

Press Release of 09th February 2023

Dear ladies and gentlemen of the press,

since 2008 – i.e. for 15 years now – ecostra GmbH has conducted an annual survey of international brand manufacturers who are tenants in outlet centres in Europe. Since 2012, this survey has been carried out in cooperation with the French research institute magdus. By now, the report is regarded to be "the" benchmark for the European outlet industry. The results are printed in detail in the so-called "Outlet Centre Performance Report Europe" (OCPRE), which can be obtained from the ecostra webshop.

The OCPRE is the only Europe-wide survey of brands on the economic performance of their stores in the single outlet centres. All outlet centres in Europe that have been in operation for more than 2 years were included in the survey portfolio. Only brand manufacturers with at least three stores in three different outlet centres in Europe were allowed to take part in the survey. The survey was conducted among the decision-makers (sales managers, expansion managers) of the brands at the respective company headquarters, not among the store managers on site, as only the first-mentioned have the opportunity and the overview to evaluate the performance of their stores in different centres, which are also often located in different European countries. A total of 91 international brand manufacturers (previous year 67) took part in the survey, which operate a total of 1,383 outlet stores (previous year: 1,162) in European outlet centres. On average, each brand manufacturer operates approx. 15.2 outlets, which illustrates that brands that already have an extensive network of outlet stores in Europe participated in this survey.

We would be delighted if you could print this press release in your publication. If you need further illustration material (e.g. printable photos of selected objects) for this purpose, we can also provide you with these free of charge and free of rights.

If you have any questions, please feel free to contact us at any time. Contact person is at

- ecostra, Dr. Joachim Will, Tel.-No. +49 (0)611 716 95 75-0 resp. email info@ecostra.com
- magdus, Dr. Caroline Lamy, Tel.No. +33 (0)6 11 46 54 06 resp. email lamy@magdus.fr

Yours

ecostra GmbH magdus

Changing of the guard in Europe's top outlet centres

Cheshire Oaks near Liverpool (UK) takes top spot in tenant ranking for the first time

The most successful outlet centres in Europe have a new leader. „Cheshire Oaks", located south of Liverpool in the industrial town of Ellesmere Port, is the second English centre to top the list of the most successful outlet centres in Europe. Until now, this rank in England was reserved for "Bicester Village", which is located near the university city of Oxford as well as the tourist attraction Stonehenge. This is a result of the "Outlet Centre Performance Report Europe" (OCPRE), which has been updated annually since 2008 and whose latest edition has just been published. The report, which by now is considered "the" benchmark for the European outlet sector, is produced by the Wiesbaden-based business consultancy ecostra in cooperation with the French research institute magdus. It is based on data from a total of 91 international brand manufacturers who currently operate a total of 1,383 stores in existing outlet centres in Europe.

Front-runner "Cheshire Oaks" has new owner

"Cheshire Oaks" was opened in March 1995 and is one of the largest outlet centres in Europe with a rental area of 38,000 m², about 150 stores and 3,300 free parking spaces. With 8.4 million visitors per year, this centre also achieves a unique peak in visitor numbers. At the end of 2021, the centre was sold

by Nuveen Real Estate to LaSalle Investment Management as part of a package deal. "LaSalle obviously had a good hand and got a pearl in its portfolio. But they also had to dig deep into their pockets. The package consisting of 2 outlet centres had a volume of almost € 720 million, which does not exactly indicate a bargain", comments ecostra managing director Dr. Joachim Will on this deal. The operator of Cheshire Oaks is the European outlet market leader McArthurGlen, which also took the crown as the best operator in the tenant survey and was thus once again able to consolidate its reputation for offering particularly efficient and competent centre management.

Success in Poland. Outlet centre owned by Deutsche Bank reaches 3rd place in Europe

The runner-up, "Bicester Village", is followed in the ranking by a Polish and an Italian centre, both of which occupy third place with identical tenant ratings. The outstanding ranking of the "Designer Outlet Warsaw" is certainly the biggest surprise. Never before had a Polish centre made it into this top group. The centre, located south of the Polish capital in the town of Piaseczno on an old industrial conversion site, is now owned by an investment fund of Deutsche Bank and is managed by the Austrian operator ROS Retail Outlet Shopping. The other third-place finisher is the centre in Serravalle Scrivia, also developed and managed by McArthurGlen, which is located in the Italian region of Piedmont, not far from Genoa. Will: "The 'Designer Outlet Serravalle' has also been a steady guest in the upper part of the outlet rankings in the past years, but has now catapulted into the top group with a remarkable leap. Obviously, McArthurGlen is doing a particularly good job in Italy as well. This operator occupies all three top positions in the Italy ranking at the same time."

"Fashion Outlet Marl" is at the bottom of the table and gets the "red lantern"

The bottom of the table, on the other hand, is gloomy. The "red lantern" this year is the "Fashion Outlet Marl", which opened doors in mid-2020 in the northern Ruhr region. This is the first time that a German centre has come last. The ecostra CEO has an explanation for this: "The 'Fashion Outlet Marl' is a hybrid concept between a classic shopping centre and an outlet centre. With the integration of outlet stores, an attempt was made to revitalize this centre, which had fallen into crisis. The 'Fashion Outlet Marl' has enormous potential in the catchment area, but had a suboptimal start in the middle of the Corona pandemic and has since suffered from a frequent change of tenants. It remains to be seen whether the management will succeed in putting this centre on a path to success in the coming years." With "Amsterdam The Style Outlets" in the Netherlands, however, another new development, which was given a lot of advance praise due to the location quality and innovative architecture, has so far not fulfilled the economic expectations and ranked second to last. Will: "The fact that this centre, which is actually of high quality, is being slammed by tenants in such a way is certainly one of the big surprises of the current report. There is certainly a need for action on the part of the operator Neinver."

German centres slip into the midfield in the performance rating

Another surprise is the fact that for the first time not a single German outlet centre made it into the European top 20. "Outlet sites such as Metzingen, Ingolstadt, Wertheim or Zweibrücken have so far been virtually subscribed to such top rankings and have even been the European front-runners in some cases. Now they suddenly find themselves in the middle of the pack," reports Thomas Terlinden, project manager for the report at ecostra. Terlinden: "We are still puzzling over what could be the cause of this general deterioration of the German centres in the tenant rating. However, it can also be stated that apart from Marl, not a single German centre was given a really critical rating."

French centres still on track for success despite a partially saturated market

Germany is still the country where most brand manufacturers want to rent outlet stores. Almost every second brand surveyed is looking for outlet space there. France also remains a strong focus for the brands expansion departments. "Germany still has a comparatively low outlet density in relation to its population and purchasing power potential. But apart from France and Italy, no other European country was able to place a similarly high number of outlet centres in the top 20. This shows that despite an already saturated market in some regions of France and Italy, professionally designed and managed locations can be successful in the long term," states Dr. Caroline Lamy, head of the French research institute magdus and cooperation partner of the report. Lamy: "Sometimes such success is achieved right from the start, as the example of 'The Village' centre in Villefontaine near Lyon shows, which ranked among the European leaders shortly after opening. Roppenheim in Alsace took a little longer, but is now a success story, also due to the high number of visitors from the nearby German border region."

High rents, lack of staff and space slow down further outlet expansion

The brand manufacturers see the high rents for outlet spaces in particular, but also a lack of suitable sites, as a major obstacle to further expansion. However, quite a few of the brands surveyed emphasize that they already have a dense net of outlet stores and are putting the brakes on expansion for this reason. In contrast, a lack of goods availability or possible conflicts with existing sales partners in the inner-city high streets play virtually no role. "The outlet tenants are confronted with completely different challenges," Caroline Lamy reports: "The biggest problem at the moment is staff availability, followed by sharply rising ancillary operating costs, especially energy and heating. The staffing problem is so serious that almost two thirds of the respondents are in favor of at least temporarily reducing the opening hours of their outlet stores. Only every fourth respondent rejects such a measure." Yet outlet centres are generally known for utilizing the permissible opening hours as much as possible.

The complete "Outlet Centre Performance Report Europe 2022" with all detailed figures, evaluations and comments can be ordered at the ecostra webshop starting with mid-March 2023 at a price of € 200 (plus VAT). The report is available in print only.

Overview: The top 20 of the economically most successful outlet centres in Europe from the tenant's point of view 2022

Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
1	Ellesmere Port – McArthurGlen Cheshire Oaks	United Kingdom	McArthurGlen	1.50
2	Bicester – Bicester Village	United Kingdom	Value Retail	1.57
3*	Serravalle Scrivia – McArthurGlen Serravalle	Italy	McArthurGlen	1.64
3*	Piaseczno – Designer Outlet Warsaw	Poland	ROS	1.64
5	Las Rozas – Las Rozas Village	Spain	Value Retail	1.80
6	Roppenheim – The Style Outlets	France	Neinver	1.87
7*	Villefontaine – The Village	France	La Compagnie de Phalsbourg	1.88
7*	Roermond – McArthurGlen Roermond	The Netherlands	McArthurGlen	1.88
9	La Roca del Vallès – La Roca Village	Spain	Value Retail	1.89
10*	Pont-Sainte-Marie – McArthurGlen Troyes	France	McArthurGlen	2.00
10*	Castel Romano – McArthurGlen Castel Romano	Italy	McArthurGlen	2.00
10*	Alcochete – Freeport Lisboa Fashion Outlet	Portugal	VIA Outlets	2.00
10*	Portsmouth – Gunwharf Quays	United Kingdom	Land Securities	2.00
14	Parndorf – McArthurGlen Parndorf	Austria	McArthurGlen	2.04
15*	Maasmechelen – Maasmechelen Village	Belgium	Value Retail	2.11
15*	Marne la Vallée / Serris – La Vallée Village	France	Value Retail	2.11
15*	Noventa di Piave – McArthurGlen Noventa di Piave	Italy	McArthurGlen	2.11
18	Kildare – Kildare Village	Ireland	Value Retail	2.13
19	Madrid – Getafe The Style Outlets	Spain	Neinver	2.14
20	South Normanton – McArthurGlen East Midlands	United Kingdom	McArthurGlen	2.17

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

The leading outlet centres in selected European countries:

Top 3 in France 2022

Rank F	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1*	6	Roppenheim – The Style Outlets	Neinver	1.87
2	7*	Villefontaine – The Village	La Compagnie de Phalsbourg	1.88
3	10*	Pont-Sainte-Marie – McArthurGlen Troyes	McArthurGlen	2.00

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus

Top 3 in Germany 2022

Rank D	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	28*	Metzingen – Outletcity Metzingen	Outletcity AG	2.27
2	31	Stuhr-Brinkum – Ochtum Park Outlet Center	MiRo Grundstücksverwaltung	2.31
3	33	Zweibrücken – Zweibrücken Fashion Outlet	VIA Outlets	2.34

* = The identical average rating with another outlet centre leads to a double ranking.
 ** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)
 Source: ecostra / magdus

Top 3 in the United Kingdom 2022

Rank UK	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	1	Ellesmere Port – McArthurGlen Cheshire Oaks	McArthurGlen	1.50
2	2	Bicester – Bicester Village	Value Retail	1.57
3*	10*	Portsmouth – Gunwharf Quays	Land Securities	2.00

* = The identical average rating with another outlet centre leads to a double ranking.
 ** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)
 Source: ecostra / magdus

Top 3 in Italy 2022

Rank I	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	3*	Serravalle Scrivia – McArthurGlen Serravalle	McArthurGlen	1.64
2	10*	Castel Romano – McArthurGlen Castel Romano	McArthurGlen	2.00
3	15*	Noventa di Piave – McArthurGlen Noventa di Piave	McArthurGlen	2.11

* = The identical average rating with another outlet centre leads to a double ranking.
 ** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)
 Source: ecostra / magdus

Top 3 in Spain 2022

Rank E	Rang Europe	Outlet Centre	Operator	Ø-Grade**
1	5	Las Rozas – Las Rozas Village	Value Retail	1.80
2	9	La Roca del Vallès – La Roca Village	Value Retail	1.89
3	19	Madrid – Getafe The Style Outlets	Neinver	2.14

* = The identical average rating with another outlet centre leads to a double ranking.
 ** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)
 Source: ecostra / magdus

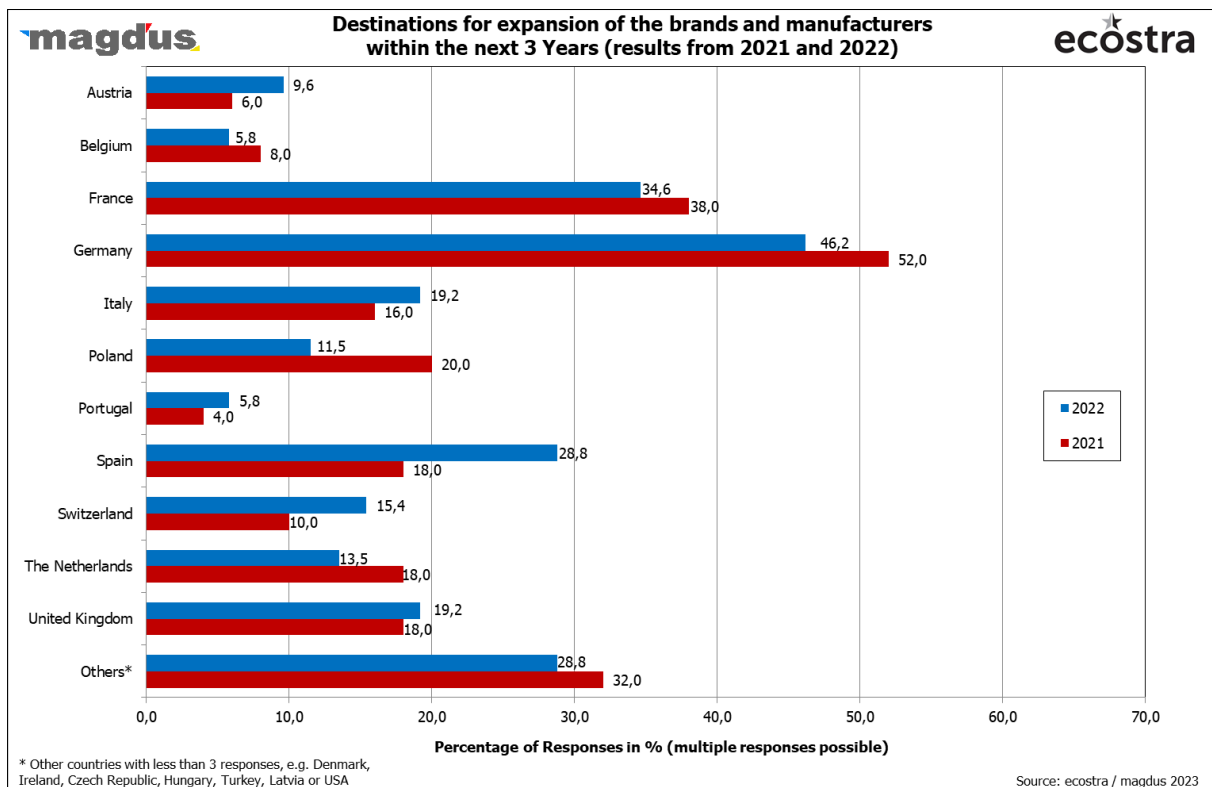
Overview: The 10 European outlet centres with the weakest economic performance from the tenant's point of view in 2022

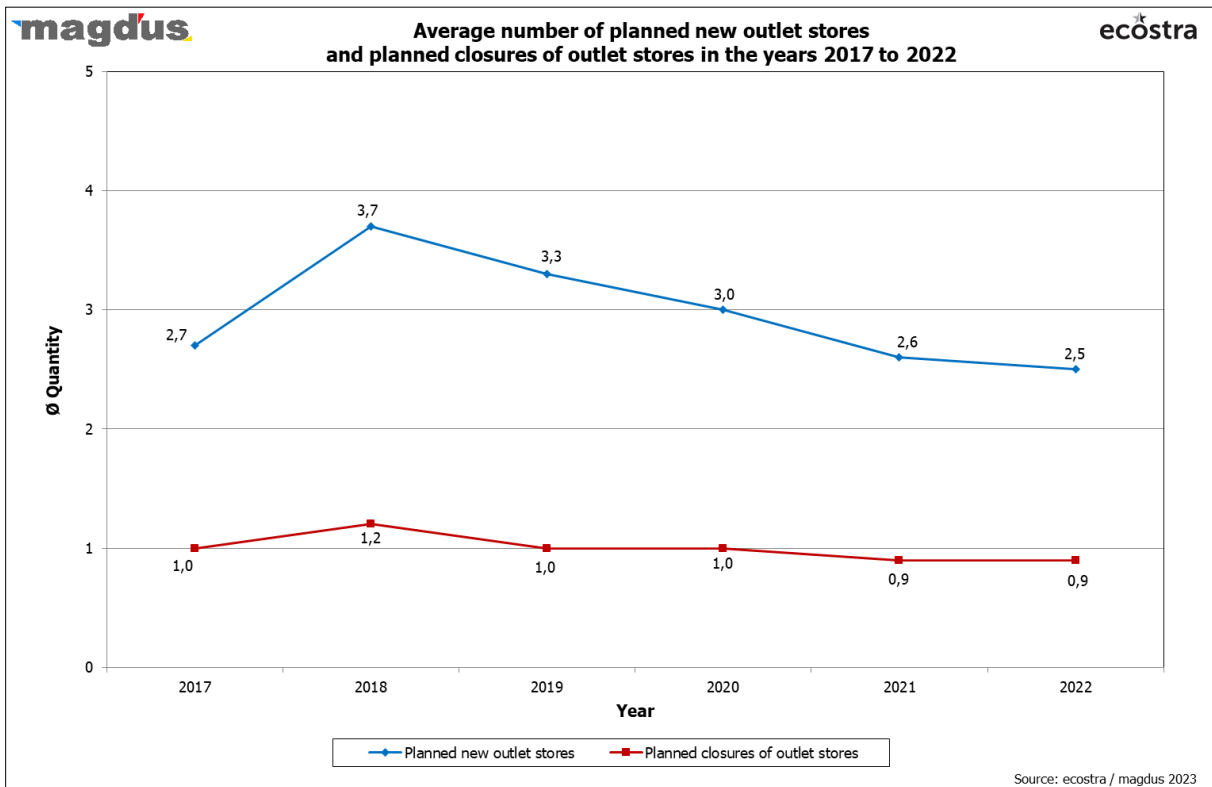
Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
102	Franconville – Quai des Marques A15	France	Marques Avenue	3.55
103	Vestby – Norwegian Outlet Oslo	Norway	VIA Outlets	3.60
104	L'Île Saint Denis – Marques Avenue	France	Marques Avenue	3.67
105*	Coquelles – Channel Outlet Store	France	Advantail	3.83
105*	Zaragoza – La Torre Outlet Zaragoza	Spain	ROS Retail Outlet Shopping	3.83
107	Concello de Culleredo – Coruna The Style Outlets	Spain	Neinver	3.88
108	Sveti Kriz Zacetje – Roses Designer Outlet Zagreb	Croatia	Roses Values	4.00
109*	Romainville – Paddock Paris	France	n.a.	4.40
109*	Haarlemmermeer – Amsterdam The Style Outlets	The Netherlands	Neinver	4.40
111	Marl – Fashion Outlet Marl	Germany	Outlet Evolution Services	4.43

* = The identical average rating with another outlet centre leads to a double ranking.

** = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)

Source: ecostra / magdus





Definition outlet centre:

Outlet centres are an agglomeration of many outlet store units within a coordinately-planned or a spatially-interrelated complex of buildings with more than 5,000 m² retail sales area (= approx. 6,000 m² GLA) and with more than 20 outlet stores. There brand manufacturers and vertically-integrated retailers sell past seasons, factory seconds, surplus stock etc. directly to the consumer, without using retail businesses as (intermediate) distributive channels. All products are sold with a discount to the original high-street price of at least 25 %, whereas double-pricing ("High Street Price" / "Outlet Price") is ruled by the leasing contract. The marketing targets a supraregional area and above all customers from far away are addressed. The coordination, organisation and marketing of an outlet centre is carried out by a centre management.

ecostra company profile

ecostra GmbH belongs to the leading management consultancies for the real estate business and the retail trade. Beside consulting tasks as for example the optimization of the existing retail net of a company, the production of location analyses and studies for the expansion planning as well as feasibility and profitability investigations for project developers, financial service providers and investors, ecostra also compiles utilization concepts for shopping centres or analyzes the chances and risks, e.g., of a possible relaunch of a centre. Beside the private sector ecostra also works for the public sector by providing retail development concepts for cities and regions and offers expert advice for approval procedures, administrative court procedures and cartel court procedures. The spatial field of activity encompasses all European countries. ecostra is seated in the Hessian capital of Wiesbaden.

Beside the classical shopping centres a special focus of the retail trade research is put by ecostra at outlet centres. Here ecostra has published among other things a fundamental study on behalf of the German federal ministry of construction as well as various books and articles on the location requirements, the relevant operational aspects as well as to the impact of factory outlet centers on regional and local trade.

magdus company profile

The purpose of magdus, the European Factory Outlet Centres Observatory, is to study the concept of factory outlet centres in Europe. News, key figures, interviews with experts and economic studies, magdus is THE reference point for the sector.

The objective of the magdus conference is to create a place for professionals to meet and exchange ideas, and takes place every two years in the French capital Paris. During every edition, 250 participants from all over Europe attend the bilingual conferences led by recognized contributors, workshops run by professionals open to participative exchanges of ideas, and the presentation of the magdus Awards that reward the most exceptional players, projects and initiatives of the year.

Contact:

ecostra GmbH
Economic-, Strategy- and
Location Consultancy in Europe
Dr. Joachim Will
Bahnhofstrasse 42
D-65185 Wiesbaden
tel.: +49 - (0)611 71 69 57 50
email: office@ecostra.com
www.ecostra.com

magdus
European Factory Outlet
Centres Observatory
Dr. Caroline Lamy
655 route du Vieux Village
F-26510 Sahune
tel.: +33 - (0)6 11 46 54 06
email: lamy@magdus.fr
www.magdus.fr