

Preliminary remarks

Beginning in the USA and, over the past 25 years, subsequently spreading in Europe as well, a new retail format has been established: the Factory Outlet Centre (FOC) or Designer Outlet Centre (DOC). In the meantime, such a high density of Outlet Centres already exists in some European countries (e.g. Great Britain), that one can certainly speak of market saturation here. Thus, in Great Britain, as in the USA also, a market shakeout is observable among locations of Outlet Centres, whereby the most professional operators, and accordingly suitable locations, win out over less productive concepts or locations with weaknesses.

The situation in continental Europe is somehow different. Due what are, to date, extremely restrictive building permission procedures compared to those in the rest of Europe, Germany has only a very few Outlet Centres in relation to the size of this national market. However, there is little doubt that this will change in the medium-term perspective, at least. The kind of emotional argument that often used to take place until just a few years ago has now given way to a much more factual discussion on the advantages and disadvantages of establishing an Outlet Centre.

Whereas Germany still shows a lot of potential for new Outlet Centres, Italy has seen a rapid development in the last years, and it's difficult to discover any "white spots" on the map there. The same applies to Switzerland and Austria. In the Central and East European Countries (CEE) the development took up pace but slowed down again in the aftermath of the credit crunch. So still there are significant differences on the development of Outlet Centres and the numbers of such centres in the European countries.

For more than 8 years now, ecostra is publishing this survey on Outlet Centres in Europe. Gathering reliable market-data requires a clear definition of the subject of investigation. Starting with the December 2014 issue, ecostra adapted the definition to new developments in the outlet markets, in particular the up-coming outlet-hybrids (e.g. Value Centres, Outlet Agglomerations). The **new definition of an Outlet Centre** is:¹

*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.***

The overview presented in this survey includes all those centres that are, currently either in operation or planned, that correspond to the above definition of Outlet Centres. For this reason, the Lifestyle Outlets Myland Crystallerie Wadgassen (www.myland.eu), the 50 Factory Store in the Italian town of Aosta (www.fifty.it), the Hackney Walk Luxury Outlet District (www.hackneywalk.com) in London nor, among other sites, The Mall in Leccio Reggello, close to Florence (www.themall.it) have been included on the list.

At the same time such concepts like Outletcity Metzinger (www.outletcity-metzingen.com) or the City Outlet Bad Münstereifel (www.cityoutletbadmuenstereifel.com)² are not covered by the definition above. Following the request of many brand manufacturers, who were on the search for market data and informations for such projects ecostra now presents with "**Organized Outlet Agglomeration**" (OOA) a definition for such a retail format that does have various features similar to those of an outlet centre but at the same time is different in many aspects. OOA can be distinguished from FOC by the following features:

¹ The new elements in this definition are marked in red colour.

² The City Outlet Bad Münstereifel is the first professionally organized outlet concept using already existing historical buildings in the high streets of a city.



- There is no coordinately-planned or spatially-interrelated complex of buildings. Such common features can refer to some sections of the object, but not the whole. This is most obvious by differences in architecture and missing common functional areas, e.g. heating, storage, waste.
- There are other uses – e.g. services, retail businesses, gastronomy, flats – located between the outlet stores of the OOA. These premises are not necessarily jointly owned by the investor of the OOA nor are they necessarily leased by the operator of the OOA.
- There are public roads, streets and pavements passing through the area where the outlets are located.
- Other than a more or less random agglomeration of outlet stores, an OOA does have a centre-management, which is responsible for marketing and sometimes even for leasing of the object.
- All other features correspond to those of an FOC (see definition above).

The following survey of existing and planned Outlet Centres and Organized Outlet Agglomerations in Europe is intended to help improve transparency on the retail trade market. This survey is free of charge and is available to everyone without any limitations as a PDF-download at the ecostra-website. The overview has been compiled according to the best of ecostra's knowledge and is updated approximately every 3 months. Plans, developments or other information disclosed to the authors on a confidential basis have not been included in the overview, in consideration of protection of confidence. No guarantee can be given for the completeness or correctness of the said information.

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We're proud to announce: In June 2016, ecostra's market survey "Outlet Centres in Europe" was heading the Top 5 download list of Germany's most relevant real estate magazine, the "Immobilien Zeitung". Since, each of the following issues of our market survey made it to the Top ranks. The latest issue of September 2017 repeated this success (see snapshot below).

Top-Downloads der Woche

- 1. Smart Cities**
(Quantum Focus)
- 2. Wohninvestmentmarkt Deutschland Q3 2017**
(Savills)
- 3. reView Büromarkt Frankfurt am Main**
(blackolive)
- 4. Outlet Centres in Europe**
(ecostra)
- 5. Fachmarktzentren in Deutschland**
(MEC Metro-ECE Centermanagement)



Location	Type	Status	Name of the Object / Project	Operator	Developer / Investor / other Partners	Gross Leasable Area (GLA) in m ²	Retail Sales Area (SA) in m ²	Remarks
Bispingen (Lower Saxony)	FOC	cancelled	n.s.	Value Retail			9.900	On 03.02.2009, the State Government of Lower Saxony decided against an OC in Bispingen; Bispingen brought a lawsuit against the State Government's decision at the Administrative Court of Lüneburg, which was however rejected. In October 2009, the Administrative District of Soltau-Fallingb. refused Bispingen's application for the issue of a building permit. In April 2012 the Higher Administrative Court of Lüneburg rejected the claim by Bispingen for judicial review of the building permit for the competing project in Soltau. In the meantime, it has become very unlikely that this project will be realised (in this connection also see Soltau).
Wittenburg (Mecklenburg-West Pomerania)	FOC	advanced planning phase	Wittenburg Village	Stable International	Van der Valk, Ontwikkelfonds	16.000	12.600	Project was already discussed back in 1999 at the initiative of the Department of Trade and Industry of Mecklenburg-Vorpommern, but abandoned due to opposition. Then this project seemed to be up and running again. In 2007, planning activities were resumed again in the immediate vicinity of the "Alpin Center Hamburg-Wittenburg", however the British Miller Group which had a stake in this project withdrew again. The project was continued in 2014 / 15 by the Dutch developer Ontwikkelfonds together with the owner of the Alpin Center, the Dutch van der Valk group. Operator will be Stable International. All necessary studies are already prepared and handed over to the authorities. The regional planning procedure to get a building permit started in September 2016.
Neumünster (Schleswig-Holstein)	FOC	operating	McArthurGlen Designer Outlet Neumünster	McArthurGlen	McArthurGlen Group / TIAA Henderson Real Estate / Henderson Global Investors	27.100	20.000	The opening of the first construction phase took place on the 20th September 2012. The second building phase opened in September 2015. Approx. 3,000 parking spaces.



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Helmstedt (Lower Saxony)	FOC	cancelled	Ostfalten Outlet Center Helmstedt	HMCM Centermanagement GmbH	Müller Baugesellschaft, Helmstedt		9.900	At first, this project was conceived with a sales area of 17,000 m ² . An application for proceedings to obtain permission to deviate from a planning objective was made but later cancelled in light of the new state development regulations. As no activity had been observable for a long time, in March 2010 the City Council decided to take up the plans for an OC again. In December 2010, the regional planning authority of Greater Braunschweig ascertained that the project violated the state planning regulations. Again, after some years with no activity, the city council decided in January 2013 to start the procedure to obtain a building permit for an outlet centre with a reduced sales area of now less than 10,000 m ² . In March 2013 the regional administration union of Greater Area Braunschweig has enjoined the city of Helmstedt to carry on with the plannings. In May 2013, the city of Helmstedt has filed a court case to object to the decision of the regional administration. In August 2013 the administrative court rejected the claim and in January 2014 the higher administrative court rejected the following complaint of Helmstedt. Now this project can be considered to be dead.
Piding (Bavaria)	FOC	uncertain	n.s.	n.s.			8.100	In the municipality of Piding, located on the A8 near Bad Reichenhall, an OC was to be established in the business park on the Lattenbergstrasse, on the site of an existing Adidas outlet (approx. 1,000 m ² SA); however, in the meantime, a retail park is also being negotiated instead of an OC. In March 2007, the Bavarian Department of Trade and Industry approved enlargement to an OC with 8,100 m ² SA. However, to date no construction work has been observed at the site.



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Ochtrup (Northrhine-Westfalia)	FOC	operating	McArthurGlen Designer Outlet Ochtrup	McArthurGlen	Retail Development Group / Hütten Holding / EOC Ochtrup GmbH & Co. KG / McArthurGlen	17.350	11.650	Centre opened on 30th August 2012. Approx. 1.500 parking spaces. There are plans to extend the centre on up to 20,000 m ² SA; the impact study was published in November 2015 and came to the result, that an extension of 8,300 m ² retail sales area is compatible with the relevant requirements of spacial planning. In November 2015 McArthurGlen and Hütten Holding announced that from 2016 on they will partner. McArthurGlen now has the majority share and is responsible for the management. In June 2016 neighbouring cities formed an alliance against the projected extension and announced to fight this in court. At the end of September 2017 the city council of Ochtrup decided to change the plans for land use to enable the extension. Now the district government has to decide about the next steps. Start of construction is scheduled for 2018 and opening of the extension for 2019, but still this can be delayed by legal proceedings.
Hagen (Northrhine-Westfalia)	FOC	cancelled	n.s.	Stable International	Freiherr von Maydell GmbH		14.000	In the Hagen locality of Haspe, an OC was planned on the "Brandt grounds". In March 2008, the Department of Trade and Industry of North Rhine-Westphalia refused the start of proceedings to obtain permission to deviate from a planning objective, with reference to the path of creating "regional consensus". The project thus appeared to have already "died". After the ruling by the Constit. Court of NRW in the Ochtrup case, it was considered to resume proceedings again. However, the developer withdrew from the project in the middle of 2011. The project must therefore have "died".
Bad Fallingbostel (Lower Saxony)	FOC	cancelled	n.s.	Outlet Centres International (OCI)			n.s.	Bad Fallingbostel, together with the neighbouring municipalities of Walsrode and Bomlitz, wants to establish an OC on the A7 / A27 motorway intersection. The State Government of Lower Saxony ruled against Bad Fallingbostel on 03.02.2009 (see Soltau). The municipalities of Walsrode, Bad Fallingbostel und Bomlitz, the joint initiators of the project, accepted the decision.



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Remscheid (Northrhine-Westfalia)	FOC	advanced planning phase	McArthurGlen Remscheid	McArthurGlen		26.600	20.000	First, an OC was planned in the Blume / Felder Höhe business park at the Lennepe / Lüttringhausen motorway junction. In mid-October 2011, a local opinion survey was carried out on the project, in which 76.5 % voted for the establishment of the outlet centre. At the end of November 2011, the Plenary Meeting of the Wuppertal-Solingen-Remscheid Chamber of Industry and Commerce also declared itself in favour of the project. Several neighbouring cities are opposing the project. The state government has criticized the project too. In August 2012 the regional planning authority rejected the change of the regional development plan. The city of Remscheid announced to fight this decision in court. But in November 2012 McArthurGlen and the city representatives decided to switch the planned location to a site close to the Remscheid suburb of Lennepe. Today, there is a sports stadium and a fairground, which will be replaced by the outlet centre. Parking is supposed to be in an underground car park. In June 2014 the regional planning authority signalled that the project in size and location is in accordance with the aims of the spatial development plan of Northrhine-Westfalia; this can be seen as a big step towards a building permit. But in 2015 the neighbouring city Wuppertal announced, that they will realize an own outlet centre (see Wuppertal). Now, there is a race between the two cities to be the first outlet centre in the region. In July 2016, Wuppertal filed a lawsuit against Remscheid for want of considering the impact of the planned outlet centre at the inner-city of Wuppertal. In October 2016, McArthurGlen announced that start of construction work is expected for January 2018 and opening is scheduled for Summer 2020. In December 2016 the local council of Remscheid approved the building plan.



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Wadgassen (Saarland)	FOC	advanced planning phase	myland	n.s.	Munitor Group	5.000	3.800	Located on the grounds of the former Cristallerie glass factory. The existing factory outlet of Villeroy & Boch (approx. 8,660 m ²) is enlarged by further Outlet Shops. In May 2009, the developer IBS announced rescheduling and – without giving reasons - that the realisation of the project was to be postponed indefinitely. Since the beginning of 2011, there was information available that construction work is being carried out at the location by a new developer, the Munitor Group. The soft opening of the whole centre has taken place on 20th September 2012, the grand opening was at 4th October 2012. Despite the opening of the centre the neighbouring city of Saarlouis filed a court case to fight the building permit. Currently there are plans to enlarge the centre up to a sales-area of 5,000 m ² .
Herrieden (Bavaria)	FOC	cancelled	Herrieden Fashion Outlet	n.s.	Carlo Colucci		8.100	The fashion designer Carlo Colucci wanted to expand his factory outlet at company headquarters into an OC. In light of the ongoing amendment to the Bavarian state development plan, the application for proceedings to obtain permission to deviate from a planning objective was suspended again in mid-2010. In January 2011, the proceedings to obtain permission to deviate from a planning objective were put into force again. In December 2011, the Bavarian Department of Trade and Industry announced that the project was not compatible with the state planning objectives. The city of Herrieden intended to file a writ of mandamus. A legal expertise by a renowned lawyer came to the result, that there won't be much chance for Herrieden to succeed in this matter. Finally the city of Herrieden abandoned this law suit. Today at the site a small agglomeration of outlet stores with a total sales-area of approx. 2,500 m ² can be found.



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Duisburg (Northrhine-Westfalia)	FOC	cancelled	Douvil - Duisburg Outlet Village	Freeport Retail	German Development Group / SJ International (Leasing)	31.000	25.000	An OC was planned on the grounds of the Rhein-Ruhr-Hallen and the old Hamborn indoor swimming pool by the German Development Group (GDG). In March 2010, the City Council of Duisburg passed a resolution to accept the plans. An investor selection procedure was carried out in 2011 to follow EU-regulations. However, the GDG was the only interested party to apply, which then presented Freeport as the operator in October 2011. The start of construction was planned for 2012 but had to be delayed again and again. In a first construction phase, there were plans to build 95 Outlets with a total of approx. 19,000 m ² GLA, as well as 1,950 parking spaces. In a second construction phase, the centre then was to be enlarged to 31,000 m ² GLA and 2,500 parking spaces. A neighbouring housing estate had to be demolished in order to construct the car parks of the OC. A Citizen's Action Committee has been founded against the demolition and took up action. At the same time it was discovered, that the planned site is located in the proximity of a factory where an hazardous incident could be possible. So this project and the developer were confronted with various problems and it looked very unlikely that the project will be realized. At the end of 2013 the local council demanded a binding declaration in regard to the next steps of the project and a time schedule from the developer. Due to 3 penalty orders from other projects the CEO of the developer "German Development Group" left Germany for the Netherlands. In 2014 the project was taken over by the Douvil GmbH, which consisted of various single investors. In February 2016 the city administration announced that it will not support this project anymore. The Douvil GmbH announced go to court to claim for damages but nothing happened so far. This project can be seen to be "dead and buried".



Pictures of selected Outlet Centres and Organized Outlet Agglomerations



Brenner Outlet Center, Brennero (I)
Outlet Center Brenner AG



City Outlet Bad Münstereifel, Bad Münstereifel (D)
City Outlet Bad Münstereifel GmbH



Fashion House Outlet Centre Bucharest,
Bukarest (RO), Fashion House Management



Marques Avenue A13, Aubergenville (F)
Concepts & Distribution



Mantova Outlet Village, Bagnolo San Vito (I)
Multi Outlet Management Italy



Seemaxx Outlet Center, Radolfzell (D)
Hesta Immobilien GmbH





McArthurGlen Designer Outlet Berlin, Wustermark (D), McArthurGlen



Closed down: GL Outlet Center
Törökbalint (HU), GL Outlet



Closed down: Outlet Center Sveta Helena
Sveta Helena (HR), Zelina Centar D.o.o.



Designer Outlet Soltau, Soltau (D)
ROS Retail Outlet Shopping



One Nation Paris, Les Clayes sous Bois (F)
Catinvest





Roppenheim The Style Outlets, Roppenheim (F)
Neinver



Designer Outlet Sosnowiec
Sosnowiec (PL), ROS Retail Outlet Shopping



Fashion Arena Outlet Center, Praha (CZ)
VIA Group



DeltaPo Family Destination Outlet, Occhiobello (I)
Occhiobello Outlet Village srl



Designer Outlet Landquart, Landquart (CH)
VIA Group



Getafe The Style Outlets, Madrid (E)
Neinver



Valdichiana Outlet Village, Foiano della Chiana (I)
Multi Outlet Management Italy



Outletcity Metzgingen, Metzgingen (D)
Holy AG



Maasmechelen Village, Maasmechelen (B)
Value Retail



Fashion Fish Premium Factory Outlet, Schönenwerd (CH)
Tomaro AG

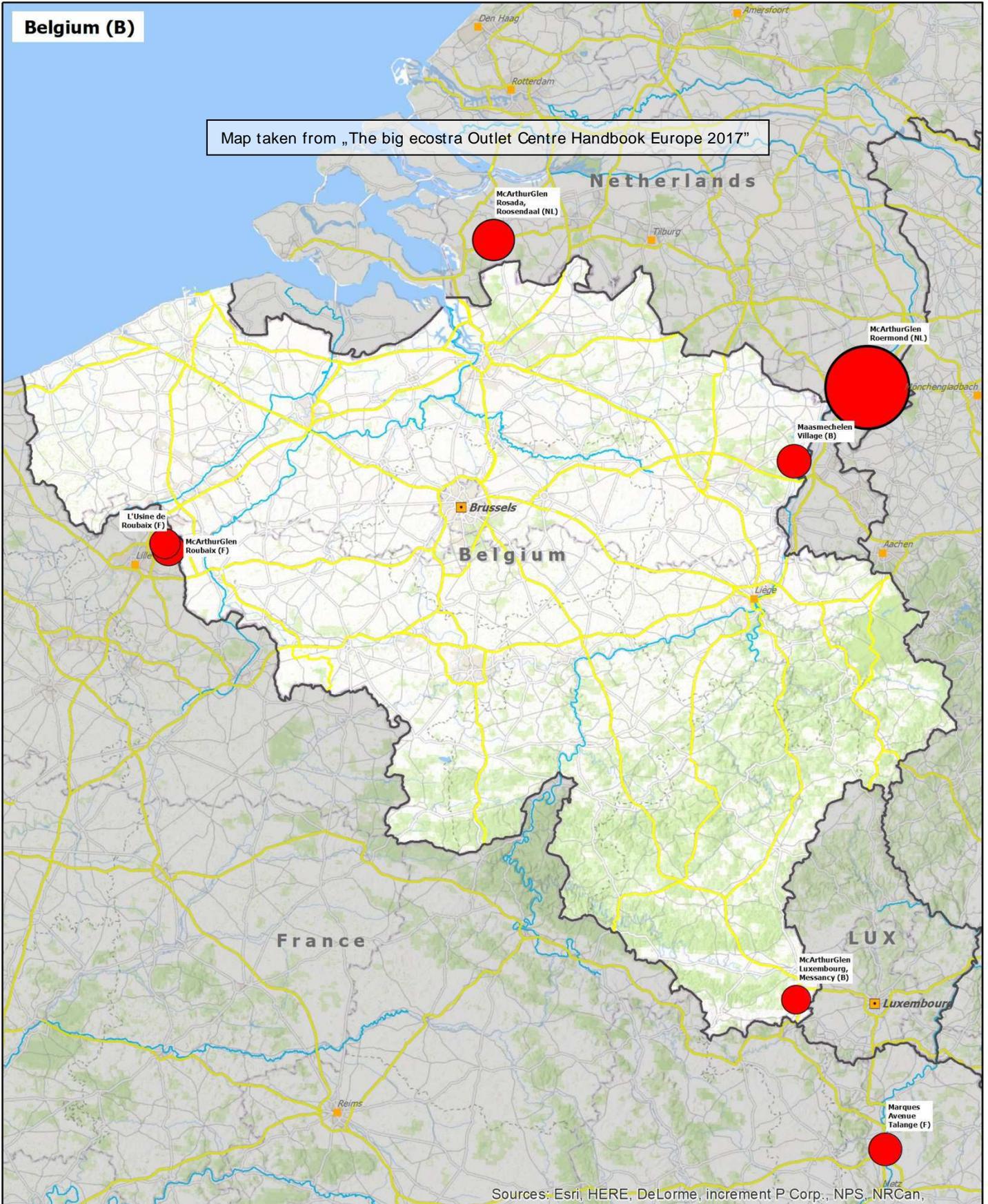


Marques Avenue Romans, Romans sur Isère (F)
Concepts & Distribution



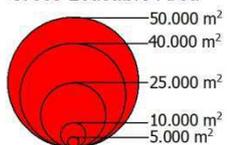
Outlet Centre in Operation 2017

(Including Neighbouring Countries)



Outlet Centre in Operation

Gross Leasable Area



- Capital City
- Other Major City (Population > 100,000)

- National Border
- Administrative Division
- Motorway
- Rivers

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1:1.500.000

Source: EU-DEM layers, openstreetmap, diva-gis.org, Esri; ecostra-Bearbeitung