

Press release

Date
October 6, 2011

Press contact:
Cornelia Lichtner

Contact info.
Tel.: +49 (0)7251 9295270
Fax: +49 (0)7251 9295290

E-mail
c.lichtner@gfk-geomarketing.com

Shopping centers more quickly realized in smaller German cities

A recent study by GfK GeoMarketing examines the time required to implement shopping center projects in Germany from 2006 to 2011. The study reveals that completion times increased during this period to just under seven years.

A GfK GeoMarketing study of 75 shopping center openings between 2006 and 2011 in Germany shows that an average of 5.4 years is needed to realize a shopping center, from the initial conception to the actual opening.

The study underscores a trend toward longer planning phases: The shopping centers that opened in 2010 required an average completion time of 6.4 years, while those that opened in 2011 needed an average of 6.8 years.

Less surprising is the finding that larger shopping centers require longer planning phases. Shopping centers with a sales area greater than 30,000 m² required an average of more than seven years to be completed, while those with a sales area greater than 20,000 m² needed more than six years. Even smaller shopping centers required five years.

The study also reveals that shopping center developers in smaller cities or municipalities enjoy shorter completion times (average of 5.3 years) than those in large cities (average of 5.8 years). This is partly due to the fact that larger shopping centers were typically positioned in larger cities, while shopping centers in smaller cities were correspondingly smaller.

A regional assessment of GfK GeoMarketing's shopping center data reveals some differences among Germany's federal states:

- Those interested in the shortest possible completion times should focus on small shopping centers that have a sales area less than 10,000 m² and are located in a city (with under 200,000 inhabitants) in the federal state of North Rhine-Westphalia.
If things go well, a shopping center fitting these criteria could be completed in just under five years.

GfK GeoMarketing GmbH

www.gfk-geomarketing.com
info@gfk-geomarketing.com

Bruchsal headquarters:
Werner-von-Siemens-Str. 9
Building 6508
76646 Bruchsal
Tel.: +49 (0)7251 9295100
Fax: +49 (0)7251 9295290

Hamburg office:
Herrengraben 3-5
20459 Hamburg
Tel.: +49 (0)40 570132520
Fax: +49 (0)40 570132599

Nuremberg office:
Nordwestring 101
90419 Nuremberg
Tel.: +49 (0)911 3952509
Fax: +49 (0)911 3954054

Managing directors:
Wolfram Scholz
Dr. Eberhard Stegner

Mannheim County Court
HRB 250872
Ust-ID: DE 143585033

- More challenging would be to establish a large shopping center (with a sales area over 30,000 m²) in a large city in the federal state of Schleswig-Holstein. Based on the results of the study, a minimum completion time of seven years would be required for such a project.
- North Rhine-Westphalia is Germany's most shopping center-friendly federal state. The study demonstrates that shopping centers opened in this state between 2006 and 2011 required an average completion time of under five years. The corresponding figure for the federal state of Schleswig-Holstein was over seven years.

"Largely due to the saturation of the market in recent years, there is a general tendency toward shopping centers that have a sales area between 10,000 m² and 20,000 m² and are located in cities with up to 200,000 inhabitants," explains Manuel Jahn, retail real estate expert at GfK GeoMarketing. "These criteria increase the likelihood that a shopping center will achieve the critical mass required to successfully tap the potential of its catchment area."

At the same time, Jahn cautions project developers against focusing on these criteria to the exclusion of all other factors: "As in the case of any retail real estate venture, it's essential to first establish the actual demand potential, particularly with regard to locations on the edge of a large city."

About the study

GfK GeoMarketing evaluated its data on shopping centers that opened in Germany between 2006 and 2011. Parameters taken into account include completion time, shopping center size, federal state and city size. A total of 75 shopping centers were taken into consideration. Excluded from the study were unrealized shopping centers, shopping centers still in the process of being implemented and federal states with fewer than two shopping center developments.

About Manuel Jahn



Manuel Jahn heads GfK GeoMarketing's real estate consulting division. He has been with GfK GeoMarketing since 2004 and has extensive knowledge of retail real estate as a result of preparing real estate object reports throughout Europe. He was previously employed by Westdeutschen ImmobilienBank, where he was active in the project development of shopping centers.



Additional information can be obtained from Cornelia Lichtner, public relations, GfK GeoMarketing: +49 (0)7251 9295270 or c.lichtner@gfk-geomarketing.com.

Print-quality illustrations can be found at www.gfk-geomarketing.com/centerdevelopments2011.

About GfK GeoMarketing

GfK GeoMarketing is one of the largest providers of geomarketing services in Europe for customers and users from all branches of trade. Key business areas include:

-  Consultancy and reports
-  Market data

-  Digital maps
-  Geomarketing software RegioGraph

GfK GeoMarketing is one of the leading independent providers of consultancy services in the area of real estate and location research. The company produces studies and reports for customers from the retail, public authority, investment, banking and project development sectors.

GfK GeoMarketing is a subsidiary of the globally active GfK Group. Ranked fourth among the world's market research institutes, the GfK is represented in more than 100 countries by over 11,000 employees.