Grieg, Gustav Mahler, Clara and Robert Schumann, and Richard Wagner. The project's highlight is a musical interaction: when someone plays the piano keys, not only do melodious sounds fill the air, but an oversized Christmas tree is also animated — a unique interplay of music and art in a public space.

Furthermore, a unique lighting concept has been created in collaboration with ECE at Limbecker Platz in Essen. The concept "A Heart for the Ruhr Area" is more than just festive lighting — it is an homage to this region's unique identity, closely tied to coal mining and industrial history. "The close collaboration with ECE allowed us to realize a concept that is not only aesthetically appealing but also tells a story," says Thomas Mark, President of MK Illumination.

The synergies between retail and hospitality open up numerous opportunities for destinations worldwide. By combining shopping opportunities with accommodation options, added value is created for travelers and the local economy. The trend of retailtainment and the mixed-use of hotels and shopping malls are key elements driving this development. MK Illumination complements this picture with stunning light installations, transforming shopping centers into radiant retailtainment, creating emotional, interactive experiences that continually attract and delight customers.

*Left: Collaborating with ECE, MK Illumination created a unique lighting concept at Limbecker Platz in Essen.*

*Right: In the "Höfe am Brühl" in Leipzig, a tailor-made concept emphasizes classical music's historical significance.*



# COMMERCIAL STRATEGY FOR MIXED-USE MASTERPLANS

The commercial benefits of accommodating multiple uses in one development are clear: If the offer and environment are tailored correctly, footfall – and therefore turnover and rents – can be increased. Nevertheless, there is a great reluctance to create true mixed-use developments due to the inability to truly understand the different requirements of different user groups, according to a joint report by Pragma and Benoy.



Mixed-use developments face two main challenges. Firstly, the challenge of design, as the different uses have very different architectural requirements, and secondly, the challenges of business strategy. The different uses have different and often conflicting needs in terms of space, environment, brand, and ambience. As a result, many developers simply subdivide larger projects into smaller parcels with a single use, explains Andrew McVicker, Director at Pragma Consulting. “Although technically a ‘mixed-use’ development – as the larger plot accommodates a range of uses – such a design negates the benefits of true mixed-use, namely the increased turnover and value that can be created by different audiences using the same space.”

Beyond the challenge of accommodating the different design requirements of various uses in a single space, McVicker and his team believe the biggest holdback to creating true mixed-use projects is the inability to truly understand the various requirements of different user groups and how a project can – or in some cases, cannot – meet their combined needs. That’s why Pragma has developed a proven strategy to optimize the chances of success mixed-use projects. These are some of the highlights.

## IDENTIFYING SUCCESS CRITERIA

Although mixed-use developments are home to multiple uses – typically retail, food and beverage, leisure, grocers, offices, residential, and hotels – not all uses are equal. Priority is given to those uses that have the greatest potential to meet the development’s success criteria.

“As a rule, direct income is the most important success criterion, but there are a variety of success criteria that need to be taken into account when prioritizing uses,” explains McVicker. Uses that generate the most direct income now are not necessarily the ones that will generate the most income in the future. Financing that is available for some uses may not be available for others. In addition, some uses that generate little direct income themselves may be crucial when it comes to generating the awareness, footfall, or brand positioning that can establish a development over the long term and inhibit future competition, potentially protecting future value. “It is crucial for developers to clearly establish their success criteria as early as possible, as they will have a fundamental impact on the uses selected, the quantum of space required for each, and the physical layout of the scheme – all things that are difficult to change further down the line,” states the report.

“Success criteria should not be vague, but measurable – what rents are being targeted, what uses and occupiers can deliver those rents, what mix of uses, positioning, and environment are required to attract those occupiers, how feasible is the creation of that offer given the existing and planned competition, how could the offer be changed or optimized to reflect that, how might performance expectations change accordingly, and is the business plan for the development still coherent? All too often, developers start work on a project without a clear idea of what success will look like, or fail to update their vision as plans for the project evolve. That can lead to an inefficient process at best and, at worst, projects that are flawed from the ground up before they are even built.”

## THE FAILURE TO IDENTIFY AND ACT ON SUCCESS CRITERIA

There are numerous examples in which the failure to identify and act upon success criteria has led to either a focus on short-term gains, missed opportunities to enhance and/or protect long-term asset value, and/or total collective inertia – to the detriment of assets, investments, and more. McVicker cites the example of UK town centers, where this is true of the vast majority of assets, and contrasts this with the Paya Lebar mixed-use development in Singapore, developed by LendLease in 2019, which he describes as one of the best mixed-use areas in the world.

## UNDERSTANDING AN AUDIENCE

Demand as well as existing and planned competition impact the selection of success criteria and, therefore, the uses chosen for a mixed-use scheme. In terms of audience, Pragma typically distinguishes between “captive audiences” and “catchment audiences”, whereby “captive audiences” have a reason to be on site regardless of the available commercial provision, whereas “catchment audiences” must actively choose to visit a development. Neither segment is inherently “better” – captive audiences are easier to attract, while catchment audiences generally offer higher overall spend potential. Within these segments, different users have their own characteristics: Residents bring high spend potential, footfall throughout the day/week, and a sense of

ownership and identity to a scheme; workers bring significant lunchtime and after-work spend potential – particularly in the hospitality and leisure sectors – and hotels can provide both a high volume of business guests, which boosts food and beverage turnover potential, and holiday guests, who are often already in “spend mode”. Crucially, such generalizations need to be fully explored, proven, disproved, quantified, and developed in order for them to be successfully applied to defining opportunities for success and determining commercial strategy.

Sizing an audience can be done relatively quickly and robustly and forms a crucial building block of success criteria and strategy. Pragma utilizes best-in-class data providers, such as Experian, which utilizes census data and aerial photography to create population counts, demographic and spend profiling of 250 m grid squares for the majority of countries across the globe. Industry standards in workspace per worker allow for office populations to be forecast, while number of units, beds, keys, and occupancy rates allow for residential and hotel audiences to be sized. Target occupiers of office space, target operators of hotel space, and target price-points for residents inform expectations of target audiences, which can then be used to inform expected demographic profiles and spend potential. Audience sizing provides a quantification of spend potential by audience type. It is crucial to then contextualize this spend potential with similar schemes, particularly if the performance (footfall, turnover, rent) of similar schemes is known.

This analysis helps to determine how much of each audience groups’ spend potential could translate into turnover and subsequent rents. While this is not an exact science, assessment has been significantly aided by the increased availability of consumer behavior through mobile phone data tracking, which allows for like-for-like quantification of competing schemes’ footfall, catchments, audience dwell times, and visit frequency. Creating a detailed universe of scheme performance from across the world combined with careful assessment of existing and planned competition – “their strengths and weaknesses in terms of accessibility, environment, uses and brands – helps one understand the strength of appeal to different audience groups, and helps



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The full “Commercial Strategy for Mixed-Use Masterplans” report, including additional insight and case studies, is available at:







determine with which audience groups the target scheme could ‘win’, which areas of focus should be prioritized, and crucially, the impact on foot-fall, turnover, and rent of ‘winning’ with each audience group.”

Sensitivity testing of results allows for assumptions to be tested and challenged, and for the

impact of under or overperformance with different audience groups to be tested. Such analysis is crucial when it comes to optimizing a schemes’ chance of success by determining the most appropriate use of space and layout. Unfortunately, such questions are often only raised when an architect presents design options or, worryingly, may not be raised at all.

## CASE STUDY OF ST JAMES QUARTER, EDINBURGH

BY BENJOY + PRAGMA

One of the most successful mixed-use developments in recent years has been the redevelopment and expansion of St. James Centre into St. James Quarter in the heart of historic Edinburgh, UK. The 1.7-million-square-foot mixed-use development houses 850,000 square feet of retail, a food hall, cafés, bars and restaurants, a rooftop Everyman cinema, and new leisure occupiers such as Flightclub, Lane7, and TOCA digital football. The development also includes 152 apartments, a four-star, 74-room Roomzzz Aparthotel, and a five-star W Edinburgh hotel featuring 244 rooms, the brand’s first in Scotland.

Assisted by Pragma, who has worked on the scheme since 2016, developer Nuveen was able to confidently create the optimal scheme size for Edinburgh city center, taking into account the quantum and strength of existing provision on Princes St as well as the underserved opportunity generated by local residents, wider catchment residents, and tourists.

As the largest tourist destination in the UK outside of London, Edinburgh generates vast spending potential from tourists. The creation of an environment – undercover, unlike the Old Town – a retail offer, including international brands such as Cos, Kate Spade, Zara, and anchor store John Lewis as well as more selective offerings like Kartel, lolla, and Scamp & Dude – and an F&B offer with food hall Bonnie & Wild providing an array of cuisine types and capable of seating 400, supported by 42 additional F&B offerings – makes it a “must visit” element of a trip to Edinburgh. That, in turn, increases the appeal for hotel operators to take up space. The availability and scale of the F&B offering is another advantage for hotel operators. Although hotel operators are increasingly able to provide high quality and appealing F&B offerings, that is not their primary role. Many of them operate at a loss or as loss makers for the hotel’s main business. Hotels are increasingly partnering with external operators (often with celebrity chefs) to run the premises, limiting the risk as well as the re-



IMAGE: ST. JAMES QUARTER

turn for the hotels. The provision of such a strong F&B offer at St James Quarter means Roomzzz Aparthotel can operate without providing its own F&B offer – providing just a “coffee and a croissant breakfast” – while W Hotel can successfully focus on high-end provision (in Edinburgh, the W Lounge and SushiSamba), safe in the knowledge that more affordable options are also available to guests at its doorstep, without having to provide such options themselves. This understanding of how the needs of differing users can align is crucial to determining the optimum occupier mix and the attraction and retention of brands.



# HOTELS – MORE THAN MEETS THE EYE!

In the ever-evolving hotel industry, there is one category that really stands out – hotels, explains Will Odwarka, Founder and CEO of Dubai-based Heartatwork Hospitality Consulting. The hotel landscape is changing on a global scale as hotels seek to attract and cater to a more diverse and international clientele with their F&B and retail offerings. It is a fact: Hotels, gastronomy, and retail go together.

BY WILL ODWARKA



Gone are the days when hotel restaurants were only seen as convenient dining options. They were often run by the hotels themselves and were not branded restaurants, but often huge buffets. Inspiring was not necessarily the first thought that came to mind.

With the rise of foodie culture and the demand for unique culinary experiences, hotels are now following suit and offering a wide range of dining options to suit different tastes and preferences. From fine dining restaurants run by Michelin-starred chefs to trendy casual restaurants serving Instagram-worthy dishes, hotels around the world are redefining the gastronomic landscapes at their properties.

One of the key trends we are currently seeing in the hotel restaurant scene is an increased focus on high-end dining. More and more hotels are partnering with renowned chefs and culinary experts to create high-end restaurants that can compete with independent restaurants in terms of quality and creativity.

These culinary options not only showcase the skills and talents of the chefs, but also offer guests a touch of luxury and sophistication right on the hotel premises.

At the other end of the spectrum, we are seeing a rise in casual dining options within hotels. From trendy cafés and hip bistros to laid-back



IMAGE: ARRAZUNA/THE LINK

*Arrazuna is one of 11 new dining concepts at One&Only One Za’abeel’s The Link in Dubai.*

lounges and rooftop bars, hotels are embracing the casual dining trend and creating spaces in which guests can unwind, socialize, and enjoy delicious food and drinks in a relaxed setting. These casual dining options offer guests laid-back and informal atmospheres in which they can let their hair down and savor the flavors of the local cuisine in a more casual setting.

One amazing example can be found at the One&Only One Zabeel Hotel in Dubai with its





IMAGE: ONE ZA'ABEEL

One Za'abeel is Dubai's ultimate address for luxury residential, commercial, and leisure experiences.



stunning floating boulevard “The Link” suspended 100 meters above the ground, the longest cantilever in the world and a range of breathtaking culinary options – from street bistros to upscale Thai cuisine and an ultra-modern food hall. There is also a 130-meter-long pool, which is flanked by an exceptional Japanese/tapas concept. All of that happened shortly after the opening of the globally acclaimed, iconic Kerzner landmark Atlantis – The Royal, with its 17 restaurants (you read that right). Dubai has truly cemented its status as one of the most important tourism hubs in the world, boasting an ever-growing local culinary scene and countless celebrity chefs from around the world.

**SPOTLIGHT ON RETAIL**

While I am obviously writing about F&B, we must not forget the retail environment at hotels or, more importantly, hotels within the retail environment. The travel and tourism industry is a multi-trillion-dollar business, and retailers naturally want a bigger slice of the pie. The integration of retail into the hotel industry is a growing trend. Hotels with a strong retail offering have seen an increase in revenue. Research shows that hotel guests are more likely to return to a hotel if they had a positive retail experience dur-

ing their stay. This shift towards a more integrated retail and hospitality environment is being driven by the desire for a more holistic and immersive guest experience.

When reading my columns, you may have noticed a common thread. I talk about community, excitement, experience, and multi-sensory memorable moments that bring you back to a place – not just to a restaurant, but to any place. Much like the F&B industry, retail has evolved far beyond places to shop, and hotels are no longer just places to sleep.

Hotel guests around the world demand the same seamless experience that they have come to expect from retail: loyalty, technology, automated interaction, and respectful handling of their time in terms of booking, check-in, and more.

Hotels are now partnering with well-known retailers to create unique and innovative spaces that offer guests an unparalleled experience. Luxury hotels, especially in the US, show the most growth in retail revenue. This general trend is even more pronounced in international markets, with hotels in Dubai, Bangkok, and New York leading the way when it comes to creating iconic retail spaces within their properties.

The success of this integration is reflected in the increase in footfall and revenue for hotels that have embraced the retail trend. Guests are no longer satisfied with just a comfortable room and good service. They want an experience that appeals to all of their senses and leaves a lasting impression. By incorporating retail into their offerings, hotels can provide their guests with truly immersive and unique experiences that go beyond traditional hospitality.

Retailers around the world have become more creative, introducing their beloved brands at hotels, and players within the hospitality industry have become integrated elements of the retail environment. William-Sonoma, a furniture and home accessories retailer, went for broke, which seems to have worked out well. Sheraton and Address in Dubai, Westin in Bangkok, Plaza and Drake in New York, and many more have become icons of the perfect fusion of retail and hospitality.

In other words, the hotel landscape is changing on a global scale as hotels seek to attract and cater to a more diverse and international clientele with their F&B and retail offerings. As travel becomes more accessible and global, hotels are incorporating a variety of international cuisines and retail brands into their offerings. Blending traditional Italian trattorias and authentic Japanese sushi bars, modern French bistros and fusion restaurants within a setting of popular retail brands creates the perfect environment for a multi-sensory experience.

This international approach to hotels not only reflects the changing tastes and preferences of modern travelers, but it also adds a layer of cultural authenticity and diversity to the overall guest experience. By offering a taste of different culinary traditions and flavors, hotels are able to create a more immersive and enriching dining and, potentially, retail experience for their guests, allowing them to sample and savor the best of global cuisine without ever leaving the hotel premises.

In conclusion, the hotel landscape is evolving rapidly, with hotels around the world embracing fine dining trends and casual dining options to cater to the diverse tastes and preferences of modern travelers – and flanking it with retail. From high-end gastronomic experiences to laid-back casual eateries, hotels are redefining the dining scene within their properties and creating unique culinary destinations for guests to enjoy, while simultaneously connecting them to the retail world.

With an international perspective and a focus on quality, creativity, and authenticity, hotels are setting new standards for dining excellence and raising the bar for the entire guest experience within the hotel industry. So, the next time you check into a hotel, be sure to explore the culinary options – you might just discover a hidden culinary gem that will surprise and delight your taste buds.



IMAGE: HEARTATWORK HOSPITALITY CONSULTING

Will Odwarka is the Founder and CEO of Dubai-based firm Heartatwork Hospitality Consulting and is a Member of the ACROSS Advisory Board.

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# MPC PROPERTIES: “MPC ECHO” INTRODUCES A NEW WAVE OF INNOVATIVE BUSINESS

The first conference of MPC Properties, “MPC Echo”, was held at the Sava Center, focusing on great ideas and innovative business practices in the real estate industry and sustainable business operations.



Panel 1 on “New Retail Experiences and Green Practices”



Panel 2 on “Evolution of Business Spaces: Trends and Transformations”



The closed-type conference gathered company partners and leading experts from various sectors to exchange experiences, foster innovation, and identify new business directions. Participants had the opportunity to hear an analysis of the latest trends, specific examples of MPC Properties and their lessee’s practices, and reputable companies in the local and global markets.

Jonathan Doughty, an award-winning expert in the hospitality and entertainment industry with 45 years of experience managing restaurants, hotels, and global consulting, opened the conference. Through his fantastic lecture, he brought contemporary trends in the industry across Europe and the world closer to the participants.

He encouraged all conference attendees to think and engage in constructive discussion.

Two panels addressed key topics.

## PANEL 1: “NEW RETAIL EXPERIENCES AND GREEN PRACTICES”

The first panel was moderated by Jovana Cvetković, Director of Development, Technical Operations, and Innovation, MPC Properties. The panelists were Vladimir Kraljičić, Fashion Company’s COO; Orsolya Emese Riesz, Amrest Group’s Regional Property Management Manager, CE&SEE; and Marija Golubović, Energo Group Efficiency Engineering’s CEO.

Knowing these VUCA (Volatility, Uncertainty, Complexity, Ambiguity) times and fast-growing trends in the commercial RE industry, this panel addressed new trends and challenges in retail, their impact on existing business models, as well as innovations, which will consequently determine the future of retail, adapting to the evolving consumer preferences and market dynamics:

Key themes and conclusions:

- **Experiential retail:** Physical retail spaces aim to provide unique experiences that cannot be replicated online, focusing on food and beverage (F&B), entertainment, and leisure. They incorporate interactive displays, pop-up shops, and placemaking to engage customers on a deeper level and drive foot traffic to brick-and-mortar stores.

- **Omnichannel Retailing:** The line between online and offline retail continues to blur, and retailers embrace omnichannel strategies, creating shopping experiences across multiple channels, including physical stores, e-commerce websites, loyalty apps, and social media platforms, to meet customers wherever they are in their purchasing journey.

- **Technology Integration:** Retailers are leveraging technology to enhance the shopping experience and streamline operations. This includes implementing digital payment systems, personalized marketing through data analytics, and the use of augmented reality (AR) and virtual reality (VR) for product visualization.

- **Sustainability:** Developers are incorporating green building principles and eco-friendly design in new developments, while retailers are increasingly focused on offering sustainable products and reducing their environmental footprint through initiatives like energy efficiency and waste reduction-recycling.

- **Health and safety:** The COVID-19 pandemic accelerated the need for flexibility and agility in both commercial real estate and retail. Developers are shifting strategies to customer-centric, raising awareness of occupants’ well-being. Retailers are responding by prioritizing cleanliness



IMAGE: MPC PROPERTIES

Hospitality and entertainment industry expert Jonathan Doughty opened the conference.

in their stores, offering contactless shopping options, and integrating health-focused products and services into their offerings.

- **Adaptive reuse:** With the shift in consumer behavior and the rise of e-commerce, many traditional retail spaces are being repurposed for mixed-use developments, including residential, office, or entertainment spaces, which allows both property owners and retailers to maximize the utility of their spaces and adapt to changing consumer demands.

By strategically aligning with these opportunities, stakeholders in the industry can position themselves for success in a dynamic and competitive market, keeping pace with changing consumer preferences and market trends.

In conclusion, it is essential to remain relevant, resilient, and flexible. This involves providing diversification and a competitive advantage, enabling authentic experiences, and striving to reshape the future of retail.

## PANEL 2: “EVOLUTION OF BUSINESS SPACES: TRENDS AND TRANSFORMATIONS”

Bojan Jevremović, Office Leasing Director, MPC Properties, moderated the second panel. The panelists were Milan Gospić, Country Manager, Microsoft Serbia; Nebojša Ristin, CEO, Zühlke Engineering; and Milorad Krstikeski, Country Manager for Serbia and Montenegro, British American Tobacco.





IMAGE: MPC PROPERTIES

The MPC Management Team called the first "MPC Echo" a great success



This panel analyzed the organization of office spaces, hybrid work models, the impact of modern technology, and ESG strategies.

Key themes and conclusions:

- **Office organization:** Locations, buildings and materials used for furnishing play an increasingly significant role in attracting new employees.
- **Hybrid work model:** The hybrid work model is unlikely to disappear soon, and companies should consider how best to implement it to attract people back to the office.
- **Modern technological solutions:** Technological advancement is valuable for organizing workspace and hybrid work models.
- **ESG strategy:** ESG strategy is becoming increasingly important for companies. It initially focuses on green building in the context of business buildings.

### CONCLUSION

Echoes resonate through time, leaving a lasting mark, and similarly, MPC has established itself as a cornerstone of the real estate market, with an enduring influence that extends across the industry and the region.

MPC believes in the power of collaboration and innovation. As it gathered with its esteemed business partners and tenants from its diverse retail and office portfolios, it is reminded of the common strength that propels everyone forward. Together with its partners, MPC Properties is redefining the landscape of the real estate market, setting higher standards, and shaping a more sustainable future.

As MPC embarks on this new chapter with the MPC Echo, it will continue to build upon its legacy of excellence, leaving an echo that will resonate for generations to come.



# KEY FACTORS DRIVING QUALITY AT SHOPPING CENTERS

Why do we visit shopping centers? Is it merely for shopping, or are we seeking entertainment, a place to meet, or perhaps all of these experiences combined? Despite the diverse reasons that draw us to shopping centers, one expectation remains consistent across all visits: the demand for quality.

BY JEAN CARLOS DELGADO



Being a quality player in the shopping center industry can manifest in various forms – through its ambiance, the mix of retail and entertainment options, sustainability initiatives, mixed-use offerings, or the seamless integration of digital conveniences. While numerous factors influence the success of a shopping center, I will draw on insights from industry leaders, real-life case studies, and my own personal reflections to focus on three key factors that establish a shopping center as a quality player.

### TENANT MIX: QUALITY WITH THE RIGHT DIVERSITY

It is evident that a well-curated and thoughtful selection of tenants creates a vibrant, dynamic environment that attracts a broad spectrum of visitors, ensuring the shopping center remains a thriving community hub. In search of front-line expertise on the topic, I contacted Jussi Vyyryläinen, an expert with nearly two decades in the industry, and asked him about the key considerations or principles he believes are important when curating a tenant mix for shopping centers.

“The key to the right tenant mix is understanding the catchment area and the consumers’ expectations there. That includes the demographics, consumer behavior, and competition, to name a few examples, but extends also to understanding the change happening among the consumers and the particular area. There is no



IMAGE: CITYCON

one recipe for the right tenant mix, but instead, it needs to be defined on a case-by-case basis,” states Jussi Vyyryläinen, Senior Vice President / Group Head of Leasing & Specialty Leasing, Citycon.

I couldn’t agree more with him that there’s no one-size-fits-all recipe for the right tenant mix—much like life in general, where flexibility and adaptability are key to success. Jussi’s extensive experience reveals the importance of anticipating market trends and adapting the tenant mix before shifts become a necessity. This forward-thinking strategy ensures the shopping center remains relevant and attractive to shoppers, thereby maintaining its quality and competitiveness.



IMAGE: HYPERIN

Jean Carlos Delgado is the Brand and Marketing Director at HyperIn



Jussi shared a compelling example of this proactive strategy: “We have carried out various strategic tenant mix conversions, and we have executed them early. Instead of waiting for a tenant or a tenant group to start suffering, we execute conversions when everything is stable, but we understand that that will not be the case in the future unless we act. The change might be triggered by new competition or a change in consumer behavior. For example, we have made conversions from retail to services and from fashion to groceries; we have also carried out other types of conversions, depending on the case at hand.”



Markus Porvari is the CEO of HyperIn

**SUSTAINABILITY: DEFINING QUALITY LEADERSHIP AT SHOPPING CENTERS**

For those of us immersed in the retail industry, it’s clear that sustainability has evolved from a buzzword to a critical component of quality shopping centers. As I wanted to dive deeper into this crucial aspect, I spoke with Pia Rosvall, an expert in the industry with over two decades of experience and a staunch advocate for sustainable development in commercial real estate. Pia’s insights shed light on why sustainability has to be seen as a key factor for becoming a quality player in the shopping center industry. I was curious about her perspective on how shopping centers integrate sustainable practices to enhance environmental responsibility and attract eco-conscious consumers.



Jussi Vyyryläinen is the Senior Vice President / Group Head of Leasing & Special Leasing at Citycon

“Sustainability transcends trendiness; it’s the foundation of a forward-thinking business strategy. Integrating eco-friendly technologies and sustainable practices positions a shopping center as a leader in innovation and community development. It’s about creating spaces that not only serve consumers but also inspire them to embrace a sustainable lifestyle,” states Pia Rosvall, Shopping Centre Manager, Kluuvi.



Pia Rosvall is the Shopping Center Manager at Kluuvi

Pia’s approach to sustainability goes beyond typical measures. She highlighted the need for easy access to amenities such as easy access to charging stations for electric vehicles, recycling centers, and public transportation, which not only reduce the carbon footprint but also enhance convenience for shoppers. “The most ecological way is to have the shopping center in a strategic location,” Pia noted. “It’s all about location, location,

location. Shoppers want everything to be five minutes away from their homes, with no driving needed.” Such initiatives demonstrate a commitment to creating a sustainable environment that aligns with the values of modern consumers.

**TECHNOLOGICAL INTEGRATION: THE CORNERSTONE OF QUALITY SHOPPING CENTERS**

As we navigate the merging of digital advancements with the traditional retail environment, it’s clear that technology has moved beyond mere operational support to become a critical element in driving consumer engagement and boosting revenue growth. In an era where the boundaries between online and offline shopping blur, choosing the right technological partners is essential for distinguishing a shopping center as a premier destination for quality.

This perspective led me to engage in a discussion with Markus Porvari, a seasoned technology entrepreneur and the founder of HyperIn, to explore why technology is so crucial for quality in shopping center management and consumer interaction.

“Technology’s role in modern shopping centers goes beyond mere operational support; it’s fundamentally reshaping environments to connect with today’s tech-savvy consumer. Integrating intelligent systems to create interactive, immersive experiences that engage visitors at every level are what distinguishes a quality venue in the competitive landscape of tomorrow,” argues Markus Porvari, President and CEO at HyperIn.

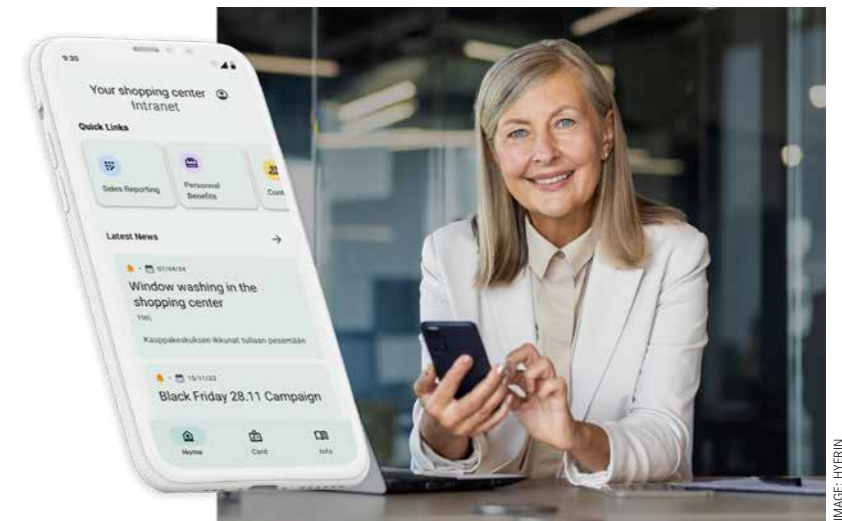
In our conversation he also emphasized on some practical applications of these technologies: “Take our work with Citycon’s shopping centers digital signage screens in the Nordics which do more than just display real-time information or guide shoppers – they also offer data and analytics to shopping center managers, helping them make informed decisions to engage with visitors in effective ways.”

Porvari also touched on how quality shopping centers are rapidly evolving into mixed-use spaces, integrating technology in residential and industrial areas to meet broader community needs. “In Hong Kong, we are working with local authorities to de-

ploy our mobile intranet solutions with features like electronic identification cards and real-time footfall analytics at business parks connected to shopping centers. This technological approach not only fortifies the management and security measures but also significantly elevates the quality of the local environment.”

This comprehensive approach to technological integration highlights why it is a cornerstone of quality in modern shopping centers, setting new standards for urban development, and paving the way for smart cities of the future.

Tenant mix, sustainability, and technology integration are not just components but the pillars of a high-quality shopping center. Focusing on these key factors allows shopping centers to position themselves as leaders in the industry, offering a superior experience to visitors while contributing positively to the planet. The future of commercial real estate is bright, with endless potential for innovation in management, consumer engagement,



and revenue generation. As we look forward to what’s coming, the emphasis on quality will undoubtedly shape the shopping centers of tomorrow into vibrant, sustainable community hubs.



# RETAIL OFFERS AN ATTRACTIVE WORK ENVIRONMENT – THAT REALITY NEEDS TO BE BETTER COMMUNICATED!

Norbert W. Scheele has worked for C&A in various functions and countries for more than 40 years. Not only does he have four decades of first-hand experience dealing with change in the retail sector, he has also overseen the expansion into Eastern Europe. At a time when the mood in the world of retail is more divergent than ever between the East and the West, when the middle segment is shrinking in favor of luxury and discount stores and consumers as well as employees seem to have become more and more demanding, it is all the more worthwhile to take a look at the situation and the development of retail in Austria and Europe with an experienced retail expert like Norbert W. Scheele. For 6 years he is as well vice president of the Austrian retail association.



C&A sees itself as a fashion retailer for the whole family.



**ACROSS: FROM YOUR PERSONAL POINT OF VIEW: WHAT ARE THE BIGGEST CHANGES YOU HAVE SEEN IN YOUR FOUR DECADES WORKING IN RETAIL AND FOR C&A?**

**NORBERT W. SCHEELE:** One catchphrase springs to mind: the rise of the retail park. When I arrived in Austria in 1990, not only was the C&A

expansion in full swing, but the construction of retail parks was on the rise. Moving away from city centers, opening up rural areas, and using this innovative format, with all of its strengths and at that time completely new and smaller space formats, was a very big and highly successful step for the retail real estate sector and, by extension, for fashion retail. Retail parks are a success story and continue to offer added value for companies like C&A.

**ACROSS: STRONG SEGMENTATION IS CURRENTLY BEING EXPERIENCED IN THE RETAIL SECTOR. GROWTH IS TAKING PLACE AT THE POLES OF LUXURY AND DISCOUNT. WHAT ARE THE DEVELOPMENTS WITH REGARD TO THE MID-RANGE SEGMENT?**

**SCHEELE:** Growth in the discount sector at chain stores such as Tedi, Pepco, and Action cannot be disregarded. Nevertheless: The mid-range segment has its rightful place as well, precisely because it can authentically position itself with respect to today's defining social issues, such as sustainability, the environment, and social justice. Discounters can't do that. In addition, the mid-range segment represents diversity and can offer

much more in terms of sizes and colors in the fashion sector, for example.

**ACROSS: STILL, BANKRUPTCIES IN RECENT YEARS HAVE ALMOST EXCLUSIVELY COME FROM THE MID-RANGE SEGMENT.**

**SCHEELE:** The so-called mid-range segment, which primarily consists of SMEs, is struggling under the weight of considerable economic pressure. The Austrian clothing retail sector, which is a sad example, is still lagging behind its 2019 turnover despite a 20% increase in salaries and a 20% increase in rental and energy costs. There is also the major issue of tied-up capital: Seasonal collections have to be pre-financed. Unfortunately, all of this has become increasingly difficult rather than easier.

**ACROSS: DISCOUNT FORMATS ARE ALSO STEPPING OUT OF THE SO-CALLED "CHEAP CORNER" AND RENTING LARGE SPACES AT HIGH-QUALITY SHOPPING CENTERS AND IN HIGH STREETS. DO YOU THINK THAT IS BENEFICIAL TO THE LOCATIONS?**

**SCHEELE:** For a center, the top priority is always to create a wide range of offers – ultimately, that's a good thing for all tenants. Footfall is the key indicator for every location and the formats mentioned do generate footfall. That, however, is not the only approach. If the mix is right, discount formats have a justifiable place; then it's up to all retailers to design their spaces in a way that attracts customers.

**ACROSS: DO YOU HAVE A PREFERRED LOCATION FORMAT?**

**SCHEELE:** No, I don't. Whether it's a shopping center, high street, or retail park, it all depends on the location as well as the current economic situation. Competitors and footfall are the most important factors for us when it comes to assessing location. Retail parks did extremely well during the pandemic. At present, footfall at centers is back on track and high streets are making a comeback. The latter, in particular, represents a very important development, as the extinction of city centers would be catastrophic for the retail sector. Across all formats, however, good locations remained good or improved during the pandemic. Poorly performing locations became even less attractive. It goes without saying that we are focusing our attention on the good locations.

C&A has been manufacturing jeans in Mönchengladbach since 2021. At the FIT (Factory for Innovation in Textiles), the textile manufacturer produces jeans with the aid of automated and digitalized processes. The European project aims to reshape the industry standard in fashion production through the use of the latest technologies and innovations.



**ACROSS: WHERE DOES C&A STAND WHEN IT COMES TO EXPANSION?**

**SCHEELE:** As our CEO Giny Boer always said: 100 additional stores are C&A's declared expansion target. The current focus is on Poland and Romania, in particular. A lot is being built and developed there, and we naturally want to be a part of the process. While we are continuing to expand in Eastern Europe, our efforts in the Western countries have more or less been concluded. The focus in those countries is primarily on issues such as repositioning and format optimization. The key question is: To what extent has a location changed, and what does that mean for the range, layout, and modernization measures?

**ACROSS: HOW HAVE STORE SIZES DEVELOPED IN GENERAL?**

**SCHEELE:** There used to be areas of up to 10,000 sq m. Today, a size of 3,500 sq m is considered ideal when it comes to displaying the totality of a given product range. We see this trend in all retail industries in the market. Products that cannot be displayed within the space are offered via the online store and are subsequently delivered to the store via omnichannel solutions, for example.



**SATISFIED RETAIL EMPLOYEES**

In cooperation with Mindtake Research, the Austrian Retail Association surveyed employee satisfaction in the Austrian retail sector. Key survey takeaways:

- 85% of employees in the Austrian retail sector rate their jobs as attractive.
- 79% are satisfied with their working hours.
- 77% would recommend their jobs to others.
- 75% would recommend their employers to others.
- 73% rate working on Saturdays as attractive.



**ACROSS: HOW DOES C&A INTERLINK OFFLINE AND ONLINE?**

**SCHEELE:** There was a certain learning curve in that area for retailers and, therefore, for C&A as well, both culturally and technologically. Today, our customers can check via app whether a certain product is available online and/or at a brick-and-mortar store in the area. Similarly, store employees can see what can be offered directly to customers in-store or, in the event of uncertainty, what can be ordered in-store. There are also interactive elements that suggest, for example, how clothes can be combined. This network has performed extremely well for nearly three years. Online and offline belong together – there is no separation. Nevertheless, our focus has remained on our brick-and-mortar business, and online sales still account for a single-digit share of total sales.

**ACROSS: WHAT IS YOUR TAKE ON CONSUMER TRENDS AND KEYWORDS SUCH AS SUSTAINABILITY AND FAST FASHION IN THIS CONTEXT?**

**SCHEELE:** This is a development that is as exciting as it is inconsistent – and that is what makes the issue so challenging. There's no doubt that sustainability and knowledge about products and companies are of great importance, especially among young people. However, the younger generations also order online and return a significant number of products. Younger generations are also particularly susceptible to Asian retailers, such as Temu, which have flooded the European market with short-lived, cheap products. This area of conflict primarily shows that there is a lack of information and education. This is something that we as a company and with the Austri-

an retail Association need to address, as do educational institutions.

**ACROSS: HOW DOES C&A POSITION ITSELF VIS-À-VIS THE CUSTOMER?**

**SCHEELE:** The guiding principle is clear: C&A offers affordable, fashionable, and high-quality clothing for everyone. The focus is firmly on the family as a whole. In recent years, sustainability has been added to our positioning, which is reflected in our slogan: “We care for People and Planet”.

**ACROSS: WHAT IS C&A DOING IN THE AREA OF SUSTAINABILITY?**

**SCHEELE:** C&A has been pursuing a sustainability strategy for many years now. We are one of the largest sellers of organic cotton in the world. Our entire baby and children's department, for example, is bio cotton. We also engage in a number of small projects, such as the take-back of clothing, which is then reprocessed. Transparent information about our activities is provided via our sustainability report. For the past two years, we have specifically addressed this issue on social media platforms – with the help of influencers. Bringing the production of denim back to German soil was a very important step for the company. Our denim factory opened in Mönchengladbach just under five years ago. Some 700,000 pairs of jeans have been “Made in Europe” there, all manufactured in accordance with the applicable environmental and social standards. Customers are aware of that fact and greatly appreciate it.

**ACROSS: AT THE BEGINNING OF OUR DISCUSSION, WE TALKED ABOUT SOME OF THE BIGGEST CHANGES. IN CONTRAST, WHAT DO YOU THINK THE BIGGEST CURRENT CHALLENGE IS?**

**SCHEELE:** One of the biggest changes/challenges revolves around employees – without a doubt. The trend that we've observed over the past few years is that retail appears to have become less and less attractive. This is due to the fact that young people, in particular, pursue increasingly flexible working models. I am, indeed, concerned about this development. People used to be eager to work in retail precisely because such jobs allowed employees to interact with other people and quickly advance their careers. A return to that mentality should be our primary objective.

**ACROSS: THE MOOD IN THE RETAIL WORLD HAS NEVER BEEN SO DIVERGENT WITH RESPECT TO EASTERN AND WESTERN EUROPE. WHILE THE WEST IS COMPLAINING, THE EAST IS GETTING DOWN TO BUSINESS AND OPENING STORES. THAT IS PARTICULARLY TRUE FOR EMPLOYEES. YOU ARE QUITE FAMILIAR WITH BOTH SIDES: WHAT IS YOUR ASSESSMENT OF THESE TWO EUROPEAN WORLDS?**

**SCHEELE:** Irrespective of the different historical and current economic developments, there is one observation that specifically stands out: The value placed on work is higher in Eastern Europe. That is reflected, for example, in the part-time employment rate, which is almost negligible in Eastern Europe. I find Western Europe, where work has become less attractive in recent years, somewhat concerning. On the one hand, people actually want to work less, which can be seen, for example, in the increase in part-time contracts, even for men or those without children. On the other hand, the current non-wage labor costs in a country like Austria are a major problem.

**ACROSS: WHAT COULD BE POSSIBLE SOLUTIONS?**

**SCHEELE:** Non-wage labor costs are an important issue. Those who work twice as much should also be paid twice as much. Education is also needed. A 25-year-old must be made aware of what he will receive when he retires if he continues to work part-time. These are issues for the areas of education and politics. As a company, we are trying to create more attractive administrative jobs that offer working from home and flexitime options. That has resulted in a great deal of improvement and an increased level of satisfaction in recent years.

**ACROSS: SUCH OFFERS ARE DIFFICULT TO IMPLEMENT IN THE STORES THEMSELVES, AREN'T THEY?**

**SCHEELE:** Long working hours and working on Saturdays are unattractive and are deterrents. However – and this is where things get exciting – people who already work in retail have completely different opinions. The Austrian Retail Association commissioned Mindtake Research to conduct a survey on employee satisfaction in the retail sector. According to the study, 85 percent of employees in the Austrian retail sector rated their



IMAGE: C&A

**NORBERT W. SCHEELE**

Norbert W. Scheele began his career at C&A over 40 years ago as part of a six-year trainee program, during which he got to know the company from the ground up. When the expansion of C&A in Austria began in 1990, Scheele was appointed Branch Manager in Linz. From 2002 to 2009, he was a member of the Austrian management team in his roles as Expansion Manager and Head of Region, Central and Eastern Europe. After three years as Country

Manager for Switzerland and Italy, he returned to the leadership of C&A Austria and CEE in 2012, taking over the management of more than 350 stores and approximately 5,000 employees in nine countries. He has been working on the expansion strategies for C&A as Head of European Expansion since 2023, particularly for the growth area of CEE. In addition to his work for C&A, Scheele has been Vice President of the Austrian Retail Association and Head of the Fashion and Sport Circle since 2016.

jobs as attractive. Among apprentices, the figure rose to 100 percent. Given these impressive figures, the discrepancy between the mood in retail and external perception is all the more dramatic.

**ACROSS: WHAT SHOULD HAPPEN NEXT AS A RESULT?**

**SCHEELE:** The challenge for retailers and their associations is clear: How do we effectively advertise and provide proper information to ensure that the attractiveness of the retail sector shines through? This, of course, also calls for political action. We need to become more flexible in terms of legislation in Western Europe. For example, the framework legislation in collective agreements must be relaxed in order to allow more flexibility in issues such as weekend working hours. In today's environment, where individual forms of employment are more in demand than ever before, rigid laws will not get us anywhere. Not only should this apply to a reduction in working hours, but a person must also be able to say that they want to work evenings and/or weekends for organizational or family-related reasons. As a trade association, we will not be negligent in positioning our pain points with politicians.



# “GOOD SHOPPING CENTERS SEE THEMSELVES AS STAGES”

The most difficult times are behind us and retail has proven to be resilient, states MAPIC Director Francesco Pupillo. As such, this year’s MAPIC will once again be clearly focused on matchmaking and brands – especially dynamic brands that are part of experiential retail.



**ACROSS:** LAST YEAR, MAPIC WAS ALL ABOUT DISCUSSIONS, ROUND TABLES, PANELS, AND CLOSED-DOOR EVENTS. HOWEVER, THE TRADITIONAL FOCUS ON DRIVING BUSINESS DEALS HAS ONCE AGAIN BECOME MUCH MORE IMPORTANT. ARE YOU ALSO PURSUING THIS APPROACH IN 2024?

**FRANCESCO PUPILLO:** MAPIC has always been a matchmaking platform. The real estate market, and retail real estate in particular, has endured some difficult years. The end of 2023, which was when MAPIC took place, was perhaps one of its most difficult phases. Now, we can see that momentum is picking up again. Retail real estate has performed well and is currently much further ahead than other asset classes. As a result, matchmaking will once again play a much greater role, along with the analysis of the market and key trends. Therefore, 2024 will be all about brands. Retail is clearly in the spotlight. Participants should familiarize themselves with new brands that are expanding internationally – now more than ever before. Based on the feedback that we have received, we aim to help attendees identify new brands and brands that are expanding across borders. My team is currently in the process of identifying these brands and presenting them at MAPIC, which will give attendees the opportunity to get to know more about them.

**ACROSS:** HOW WILL THAT BE REFLECTED IN THE PROGRAM?

**PUPILLO:** There will be sessions dedicated to those brands. There will also be a session devoted to developments in the high street sector as well as city center developments. Of course, there will also be keynotes from top brands, and we will continue to focus on the real estate sec-

tor in general. Recent years have shown that mixed-use projects, in particular, are on the rise. It is highly unlikely that there are any pure retail development projects left anywhere in Europe, let alone the world. The most important projects at the moment are urban regeneration projects – and they are all mixed-use. This close integration of retail and urban development is new and will determine the future. The environment will also play a major role. The key question at these events is: How is retail changing the face of our cities?

**ACROSS:** LAST YEAR, THERE WAS A LOT OF INTEREST IN TURKISH BRANDS IN PARTICULAR. IN YOUR OPINION, WHAT BRANDS ARE THE MOST INNOVATIVE AND SOUGHT-AFTER THIS YEAR?

**PUPILLO:** There is no single segment that is strong this year. The most dynamic brands are predominantly part of experiential retail, that is, F&B brands and leisure concepts. There are also some niches that are doing very well, such as sports and wellness. At the same time, however, there is also a shift in the more traditional brands, which are taking a very experiential approach at their stores. There is a big shift towards interactivity with customers. That also applies to landlords. Good shopping centers today see themselves as stages – where entertainment is constantly on offer. Culture, theater, live music, and live food are all provided. The live experience really is the key to success these days.

**ACROSS:** THE MAPIC 2024 THEME IS “THE NEW RETAIL EQUATION: GROWING IN A FAST-CHANGING WORLD”. CAN YOU EXPLAIN THIS IN MORE DETAIL?



IMAGES: MAPIC



**PUPILLO:** First of all, the word “equation” is important. Retail professionals have to deal with many variables. For one, there is the omnichannel environment, which is much more than just physical or online. However, there are also other variables that come into play, such as the growing importance of the environmental and social impact of retail. Such issues are particularly significant to younger generations. On top of that, there is the variable of IT and artificial intelligence. Brands and real estate owners are already exploring AI – with impressive results. All of these aspects are part of the new retail equation, while growth is not as simple. MAPIC is a great place to find the right formula to solve all of these equations.

**ACROSS:** IS THERE ANY NEWS REGARDING LEISURUP AND THE HAPPETITE?

**PUPILLO:** As leisure has played an increasingly important role in the retail real estate industry, LeisurUp has also grown. The minus one area at MAPIC will be dedicated to leisure. The conference program for the leisure sector will also be expanded. As with the brands, cross-border development will also play a major role, as will leisure concepts on the high street. The IP village, where the owners of TV programs and streaming brands will be able to show how they have developed physical activation, will be a new feature. This is a huge trend. The Happe-tite, meanwhile, is clearly focused on match-making. On the one hand, it’s about the presentation of brands, but on the other hand, it’s also about their digital development. Those are the two key areas. The number of F&B concepts has grown and so has the demand for innovative providers.

**ACROSS:** FROM A RETAILER’S PERSPECTIVE, WHERE DO YOU SEE THE GREATEST NEED AT PRESENT?

**PUPILLO:** The cost of inflation is high. Consumers are buying less or only want to pay a certain price. That has recently put retailers under a tremendous amount of pressure. Fortunately, inflation is now on the decline and sales are on the rise. At the same time, retailers have to keep their physical locations afloat. Finding the right location for your brand is an extremely difficult task. Should it be online or offline, and if offline, where? Knowing the market, and your competitors in particular, and how best to combine physical and online offers and use store animation to drive footfall is more important than ever. These are definitely years of change for the retail industry, but there are many reasons to be optimistic, but there are plenty of reasons to remain optimistic: The current figures show that retail is alive and well. That fact is also evidenced by the rising number of visitors at shopping centers almost everywhere in Europe.

**ACROSS:** SO, WHAT ROLE SHOULD MAPIC PLAY?

**PUPILLO:** At MAPIC, we see it as our job to guide the players through this paradigm shift and to help them make the necessary changes. The physical store and the physical experience are important, but they are changing. There will always be new models, and current trends will inevitably be replaced. In addition to the technological aspects and artificial intelligence, that is the biggest challenge for retailers. In summary: Retailers are now more cautious when it comes to opening physical stores. They gather much more information. That is why MAPIC is the perfect place to get such information.

MAPIC 2024 is scheduled to take place from 26 to 28 November 2024 in Cannes.

The most important development projects at present are urban regeneration projects, all of which are mixed use.

In addition to brands and matchmaking, a lot of space will be devoted to discussing trends and market developments.



Francesco Pupillo is the MAPIC Director



# LUXEMBOURGERS HAVE THE MOST MONEY TO SPEND ON RETAIL

The average retail purchasing power in Europe is 6,517 euros per capita. However, there are significant differences among the 25 analyzed European countries: At 12,067 euros per capita, Luxembourgers have the most money to spend in the retail sector. Romania, on the other hand, has the lowest retail spending potential. There are also strong regional differences within the respective countries. These are some of the results of the newly released GfK study on retail purchasing power in Europe.

BY FILIP VOJTECH



RETAIL PURCHASING POWER IN EUROPE				
Ranking	Country	Inhabitants	Per capita retail purchasing power in euros	European retail purchasing power index*
1	Luxembourg	660,809	12,067	185.2
2	Switzerland	8,738,791	11,617	178.3
3	Denmark	5,932,654	9,479	145.5
4	Finland	5,563,970	8,711	133.7
5	France	65,834,837	8,634	132.5
6	Sweden	10,521,556	8,352	128.2
7	Norway	5,488,984	8,284	127.1
8	Austria	8,978,929	8,041	123.4
9	Belgium	11,697,557	7,666	117.6
10	Ireland	5,149,139	7,467	114.6
11	Netherlands	17,811,291	7,314	112.2
12	United Kingdom	67,026,292	6,685	102.6
13	Germany	83,237,124	6,667	102.3
	<b>Europe-25</b>	<b>515,168,467</b>	<b>6,517</b>	<b>100.0</b>
14	Spain	47,475,420	6,017	92.3
15	Portugal	10,467,366	5,892	90.4
16	Italy	58,850,717	5,861	89.9
17	Slovenia	2,116,972	5,612	86.1
18	Croatia	3,862,305	5,318	81.6
19	Slovakia	5,428,792	4,914	75.4
20	Czech Republic	10,827,529	4,753	72.9
21	Hungary	9,599,744	4,572	70.2
22	Poland	37,766,327	4,051	62.2
23	Serbia	6,641,197	3,977	61.0
24	Bulgaria	6,447,710	3,808	58.4
25	Romania	19,042,455	2,986	45.8

The inhabitants of the 25 European countries considered by the study have a total of almost 3.4 trillion euros at their disposal to spend on retail, which corresponds to an average retail purchasing power of 6,517 euros per capita. This puts front-runner Luxembourg, where people have 12,067 euros for retail expenditures, more than 85% above the European average. Switzerland and Denmark follow in second place and third place. While the per capita retail purchasing power of the Swiss is more than 78% above the average at 11,617 euros, the inhabitants of Denmark have a retail spending potential of 9,479 euros per capita. This puts them almost 46% above the European average.

The country closest to the average is Germany, where people have 6,667 euros available for their retail spending. However, the share of retail spending in general purchasing power, that is, net disposable income, is very low in Germany, as it is in Switzerland and the UK. In many Eastern European countries, on the other hand, especially in Hungary and Croatia, the retail share of general purchasing power is very high at up to 50 percent. This is mainly due to the fact that people in those countries have lower incomes and, therefore, spend larger proportions in the retail sector.



Filip Vojtech is a Retail Expert in GfK's Geomarketing business area.

IMAGE: GfK



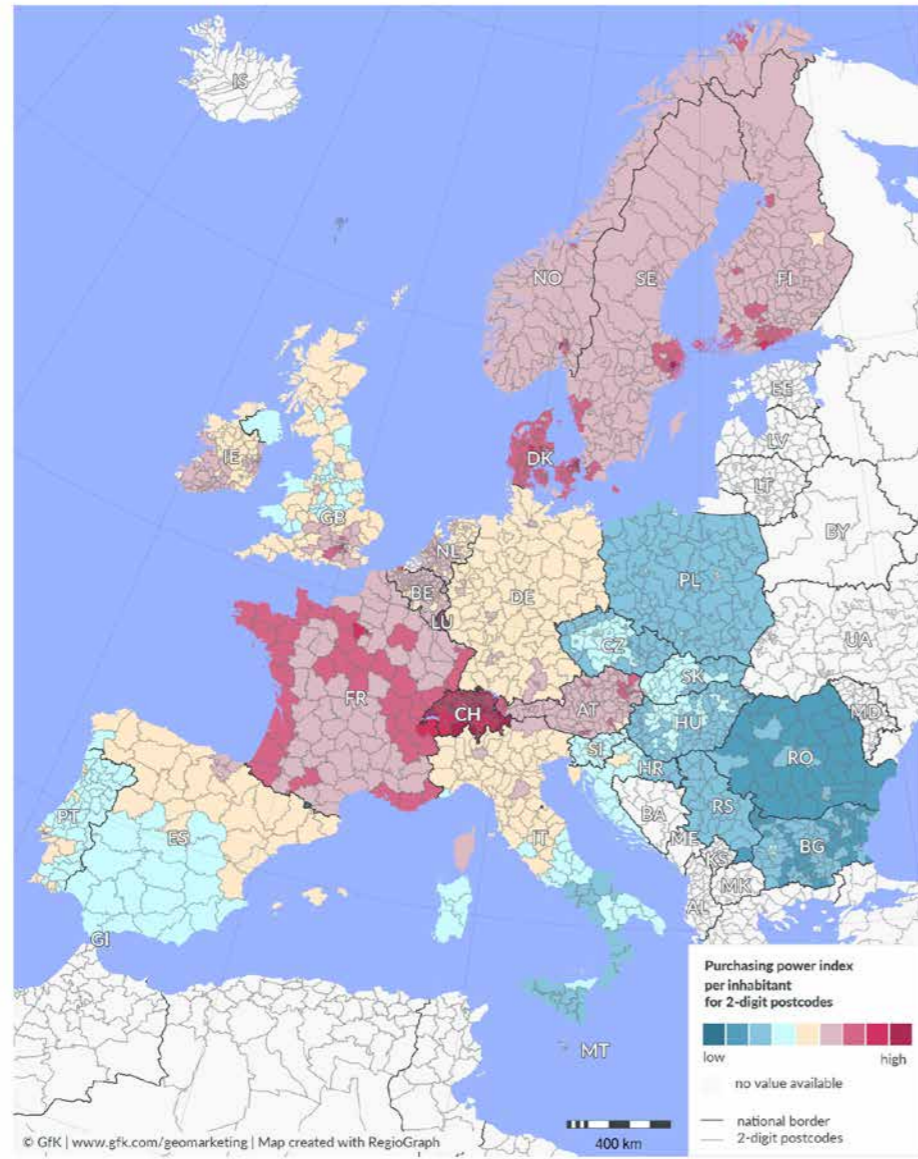
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GfK Retail Purchasing Power Europe 2023



GfK's retail purchasing power data is available for 25 European countries and selected core markets in America, Asia and Oceania at detailed levels such as municipalities and postcode areas, as well as data on general purchasing power, purchasing power for retail product lines, inhabitants and households.  
**More Information:**  
[geodata.gfk.com](https://geodata.gfk.com)

Overall, 13 of the 25 countries have above-average per capita retail purchasing power. In contrast, 12 countries have below-average per capita retail purchasing power. Romania brings up the rear with 2,986 euros, which corresponds to just under 46% of the average.

However, there are also significant differences within European countries in terms of potential retail spending. A look at the regional distribu-

tion in the United Kingdom, for example, shows that retail purchasing power in the western part of London is twice as high as the national average and is even 2.6 times higher than the last-placed region of Sunderland. In general, it can be observed that the regions in and around many European capitals have above-average retail purchasing power. In addition to the UK, this is also the case in France, Hungary, and the Scandinavian countries, for example.



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# TEN OF THE COOLEST STORES IN EUROPE

The General Store, an Australian consulting agency, presented the 50 coolest stores in the world at the World Retail Congress in Paris in April. According to the consulting agency, the so-called coolness factor is of great importance at the moment: in addition to design, service, and impressive experiences, creativity, cult status, and commercial viability were decisive factors in the evaluation.



THE SELECTION SHOWCASES 10 EXCITING STORE IMPLEMENTATIONS ACROSS EUROPE THAT STAND OUT DUE TO THEIR CHOICE OF MATERIALS AND COLORS OR BECAUSE OF THEIR UNIQUE CONCEPTS.



Veja, a French sustainable sneaker and accessories brand made from organic cotton, wild rubber from the Amazon, vegetable-tanned leather, and recycled PET bottles, opened its Veja General Store in Paris, in the 10th arrondissement. The new 100-square-meter space, which opened on the very spot where the brand's founders opened their first Centre Commercial store 13 years ago, houses both the store as and a dedicated repair project, as a central concern of the brand is strongly focused on the circular economy and defining a new standard for the consumption of products with longer lifespans. The interior, created by VEJA's in-house design team in collaboration with local architecture firm Alors Studio, features a sleek but welcoming environment anchored by an L-shaped terrazzo service counter with a concrete top. Behind the counter, a wall-mounted dark wood and metal grid provides storage space for shoes, while an additional large shelf showcases the many products on offer, including books, furniture, socks, shoe care products, shoelaces, toolboxes, cleaning items, and stationery.

**VEJA GENERAL STORE**  
LOCATION: PARIS, FRANCE

IMAGE: VEJA

**LYNK & CO**  
LOCATION: BARCELONA, SPAIN

The Lynk & Co brand, which was founded in 2016 and, like Volvo, belongs to the Chinese automotive group Geely, opened the first Spanish location of its innovative "Club" concept in Barcelona in September. It is set to become the epitome of sustainable and flexible mobility concepts for the "hyper-connected" generations. The business model has little in common with a conventional car dealership: Instead of exhibition space for cars, Lynk & Co primarily creates community spaces featuring cafés, co-working places, event and lounge areas, as well as space for exhibitions by local artists. A curated range of young creative niche brands that represent similar values to Lynk & Co in terms of sustainability and creativity all complement the concept.



IMAGE: LYNK & CO



Swiss sports brand On opened its first European flagship store in London in 2023. Located at 169-173 Regent Street, the store spans three floors and features the company's latest innovations and products. At the first European store, not only can customers shop the full range of On's men's and women's collections, but they can also discover the world of the Swiss performance brand. Inspired by a science museum, customers on the second floor are encouraged to touch and explore the latest technologies, sustainability projects, and innovations at various interactive stations. In addition, the lower floor offers a versatile communal area for panel discussions, workouts, and events, including a pop-up bar.

IMAGE: ON RUNNING

**ON RUNNING**  
LOCATION: LONDON, UK

The Freitag bag originated at Zurich's Hardbrücke in 1993. Countless trucks passed by there every day, which inspired the Freitag brothers to make bags from recycled truck tarpaulins. Since 2006, the Freitag Tower has stood just a few meters away from the Hardbrücke. It is built from used materials – just like the products that can be bought there: It consists of 19 rusty freight containers stacked on top of each other to form a unique skyscraper. Over 1,800 recycled and individual products such as bags, smartphone cases, wallets, and more can be found on four sales levels. An additional five floors lead up to the viewing terrace (open during the store's opening hours), which offers a spectacular view of the ever-changing Zurich West.



IMAGE: FREITAG

**FREITAG**  
LOCATION: ZURICH, SWITZERLAND





**THE (ANY)THING**  
LOCATION: THE HAGUE, NETHERLANDS

In what was truly a world first, The(Any)Thing opened an on-demand movie theater at a multiplex cinema in Pathé Ypenburg in The Hague. Following the success in Wijk bij Duurstede and Hotel New York in Rotterdam, The(Any)Thing offers a personalized cinema experience for two to five people in a stylish, luxurious, and comfortable setting. The unique selling point of The (Any)Thing, which sets it apart from normal small cinemas, is the method used to personalize the cinema experience. The Pathé Ypenburg (Any)Thing offers six private rooms with comfortable seating for up to five people. The mini cinemas are luxurious, are uniquely designed, and feature cutting-edge image and sound technology. An on-demand library of over 1,000 films is available, ranging from recent releases to classics.



IMAGE: THE (ANY)THING

A grid facade dotted with trees enlivens the city-center-based IKEA store at Vienna Westbahnhof. It was designed without parking spaces, can only be reached on foot or by public transport, and is located in the heart of the Austrian capital. The seven-story building is home to the IKEA furniture store on five levels. The two upper floors house the Accor hotel brand Jo&Joe, whose hospitality concept is aimed primarily at young people and business travelers. Additional services are provided by four stores that were previously located there. A roof terrace offers a magnificent view of the whole city of Vienna as well as the world's first IKEA snack bar. According to IKEA, it is open to the public, without any obligation to consume.



IMAGE: IKEA

**IKEA**  
LOCATION: VIENNA, AUSTRIA



IMAGE: PJ.LOBSYTER

A monochromatic optical boutique that plays with textures: In Barcelona's Fossar de les Moreres square, just steps away from Santa Maria del Mar Cathedral, a 430-square-meter optical boutique adds personality with texture to online and omnichannel retailer PJ.Lobster. The Barcelona-based PJ.Lobster, the fifth location designed by Spanish architecture and interior design firm El Departamento, was built using local materials and craftspeople and offers a new focus on the technical aspects of the brand, an evolution from its previous emphasis on fashion. In order to reflect the transition, the clients requested a simple, clean, and minimalist interior – a challenge for El Departamento, which usually tends towards maximalism.

**PJ.LOBSYTER**  
LOCATION: BARCELONA, SPAIN

Unlocking the untapped potential of newsstands: In Milan, newsstands have been restored and restaged as front-door service points, information centers, and places where people can meet and exchange ideas. The idea behind the project, which counts over 20 newsstands to date, was to further develop the concept of the newsstand in order to make it a point of reference for Italian neighborhoods once again. At Quotidiana Newsstands you can buy a newspaper, do your shopping, and find an ever-evolving range of services. Newsstands have become places of proximity at which you can buy more than 360 products every day, take advantage of useful personal services (modeled after the Parisian network "Lulu Dans Ma Rue"), and, of course, buy newspapers.



IMAGE: QUOTIDIANA

**QUOTIDIANA**  
LOCATION: MILANO, ITALY

The House of Saint Laurent opened its own bookstore and gallery in the 7th arrondissement of Paris: Saint Laurent Babylone. The new hybrid cultural meeting place for art and fashion lovers is open from Wednesday to Sunday and offers monthly exhibitions, book signings, and DJ sets amidst shelves full of beautiful art books and a sophisticated selection of magazines and vinyl. All of the items that can be found at Saint Laurent Babylone have been curated by Anthony Vaccarello. The diverse selection ranges from rare books and SLRD editions to subversive publications and music recordings, such as live sessions and fashion show soundtracks. This unique space also serves as a venue for cultural events, DJ sessions, readings, and book signings.



IMAGE: SAINT LAURENT BABYLONE

**SAINT LAURENT BABYLONE**  
LOCATION: PARIS, FRANCE



IMAGE: HEIDEMARIE KRIZ

Dutch beauty brand Rituals opened its "House of Rituals" flagship store in its home city of Amsterdam. At 1,900 sq m, it is the brand's largest store to date. With a range of new offerings and experiences, the store is helping to reposition Rituals as a lifestyle brand, demonstrating the power of the flagship experience. In line with the brand's "Art of Soulful Living" philosophy, House of Rituals has been designed as an escape from the hustle and bustle of city life and a holistic sanctuary for the mind, body, and soul. That perfectly aligns with the appreciation of "wellness", which has never been higher on the agenda than it is today. It features a number of firsts for the brand, including exclusive new co-created products, a new homeware collection, as well as a number of ways to personalize Rituals products.

**HOUSE OF RITUALS**  
LOCATION: AMSTERDAM, NETHERLANDS



# STRONG SALES WILL UNDERSCORE OUR CONFIDENCE

The real estate market has really picked up the pace after two years of slow-down. New buildings in Bratislava's city center have maintained a relatively stable price level despite interest rate hikes, and the combination of a recovering segment and an exceptional project can present a promising investment opportunity. As investors have repeatedly found in the past, buying a new apartment in Bratislava before construction starts yields good returns, explains Peter Piš, Commercial Director of JTRE.



Located in Bratislava's city center, Downtown Yards "High Fashion of Living" is sure to appreciate in value, and the reliable, high-quality project, which is being carried out by leading developer J&T Real Estate (JTRE), will be a sought-after destination in the city center.

Situated adjacent to a quiet neighborhood of single-family homes, this unique downtown site combines the tranquility of urbanity with the bustle of a vibrant commercial center by balancing smaller buildings and contemporary, timeless architecture. "Downtown Yards – JTRE's greenest residential project – is both the name of the project as well as its location. The revitalized tree-lined avenue in Plátenická Street will be expanded along Prístavná Street to create inviting green shade on both sides of the street, all the way to a large park equipped with a children's playground, benches, and a rain pond," says Peter Piš, JTRE's Commercial Director. The striking public spaces, courtyards, and outdoor facilities were designed by leading architectural firm Labak, whose projects also include the successful restoration of Freedom Square, including the largest fountain in Slovakia. The project's technical standard for A0 energy certification, which includes standard air recuperation, rainwater retention basins, and passive-design, high-efficiency childcare centers, guarantee that Downtown Yards will be one of the most sustainable projects.



Peter Piš is JTRE's Commercial Director

Downtown Yards' residences meet contemporary expectations thanks to the well-conceived four-room apartments that offer both day and night spaces. High quality materials are being used for the standard fit-out, habitable spaces feature ceiling cooling, the apartments receive fresh air ventilation that is conditioned and humidified in the building's main vertical distribution system (pre-heated in winter, pre-cooled in summer), and preparations for intelligent control and habitable space control are connected to the heat bus system (to enable SMART installation). Exterior areas will be protected from the elements by remote-controlled, wind-resistant window shades.

This development project has been quite unique. "Identifying our target group was key: young and successful people and their families who desire city-center living as well as the tranquility of courtyards," adds Piš. Such purchasers seek the benefits of high-quality infrastructure in and around a given project and simultaneously value quality space in which to spend time with family and friends. Many of those individuals are also keen to live with their elderly parents, who can provide childcare and use the Danube promenade for rest and relaxation.

"We were inspired by the Nine Elms and Battersea projects in London. About two years ago, we led a design/project/business workshop for our professionals from London and Bratislava. We



IMAGES: JTRE



visited the Triptych Bankside, Nine Elms, and Battersea projects as well as other important London-based projects with similar benchmarking," explains Piš. For example, Downtown Yards was inspired by the Community Hubvision of the London projects, which provides residents with an inviting social space for meetings and workshops, a community library, a game zone, a movie hall, a yoga room, and a gym. Eco-friendly transportation also provided inspiration: There are well-equipped bike racks and smooth connections to the city's main cycling routes. In addition to the well-known restaurants and cafés, practical services for everyday life will also be offered. "We sought to create universal concepts with a unique local touch: a high-quality bar, a friendly bistro, a bakery with a patisserie, good coffee, a pharmacy, and a grocery store. There will also be more to come as the range incrementally expands." Downtown Yards will also be home to one of the first passive-build timber childcare centers.

"The architects and the project team brought our vision to life by applying the 'placemaking' approach: We proposed and fine-tuned the visual aspect of the design together. It was a pleasure to watch the team become more and more involved in the concept and drive the project forward," adds Piš. "Few city-center residential projects can boast only 20 or 30 neighbors. That's Downtown Yards' USP. Smaller buildings have stand-alone amenities and provide opportunities to enjoy the wider project's benefits, too, all while having relatively few neighbors. Some apartments are also equipped with spacious terraces, which is a rarity in the city." Downtown

Yards is also the perfect choice for those who prefer lower-rise buildings – optimal safety and security are ensured via automatic extinguishers, sprinklers, 24/7 reception, and a designated area for deliveries. Car wash services and reserved visitor parking will also be provided. This luxury project also fully embraces the sometimes-neglected issue of intelligent, efficient, and environmental residential building waste management – a core part of JTRE's ESG principles. "Our clients are market-savvy. They know that high interest rates of 4.5% are short term rather than long term and that they won't need a mortgage for another two to three years because their success and focus will give them financial muscle. They demand more than what our market competitors can offer (three-room, 65 sq m apartments or four-room, 90 sq m apartments). They want more living space, which we can provide: well-planned four-room, 110 sq m apartments and spacious 130 sq m and 160 sq m layouts," explains Piš. Downtown Yards was inspired by JTRE's London properties: Smaller homes translate to lower purchasing costs, but lower quality as well. The developer's target buyers have no reason to compromise on comfort. "Among the developers in Bratislava's city center, JTRE's 28 years on the market have earned the company an excellent reputation and high brand recognition based on our commitment to outstanding build quality and punctuality. The best example can be found in Slovakia's first skyscraper, Eurovea Tower: Homeowners are receiving their keys on time despite a three-year construction period that included the COVID-19 pandemic and energy / raw material price surges," concludes Piš.

Left: "Strong sales of our London-inspired Downtown Yards will underline our confidence," states Peter Piš, JTRE's Commercial Director.

Middle: Located in Bratislava city center, Downtown Yards "High Fashion of Living" is sure to appreciate in value.

Right: Piš states: "Architects and the project team brought our vision to life by applying the 'placemaking' approach – together we suggested and fine-tuned the design's visual aspect. It was a pleasure to watch the team increasingly buy in to the concept and bolster the project."





# OUTSTANDING EUROPEAN PLACEMAKING PROJECTS

Our industry is strong and is capable of achieving a great deal. In an effort to emphasize this optimistic spirit, we would like to do one thing above everything else in this issue: showcase what our industry has to offer. Now, more than ever, staying positive and celebrating all the great projects that are driving our industry forward is of the utmost importance. A lot is happening, so let's show it!



We spend far too much time discussing the challenges facing the industry and focus far too much on negative developments. However, our industry has so much to offer. For example, we recently returned from our ACROSS study tour of Istanbul. We spent four days visiting fantastic shopping centers and learning about innovative retail models. We continue to be fascinated by the developments there – despite and precisely because of the undoubtedly considerable economic difficulties that the country of Türkiye and its people are experiencing. With the help of Klaus Striebich, Head of the ACROSS Advisory Board, we asked our ACROSS Advisory Board members to tell us about their current favorite projects. When ACROSS Magazine launched this great panel of industry leaders and experts, the intention was to share knowledge and showcase what this great industry has to offer. Many members responded and showed us what was happening in the market and what their all-time favorites were. The result is a colorful and exciting collection of projects. The most outstanding and exciting projects are presented in this print edition.

## LIGHTHOUSE PROJECT BY REINHARD WINIWARTER

PUBLISHER AND MANAGING PARTNER OF ACROSS



### GREEN, MODERN, MIXED-USED: ZORLU IN ISTANBUL RAISES SHOPPING CENTER STANDARDS TO A NEW LEVEL

“Zorlu Center surprised me the most during our study tour in Istanbul in April this year. There are more than 120 shopping malls in Istanbul, but Zorlu Center is one of the most outstanding. It houses a luxury shopping mall, a performing arts center, a 5-star hotel, offices, and residences. However, it is not only designed as a mixed-use concept, but it is absolutely tangible as different areas merge and enrich each other. As such, it serves its community. It is centrally located at a transportation hub with good public transport links and forms a green lung. The project aims to design Zorlu Center as an alternative urban space for Istanbul. The Zorlu Green Roofs filter dust and pollutants from the air and improve the microclimate. Zorlu Center has an impressive green area of 120,000 sq m. Nearly 60% of the total area (approx. 72,000 sq m) is located on roofs, most noticeably on the topography of the 45,000 sq m ring-shaped green area, which rises from the ground to a height of 33 meters. A large main square measuring 10,000 sq m opens up to the city and the Bosphorus in the center.

The Zorlu Shopping Mall is home to around 180 different stores. Apple introduced its iconic cube store concept, which is unique to New York, at its first store in Turkey. Beymen, which occupies an area of 9,600 sq m, has introduced a com-

pletely new concept to visitors to the Zorlu Shopping Mall. Brooks Brothers, Industrie Denim, Cos, Lanvin, Pomellato, Stella McCartney, and Superdry are other brands that have chosen Zorlu Shopping Mall as their first location in Turkey. In addition to numerous luxury brands, it also houses the largest H&M store in Turkey on an area of 3,000 sq m. Zorlu Shopping Mall stands out thanks to its gourmet concept. International restaurants Eataly, Jamie’s Italian, Tom’s Kitchen, and Morini are being introduced to the Turkish market for the first time. Local restaurants, such as Köşebaşı, Günaydın, Far East, and Welldone have developed brand-new concepts for Zorlu Shopping Mall.

In addition, Zorlu Shopping Mall offers cinema lovers an exceptional movie experience via a total of 14 cinemas, two of which are VIP theaters, opened by Cinemaximum, boasting a capacity of 1,600 seats. The Zorlu Performing Arts Center is a gigantic masterpiece that can seat up to 3,500 people. The new venue for performing arts and modern art welcomes world-famous groups and artists to its stages. The center hosts various performing arts, including Broadway and West End musicals, dance, Istanbul musical theater shows, pop, classical, opera, and jazz music. Last but not least, Raffles Istanbul Hotel offers 132 guest rooms and 49 suites.”



Zorlu Center, located in the heart of the city on the European side, is easy to reach by metro and other forms of public transportation from many parts of the city.



Zorlu Shopping Mall is home to approximately 180 different stores.



**LIGHTHOUSE PROJECT BY IBRAHIM IBRAHIM**

MANAGING DIRECTOR OF PORTLAND DESIGN



**SPITAFIELDS MARKET: A TRULY COMMUNITY-ORIENTED PLACE**

Spitalfields Market is one of the most community-orientated retail places in London. “London may be changing all around us, but the spirit of one community endures,” is one of the management team’s guiding principles. The aim is to create a memorable visit with stories that visitors want to share. At its heart, Spitalfields “Traders” Market is an uncompromising array of independent stall holders, showcasing hand-crafted and hard-to-find pieces. The market is working to bring the traders and artists to the attention of the next generation. Next door, the historic Old Spitalfields Market also offers restaurants and fashion stores, along with some quirkier boutiques and less traditional market stalls.

**“My ‘lighthouse’ project is Spitalfields Market in East London, and these are my reasons:**

- Old and new components of the building have been integrated extremely well.
- Visitors will find a good mix of small independent brands and familiar national and international brands.
- The offer is a great blend of retail and F&B, temporary and permanent offers, new and pre-loved offers, street food and permanent F&B.

- The market is in a constant state of change: Visitors will find a different market every few days, with new things to discover.
- The development is totally integrated and connected to its surrounding community and streetscape. It is seamlessly integrated into the urban grain.
- The overall offer is very inclusive for all citizens and preferences, offering both premium and mainstream brands.
- Retail/F&B units look outwards as well as inwards, which attract customers and encourages them to explore.
- Spitalfields Market offers a great digital experience with a well-thought-out app.
- Although it is in a business/office district, it caters to all citizens and trades well during the day and evening – on week days as well as weekends.
- The management team constantly introduces new brands and offers.

**All in all: Spitalfields Market is a great public realm activation.”**



Spitalfields Market is well integrated and connected to its surrounding community and streetscape.



IMAGES: SPITALFIELDS MARKETS

**LIGHTHOUSE PROJECT BY YURDAER KAHRAMAN**

CEO AND BOARD MEMBER OF FİBA COMMERCIAL PROPERTIES



**GALATAPORT ISTANBUL: A REGENERATION STORY**

The aim of Galataport was to transform the historic port of Istanbul into a vibrant center for gastronomy, art, culture, and shopping through innovative engineering and architectural work. It was built in The aim of Galataport was to transform the historic port of Istanbul into a vibrant center for gastronomy, art, culture, and shopping through innovative engineering and architectural work. It was built in 2016 and opened in 2021. Galataport Istanbul is distinguished by the fact that it has transformed 1.2 kilometers of the Bosphorus coastline, which had been closed to access since the late 19th century, into a popular meeting place, while preserving the region’s historical and cultural heritage.

With a total investment of 1.7 billion US dollars, Galataport Istanbul is a monumental megaproject that blends seamlessly into the fabric of the city. Its urban design approach, characterized by low-rise buildings and thoughtfully designed squares and streets, ensures seamless integration into the surrounding urban landscape. It is located in Karaköy, one of Istanbul’s oldest districts, and offers an enchanting view of the historic peninsula.

Galataport’s unique hatch system plays a central role in the transformation of the coastline. When a ship docks, a temporary customs area is created, and the moment the ship departs, the coastline seamlessly transforms back into a promenade. This innovative system is at the heart of the Galataport concept. All cruise operations take place in the world’s first underground cruise terminal, which spans 29,000 sq m and is connected to the temporary customs area via ramps. This pioneering approach ensures that the unique Karaköy coastline – with the exception of the customs area where the ship docks, which is separated by hatches – remains accessible to guests. It has quickly become one of the city’s most distinctive promenades.

Galataport Istanbul recorded 13.5 million visitors in its first year. Free festivals, concerts, and exhibitions were held and attended by more than 500,000 people. Galataport Istanbul is responsible for a 72 percent increase in arts and cultural events in the nearby region. The waterfront area connecting the main part of the cruise terminal with the Karaköy ferry terminal and the Galata Bridge was also redesigned as part of the Galataport project. The stores at Galataport Istanbul cover a total area of 112,000

sq m and range in size from 20 sq m to 3,000 sq m. The total leasable area allocated to shopping and dining units is approximately 52,000 sq m. The occupancy rate at Galataport Istanbul reached 90 percent in the first year, with a total of 230 retail and dining points. With a 40-percent dining ratio, Galataport Istanbul has become the gastronomic center of the city. There are 250 stores, restaurants and other food service outlets.

*“When it comes to picking a favorite project, there are outstanding examples to be found around the world. I have worked in the industry for 26 years and have held positions of responsibility in over 20 countries, so I’ve seen fascinating retail and commercial real estate projects all over the world. Based on my experience this year, I would like to highlight the multifaceted development of Galataport Istanbul. Located on the European side of the city, visitors can catch a glimpse of the Asian side of the cosmopolitan city by browsing the latest collections of local and international designers and brands or dining at fantastic waterfront restaurants while enjoying alluring sunsets over the old city or the beautiful Topkapi Palace on the historic peninsula. Galataport receives 250-300 cruise ships a year and welcomes the world to Istanbul. The Istanbul Modern Museum, designed by Renzo Piano, is a must-see. The symbiosis of past and present, of art, culture, gastronomy, and innovation is a project worth mentioning. Last but not least, Galataport invites visitors to take a wonderful stroll along roughly two kilometers of the Bosphorus coastline.”*



Galataport is a 400,000-square-meter mixed-use development located along a 1.2-kilometer stretch of waterfront in Istanbul’s Karaköy district, formerly known as Galata.

IMAGE: GALATAPORT



**LIGHTHOUSE PROJECT BY GREGORY FONSECA**

DIRECTOR OF ARCHITECTURE AT BDP

**IKEA @ LONDON'S OXFORD CIRCUS: HIGH STREET BRANDS THAT BECOME MORE THAN JUST SHOPS THAT SELL GOODS**

Few homes in the world can claim not to feature any item from IKEA, so pervasive is the brand and the company's global reach. However, to ensure that no home is left out, IKEA has radically departed from its historic retail business model and embarked on what I call an 'evolution revolution'. By abandoning its 'blue box' showrooms in the suburbs and investing in prime real estate in major city centers, IKEA is evolving retail and revolutionizing the shopping experience. The Swedish furniture giant is known for its warehouses located outside of cities that people have to drive to visit. A few years ago, IKEA decided to shift its expansion investments to provide urban communities with an alternative environment that offers more than just shopping. With its increased online digital shopping and delivery capabilities combined with a physical presence in cities, the company is taking a cost-conscious and sustainable approach to expansion. An 'evolution revolution' is taking place in the retail industry, with major brands evolving into more than just stores that sell goods. IKEA is a prime example of this experience-driven retail model.

In the last few years, IKEA's Ingka Investments has acquired two prime mixed-use properties in Europe: one in Paris' Rue de Rivoli and another in London's Oxford Circus, the latter of which was my choice for a flagship project. In this flagship project, BDP is working with Ingka Investments to redevelop one of the most prominent retail locations on London's most famous shopping street to create a new, central home for the international furniture brand. What makes this project so special to me is the radical departure from IKEA's roughly 70-year-old business model, shifting its expansion philosophy from suburbia to the heart of a major city. BDP has had the pleasure of being part of this transformation, having built the IKEA Hammersmith Livat store in West London and now partnering in the development of this iconic building on Oxford Circus.

Peter van der Poel, Managing Director of Ingka Investments: "When renovating this over 100-year-old listed building, it is important to us as investors to treat the building with care and to preserve its character and atmosphere. What pleases me is the combination of the careful restoration of the historic building fabric with the modernization of the building services to the current state of the art, taking into account the best possible sustainability measures. With a few stores in the hearts of a major city centers developed globally to date, IKEA is preparing itself for the next 70 years."



IKEA has decided to shift its expansion investments to provide urban communities with alternative environments that offer more than just shopping.

**LIGHTHOUSE PROJECT BY RÜDIGER DANY**

CEO OF NEPI ROCKCASTLE



**INFINITY: AN EXAMPLE OF MODERN DEVELOPMENT IN THE FUTURE**

"My 'lighthouse project' is Infinity, a 350-million-euro mixed-use commercial project developed by AQ Acentor in Valencia, Spain. This 133,000-square-meter retail and leisure project is the largest Next-Generation EU Recovery Plan project in the metropolitan region. Due to open at the end of 2024, Infinity will form the commercial center of the city's newest residential district, Turianova, which is being built on a 380,000-square-meter site in the Fuente de San Luis district and will include 2,300 new homes, 65,000 square meters of parks and green spaces, and 40,000 square meters of educational and cultural facilities. The project is also set to become the most important retail center in the Valencia region.

and its three different levels, which include places to rest and interact, are easy to navigate. The architecture also features terraces, pergolas and shading elements that provide protection from the local climate, where average daytime temperatures reach up to 30 degrees in summer. Infinity will deliver the essential commercial elements that a new residential neighborhood needs. Stores, cafés, restaurants, and leisure facilities that will breathe life and soul into each destination. The developers have employed a wide range of cutting-edge sustainable technologies and architectural techniques to achieve carbon neutrality through energy efficiency, responsible use of resources, and recycling in an overall green and extensively planted environment.

**What makes the project so special?**

Infinity is the centerpiece of a redevelopment project that is transforming an abandoned and deprived area in Valencia that, in the words of the city's deputy mayor, "had infrastructural burdens that made it very difficult to make it habitable and attractive". However, with the help of EU funding from the Next-Gen program, third-party investors and other funding, as well as a visionary developer, those financial and locational constraints have been overcome. I am convinced that Infinity and the entire Turianova project will be seen as an example of modern development in the future. Why is that? Infinity is being developed as an open urban environment, merging seamlessly into a 33,000-square-meter adjacent park. It is people-friendly, featuring public walkways, squares, fountains, and gardens,

**What makes it different?**

Infinity will include a climbing wall, a 'geek zone', a 'beach club', and a pool with technology that can generate the largest continuous wave in Spain, allowing users to practice and learn how to surf every day of the year.

**What fascinates you?**

I have always been fascinated by real estate development projects, watching underused or poorly developed land undergo a transformation. I am confident that Infinity Turianova will add a thriving business center that will create a vibrant and green, livable neighborhood in this previously run-down part of Valencia."



Infinity will include a climbing wall, a 'geek zone', a 'beach club', and a pool with technology that can generate the largest continuous wave in Spain.





**LIGHTHOUSE PROJECTS BY ANGELUS BERNREUTHER**

HEAD OF IR AT KAUFLAND STIFTUNG & CO. KG

**NIVY CENTER (BRATISLAVA), MERLATA BLOOM (MILAN), AND NORBLIN FACTORY (WARSAW): THREE LOCATIONS FOLLOWING A GREAT VISION**

**NIVY Center Bratislava, HB Reavis:** “NIVY Center Bratislava is an outstanding mixed-use complex comprising a shopping center, a bus hub, and a rooftop public park,” says Angelus Bernreuther. Nivy Mall in Bratislava was opened in 2021 on the site of the former above-ground bus terminal. In addition to the shopping center, the concept also includes the new underground bus station, an office tower and a green roof that is open to the public. Designed by British architect Benoy, the center serves a range of visitor interests in one place and has grown in popularity since its opening. Featuring around 70,000 sq m of retail space and around 250 stores, it is one of the largest shopping centers in Slovakia. The atrium is a popular meeting place. It can be used in various ways, for example, as a venue for concerts or as a place to relax. There is also a children’s playground and a curved access ramp. From the atrium, you can access the green roof, which features half a kilometer of running track, training areas, and zones for resting and relaxing.



Featuring around 70,000 sq m of retail space and around 250 shops, NIVY Center is one the largest shopping centers in Slovakia.

**Merlata Bloom Milano, Nhood:** “Merlata Bloom is a shopping center of the newest generation with everything today’s placemaking industry has to offer,” explains Angelus Bernreuther. Merlata Bloom Milano is intended to be nothing less than the vibrant heart of one of the largest mixed-use areas in the first Urban Smart District of Milan, Italy. The basic idea is to combine technology and sustainability, entertainment, and services. Located in the northwest of Milan, the center aims to become the city’s first Smart Urban Business. The entire area follows a mixed-use concept that includes a mix of residential, green, technology, business, and retail. Roughly 103,000 people frequent the area daily, and 3.6 million residents live within an up to 25-minute drive. The main idea behind the center, in addition to creating a sustainable place for recreation, is to provide a well-connected place that meets people’s needs. The center is close to hospitals, universities, and large housing projects, and is well-connected to the airport, rail, and public transportation. Merlata Bloom Milano includes 150 spaces of innovative and experiential retail, five food & beverage areas, over 10,000 sq m of entertainment and culture, and 20,000 sq m of Sky Garden. Commercialization of Merlata Bloom’s retail space, which reached 90 percent



Merlata Bloom Milano is intended to be nothing less than the vibrant heart of one of the largest mixed-use areas in the first Urban Smart District of Milan, Italy.

ahead of the center’s opening in the second half of 2023, is extremely successful. The more than 210 openings that have already been announced at Merlata Bloom Milano give substance to the extensive retail project, which goes beyond the traditional concept of a retail space thanks to its three floors of experience: It is set to become a 70,000-square-meter center, of which 20,000 sq m will be dedicated to leisure, entertainment, and culture, including F&B and sports facilities.

**Norblin Factory Warsaw, Capital Park Group:** “For me, this is one of the best examples of the skillful revitalization of an existing factory into a vibrant mixed-use property,” says Angelus Bernreuther. Norblin Factory is a 2-hectare site in Warsaw’s Wola district, which boasts a unique history. The area, which was a neglected pearl of post-industrial architecture for years, is has become a new part of the city, complete with offices, shops, restaurants, cafés, Food Town, an eco-bazaar, a boutique cinema, and an open-air museum commemorating the history of one of the largest industrial enterprises of the former Kingdom of Poland. Today, Norblin Factory is an award-winning, mixed-use, urban regeneration project and is a landmark in the heart of Warsaw. Following several years of

intensive design, construction, and preservation work, it has regained its place on the map of Poland’s capital. The mixed-use project covers a total GLA of more than 65,000 sq m. Norblin Factory visitors can also enjoy unique cultural, entertainment, and dining concepts, including the original KinoGram cinema, Bio Bazar organic market, Food Town, the largest food court in the capital, and a museum commemorating the history of the site. Norblin Factory is an example of a world-class revitalization project that was implemented with respect for the environment. It is a city-forming project that is consistent with the idea of a 15-minute city. It has contributed to the positive transformation of that particular area of the Wola district, which remained closed to the city and its residents for years.



**LIGHTHOUSE PROJECT BY CHRIS IGWE**

GLOBAL RETAIL EXPERT

**BATTERSEA POWER STATION: A PLACE TO BE, TO IDENTIFY WITH, AND TO BELONG**

“As a mixed-use project, Battersea Power Station in London is one of the best projects delivered in recent years, because it combines so many aspects of what today’s resident, office worker, visitor, or shopper wants – a place to be, to identify with, and to belong. As a retail and leisure destination, and not a shopping center, the project has recognized the importance of combining the changing habits of today, as well as the need to provide an environment in which visitors can shop, dine, be entertained, or simply sit and enjoy the external spaces.

reviewed and assessed in order to improve the project. The successful delivery of this project over several phases, over several years, is a testament to the well-executed planning, coordination, and leasing strategies. In a city in which retail density is already very high, with a considerable range and offer from competing high streets, department stores, shopping centers, and brands, Battersea Power Station sets the bar very high.”

The project has had to overcome a number of challenges over the years: from planning approval to changing its initial positioning from ‘luxury’ to ‘premium’; from the extension of the tube station on the Northern Line to the creation of Battersea Power Station that arrives in front of the project; from attracting major international retailers and brands, such as Uniqlo, Nike, and Apple to taking large units and attracting shoppers to discover the place and embrace the exciting range of offers.

The architecture, with its characteristic and iconic chimneys, is unique. The fact that the building is listed has presented additional challenges; as a result, certain aspects are still being



The architecture of Battersea Power Station, with its characteristic and iconic chimneys, is unique.



**LIGHTHOUSE PROJECT BY GILES MEMBREY**

MANAGING DIRECTOR OF RIOJA ESTATES LTD

**WHEN IT COMES TO EUROPEAN OUTLETS, METZINGEN IS THE BOSS**

“My admiration for Metzingen Outlet City goes way beyond the fact that it has managed to establish itself as one of Europe’s leading outlet centers. To my mind, the story is not so much about its success, but how it got there.

What began as a small trading post has evolved into a retail powerhouse, drawing millions of visitors annually with its success standing as a testament to entrepreneurship, strategic planning, and a commitment to delivering an exceptional shopping experience.

The roots of Metzingen Outlet City can be traced back to Hugo Ferdinand Boss, who founded a small tailoring business there in 1924. From this modest beginning the Hugo Boss brand gradually gained prominence, evolving into the global luxury fashion brand that it is today. And, as the reputation of the Hugo Boss brand grew, so did that of Metzingen as shoppers came in search of high-quality fashion at competitive prices.

The turning point for Metzingen came in the late 20th century when, under the leadership of the founder’s grandson, Hugo Boss expanded its operations to include outlet stores. Recognizing the potential to leverage the town’s heritage and proximity to Stuttgart - Germany’s automotive and fashion hub - Hugo Boss opened its first outlet store there in 1972, and this marked the birth of what would later become Metzingen Outlet City.



Outletcity Metzingen: What began as a small trading post has evolved into a retail powerhouse.

As Hugo Boss thrived, so other fashion brands took notice and followed suit, establishing their own outlet stores in Metzingen. The synergy created by this influx of top-tier brands has transformed Metzingen into a destination for consumers in search of quality and value for money. Today, Metzingen Outlet City is home to more than 380 brands, offering a diverse range of clothing, accessories, and lifestyle products from companies such as Nike, Tommy Hilfiger, Burberry, Furla, Hugo Boss, and many more.

Spanning 50,000 sq m, the architecture of the outlet is nothing short of spectacular. Sprawling across the town, the outlet manages to seamlessly integrate with offices and residential spaces above, creating a vibrant urban landscape. With over 2000 employees and drawing more than four and a half million visitors annually from 185 nationalities, it has become a beacon of commerce and cultural convergence. The meticulous design, featuring a diverse array of buildings with unique architectural styles, adds to its allure thanks to a blend of modern and traditional elements such as exposed timber beams, pitched roofs, and glass facades.

One of the things I like most about Metzingen is that unlike some sprawling, labyrinthine outlets it is designed with pedestrians in mind. Wide, cobbled walkways, open-air plazas, green spaces, and seating areas, provide plenty of opportunity for rest and relaxation, transforming shopping into a social experience.

Metzingen’s strategic location has also played a major part in its success. Its position at the crossroads of major transportation routes - including the A8 motorway and Stuttgart airport - makes it easily accessible to domestic and international visitors alike, whilst its picturesque surroundings, with the Alps as a backdrop, provide a charming setting for a day of shopping and leisure. And it never stands still, continually reinventing itself in order to meet evolving trends and consumer preferences. In recent years, the introduction of upmarket dining options has elevated the overall shopping experience, thereby attracting a more discerning clientele. Additionally, the implementation of digital innovations such as online reservation sys-

tems and virtual shopping assistants has enhanced convenience and personalized the service available for shoppers. Beyond its economic impact, the outlet has played a vital role in fostering a sense of community and cultural exchange. The annual late-night shopping evenings featuring live music, entertainment, and exclusive discounts, have become traditional events that bring residents and visitors together. Furthermore, initiatives such as the Metzingen Outlet City Foundation, which supports local charities and cultural projects, further demonstrates a commitment to giving back to the community. This close collaboration with the local community, as well

as businesses and local authorities, will undoubtedly have made securing planning consent for expansion that much more straightforward, including eight spacious car parks with nearly 4000 parking spaces plus electric charging points.” Although it is well within 90 minutes travelling time of Stuttgart and Munich, Metzingen Outlet City is a good 20 minutes away from the nearest major motorway junction, yet this distance has proven to be inconsequential. Visitors flock to take advantage of the quality and variety of brands on offer and this goes a long way towards explaining why it is one of Europe’s leading outlet centers.”



**LIGHTHOUSE PROJECT BY KLAUS STRIEBICH**

MANAGING DIRECTOR OF RARE ADVISE

**GALLERIA VITTORIO EMANUELE II IN MILAN, ITALY: A LOCATION WITH A “WOW EFFECT” THAT HAS LASTED FOR GENERATIONS**

The Galleria Vittorio Emanuele II, sometimes nicknamed “Milan’s drawing room”, is an elegant nineteenth-century shopping arcade. Built between 1865 and 1877, it consists of two arcades in the shape of a Latin cross covered by a glass and iron dome. The Galleria is located between two of Milan’s main monuments: the Duomo and the Teatro alla Scala.

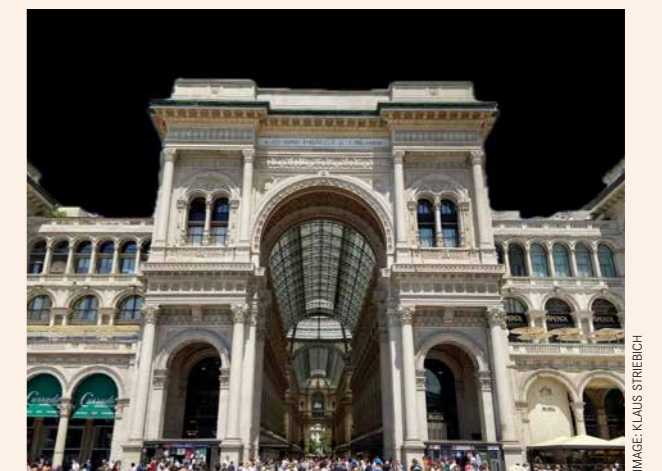
The Galleria Vittorio Emanuele II is home to brands such as Prada, Gucci, Louis Vuitton, and other high-end boutiques. It also houses numerous well-decorated restaurants, including some of Milan’s oldest establishments, such as Café Biffi, which was founded in 1867. Surprisingly, visitors can also find a McDonald’s in the gallery. The fast-food restaurant is beautifully decorated with black columns and gold decorations to help it blend in with the other establishments.

“For more than 150 years, it has perfectly symbolized the goals of long-term sustainability and successful asset management.

1. The design, architecture, materials, and fit-out are still outstanding and have retained their ‘wow effect’ for generations.
2. The location is perfectly situated between two major places (Duomo and Teatro alla Scala), effectively linking them.

3. The sector and tenant mixes combine both well-known international brands and top domestic players.
4. The use is ‘mixed’, featuring retail, hotel, offices, and others – always dependent on the needs of the customers.

Every time I visit Milan, I stop by, enjoy the offers and the atmosphere, and drink a Campari at ‘Camparino’.”



The mix constantly changes to meet consumer needs.



**LIGHTHOUSE PROJECTS BY HERMAN KOK**

ASSOCIATE PARTNER AT DISCVISION

**BEURSTRAVERSE, ROTTERDAM, AND ELEKTROWNIA POŁISWE, WARSAW: ONE PROJECT WITH A SUBSTANTIAL HISTORY AND ONE NEW.**

“**Beurstraverse in Rotterdam (built in 1996)** informally named Koopgoot (Shopper Gutter) by Rotterdam citizens, was developed by Multi Vastgoed and is owned by CBRE GI. A retail-led mixed-use project in the heart of Rotterdam, Beurstraverse is conceptualized as a shopping street. The city center of Rotterdam used to be split into two parts by a busy, north-south running arterial road, Coolsingel. As a result, Rotterdam consisted of two city-center retail halves, with limited communication between them. For decades, there were discussions about how to solve the problem, as neither a tunnel nor a bridge was preferred. The solution was to create a two-level shopping street, the lower level of which would run under the Coolsingel and connect directly to Rotterdam’s main underground station. The lower street, whose facade was designed by Jerde, was brought to life via retail units, and the surrounding department stores and major fashion stores were given entrances on both the lower and upper street levels. In total, the city center was expanded by around 60,000 square meters of retail space.

The project opened in 1996 and developed into one of the best places in Rotterdam, which is still the case today. There was also an indoor gallery, which was less successful and was converted into a flagship store. The Beurstraverse was extended by a later project, FORUM Rotterdam, also by Multi, after the

former ABN AMRO bank building became available for redevelopment. A flagship bookstore, a Primark, restaurants, offices, and 103 apartments were incorporated there. A total area of 64,000 sq m (retail and offices) strengthens the site’s position as a landmark in the city center. The FORUM opened in 2020. Several buildings as well as the surrounding Coolsingel have been upgraded and CBRE GI is planning to make some changes to the connections between the scheme and the surrounding streets in combination with refurbishment.

**Elektrownia Powiśle in Warsaw (built in 2020):** The center is a repurposing of an old municipal electricity plant near the Vistula, built in 1904. After the successful repurposing redevelopment, which was carried out by Tristan and White Star, it opened in 2020. A beautiful urban quarter that consists of renovated historic buildings with many references to the former functions as well as new buildings featuring contemporary design has been incorporated. The shopping center offers a high-quality public space that has a good mix of uses: 90 stores, 40 F&B and restaurants, including a food hall, as well as three office buildings and 90 apartments. Thanks to its balanced mix of functions, Elektrownia Powiśle functions as a lively urban district and is considered a ‘place to be’. The project has triggered substantial upgrading in the surrounding neighborhoods.”



IMAGE: BEURSTRAVERSE

Infinity will become the dominant regional center of the Valencia Metropolitan Area, thanks to its size, location, accesses, quantity, and novelty of leisure concepts and a myriad of experiences. (?)



IMAGE: ELEKTROWNIA POWISLWE

Located in the heart of Warsaw, Elektrownia Powiśle unites historical architecture, from over 100 years ago, with modernity.

# ISTANBUL – A RETAIL MARKET BETWEEN TRADITION AND INNOVATION

The three-day ACROSS study tour, which had more than 20 participants, brought us closer to the Turkish way of retailing and the development of ultra-modern shopping centers. It also showed us how important study trips are for broadening our horizons.



Undoubtedly, the economic situation in Türkiye is challenging – both for private individuals and companies. Nevertheless, many new developments are taking place in the placemaking segment in Türkiye, and many Turkish retailers have big ambitions for expansion. This observation alone was reason enough for ACROSS to visit the country. The third ACROSS Study Tour, therefore, took us to Istanbul. At every stop on this trip, it became clear that the people of Türkiye are driven by an incredible will to create – especially in difficult times—the result: state-of-the-art shopping centers that amaze and inspire people to take innovative steps.

Various shopping destinations on the European and Asian sides, impressive presentations from property managers, keynote discussions with outstanding market experts, and exciting retail concepts were part of the ACROSS Study Tour program. This was paired with excellent networking opportunities and a not-to-be-missed experience of Turkish cuisine and F&B culture. The outstanding market experts Nuri Şapkacı, Managing Director at ECE Türkiye and Chairman of Turkish Council of Shopping Centers, Yurdaer Kahraman, CEO of FİBA CP, Avi Alkas, Chairman of Avi Alkas Consulting and Ortaç Özortaç, Partner at WECONSULT, explained the Turkish market’s potential and challenges (see also next page).

The energy and desire for innovation and expansion are most evident when talking to Turkish re-



IMAGE: KANYON SHOPPING MALL /// ACROSS MAGAZINE



Kanyon Shopping Mall

IMAGE: AKMERKEZ MALL /// ACROSS MAGAZINE



Akmerkez Mall

IMAGE: MEYDAN SHOPPING MALL /// ACROSS MAGAZINE



Meydan Shopping Mall

IMAGE: AKASYA SHOPPING MALL /// ACROSS MAGAZINE



Akasya Shopping Mall

IMAGE: ISTINYPARK SHOPPING MALL /// ACROSS MAGAZINE



IstinyePark Shopping Mall

IMAGE: VADISTANBUL SHOPPING MALL /// ACROSS MAGAZINE



Vadistanbul Shopping Mall



tailers. Many have big plans for Europe. They deliberately do not act as classic retailers but are eager to show that they combine technology and retail and form a unity of retail and experience. We spoke with De Facto and Madame Coco, in particular, during our trip.

Regarding shopping centers, Türkiye has become one of the most exciting and dynamic markets in the past 30 years. The first shopping center opened in 1988, followed by slow but steady retail real estate supply growth. Between 2002 and 2010, the number of shopping centers increased from 14 to 232. After that, the market saturation began, and economic and regulatory challenges followed from 2018 onwards. Today, Turkish centers face steady growth in visitors, and new projects are still being developed.

One impressive example of the dynamic and innovative markets we visited was the Galataport project (see also page 77). The aim of Galataport was nothing less than transforming Istanbul's historic port into a vibrant hub for gastronomy, art, culture, and shopping through innovative engineering and architectural works. It was constructed in 2016 and opened in 2021. Galataport Istanbul stands out since it transformed 1.2 kilometers of the Bosphorus coastline – closed to access since the late 19th century – into a favorite gathering point while preserving the re-

gion's historical and cultural heritage. Two examples of how established shopping centers can remain state of the art for many years and meet the changing needs of consumers every day are Kanyon Shopping Mall and Akmerkez Mall. Opened in mid-2006, Kanyon Shopping Mall unites a 160-store shopping mall covering an area of 37,500 sq m. The architecture is based on the shape of a canyon and creates a unique atmosphere. The Akmerkez complex covers an area of 180,000 sq m. It consists of a four-story shopping area, with two towers offering 31 stories of office space and an additional tower with 24 stories of residential areas. The shopping area, offering visitors around 250 stores in a 35,000 sq m rentable area, is spread over a triangular area. Other impressive examples were Meydan Shopping Mall, Akasya Shopping Mall, IstinyePark Shopping Mall, and Zorlu Shopping Center (see page 75).

### CONCLUSION

After this trip, two conclusions can be drawn: 1. Traveling educates and expands many a fixed image. We are already discussing the next destination for our ACROSS Study Tour 2025. 2. It is worth keeping an eye on Türkiye! You can also read more about exciting retail concepts and market developments in the upcoming issues of ACROSS. Ortaç Özortaç, Partner at WECONSULT, starts this issue with comments on the Turkish market for shopping centers.



# THE ECONOMIC SITUATION IN TURKEY AND ITS IMPACT ON SHOPPING MALLS

Shopping malls developed recently in Turkey are typically designed for shopping, dining, entertainment, and sometimes cultural events. Since the early 2000s, the rapid increase in shopping malls has made them a significant factor in the national retail sector. Despite the country's economic difficulties, the industry is vital.

BY ORTAÇ ÖZORTAÇ



The number of malls has been proportional to changes in consumer shopping habits and the adoption of modern lifestyles. As of 2023, Turkey has 492 shopping malls, including 455 active ones and 37 under construction. Istanbul, Turkey's most populous city, hosts one-third of the country's total malls, with 134. Turkey is still an important economic player due to its strategic location, young population, and potential across various industries, and shopping malls have long been a vital part of the economy. According to data from the Turkish Statistical Institute, Gross Domestic Product (GDP) saw a 4.5% increase from 2019 to 2023, with a forecast of 2.9% growth for 2024. Fluctuations in exchange rates have devalued the Turkish Lira by four times over the last five years. Forecasts for 2024 and 2025 indicate a shift towards a more sustainable economy.

Despite all economic difficulties, the prime rent per square meter in the retail sector was recorded at €105/ sq m for 2023, marking a 31.3% increase compared to the previous year. The shopping mall turnover index in Turkey showed a 92% increase in 2023, surpassing inflation and exchange rate hikes. Categorically, the highest increase was in technology, at 110%, followed by 90% in fashion and 82% in home appliances and tools. The increase in mall turnover has also led to high occupancy rates. 2023 saw a surpassing of pre-pandemic occupancy rates, prompting investors in 2024 to focus on the performance of tenants in their portfolios. Performance-based rent increase demands and actions like vacating stores to accommodate new and high-performing brands are the main themes of the current year. Another important topic for the industry is

the turnover generated by tourists. Visitors from Gulf countries have been a significant determinant in the last two years. During the summer months, malls in Istanbul, Bursa, Antalya, Izmir, Afyon, and Gaziantep see nearly 50% of their monthly turnover coming from international consumers. Investments in shopping malls directly interact with the country's socioeconomic and political development. Over the past 15 years, there has been a transition from a period dominated by foreign investors to one where national developers are prevalent. Due to measures like the "Foreign Currency Ban on Leases" introduced in 2018 and political-economic uncertainties, the proportion of foreign investors in the sector has decreased from 28% to 16% over the last five years. On the other hand, national investors include mixed-use elements in their new projects. Mixed-use projects incorporate functions such as retail destinations, residential areas, offices, hospitals, schools, and entertainment spaces. The aim is to minimize potential risks for investors and create a stable, sustainable income model.

In conclusion, amid economic imbalances and political uncertainties, cautious approaches from shopping mall investors are observed, leading to a shift towards other markets and diversified projects. Nevertheless, Turkey remains an important economic player due to its young population, strategic location, and potential across various industries. Diversified investment options such as mixed-use projects, which offer investors more stable returns, are gaining importance. Flexibility and innovation in the Turkish shopping mall sector are increasingly crucial to adapting to economic conditions and maximizing potential.



IMAGE: WECONSULT

Ortaç Özortaç is a Partner at WECONSULT.



# COULD GERMAN RETAILERS' SUPERIOR MATH BE THEIR SECRET WEAPON?

Unlike English retailers who focus on margin percentages, many German retailers prioritize profit per unit (Deckungsbeitrag), focusing on actual money earned rather than relative percentages. John Brenninkmeijer argues that to optimize assortment decision-making for a store, managers should consider the contribution margin “Deckungsbeitrag” of products and the possible opportunity costs incurred when choosing one option over another.

BY ANSGAR JOHN BRENNINKMEIJER



This seemingly simple difference in accounting can have significant consequences, as Dieter Brandes, CEO of Aldi Nord & Trader Joe's, points out: “Many a company has calculated itself out of the market with incorrect equations and inappropriate cost accounting.”

This mathematical disparity may explain why giants like Marks & Spencer and Walmart struggled in Germany.

Consider this simple example scenario: You sell two similar products. One is high-quality, priced at €4 with a cost of €2. The other costs you €1. The question is: At what price should you sell the cheaper product to match the profitability of the high-quality one?

You sell the same quantity: the same number of units of both. At what price would the cheaper product contribute the same profit to the store as the high-quality product?

If you ask a room of retailers, they will disagree. Some will answer “€2”, and some will say “€3” (a few might have another answer).

The founder of Trader Joe's supermarket recently explained: “We considered how many dollars we made on each sale. Therefore, I was willing to make only 13 percent on a \$20 bottle of champagne at the time, because that was a \$2.60 profit. For a \$2.00 item, however, I wanted to make a much greater percentage.”

Strangely enough, the answer at clothing retailer C&A was €3 for many decades, but after C&A Germany merged with C&A UK, the “answer” became €2.

C&A, once a dominant player in the European retail landscape, had abandoned the logical German framework in favor of the more common practice of comparing gross margin percentag-

es. However, the traditional German method, centered around the concept of Deckungsbeitrag (contribution margin or gross profit) and Opportunitätskosten (opportunity costs), offers a simple yet powerful alternative within a 3-step framework:

$$\text{Selling Price} - \text{Buying Price Per Unit} = \text{Deckungsbeitrag Per Unit (db)}$$

$$\text{Deckungsbeitrag per Unit} \times \text{Units Sold} = \text{Stock Keeping Unit's Deckungsbeitrag (DB)}$$

$$\text{Deckungsbeitrag from All SKU's} - \text{Firm's Operating Expenses} = \text{Total Firm Profit}$$

The key to the German approach is that the actual selling price and gross margin percentage are secondary. What truly matters is the Deckungsbeitrag, the profit generated per unit after subtracting the cost of goods sold. This cost, paid to the manufacturer, is not considered income for the retailer but merely a pass-through. This is particularly evident in the supermarket sector, where, as Dieter Brandes explains, Aldi doesn't “buy stock” in the traditional sense. Customers often pay for goods before Aldi even pays its suppliers.

Here's how to determine the selling price for the cheaper product to match the profitability of the high-quality product:

**1. Calculate the profit per unit for the high-quality product:**

$$\text{Selling Price} - \text{Cost Price} = \text{Deckungsbeitrag (db)}$$

$$€4 - €2 = €2 \text{ Deckungsbeitrag (gross profit per unit)}$$

**2. Determine the selling price for the cheaper product to achieve the same profit:**

$$\text{Cost Price} + \text{Desired Profit} = \text{Selling Price}$$

$$€1 + €2 = €3$$

Therefore, the cheaper product would need to be sold for €3 per unit to be as profitable as the high-quality product.

The concept of relative Deckungsbeitrag further refines the German approach. It measures the

profit per unit of a limiting factor, like shelf space. This helps retailers identify which products maximize profit given limited resources. By understanding the opportunity cost of not selling a particular product, retailers can make more informed decisions about their inventory and pricing.

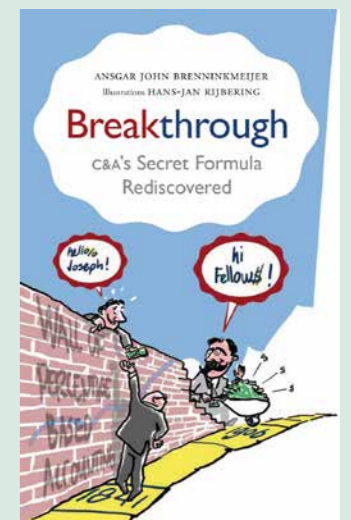
Instead of focusing on gross margin percentages or allocating expenses like rent to products, German retailers prioritize the concept of opportunity costs. This strategic approach optimizes resource allocation, as evidenced by C&A's success before it moved away from this methodology. This German framework is detailed in a video, a white paper ([www.profitperx.com](http://www.profitperx.com)), and a recently published booklet titled “Breakthrough: C&A's Secret Formula Rediscovered.”



Ansgar John Brenninkmeijer is the CEO of [www.ValueMachinesFund.nl](http://www.ValueMachinesFund.nl)



**BREAKTHROUGH: C&A'S SECRET FORMULA REDISCOVERED**



C&A was set up in Sneek in 1841 by the brothers Clemens & August Brenninkmeijer, but the real breakthrough that led to almost a century of success took place in Amsterdam 65 years later. In 1906, Clemens's son, Bernard Joseph, discovered a surefire way to snowball net profits. The underlying opportunity costs and contribution margin system was kept so secret that it was eventually forgotten. Today, C&A has mostly returned to the less profitable pre-1906 system of planning, pricing, and evaluating its assortment. This booklet reintroduces the surprisingly simple math behind Joseph Brenninkmeijer's retail method.

Successful retail founders around the world, such as Mrs. B (NFM), Ingvar Kamprad (IKEA), Joe Coulombe (Trader Joe's), Karel van Eerd (Jumbo), and Jeff Bezos (Amazon) have discussed and written about the drawbacks of conventional gross margin percentage frameworks when managing their assortments, pricing, and markdowns, but they didn't know the German opportunity costs (manufacturing) model could be used as an alternative. This might be the first explanation of how the alternative money-counting framework works, how it was developed over generations at C&A, and how it could be implemented once again at your company today.

**A C&A Brenninkmeijer Trick: Deckungsbeitrag and Opportunity Costs**



	FACTORY GETS	CUSTOMER PAYS
High-quality	€2	€4
Other Product	€1	€?

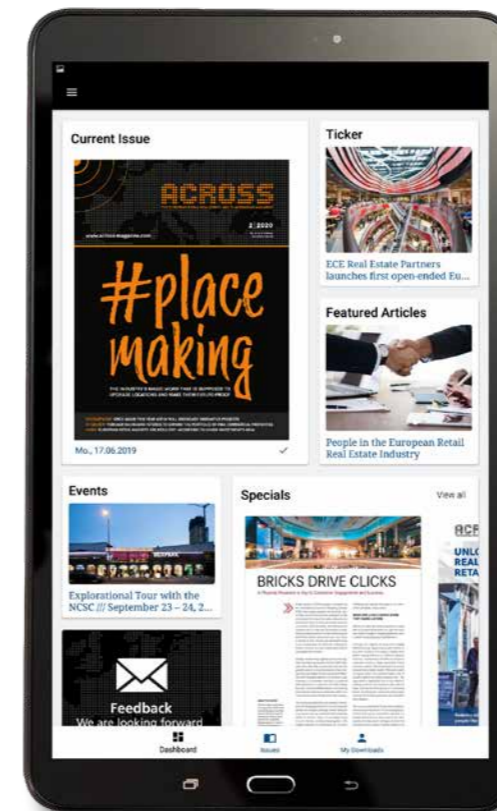
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The body's declared aim is to offer its expertise on topic formulation. It identifies the challenges the industry faces as well as the opportunities, emerging trends, etc. it sees. ACROSS's Advisory Board currently has 29 members. These are:

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ambas Real Estate is an independent retail investment and asset management advisory firm. The company advises owners and developers about retail assets and modern mixed-use properties. Its service portfolio includes tailored transaction-related advisory and strategic asset management services. ambas is active in the European real estate markets, Germany being its core market.



**BIG CEE**  
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BIG CEE is the subsidiary of BIG Shopping centers Israel, based in Belgrade capital of Serbia, since 2007. Company was founded with a mission of developing the BIG brand in the Balkan countries and with focus on implementing BIG Shopping Centers strategy and vision in Serbia and neighboring countries such as North Macedonia, Albania, Montenegro. BIG CEE holds and operates 10 active shopping centers – 9 in Serbia and 1 in Montenegro. In Serbia operates 6 Retail Parks which are branded as BIG, 2 Shopping Centers which are branded as BIG Fashion and the only Designer Outlet in the country branded as BIG Fashion Outlet. With a focus on the company's core product – Retail Parks, BIG CEE has successfully become one of the leading retail real estate developers in Serbia and the Balkan region.



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Christmasworld – Seasonal Decoration at its best – is the leading international trade fair for festive decorations. Exhibitors from all over the world present the latest trends and products for all festive occasions of the year, including innovative concepts for decorating large spaces and outdoor areas, such as shopping centers in Frankfurt am Main.



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Coniq is the leading provider of customer engagement and loyalty solutions for the most advanced retail destinations in the world. Their innovative technology solutions enable mall operators to generate revenue faster, by understanding, anticipating, and engaging customers in real-time, across multiple channels. The Coniq platform powers over \$1.2 billion in sales annually for its customers, with over 20 million consumers shopping from over 2,000 brands in 25+ countries worldwide. Our clients include Tanger Outlets, Mall of America, Bicester Village, VIA Outlets, AW Rostamani, and many others.



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dfv Conference Group the event arm of dfv Media Group, develops, organizes and produces executive-level conferences and conventions about a variety of themes and across a wide range of sectors. As a relationship manager, it turns media and information into a hands-on experience, fostering professional exchange and networking throughout the business community. The majority of the delegates attending its events come from senior management and other top-ranking corporate positions.



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ECE was founded in 1965 and is still owned by the Otto family. The company provides all services related to properties from one source. The assets under management currently amount to 32.3 billion euros. With 195 shopping centers under management and activities in 12 countries, ECE is the European market leader in the shopping center industry. Approximately 20,000 retail businesses generate an annual turnover of 22.3 billion euros on an overall sales area of 7 million square meters.



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EUROVEA is Slovakia's largest shopping complex, part of a mixed-use project in the Eurovea City district near Bratislava's historic center and the Danube River. Connected to the first Slovak skyscraper, EUROVEA TOWER, it seamlessly integrates shopping, offices, leisure, culture, and residences. With a unique waterfront promenade, EUROVEA stands as a factual and dynamic destination, symbolizing modern urban living in the heart of Bratislava.



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GfK GeoMarketing is one of Europe's largest providers of geomarketing services and products, which include consultancy and research expertise, market data, digital maps as well as the software RegioGraph. GfK helps companies from all industries to answer critical location-related business questions in sales, marketing, expansion planning and controlling. GfK's geomarketing department promotes business success and thus delivers "Growth from Knowledge".



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As the market leader for networking in the form of events and business matching, Heuer Dialog has been accompanying the real estate industry in accessing all disciplines that deal with questions about the future of the urban and real estate worlds since the 1980s. With around 50 events per year, Heuer Dialog enables high-level executives to meet on physical and virtual platforms or even in both simultaneously, in a hybrid setting for sustainable urban, real estate and building development. Heuer Dialog builds networks with power, creativity and capital that secure the future of cities, regions and companies. As initiator and moderator, Heuer Dialog brings together minds from architecture, civil engineering, ecology, economics, sociology, technology and law in face-to-face dialogues. Over the past four decades, more than 100,000 personalities have taken part in lectures and discussions that have led to initiatives for current and future action. In association with the Immobilien Zeitung and the dfv Mediengruppe with more than 100 specialist titles, Heuer Dialog sees itself as the competence center for events related to real estate.



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JTRE has operated on the real estate market for more than 28 years. The scope and quality of completed projects along with the international experience has made JTRE a market leader in the field of real estate development in Slovakia and the Central Europe region. The company creates a full-value space for life and living – employment, residences, entertainment, leisure, and active relaxation. JTRE's approach is to responsibly develop cities potential by encouraging contemporary architecture and by supporting



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Kaufland is an international retail company with over 1,500 stores and about 148,000 employees in eight countries, namely: Germany, Poland, Romania, the Czech Republic, Slovakia, Bulgaria, Croatia, and the Republic of Moldova. Kaufland offers a large assortment of food and everything else for daily needs. The company is part of the Schwarz Group, one of the leading food retail companies in Germany and Europe. Kaufland is based in Neckarsulm, Baden-Wuerttemberg.



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Mallcomm is an award-winning 360 technology platform for asset and property management that streamlines everyday tasks, joins up stakeholders and generates new insight for more efficient and effective operations. The platform seamlessly connects all built environment communities: occupiers, operations, suppliers, consumers and other stakeholders. By transforming the users' experience of the space, Mallcomm creates loyalty by connecting people to places while delivering efficient operations, significant budget savings and valuable insights. By using the most established, advanced and cutting-edge technology, Mallcomm helps managers curate and promote their ecosystem and provides a suite of powerful data insight to efficiently measure and adapt the outputs of B2B and B2C engagement.



**MAPIC**  
The international retail property market  
Phone: +33 1 79 71 90 00  
<http://www.mapic.com>

MAPIC is the key meeting point for retailers looking for partners, property developers, and owners looking for retailers to enhance their sites. MAPIC delivers 3 days of tailored meetings, expert-led conferences and a premium exhibition for industry leaders, targeting all types of retail properties, such as shopping centers, cities, factory outlets, leisure areas and transit zones.



**MAPIC ITALY**  
The Italian retail property event  
Phone +33 1 79 71 90 00  
<http://www.mapic-italy.it>

MAPIC Italy is a deal-making event dedicated to the Italian retail property market. It gathers together Italian and international retailers and investors looking for retail properties and locations to expand their business in the Italian market. Retail property owners, shopping centers management companies and agents will have a unique opportunity to present their assets to a qualified public of clients and prospects.



**MEC METRO-ECE CENTERMANAGEMENT GMBH & CO. KG**  
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MEC with headquarters in Düsseldorf is a joint venture of METRO and ECE. As the German national market leader for retail parks, MEC has more than 280 employees and manages more than 65 retail properties. Its service portfolio includes customized services for all aspects of integrated center management, including commercial and technical management, leasing, marketing, development, commercial asset management and property management for smaller retail properties. The market value managed (assets under management) was € 3.8 billion in 2022. In all locations, approximately 1,200 rental partners generate an annual turnover of € 3 billion over a rental space of 1.55 million sq m.



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Messe Frankfurt is one of the world's leading trade fair organizers. 592,127 sq m of exhibition ground are currently home to ten exhibition halls and two congress centers. Events "made by Messe Frankfurt" take place at approx. 50 locations around the globe, and cover the fields of consumer goods, textiles & textile technologies, technology & production, mobility & logistics, entertainment, media & creative industries.



**MIPIM**  
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MIPIM, the premier real estate event, gathers the most influential players from all sectors of the international property industry, for four days of networking, learning and transaction through premium events, conferences and dedicated exhibition zones.



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MK Illumination is the leading provider of year-round festive lighting solutions, which form the cornerstone of powerful marketing, engagement, and visitor attraction campaigns. The family-owned business was founded in 1996 and has presence in more than 44 countries. Each year, its independently-owned subsidiaries combine global experience with local knowledge to deliver upwards of 1200 projects worldwide for clients in a range of sectors including Retail Real Estate, Public Spaces, Travel Retail and Leisure. MK Illumination is known for its innovative full-service approach, its commitment to the highest quality products and services, and for creating extraordinary tailored solutions that deliver results.



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MPC Properties is one of the Southeast Europe's most experienced real estate companies. MPC has developed over 30 projects since its foundation in 2002. Its strategy is development of modern retail and office assets in accordance with the green building principles and the highest LEED and BREEAM standards. One of the main points of sustainability of company's business is implementation of ESG strategy across portfolio.

MPC possesses and manages different types of properties - retail network of six shopping centers and six A-class office assets, each of them representing the most important and recognizable landmarks on the market. It is the first company in Serbia to receive the WELL Health-Safety certificate for the portfolio of business and retail assets awarded by the International WELL Building Institute (IWBI).



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NEINVER is a Spanish multinational company specialised in managing, developing and investing in commercial properties. The leading manager of outlet centers in Spain and Poland, and the second largest in Europe, has two proprietary brands: The Style Outlets and FACTORY. Founded in 1969, NEINVER manages 17 outlet centers and 4 retail parks including active pipeline in six European countries: France, Germany, Italy, Poland, Spain and the Netherlands.



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NEPI Rockcastle is the premier owner and operator of shopping centers in Central and Eastern Europe (CEE), with presence in nine countries and an investment portfolio of €5.8 billion as of 31 December 2021. The group owns and operates 52 retail properties (excluding joint venture), which attracted 244 million visits in 2021. With group-level management of tenant relationships and a focus on cross-country collaboration, the Group is the leading strategic partner for major retailers targeting CEE countries.



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Placewise is the global leader in shopping center property tech, serving more than 1,050 shopping centers, across 4 continents and 20 countries. Placewise has offices in Europe, the USA, and Asia, covered by both venture and PE funds. Placewise offers the only solution purpose-built for shopping centers to create long lasting digital relationships with shoppers - unlocking the power to monetize retail properties beyond the square meter.



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Redevco is a European real estate urban regeneration specialist with a clear ambition to create positive impact by helping cities become more sustainable and liveable. Our specialist investment strategies consider opportunities to re-purpose to mixed-use, in the segments of living and leisure & hospitality as well as in retail warehouse parks. Our highly experienced professionals purchase, develop, let, and manage properties, ensuring that the portfolios optimally reflect the needs of Redevco's clients. Redevco's total assets under management comprise around €9.7 billion.



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Rioja Estates is the leading UK-based specialist in the development of designer and factory outlets. Our expertise encompasses all aspects of planning, design, development, funding, pre-leasing, operational launch, and asset management. We are also adept at identifying institutional purchasers for finished schemes, and enabling property owners and investors to enter the market without taking on unnecessary risk.



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ROS Retail Outlet Shopping, headquartered in Vienna, is one of Europe's leading retail real estate consulting and centre management companies specialised in Designer Outlets and innovative outlet shopping concepts. The founders Thomas Reichenauer and Gerhard Graf are both committed professionals with many years of experience in the European outlet market as well as recognised personalities in the industry. The portfolio of ROS Retail Outlet Shopping includes Designer Outlet Soltau, City Outlet Geisingen, Designer Outlet Warszawa, Designer Outlet Gdańsk, Designer Outlet Sosnowiec, Premier Outlet Budapest, Designer Outlet Algarve, Designer Outlet Croatia, La Torre Outlet Zaragoza, M3 Outlet Polgár, Designer Outlet Luxembourg, Designer Outlet Kraków and further new developments in Europe.



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SES Spar European Shopping Centers is specialized in the successful development, construction, marketing, and management of multifunctional retail properties and quarters of international standard. In addition to shopping malls, retail parks and managed shopping streets also form part of our business. SES is No. 1 in Austria and Slovenia for large-scale shopping locations. Additional core markets include Northern Italy, Hungary, the Czech Republic, and Croatia.



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Sonae Sierra is an international retail real estate company dedicated to delivering solutions to meet our client's ambitions. We develop and invest in sustainable retail assets and provide investment, development and property management services for clients in geographies as diverse as Europe, South America, North Africa and Asia, while creating shared value for our business and society.





### THE HAPPETITE

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The Happetite (previously known as MAPIC FOOD) is the international event dedicated to multi-site restaurant operators looking to grow their business. This powerful business platform is a unique chance to find new international food retail concepts, and to meet restaurant industry decision makers. Key international restaurants, food chains & operators participate in this exhibition to meet private equity firms and property players to grow their business. The event brings together all the restaurant chains, restaurant operators, travel operators, franchise partners and restaurant industry suppliers to develop and create the food destinations of tomorrow.



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21Media has been a leading Marketing & Advertising Agency for Shopping Centers for over 25 years. In its client list features some of the biggest names from the European retail including Meadowhall, Glatt, ALEXA, Centro, and Fünf Höfe. Full-service B2B and B2C support is provided at every stage of a mall's life cycle: from strategic positioning through hands-on day-to-day Center marketing. The company's reputation as B2B specialists has been built on helping owners and operators to market their properties, with improved leasing tools, engineering a stronger tenant mix and growing a Center's asset value.

21Media's achievements have been recognized by 15 ICSC European Marketing Awards including the Global ICSC "Best of The Best" Viva accolade.



### UMDASCH THE STORE MAKERS

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umdach provides special retail solutions: rooted in craftsmanship, visionary in the digital, always with a human aim and a goal: to realise successful stores. The Store Makers from umdach create extraordinary worlds of experience for demanding customers across Lifestyle Retail, Food Retail and Premium Retail. Digital Retail solutions included.

General Contracting - the all-round, care-free package from umdach - has developed strongly in recent years. With a top network of professional experts and prudent management skills, the Store Makers ensure all the trades, such as lighting, floors, fire protection and much more, work to schedule - We take care of everything.



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CREATING SUSTAINABLE PLACES THAT REINVENT BEING TOGETHER - Unibail-Rodamco-Westfield is the creator and operator of unique, sustainability-driven retail, office and lifestyle destinations that connect people through extraordinary, meaningful shared experiences.



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Union Investment is a leading international real estate investment company specializing in open ended real estate funds for private and institutional clients. Union Investment has assets under management of some €51.0 billion. Active in the real estate investment business for more than 50 years, Union Investment operates today in 24 countries around the world. In addition to office space and business parks, the Hamburg-based company is investing in business hotels, logistics properties, residential buildings and retail properties. Union Investment's retail portfolio currently includes 83 assets in Europe and the US, with a market volume of some €10 bn.



### VIA OUTLETS

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VIA Outlets was founded in 2014 to acquire existing outlet centers across Europe. VIA Outlets' vision is to create premium shopping destinations, and offer best-in class, beautifully located shopping experiences for visitors and brand partners. VIA Outlets are here to redefine the outlet shopping experience. Guided by their three R's elevation (strategy, remerchandising, remodelling and remarketing) VIA Outlets ensures that premium fashion outlets are destinations attracting visitors from all over the world. By bringing together an exceptional mix of international and local premium brands, VIA Outlets have created unexpected and unforgettable shopping experiences, whilst also paving the way for sustainable shopping. Currently, VIA Outlets consists of 11 assets spread across Europe, offering over 1,100 stores across 267,000 sq. m GLA.

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ACROSS is the international and independent trade medium for placemaking & retail real estate in Europe. The magazine covers topics through the entire value chain of modern retail properties. Interviews and experts' opinions are in the focus of the editorial coverage. The latest retail or development trends and news about the different markets, round out the magazine's content. The magazine is published entirely in English, with an exclusive circulation of 20,000 copies in 42 European countries, reaching the industry's decision makers directly.

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