What the shopping center year 2014 has in store.

"The future has often already arrived before we are ready for it." These gloomy words are from John Steinbeck (1902 - 1968), who wrote successful novels like "East of Eden" and "The Grapes of Wrath." 2014 is just around the corner and follows several years of crisis that held many unpleasant surprises that shocked the European shopping center industry. Contrary to the warning of the American Pulitzer Prize winner, however, the industry will be ready for it.

If you ask around among market participants, they consistently associate 2014 with rosy terms such as "recovery," "stabilization," "confidence," "positive sentiment," and "healthier project pipeline." Those who are still in business have learned their lesson from the economic crisis and look forward to the near future with the necessary optimism. Yvonne Court, Cross Border Retail Services at Cushman & Wakefield, summarizes the situation: "The euro zone's problems have remained manageable and consumers have started spending in the shops. Barring another unforeseen crisis, the sun is rising over Europe again."

SEARCHING FOR THE OMNI-CHANNEL APPROACH

Even though the economy is not yet booming, the shopping center industry in 2014 will have to deal with the competition from online retail more concertedly. The culture of retail is changing rapidly and irretrievably, driven by the advent of e-commerce. In contrast to the financial and economic crisis, European players are ready for this challenge – or at least have not been caught off guard by this "stumbling block" for it is no surprise. Barbara Topolska, Chief Operations Officer at Neinver, explains: "The main challenge for developers today is to be connected with their clients 24/7/365 in order to offer an omni-channel approach. The key objective is to ensure favorable impressions at every step – from the first contact, through the shopping process, to the way back home and the next visit."

Against this background, more than ever before, shopping centers have to be the "places to be" in 2014. Decorative elements undoubtedly play a major role in achieving this goal. They astonish and inspire customers, whether in the form of professional lighting concepts or attractive, artistic details with a blend of fresh or artificial flowers. In the coming year and beyond, however, catering and entertainment facilities will be even more important than a mall's decorations. "We will move from shopping to leisure destinations. Progressive developers have to put food at the center of their projects," says Jonathan Doughty, Managing Director of Coverpoint Foodservice Consultants.

And what else does 2014 hold in store? Whether it's in terms of retail centers, factory outlet centers, energy management, openings, or events, the answer is: Quite a lot! 38 experts from the European shopping center landscape take a look at the near future and provide insight into their plans.

IMAGE: AFI EUROPE ROMANIA

DAVID HAY
CEO of AFI Europe Romania

Stabilization will be the key word for the Romanian retail market in 2014, as very few shopping centers are scheduled to be opened. The main strategy for the existing malls will be to strengthen their position, in expectation of any future malls, currently planned to be opened in 2015/2016. Because there are no significant changes in the banking sector, we do not expect any significant changes in the real estate sector either, but, at the same time, the well-established, strong developers in the market will be the ones banks will be willing to finance.

IMAGE: APCC

PEDRO TEIXEIRA
Secretary General of APCC (Portuguese Council of Shopping Centers)

The Portuguese retail real estate industry has reasons to be moderately optimistic concerning the performance of this sector on the last quarter of 2013 and about the forecasts for the next year. For the first time since the beginning of the economic crisis in Portugal, retail players are experiencing an increase in demand. The figures show a small but still significant improvement, with a remarkable change in indices of traffic and retail sales in shopping centers. The analysis is focused on the first three quarters of 2013, which is compared with the same period of the previous year. APCC believes this is the beginning of a slow recovery, which may last more than one year, until stabilizing at sustainable growth in 2015.

"After all 15% to 20% of operating costs are generally energy costs. We see 2014 as the year of optimized energy management."

VINCENT VALLOIS

IMAGE: ATALIAN

VINCENT VALLOIS
Strategic Development Director EMEA at Atalian International

After years of benchmark-based pricing, we are witnessing tender processes being raised to a new level with detailed task lists, seasonality, and integrated services. This not only improves our productivity but also has a direct impact of 10 to 15% on operation costs. We can also meet the challenge of sustainability through energy-saving processes. After all 15% to 20% of operating costs are generally energy costs. We see 2014 as the year of optimized energy management. That is why Atalian Global Services recently launched Atalian Energy Solutions, a system offering up to 20% of savings on our customers' yearly energy bills. In 2014, shopping centers will move towards energy-driven maintenance.

IMAGE: ATRIUM

RACHEL LAVINE
CEO of Atrium

In 2013 we saw a marked improvement in confidence that the Eurozone and CEE economies are recovering, albeit slowly, and we expect this momentum to continue in 2014. We anticipate a continued divergence between prime and secondary retail assets in terms of their appeal to consumers and investors alike, which is why we place great emphasis on managing our portfolio to ensure our centers are the ones consumers and retailers target. In 2014, we expect to continue to grow Atrium – targeting the opening of two development projects, Atrium Felicity in Lublin and our extension in Torun. We will also aim to grow further and improve our portfolio by acquiring prime shopping centers such as the one we recently bought in Wroclaw.

IMAGE: BLACHERE

JOHAN HUGUES
CEO of Blachere Illumination Group

Nowadays, shopping centers have to stand out from each other, create the event via the design of their space and their decoration, innovate to increase footfall, and most importantly: hold on to their customers! The Christmas and New Year period is the only time when display decorations can be set up for a fairly long period, nearly two months. The challenge is enormous, and it can be measured immediately in terms of generated turnover and traffic. It is not a question of simply having decorations. These must be creative enough to be unique for customers. Financial constraints also impose the need to consider things in terms of limiting costs. Blachere Illumination Shopping Centers is specialized in such projects, working closely with mall management and marketing teams, sometimes even with architects, to build a perfect project matching the mall environment. The creative dimension goes without saying in our company. It's in our genes. The forty-year-old family company, internationally based with twenty branches around the world, works in more than eighty countries, bringing local solutions to every international mall group. The creative spirit is everywhere in the company and even in the Blachere Foundation, set up to promote contemporary African art. The presence of residential artists and exhibitions is the driving force behind a state of mind based on creation and open-mindedness. In 2014, Blachere will enlarge its galaxy of products and offers. Shopping malls' concerns are our concerns. Economic crisis, online retail etc. We must help our customers to secure their position and investments. In 2014, we will be developing an incredible range of interactive possibilities that can be linked to marketing actions, but also in kids play grounds, media walls... We're becoming THE solution to many of their questions, always with an eye toward long-term partnership.

IMAGE: BROADWAY MALYAN

STUART ROUGH
Chairman of Broadway Malyan

The rise of internet shopping will continue to be a key challenge facing retail property professionals in 2014, requiring physical operators to innovate and get creative in order to survive in an increasingly virtual world. Globally, we will continue to see a lot of innovation coming from emerging Asian retailers – and not just in China. These fresh, young, and trendy brands, including value-led and off-price operators, are appearing in more malls and the approach is increasingly being transported into central Europe. Expect the repositioning of existing centers to continue apace, with projects key to the future success of centers and their ability to attract increasingly fashion-conscious shoppers. Also expect the future-proofing of malls in terms of building in additional flexibility to accommodate wider, non-core retail uses, and to create clear and starkly differentiated propositions in crowded markets. In this context, we predict that consumers will increasingly want to visit the best possible retailers in a single trip – and if that means traveling further for a better shopping experience, modern consumers will be increasingly willing to do it. The result will be a continued and growing separation between the retail markets in major European cities and the rest. In Poland, for example, second and third tier cities – sometimes called "white spots" on the Polish retail map – prove to be challenging to retail developers. They are finding that rental levels in these locations are not high enough to justify viable developments. By contrast, major destinations such as Warsaw are surging ahead.

> *"As a shopping center company, we must create places where people like to go and spend time."*
>
> HENRIE W. KÖTTER

IMAGE: CITYCON

NILS STYF
Chief Investment Officer at Citycon

There is a noticeable absence of international retail brands in the Nordic countries compared to the rest of Europe. While we have seen attractive economic and urbanization growth statistics in the region, there is a substantial opportunity for brands that aim to expand their global visibility. Citycon chooses to be in urban locations, close to where customers live and work and within close reach of public transport, health care, and municipal facilities. Citycon has a strong track record of introducing new brands to the Nordic and Baltic retail markets, which offer a genuine opportunity to international retailers seeking their share of the growth.


IMAGE: COGEST RETAIL

CARMEN CHIEREGATO
CEO of Cogest Retail

Although Italy is still experiencing economic stagnation and a contraction in household spending, our expectations have improved following this year's MAPIC: We perceived renewed interest from international investors and retailers. We had some promising contacts with developers and owners eager to "import" not only Italian luxury brands, but our managing "style" and know-how. Major international retailers also seem ready to start up development in our country. Actual recovery, however, is still to come. We must thus continue to innovate and to improve our offer. Cogest relies on new shopping and mixed-use formats (Parma Retail and Niguarda Shopping Gallery, to name two of them) in its new high-street leasing division and in strategic consultancy services.


IMAGE: COVERPOINT FOODSERVICE CONSULTANTS

JONATHAN DOUGHTY
Managing Director of Coverpoint Foodservice Consultants

2014 will be the year of food, with substantial growth in quantity, diversity, and range of foodservice offerings. Plans to enhance the guest experience will become reality. We will move from shopping to leisure destinations. Progressive developers have put food at the center of their projects. Fueling this is growing optimism from operators about trading opportunities in shopping and leisure. There is real excitement in the foodservice market about malls and the opportunities they present. The combination of gastronomy, leisure, and experience will be strongly developed around Europe in the coming years.


IMAGE: CUSHMAN & WAKEFIELD

YVONNE COURT
Partner, Cross Border Retail Services at Cushman & Wakefield LL

The euro zone's problems have remained manageable, and consumers have started spending in the shops. Barring another unforeseen crisis, the sun is rising over Europe again. Retail demand has clearly responded to the better news coming out of the eurozone as well as the improved flow of finance now evident in some markets. There is now also a healthier pipeline of shopping center schemes coming to the market, so it is expected that there will be increased activity in the market. The consumer needs to be at the center of the retail market as technology becomes more of an enabler and facilitator.


IMAGE: ECE

HENRIE W. KÖTTER
Managing Director of Center Management at ECE

In 2014, the push towards quality we have seen in 2013 will continue. The market seems to be drifting towards the poles in the sense that good is getting better and bad is getting worse. This holds true for shopping centers, retailers, and even for individual stores within a portfolio. As a shopping center company, we must create places where people like to go and spend time. We must tell stories about goods and places to provide an outstanding shopping experience using solid, classic success levers such as high-quality architecture, a pleasant atmosphere, and good service quality. This also entails continuing to work with retailers to extend the shopping experience into the digital world and develop strategies to seize the opportunities that come with multi-channel retailing.


IMAGE: DELTA HOLDING

VIDA VUCEVIC
Executive Marketing Director at Delta Real Estate

The shopping mall landscape in Belgrade has changed with the opening of the Stadion shopping mall, but this new addition has proven how unsaturated our market is, because footfall at our Delta City and Usce shopping malls has not been affected. In fact, we are recording significant growth in footfall and retailer revenue there, so we believe that our next shopping mall will not have an adverse effect on our existing shopping malls. Delays of the implementation of the new law on planning and construction have influenced the start of all developments, including our next shopping mall: Delta Planet. But we believe that we will be able to start construction next year, since retailer demand is at a very high level.

IMAGE: ECOSTRA

JOACHIM WILL
CEO of ecostra

Factory outlet centers are a niche market. This will not change in 2014. Nevertheless, brand manufacturers' demand for outlet stores in established centers will continue to grow. The reason: In addition to "secured and controlled distribution", the income aspect is becoming increasingly important. A new study shows that, despite relatively high rents, outlet stores generate significantly higher profits for manufacturers than their own high-street stores or online shops. This fuels demand. And where demand for space is evident, developers and investors are not far behind. That's why there will be quite a bit of movement in this niche in 2014: new sites, new tenants, successes... and failures – for this niche also has special requirements for sites, design, and management.

IMAGE: IKANO RETAIL CENTRES

"With increasing center density, the number of smaller projects away from central areas is increasing."

MANUEL JAHN

JAN KRISTENSSON
Managing Director of Ikano Retail Centres

Ikano Retail Centres have had a very thrilling 2013 with, among others things, the opening of three new Retail Parks, being awarded Best Shopping Center (Erikslund Shopping Center) and Best Center Manager (Anna-Lena Wessén, Birsta City) in the Nordic Council of Shopping Centers Awards. We are looking forward to an exciting 2014 with the opening of a new shopping center in Stockholm for example, and the construction start of two others. Ikano Retail Centres has a truly unique product, since we can offer IKEA as the main anchor when building new retail areas. That makes us a strong competitor in an otherwise turbulent retail market.

IMAGE: GFK

MANUEL JAHN
Head of Real Estate Consulting at GfK

2014 will again be a festival of European mega malls: Whether it's Altarea in Villeneuve, Paris; Westfield in Croydon, London; Hurler in St. Augustine, Cologne; or Unibail in Stockholm's Solna, the shopping center industry is continuing to do its thing, quite unimpressed by the rapid rise of online retailing. Even at sites that seemed already to be saturated, next year again promises spectacular projects. Nevertheless, big "lighthouse'" projects no longer shape the industry. With increasing center density, the number of smaller projects away from central areas is increasing. Market niches include city districts and smaller cities that previously had no modern retail space. This trend will intensify, particularly in large-area countries like France, Germany, and Poland. Locally and regionally, we will see a widening variety of center typologies that attempt to adapt to individual local conditions. New typologies are cropping up between the twin poles of shopping centers and retail parks. They range from local supply-oriented shopping galleries in integrated urban locations to experiential retail parks on greenfield sites. Internationally, these are becoming more and more difficult to classify. Cross-border investors will lose their orientation without a "translator" in the local markets. Cheap money is driving the hunger for new products. Investors remain in a buying mood, despite the fact that demand from retailers in most regions can be described as rather restrained. Core products at value-added prices are popular. New hybrid mall formats seem to provide this paradox: Professional, high-quality center formats outside of major cities. The theme for 2014 in Central and Northern Europe will be the upgrade of obsolete retail centers. Substantial increases in value can be achieved assuming favorable entry prices and creative restructuring ideas. In contrast to building new centers, investing in established locations promises fewer conceptual and leasing risks. Chapeau! The bricks are still alive!

IMAGE: HAMMERSON

DAVID ATKINS
CEO of Hammerson

2014 will be a milestone year as we launch our major retail and leisure development Les Terrasses du Port in Marseille. The scheme will transform the city's retail offer and local economy, bringing a mix of high-end and mainstream retailers and providing over 2,000 jobs. Across the channel, we expect trends in improving consumer confidence in the UK to continue to gain momentum during 2014. We are seeing strong demand from our customers for both convenience and a unique experience when they shop, which is mirrored by retailers' demand for space in our centers. We also expect to see continued growth in the luxury sector, as consumers make considered purchases and designer outlet villages continue to attract huge interest from overseas shoppers.

IMAGE: IKEA SHOPPING CENTERS RUSSIA

ARMIN MICHAELY
General Director of IKEA Shopping Centers Russia

IKEA Shopping Centers Russia, which manages 2 million sq m of retail space there, will roll out a shopping center refurbishment program in 2014. The company, whose tenants include major western retailers such as Zara, H&M, and Debenhams, is undertaking a significant refurbishment program at 12 of its 14 malls located across Russia and is bringing a brand new food and beverage offer to the "heart" of each mall. More than 261 million visitors come to IKEA Shopping Centers Russia's malls annually and in 2014, the number of visits is expected to grow further because the company is continuously focused on being ahead of consumer expectations.

"2013 has been full of light and shadow but, thanks to an increase in foreign investments in retail real estate, Italy is closing the year with a positive sentiment for 2014."

CORRADO VISMARA

IMAGE: LAND SECURITIES

ASHLEY BLAKE
Director of Retail Portfolio Management at Land Securities

2013 was a hugely successful year for Land Securities with the launch of Trinity Leeds and 185-221 Buchanan Street, both industry-leading retail destinations. We also took a major step into the leisure sector when we became the largest leisure landlord in the UK, cementing our position and expertise in this growing, resilient sector. In 2014, we will continue to work closely with our retail and leisure partners across our portfolio of 55 assets and to build awareness of our two major new retail and leisure developments: Westgate Oxford and Buchanan Galleries. Both schemes will deliver stunning new destinations in the Autumn of 2017.

IMAGE: IMMOFINANZ GROUP

EDUARD ZEHETNER
CEO of Immofinanz Group

Retail continues to keep an eye on Russia: We still see great potential in Moscow – as indeed we do in Poland as well. Personal incomes are relatively high and stable and the economy is strong. These are welcoming indicators. Our Russian shopping centers are performing sensationally: We are almost fully leased and the gross yield is between 10 and 11%. We are opening two more major shopping and entertainment centers in 2014: Tarasy Zamkowe in Poland and GoodZone in Russia. We are also pushing ahead with the expansion of our STOP.SHOP. retail parks in CEE.

IMAGE: LARRY SMITH ITALIA

CORRADO VISMARA
CEO of Larry Smith Italia

2013 has been full of light and shadow but, thanks to an increase in foreign investments in retail real estate, Italy is closing the year with a positive sentiment for 2014. On one hand, customer sentiment is improving – up about 10 points from January 2013. One the other hand, the sales turnover index registered by CNCC (Consiglio Nazionale dei Centri Commerciali) decreased by 3.8% between July 2012 and June 2013. The current year is expected to close below 200,000 sq m for new openings as a whole, the lowest value in the last 15 years. Next year will be a little better; the pipeline contains a few large projects of higher quality in comparison with the past.

IMAGE: MAPIC

NATHALIE DEPETRO
Director of MAPIC

The retail real estate industry continues to become more global, with countries such as Brazil, Russia, India, China, and Turkey taking on growing importance in the market because of their strong growth potential. The Middle East is also a highly attractive region for the retail sector. Next year, therefore, MAPIC will continue to attract key players from these territories and shed more light on their opportunities. New trends in retail are shaping a new generation of shopping centers and will remain key topics at MAPIC, with a special emphasis on entertainment, which is more and more linked to commerce and covers a very broad spectrum ranging from flight simulators to entire amusement parks.

IMAGE: MARI

OLEG TEMIROV
Commercial Development Director at MARi

Against a global backdrop of turbulent economic times, Central and Eastern Europe, along with Russia, have fared better than most countries across Europe, bringing confidence to developers and encouraging speculative development in Russia. Our landmark project MARi will be opened in December 2014 and will not only provide Moscow with a new and exciting retail destination, but will also be positioned as the first cultural hub for southeast Moscow.

IMAGE: MCARTHURGLEN

GARY BOND
Managing Director Development at McArthurGlen

We are underway with the creation of the next generation of best-in-class designer outlets. Working closely with our brand partners, we look to provide a premium shopping experience for local and regional consumers, as well as for the increasing number of global shoppers and shopping tourists traveling within Europe. We are currently progressing with 150,000 sq m of new outlet retail space, with projects in the south of France, the Belgian city of Ghent, and a new center due to open in spring 2015 in Vancouver, as well as expanding many of our existing centers.

IMAGE: MEC

CHRISTIAN SCHRÖDER AND JANN ROBERT
COO and CFO of MEC Metro-ECE

The market for retail parks will once again be very dynamic in 2014. Investors are likely to be more active than in 2013. Owners and operators will focus even more intensely on revitalization. This will continue to be one of the central issues the industry will deal with in coming years. Improving the tenant mix of retail park-oriented shopping centers will increase their attractiveness and raise the value of many locations. The requirements of investors, tenants, and operators will also result in an increasing standardization and professionalization of the industry.

IMAGE: MK ILLUMINATION

THOMAS MARK
President of MK Illumination

The culture of retail is changing at a breathtaking pace, driven by the onset of e-commerce. But what e-commerce can never do is replicate human emotion. Today's winners are those who attract shoppers with entertainment, inspiration, and festive decoration that spark emotions and create both joy and a positive desire to purchase in what researchers call the "third place". While austerity puts budgets under pressure because of the recession in the euro zone and increasing competition between locations, there has never been a better time to invest in creative festive lighting. Inspirational festive lighting concepts can be a decisive plus factor. The power to draw out emotion and draw in the crowds can be as simple as turning on the switch on inspirational festive lighting.

IMAGE: MESSE FRANKFURT

EVA OLBRICH
Christmasworld Director at Messe Frankfurt Exhibition GmbH

New presentations stimulate the eye. They astonish and inspire customers. Shopping center decorations are thus playing an increasingly important role – whether in the form of professional lighting concepts or attractive, artistic details with a blend of fresh and artificial flowers. I think that "soft skill" decorations will no longer be used as a comfort factor for customers but more as individual trademarks for the location. There is great potential for the sector in this because arousing people's curiosity is generally followed by an increased propensity to consume. The more the decorations are changed the better, i.e. not just at Christmas but for every season or festive occasion. With this in mind, I wish you an excellent business year 2014.

IMAGE: NCSC

AGNETA UHRSTEDT
Secretary General of the Nordic Council of Shopping Centers (NCSC)

We are still rather confidently looking towards the Scandinavian horizon. Average retail sales growth in 2012 was 2.5%. Retail sales within shopping centers were slightly stronger than total sales in all four countries. Since then, Finland has come to a halt, but consumer confidence in Denmark is picking up again. On the whole, the forecast for next year is fairly good, with GDP growth of 2.1% on average and fairly high consumer confidence. The shopping centers GLA pipeline for the coming 15 months contains around 340,000 sq m. Out of these, 254,000 sq m are new centers. If we count all projects until 2017, the pipeline consists of some 812,000 sq m of expansions and close to 1.2 million sq m of new centers.

> *"But the main challenge for developers today is to be connected with their clients 24/7/365."*
>
> BARBARA TOPOLSKA

IMAGE: NEINVER

BARBARA TOPOLSKA
Chief Operations Officer at Neinver

Neinver has been operating in the European outlet sector since 1996. Nearly twenty years of experience have allowed us to gain a better understanding of the evolution of outlet concepts and customers' new needs which must be addressed. Consumers seek a smart shopping experience to please all their senses. This experience should be based on an extensive selection of premium brands and added-value services, including restaurants and leisure areas in stylish and sustainable buildings. But the main challenge for developers today is to be connected with their clients 24/7/365 in order to offer an omni-channel approach or what we at Neinver refer to as a "real-life shopping experience". The key objective is to ensure favorable impressions at every step – from the first contact, through the shopping process, to the way back home and another visit.

IMAGE: ANDI BRUCKNER

PETER NEUBAUER
CEO of PayLife

Shopping centers are an indispensable part of urban environments and this is not going to change in the coming years. In order for shopping centers to continue to work well in the future, however, it will become increasingly important to provide customers with all-around satisfaction and offer them a variety of services. PayLife gift cards are one of these services. Paylife's modern center gift cards have already become increasingly popular in five European countries. Retailers are excited about their ease of use and customer satisfaction is on the rise. That is why we will continue to establish new systems and expand on existing solutions in 2014.

IMAGE: ELISABETH GREBE

MARCUS WILD
CEO of SES Spar European Shopping Centers and ICSC Divisional Vice-President

Continued low interest rates in 2014 will increase interest in industrial and commercial real estate as excellent investment objects, keep the household savings rate low, and increase consumption. On the other hand, consumers will be even more critical in terms of product origin and will conduct purchasing decisions accordingly. I expect exciting new retail and restaurant concepts. Entertainment will play an ever-increasing role. The differentiation between luxury brands and concepts designed for low-priced, up-to-date products will become even starker. Retailers will work on their authentic marketing position and raise their profiles. SES will accelerate its large-scale projects with giant steps in 2014 and plans to open two of them. We expect a good 2014!

IMAGE: SANIFAIR

THOMAS KLAFFKE
Head of Expansion at Sanifair

Our concept provides customers with top standards in cleanliness and hygiene. Its modern design makes a decisive contribution to an attractive shopping experience. In addition, our well-known Sanifair coupons offer our business partners additional opportunities for customer loyalty. Sanifair can already be found in many shopping centers in Germany and in many European cities. Our success thus far, and the growing demand from shopping centers, has encouraged us to continue our expansion in the coming year and add more international locations.

IMAGE: SAVILLS

STEPHAN JUNG
Director and Head of Retail Consultancy at Savills Germany

Shopping centers will continue to increase their value as shopping destinations fit for the future in 2014. Customers there, too, will expect perfectly networked "omni-channel offerings" and will want to be served quickly and conveniently. Retailers should therefore shift their focus from products to customers and their needs in order to offer them tailored solutions. Good presentation of the centers and malls and their shops as well as an increased quantity of quality food outlets invite visitors to come back more often and stay longer.

IMAGE: SONAE SIERRA

FERNANDO GUEDES DE OLIVEIRA
CEO of Sonae Sierra

In December 2014, I expect Sonae Sierra to be an even more international company with operations in some new emerging markets mainly providing development, property management and leasing services to its clients. By that time, we expect we will have successfully launched the development of new projects in markets like Brazil, Germany, Italy, and Colombia, and have continued success with the construction and leasing of ParkLake in Romania. At the macro-economic level, I believe that we will see a recovery in the fundamentals of the economy in the EU in 2014 that will allow stabilization of yields and a slow increase in retail sales in most of the European countries. As a company, we need to offer more and more unique experiences to our customers every time they visit our centers, not only to purchase, but also as a place they use to socialize and spend some of their leisure time.

IMAGE: SCSC

JAN TANNER
President of the Swiss Council of Shopping Centers (SCSC)

According to projections, 2014 will be another difficult year for the Swiss market. This, however, is from a high starting point. Shopping centers in Switzerland have a share of around 17% of total Swiss retail sales of around CHF 100 billion (€81 billion). The industry will have to deal more intensely with "cross channeling". The opportunities for bricks-and-mortar retailers are very good, however, as 64% of customers do not yet shop online, according to a study by ECE and Roland Berger. It is therefore important to understand your customers even better. All the technology now available should not cause the shopping experience on site to be neglected. After all, only bricks-and-mortar retail can appeal to all five senses. This strength must be used in conjunction with online retailing.

IMAGE: TRIGRANIT

PHILIP EVANS
CEO of TriGranit Management Corporation (TGM)

In 2014, TGM will continue to actively pursue third-party mandates. We recently entered the Romanian, Bulgarian, and Macedonian markets. There are three other important regions for us. We are probably the first European-style real estate consultancy firm doing business in the Caucasus region. The first modern shopping centers have recently opened in Yerevan and Tbilisi. In fact, we will open a second mall in Yerevan in February, which means that the market has huge growth potential. We are also looking to expand in Azerbaijan. The second region is the Middle East. Doha, for instance, will host the Football World Cup in 2022, which creates opportunities for us, particularly for facility management consultancy. Dubai is likely to host Expo 2020, which is creating further opportunities for us. Finally, TGM is now also active in China, taking on projects there in a number of cities.

IMAGE: UNION INVESTMENT

"I expect exciting new retail and restaurant concepts. Entertainment will play an ever-increasing role."

MARCUS WILD

HENRIKE WALDBURG
Head of Investment Management Shopping Center at Union Investment Real Estate GmbH

The retail landscape in the core European countries will continue to be characterized by intense competition and rising prices in the core segment due to historically low interest rates. Nevertheless, shopping centers and retail parks will remain an important part of our investment planning for all our fund products in 2014. I am optimistic that we can meet our buying goals in this competitive environment through broad regional diversification without having to compromise on essential investment parameters. Yield stability remains "key" for us. Our investments will therefore remain consistently focused on objects that have strong competitive positions in their catchment areas and are well prepared for the digital challenge of e-commerce.

IMAGE: ZUMTOBEL

ROLAND GOWICK
Director Key Account Management at Zumtobel

In 2014, we will complete the conversion of SCS in Vienna and will have a nice project ahead of us with the renovation of Fischapark. Shopping center operators increasingly see light as a distinguishing feature and a great way to save energy and therefore costs. How else can you both reduce costs and differentiate yourself from the competition? Center operators increasingly recognize this. We also expect positive development in CEE, since many centers need to renovate now to remain competitive. We are currently in negotiations with several operators on this front. We therefore expect continued positive development for the coming year.