

## Press Release of 10<sup>th</sup> February 2021

Dear ladies and gentlemen of the press,

since 2008 – i.e. for 13 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. Again, like previous year, a total of 76 international brand manufacturers took part in the survey, which operate a total of 1,149 outlet stores (previous year: 1,330) in European outlet centres. Since several of these manufacturers do have several brands, these represent a total portfolio of around 110 brands, mostly from the fashion sector.

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

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Yours

ecostra GmbH    Magdus

**Despite Corona and travel restrictions:**

### **Bicester Village once again is the most successful outlet centre in Europe**

It is already well known that Bicester Village, operated by Value Retail, is one of the best performing outlet centres in Europe. The centre is located in the small British town of the same name in Oxfordshire, not far from the famous Neolithic megaliths of Stonehenge. Since a Europe-wide tenant survey on the profitability of stores in outlet centres was conducted for the first time in 2008 by the Wiesbaden-based consulting company ecostra, Bicester Village has already taken first place five times, most recently last year. This frequent top ranking can also be backed up with hard facts: according to official information published by the owner, this centre generates an average area productivity of more than € 40,000 per m<sup>2</sup> GLA, which is a lonely top value not only for outlet centres. A significant proportion of this turnover is achieved with tourists from Asia, who plan Bicester Village as a fixed destination for a shopping trip in Europe. Thus, 40 % of the centres VAT-free turnover alone can be attributed to customers from China.

**Bicester Village: Asian customers missing but almost closed due to overcrowding**

However, due to the Corona-related travel restrictions, these customer groups almost completely dropped out in the past year 2020. *"Against this background, the fact that Bicester Village was once again ranked No. 1 in the Outlet Centre Performance Report Europe 2020 is a huge surprise,"* comments

ecostra Managing Director Dr. Joachim Will on this result. *"Obviously, the management has succeeded in replacing the lost Asian tourists with native visitors who have made the cash registers ring just as strongly. Perhaps it also played a role that the English themselves had travel restrictions and were now increasingly looking for day-out destinations in their own backyard,"* Will said. In any case, the local press reported that after the first lockdown and the reopening of Bicester Village in mid-June 2020, the rush of visitors was so strong that calls immediately arose in the public for a renewed closure, so as not to create a new Corona hotspot here.

### **Villefontaine: Sensational quick start success for new outlet centre in France**

But there are other surprising results from the current tenant survey. The outlet centre "The Village", which only opened in May 2018 in Villefontaine, near Lyon (France), was able to take second place in its first attempt. *"This has never happened before, that a newly opened outlet centre could place itself right away at such a top position in the European ranking,"* notes Dr. Caroline Lamy. Lamy is head of the French research institute magdus, which has been compiling the Outlet Centre Performance Report Europe together with ecostra since 2012. Lamy: *"Usually, outlet centres need a few years of trading to establish themselves in the market. Most of the time, this is reflected in the ranking. Here, the developer, investor and operator have delivered a remarkable achievement."* It is La Compagnie de Phalsbourg, one of France's largest private real estate companies, previously known for developing shopping centres, hotels, offices, leisure facilities, logistics and flats. With "The Village", this company now ventured into the outlet market for the first time. Freeport Retail was integrated as a partner in the project. *"The success of the location was indicated early on. Already in its opening year 2018, 'The Village' received the MAPIC award for the best outlet centre,"* Caroline Lamy can report. *"So far, the centre has recorded an exceptionally good development of sales and is considered to be the fastest growing outlet in France."* Currently, various premium and luxury brands are already represented with Prada, Polo Ralph Lauren, Lacoste and Hugo Boss. Construction work of the phase 2 is due to start soon to expand from the current 110 to 140 outlet stores.

### **Value Retail also in Spain with top performing sites**

In third and fourth place of the ranking are the Spanish centres "Las Rozas Village" near Madrid and "La Roca Village" north of Barcelona, both operated by Value Retail. The best German centre once again is "Outletcity Metzingen" in 5th place. Bringing up the rear and thus bearing the "red lantern" this time are two centres of the French operator Marques Avenue Group (formerly: Concepts & Distribution), both with identical tenant ratings: "Marques Avenue Troyes Mode" in Saint-Julien-les-Villas near Troyes and "Marques Avenue L'Ile St. Denis" near Paris, both of which received an average rating of 4.00 from tenants. Despite the crisis year, in which the outlet centres, as non-system-relevant businesses, were completely closed at times, the rating of the respective outlet stores by the tenants improved slightly from 2.68 to 2.62 on the overall average of all centres in Europe.

### **Holy AG displaces McArthurGlen as best operator**

For the first time, the outlet tenants chose Holy AG, which is responsible for Outletcity Metzingen in Germany, as the most competent operator in terms of management, leasing and marketing. Holy AG thus displaced the previous serial winner in this category, McArthurGlen, to second place. However, when it comes to the question of the operator who, from the tenants' point of view, has best mastered the challenges posed by the Covid 19 pandemic, a different picture emerges: here Value Retail leads ahead of Holy AG and the Austrian operator ROS Retail Outlet Shopping.

### **During the Corona Lockdown: more than half of the tenants cut or refused rental payments**

More than one in two of the brand manufacturers surveyed had stopped paying rent in total or in part during the Corona lockdown, and around one in ten said they were involved in a legal dispute with their landlord because of this. Around 20 % of the expansion managers surveyed stated that their company had experienced serious economic difficulties as a result of the Corona crisis. After the stores were allowed to reopen in the wake of the first lockdown in 2020, neither the restoration of the flow of goods, liquidity shortfalls nor the necessary hygiene measures in the store were major problems for outlet tenants. The most frequently mentioned problem was staff availability, which required a special organisational effort due to the lack of childcare facilities in daycare centres and schools. About 54 % of the brand manufacturers did not make any changes in their assortment policy after the reopening. About 34 % reacted to the pressure of unsold goods by expanding the breadth and depth of the assortment, and almost the same number took out the red pen again and increased the discounts.

### **After the lockdown: Outlet sales develop best in Switzerland and Hungary**

On a country level, after the first Corona lockdown, the outlet centres in Switzerland and Hungary recorded the best sales development, while outlet sales in the Netherlands and Portugal developed least satisfactorily during this phase. In the pandemic, the brand manufacturers' own online shops have experienced an enormous increase in importance as a distribution channel. For the first time, online stores are rated better than outlet stores in terms of profitability. Nevertheless, expansion with physical stores continues. Two-thirds of the brands surveyed are looking for outlets in Germany, about one-third each in France and the Netherlands. But interest in further stores in the UK and Switzerland has also risen significantly again compared to previous years. Will: *"This also corresponds to the feedback we are currently receiving from the market. Although many brands are still somewhat hesitant about signing long-term leases for outlet stores, there is a run on the few available shops. Pop-up stores are desperately sought. Only at the top locations in Europe these will hardly be found - unless your name is Gucci, Prada or Versace."*

*The complete "Outlet Centre Performance Report Europe 2020" with all detailed figures, evaluations and comments can be ordered at the ecostra webshop starting with the end of February 2021 at a price of € 150 (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 2020

Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
1	Bicester – Bicester Village	United Kingdom	Value Retail	1,20
2	Villefontaine – The Village	France	La Compagnie de Phalsbourg	1,75
3	Las Rozas – Las Rozas Village	Spain	Value Retail	1,80
4	La Roca del Vallès – La Roca Village	Spain	Value Retail	1,86
5	Metzingen – Outletcity Metzingen	Germany	Holy AG	1,88
6*	Romans-sur-Isère – Marques Avenue	France	Marques Avenue Group	2,00
6*	Wertheim – Wertheim Village	Germany	Value Retail	2,00
6*	York – McArthurGlen York	United Kingdom	McArthurGlen	2,00
9*	Stuhr-Brinkum – Ochtum Park Outlet Center	Germany	MiRo Grundstücksverwaltung	2,07
9*	Roermond – McArthurGlen Roermond	The Netherlands	McArthurGlen	2,07
11	Ellesmere Port – McArthurGlen Cheshire Oaks	United Kingdom	McArthurGlen	2,09
12*	Castel Romano – McArthurGlen Castel Romano	Italy	McArthurGlen	2,10
12*	Noventa di Piave – McArthurGlen Noventa di Piave	Italy	McArthurGlen	2,10
14	Zweibrücken – Zweibrücken Fashion Outlet	Germany	VIA Outlets	2,11
15	Ingolstadt – Ingolstadt Village	Germany	Value Retail	2,12
16	Wustermark – McArthurGlen Berlin	Germany	McArthurGlen	2,13
17	Wroclaw – Wroclaw Fashion Outlet	Poland	VIA Outlets	2,14
18*	Landquart – Landquart Fashion Outlet	Switzerland	VIA Outlets	2,17
18*	Bridgend – McArthurGlen Bridgend	United Kingdom	McArthurGlen	2,17
20	Madrid – Getafe The Style Outlets	Spain	Neinver	2,20

\* = 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 2020

Rank F	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	2	Villefontaine – The Village	La Compagnie de Phalsbourg	1,75
2	6*	Romans-sur-Isere – Marques Avenue	Marques Avenue Group	2,00
3	30*	Miramas – Designer Outlet Provence	McArthurGlen	2,42

\* = 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 2020

Rank D	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	5	Metzingen – Outletcity Metzingen	Holy AG	1,88
2	6*	Wertheim – Wertheim Village	Value Retail	2,00
3	9*	Stuhr-Brinkum – Ochtum Park Outlet Center	MiRo Grundstücksverwalt ung	2,07

\* = 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 2020

Rank UK	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	1	Bicester – Bicester Village	Value Retail	1,20
2	6*	York – McArthurGlen York	McArthurGlen	2,00
3	11	Ellesmere Port – McArthurGlen Cheshire Oaks	McArthurGlen	2,09

\* = 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 2020

Rank E	Rang Europe	Outlet Centre	Operator	Ø-Grade**
1	3	Las Rozas – Las Rozas Village	Value Retail	1,80
2	4	La Roca del Vallès – La Roca Village	Value Retail	1,86
3	20	Madrid – Getafe The Style Outlets	Neinver	2,20

\* = 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 2020

Rank I	Rank Europe	Outlet Centre	Operator	Ø-Grade**
1	12*	Castel Romano – McArthurGlen Castel Romano	McArthurGlen	2,10
2	12*	Noventa di Piave – McArthurGlen Noventa di Piave	McArthurGlen	2,10
3*	27*	Castel Guelfo di Bologna – Castel Guelfo The Style Outlets	Neinver	2,40
3*	27*	Locate di Triulzi – Scalo Milano Outlet & more	Locate District Spa	2,40

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 \*\* = Average rating based on school grades from 1 (= significantly above-average performance) to 5 (= significantly below-average performance)  
 Source: ecostra / Magdus

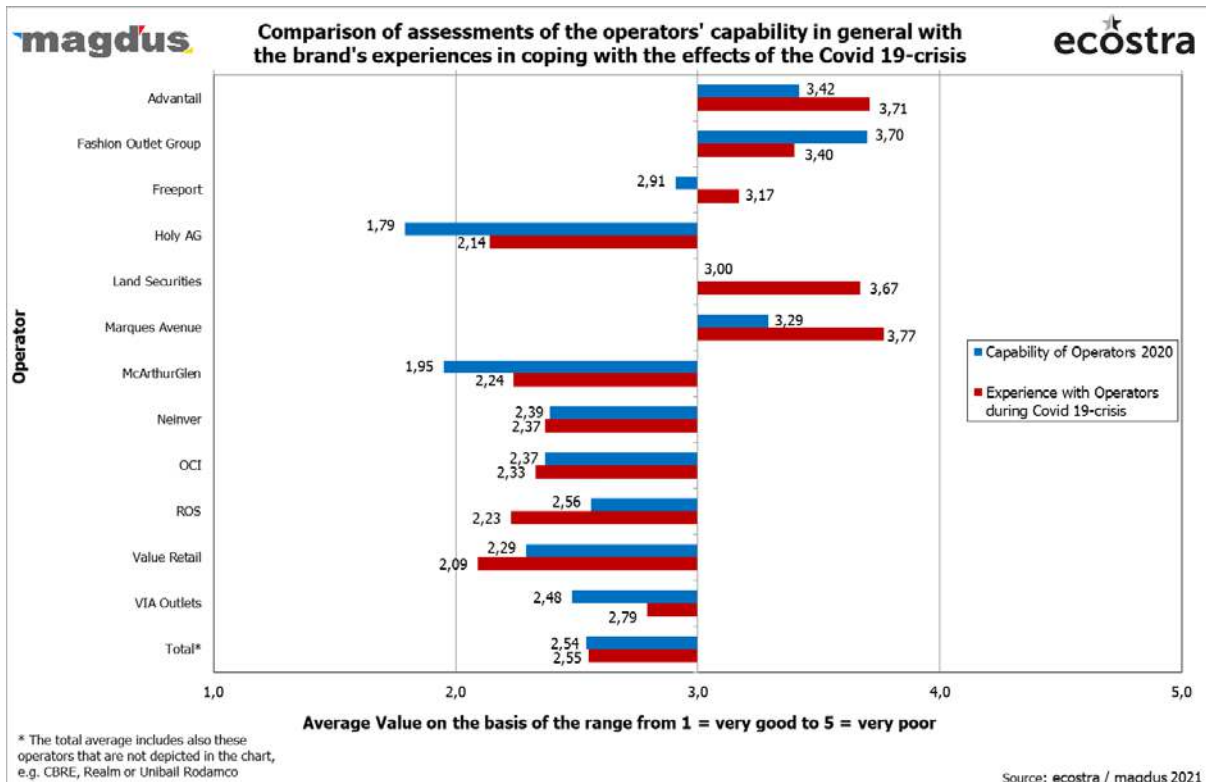
Overview: The 10 European outlet centers with the weakest economic performance from the tenant's point of view in 2020

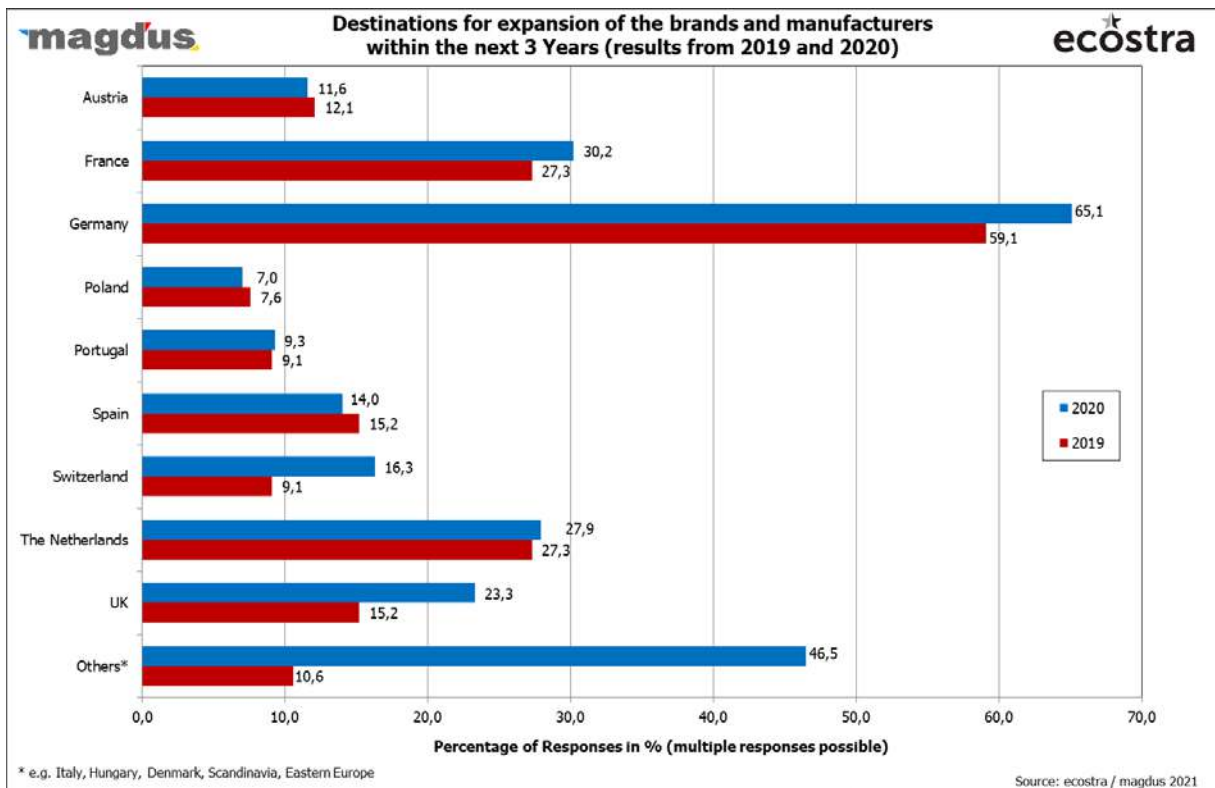
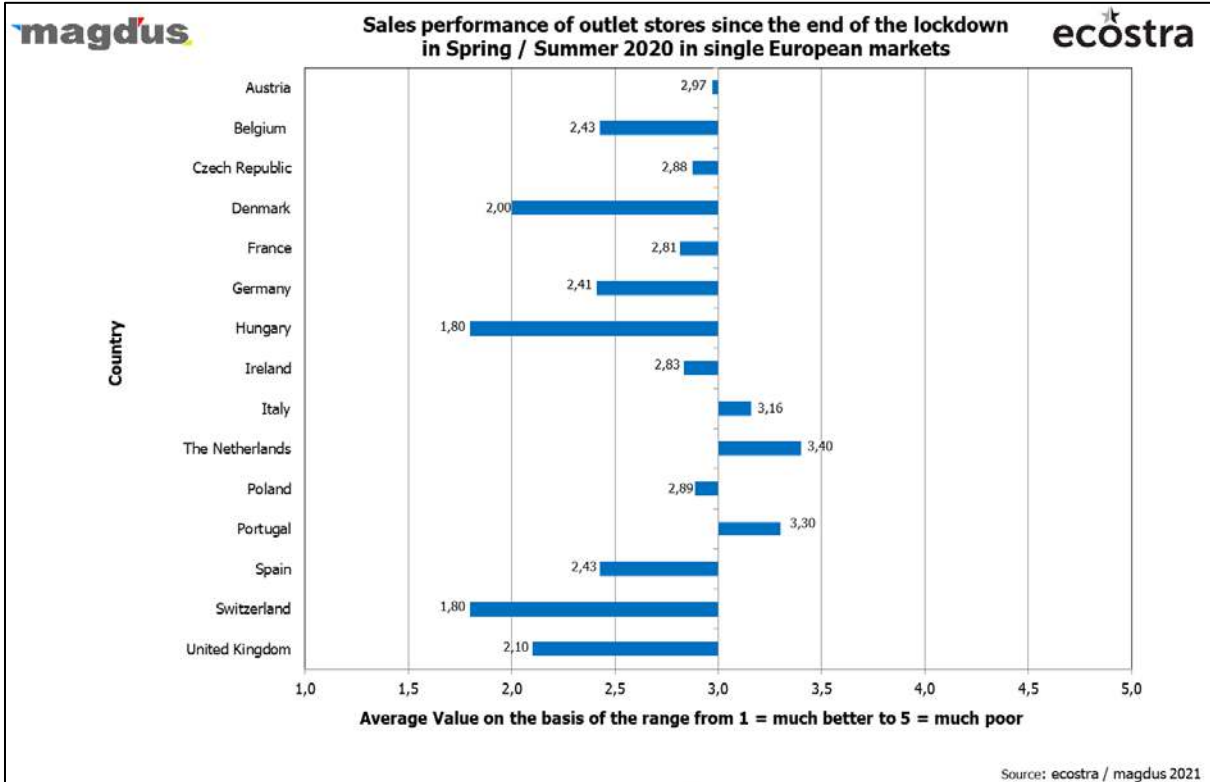
Rank Europe	Outlet Centre	Country	Operator	Ø-Grade**
85	Valmontone – Valmontone Outlet	Italy	Promos S.r.l.	3,29
86	Radolfzell am Bodensee – Seemaxx Outlet Center	Germany	Hesta Immobilien GmbH	3,33
87	Franconville – Quai des Marques A15	France	Marques Avenue Group	3,40
88	Les Clayes sous Bois – One Nation Paris	France	Catinvest	3,43
89	Aubergenville – Marques Avenue A13	France	Marques Avenue Group	3,50
90	Parndorf – Parndorf Fashion Outlet	Austria	Fashion Outlet Group	3,56
91	Foiano della Chiana – Valdichiana Outlet Village	Italy	Multi Outlet	3,60
92	Messancy – McArthurGlen Luxembourg	Belgium	McArthurGlen	3,67
93	Chvalovice – Freeport Fashion Outlet	Czech Republic	Fashion Outlet Group	3,80
94*	L'Île Saint Denis – Marques Avenue	France	Marques Avenue Group	4,00
94*	Saint-Julien-les-Villas – Marques Avenue Toyes Mode	France	Marques Avenue Group	4,00

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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 m<sup>2</sup> retail sales area (= approx. 6,000 m<sup>2</sup> 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 each year 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

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