



EUROPEAN RETAIL IN 2018

GFK STUDY ON KEY INDICATORS

**Wide-spread upturn: Stationary
retail offsets market share losses
incurred by online retail**

INTERVIEW Atrium's Liad Barzilai and Scott Dwyer are pleased with their Russian portfolio

DEVELOPMENT The biggest mall of Cyprus so far is being built in Nicosia

FOC The time has come for expansions and refurbishments focusing on F&B and leisure

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DEAR READER,

The sun is shining and the sky is virtually cloudless over continental Europe. According to leading analysts, this simple statement also summarizes the current economic situation. Economic growth has been or is increasing more strongly than in many years before in almost all European countries. The positive development of the real economy is reflected in the job market by a rise in employment and a drop in unemployment. Price buoyancy is currently still unusually restrained. Private consumption increased significantly. The classic signs of an economic boom. It seems instantly clear that the shopping center industry also benefits massively from this trend. This economic drive is particularly strong in Central and Eastern Europe. "The past year's growth in demand was able to compensate for stationary retail's market share losses to online trade. We consequently expect a nominal turnover growth of +2.1% in the 28 EU countries for 2018. But this is just slightly below the forecasted inflation rate increase, meaning that only modest real-term growth is anticipated for retail turnover in Europe," say the experts of GfK in the recently published study "European Retail in 2018".

But how long will this economic upward trend last and how well prepared is the shopping center industry for "the day after"? Great Britain currently gives us a preview of things to come. The British economy has been in a slump since the beginning of this year. Gross domestic product only increased by 0.1 percent from January to March, according to the British Office of National Statistics. Companies held back their investments. Furthermore, consumer spending only increased by 0.2 percent, which marks the lowest increase since the end of 2014. Only the booming online retail segment was able to save the island from a total loss of consumer spending.

This is definitely not a promising forecast for the shopping center industry. Even though many experts are convinced that "place making" is absolutely necessary in times of increasing online sales, the paradigm shift in the stationary retail sector only happens very slowly. Shopping center operators who launched their own "Click & Collect Lounges" are few and far between. And beyond that, "place making" seems to be restricted to an increase of the respective gastronomic share. Can this be enough in the medium-term? I hardly think so and am anxious to see what the future may hold for the industry.

But I do hope that you will find our latest print issue of ACROSS an informative and profitable read!

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IMAGE: SKYPIS STUDIOS/SHUTTERSTOCK

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FOC

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