



# 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!

*Reinhard Winiwarter*  
Publisher of ACROSS Magazine  
[r.winiwarter@across-magazine.com](mailto:r.winiwarter@across-magazine.com)



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 Atrium's focus is on Poland, where banning Sunday trading has been planned. CEO Liad Barzilai and COO Scott Dwyer are relaxed about the issue, and they are pleased with their Russian portfolio



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 An ambitious plan: ECE plans to build no less than the most modern and attractive shopping center in Hungary. The opening is scheduled to take place in 2021

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 Quartier du Flon is a contemporary area of 55,000 sq m, located in the heart of Lausanne, which has developed into a vibrant shopping and entertainment area

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 Unibail-Rodamco is developing the southern Überseequartier, an integrated district of HafenCity within Hamburg. In 14 buildings, the southern Überseequartier will combine places to live and work with innovative retail and entertainment concepts as well as hotels and a cruise terminal



**Refurbishment with Potential** ..... 40  
 At the beginning of the year, Austrian property specialist Supernova acquired Centar Kaptol in Zagreb, Croatia. BEHF Architects has been commissioned to comprehensively refurbish the center



IMAGE: SKYPIS STUDIOS/SHUTTERSTOCK

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 Wide-spread upturn: stationary retail compensates market share losses to online trade

## FOC

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 In the 1980s, the retail format of designer outlets arrived in Europe. Now, the time for expansions and refurbishments, with a focus on food & beverage and leisure, has come

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 In mid-March, Cineplex opened a multiplex movie theater with five screens and over 800 seats in Parndorf, Burgenland. Immediate neighbors include McArthurGlen's Designer Outlet Parndorf and FOP Management GmbH's Parndorf Fashion Outlet

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## ICSC

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 Department stores are a key part of the retail mix in Europe. With bleak news about the sector blowing across the Atlantic, we thought it was time to take a close look at just how things were faring here in Europe. ICSC's research has uncovered both shared challenges and fundamental differences

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 According to Adam Pearce, Managing Partner at Kintyre, the currently inflated investment market for retail assets is not substantiated by the underlying trading environment for traditional brick-and-mortar retailers

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 Union Investment's new "Global Retail Attractiveness Index" (GRAI), which analyzes the environments for retail investments in 17 countries around the world, recently showed that Poland is one of the most dynamic European markets

## EVENTS

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