



RETAIL LEASING IN CHALLENGING TIMES

Steffen Eric Friedlein | Deutsche EuroShop AG | Frankfurt, 06. September 2019

Agenda



1 | **ECE** – We create the urban Marketplaces of the Future

2 | **Market situation Retail**
Expansion, reloads, optimisations, new entries

3 | **Innovative Leasing Management**

4 | **New Formats**
Innovative retail concepts & new industries

5 | **Cooperations**
The new hybrid thinking

6 | **Communities**
Meeting, sharing and get in touch

7 | **The place to be**
Emotion, entertainment and experience

8 | **Customer Experience**
Shopping meets fun and action

9 | **Projects**
Current planning highlights

We create the urban Marketplaces of the Future



All Services from one Source



Project Development



Architecture



Leasing



Management



Financing



Acquisition and Sales



Project Management



Refurbishment



99%



**Occupancy
Rate***

4.2 Million



**Visitors
per Day**

23 BN



**Turnover at all
Centers per Year**

International Network – global Knowledge Transfer



Shares of the Otto Family



is a leading, publicly-listed Owner
and Manager of Shopping Centers based
in the United States of America



A publicly-listed Real Estate
Investment Trust for Class A Office
Properties in New York



Specialist for Apartments and
commercial Properties in
the Greater Toronto Area



Shopping Center Specialist
in Brazil

MARKET SITUATION RETAIL

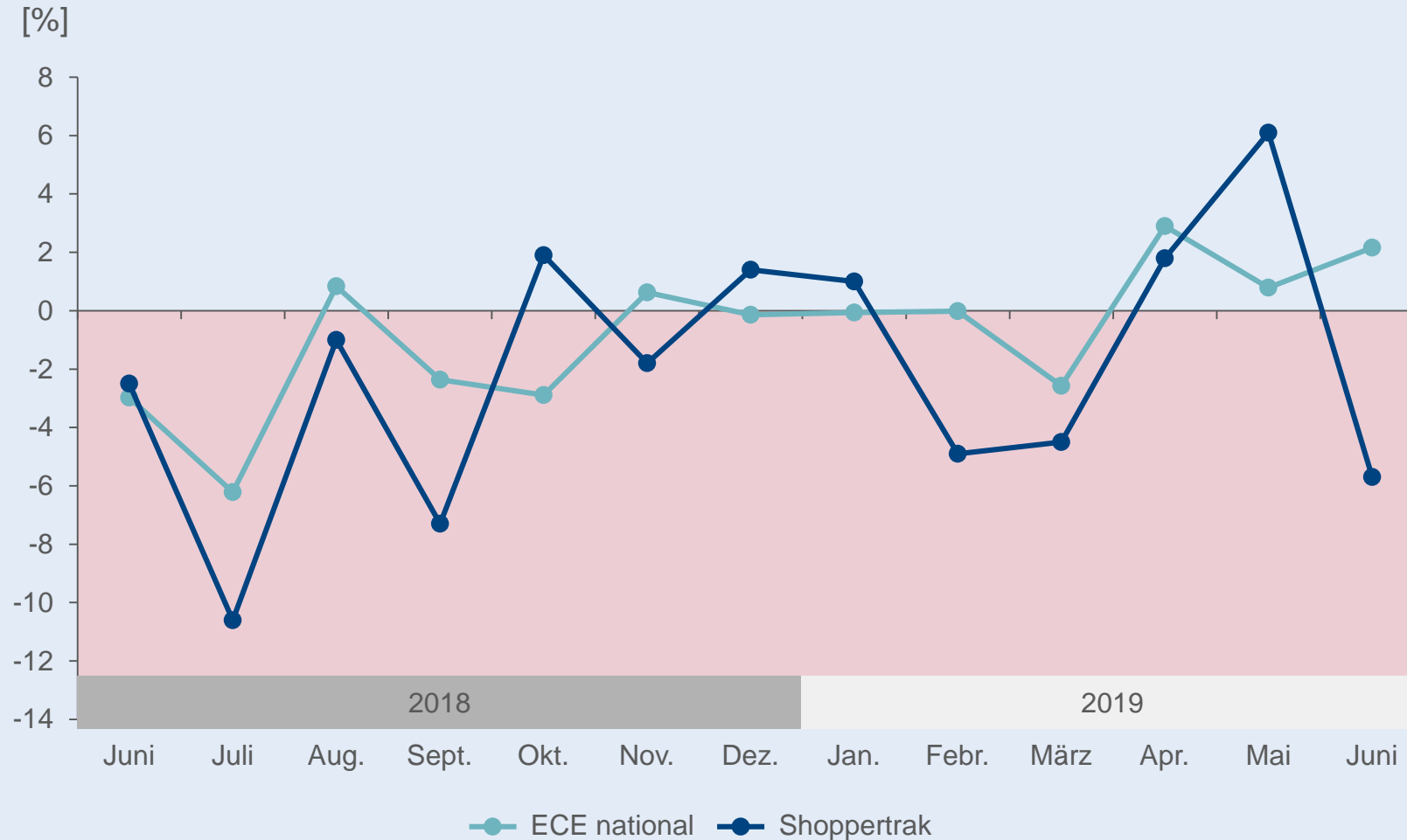
Expansion, Reloads, Optimisations, New Entries



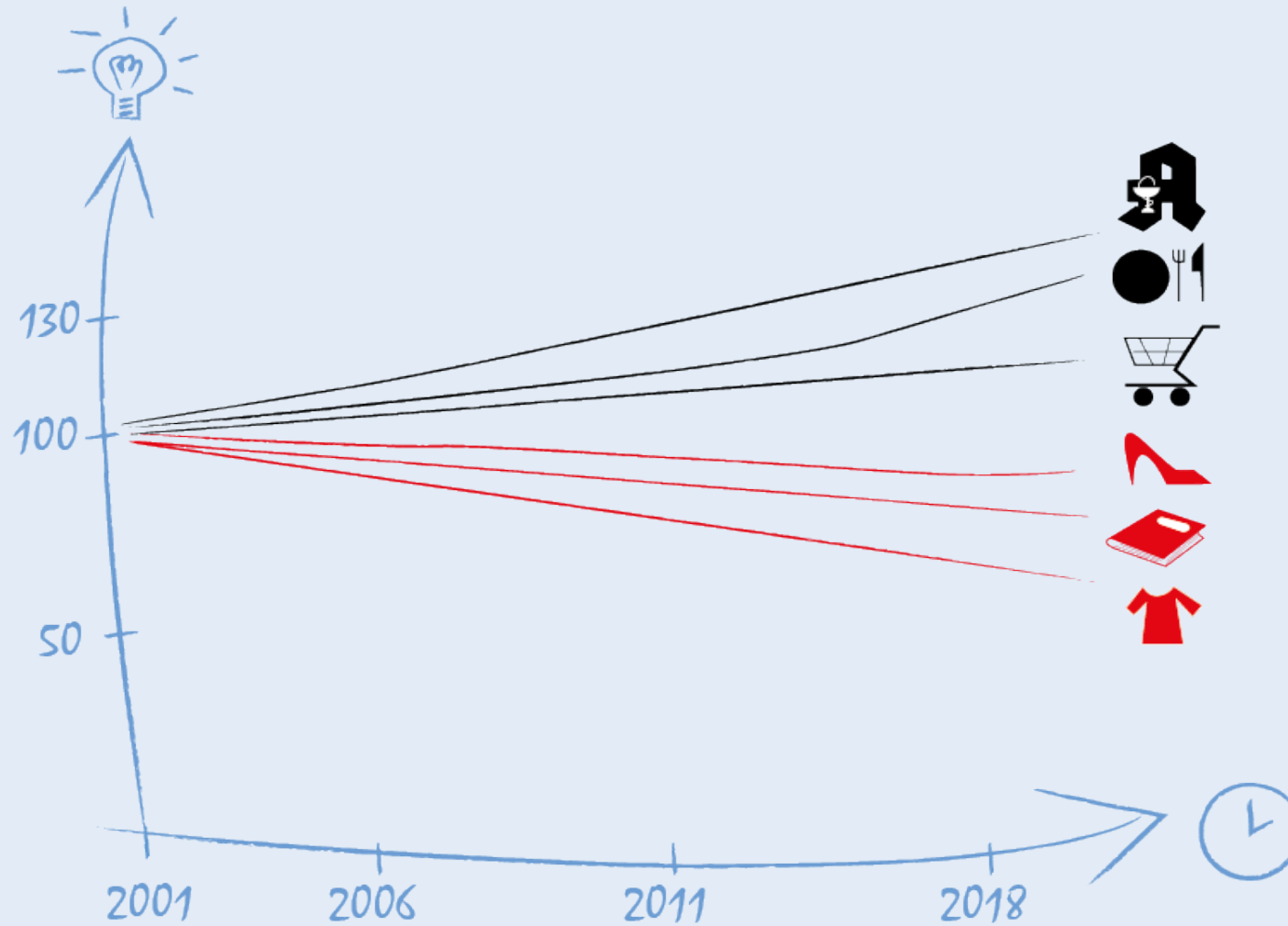
Comparable visitor frequencies: ECE center national vs. shoppertrak



Percentage changes in frequencies 2018 and 2019 compared to the previous year

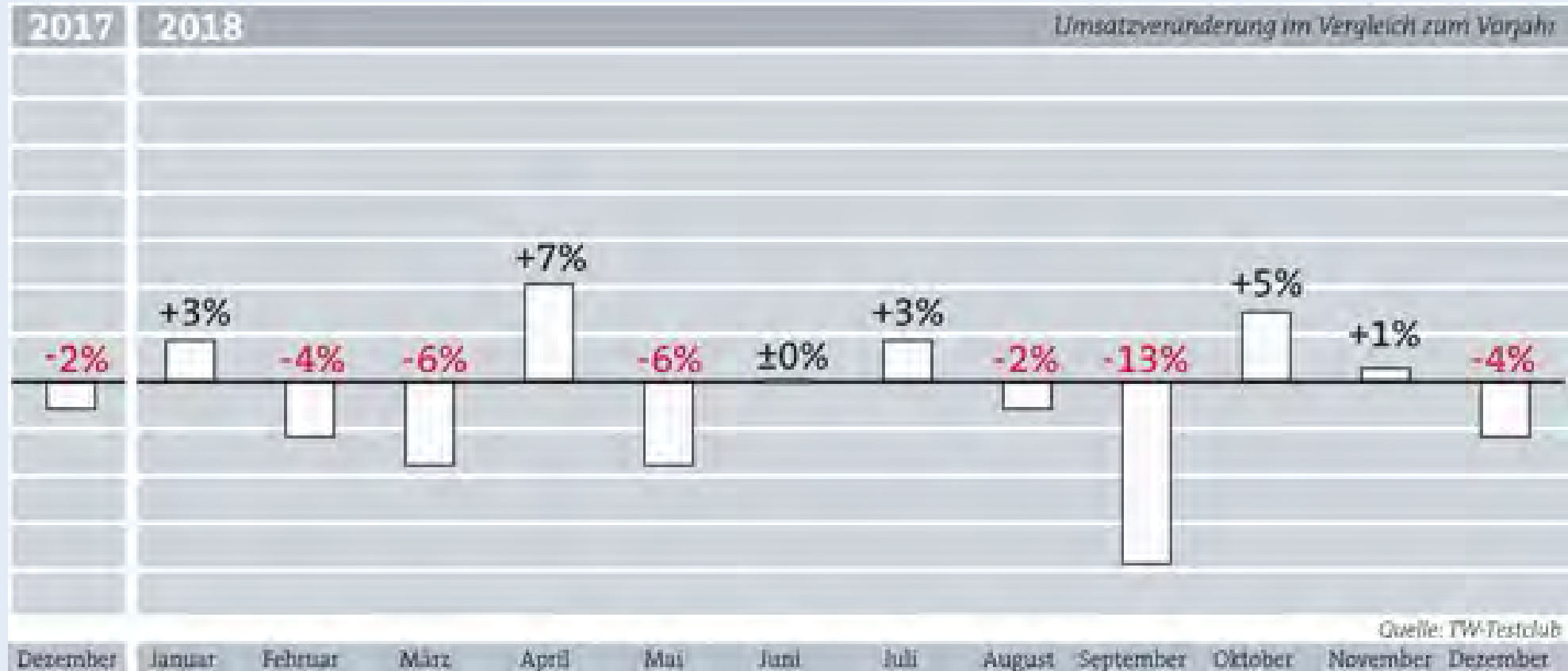


Industries perform differently



Fashion retail sales Germany

The 4th quarter with weak Christmas business could not compensate the difficult retail year 2018



The bad news are multiplying in the fashion trade

28.01.2019
Nach Gerry Weber

Mode-Handelskette AWG meldet Insolvenz an



28. Januar 2019, 18:47 Uhr Textilbranche

Accessorize in Not

Kriselnde deutsche Modelabels

Offline

29. November 2018

Modemarke in der Krise: Wer trägt eigentlich noch Esprit?

MÖDERIESE

Bei Tom Tailor ist die Krise zurück

25.01.2019, 09:08 Uhr




Insolvenz: Traditionsunternehmen K&L schließt Filialen in Bayern

Karstadt & Kaufhof – chance or risk?



H&M vs. Inditex 2018*



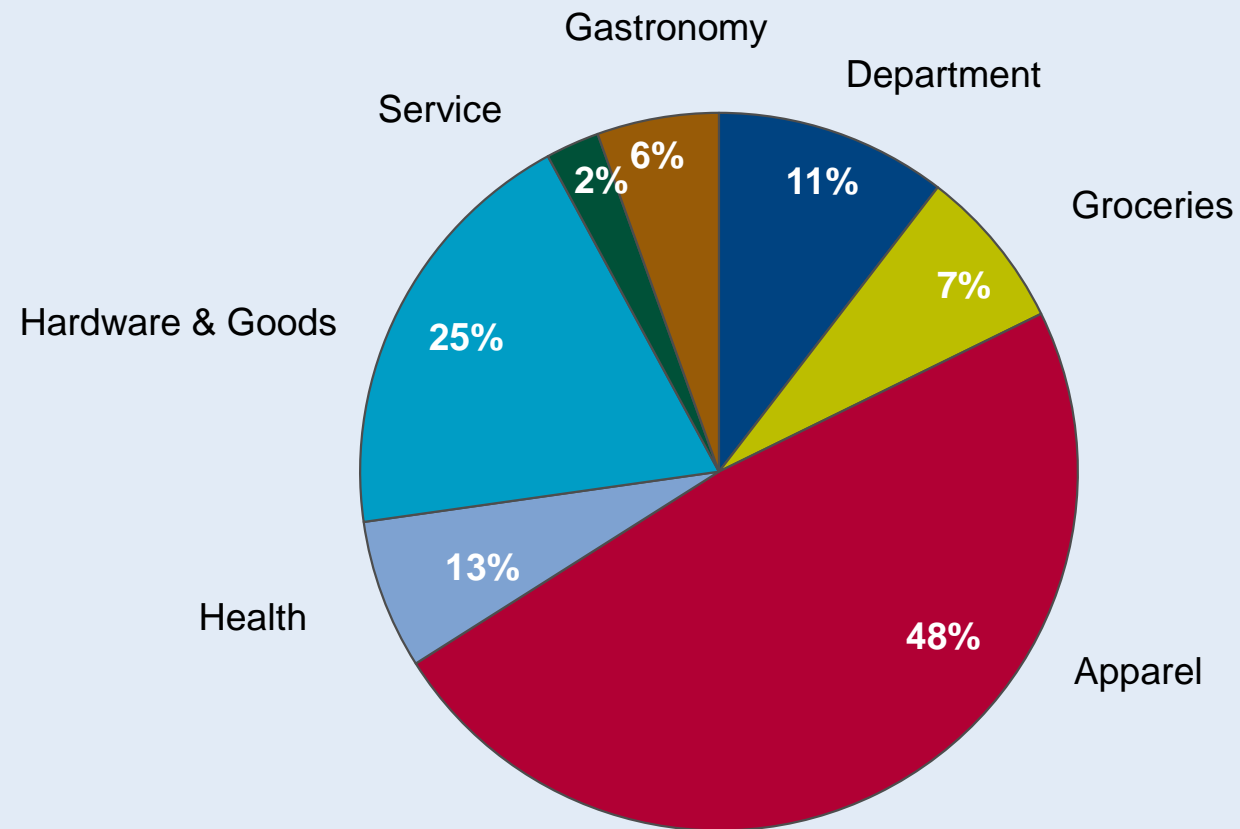
EBIT	7,4% (-56% since 2014!)	16,7% (-5,7% since 2014)
	→ High investments in e-commerce and logistics!	
Turnover	€20.00 bn (14% Online-share $\hat{=}$ +21%)	€26.15 bn (+4% , 12% Online-share $\hat{=}$ +27%)
Shops	4.968 (+229, in Germany: 468)	7.490 (+15, in Germany: 134)
RTR	11,8%	9,1%
Labels	 (ca. 90% of turnover) AFOUND & other Stories COS MONKL WEEKDAY ARKET	  Bershka PULL&BEAR Massimo Dutti



INNOVATIVE LEASING MANAGEMENT



Classical tenant mix



CUSTOMER NEEDS

URBANIZATION

LEISURE & ENTERTAINMENT

SHOPPING

FASHION

MARKET OF THE REAL
NEW LUXURY

INNOVATION DRIVERS

FOR PLACEMAKING

COMMUNITIES

- o Retail Cooperations,
- o Influencer
- o Partnerships with Public Authorities
- o Loyaltyprogramms
- o FleaMarkets,
- o ...

PERSONAS

UNIQUE - OMNI - ...

- o Events, Concerts
- o Festivals Hackathon, Start-up Contest
- o Competitions
- o Trade shows
- o Seminars...

MASZ CUSTOMIZATION
SELFNESS
EXPERIENCE

SERVICE

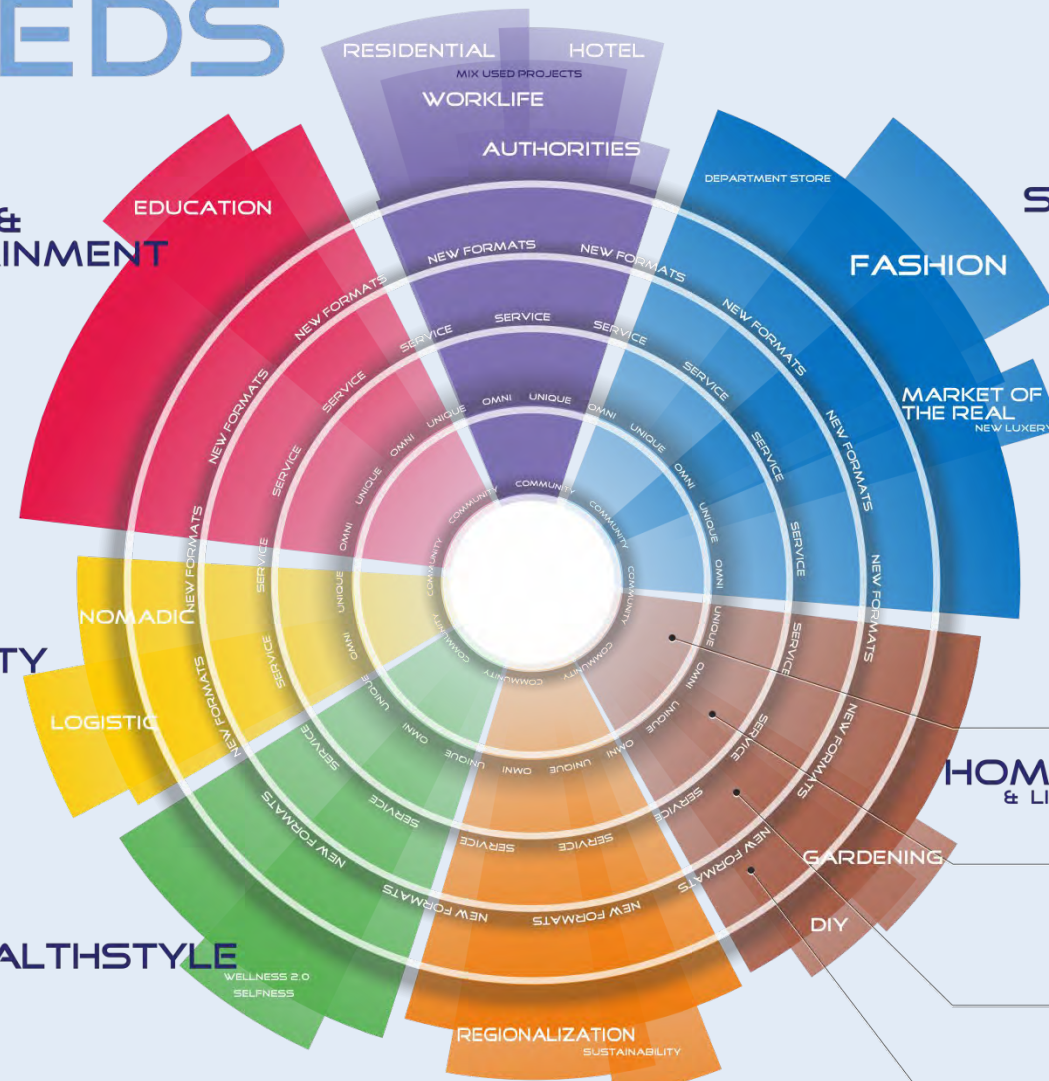
- o Digital-Service - at your service
- o Food-Service
- o Convenience-Service Delivery Click & Collect, „last mile“...
- o High-Tech-Service Apps, 3Dprint...
- o Book-Service,
- o Travel-Service, ...

SEAMLESS
HOSPITALITY
INFORMATION
EDUCATION

NEW FORMATS IN BRICKS

- o Showrooming
- o Roam-in (PopUp)
- o Sharing, Rental Service
- o Hybrid Concepts,
- o Shop-in-shop Solutions
- o Automatic Lovers,
- o Productplacement, ...

Markethalls, Foodcourts, Satellites
ThemeCourts
Agoras...
Classrooming
COOPERATIONS
SYNERGIES
PLATFORMS
MIXED USE



FOOD

TRENDS. INNOVATIONS...

Innovative Leasing Management

COMMUNITY - OMNI - UNIQUE



CREATE DESTINATIONS

REDESIGN THE SPACE

**INCORPORATE
NON-TRADITIONAL ELEMENTS**

**FIND WAYS TO COEXIST
WITH DIGITAL RETAILERS**

**LEVERAGE
TECHNOLOGIES**

**INCREASE ATTRACTIVENESS &
ENSURE PROFITABILITY**

Innovative leasing management



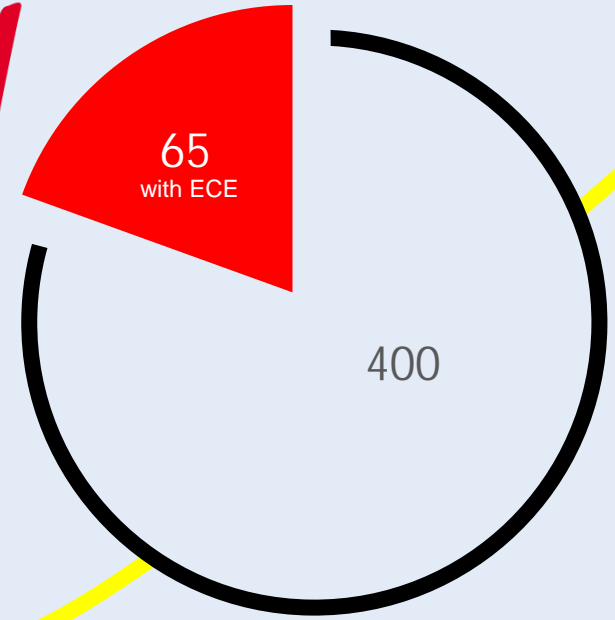
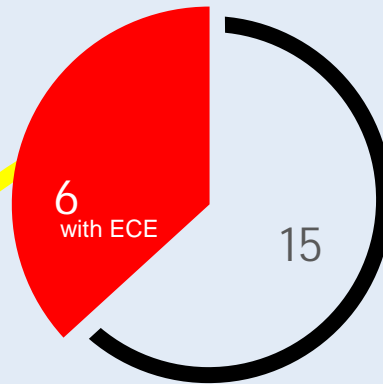
- Centralized concept & design support
- Local operational excellence
- Further Development of the sectors/ tenant mix through innovative concepts
- Food & Beverage
- Leisure & Entertainment
-

Retail key partner“

Example*



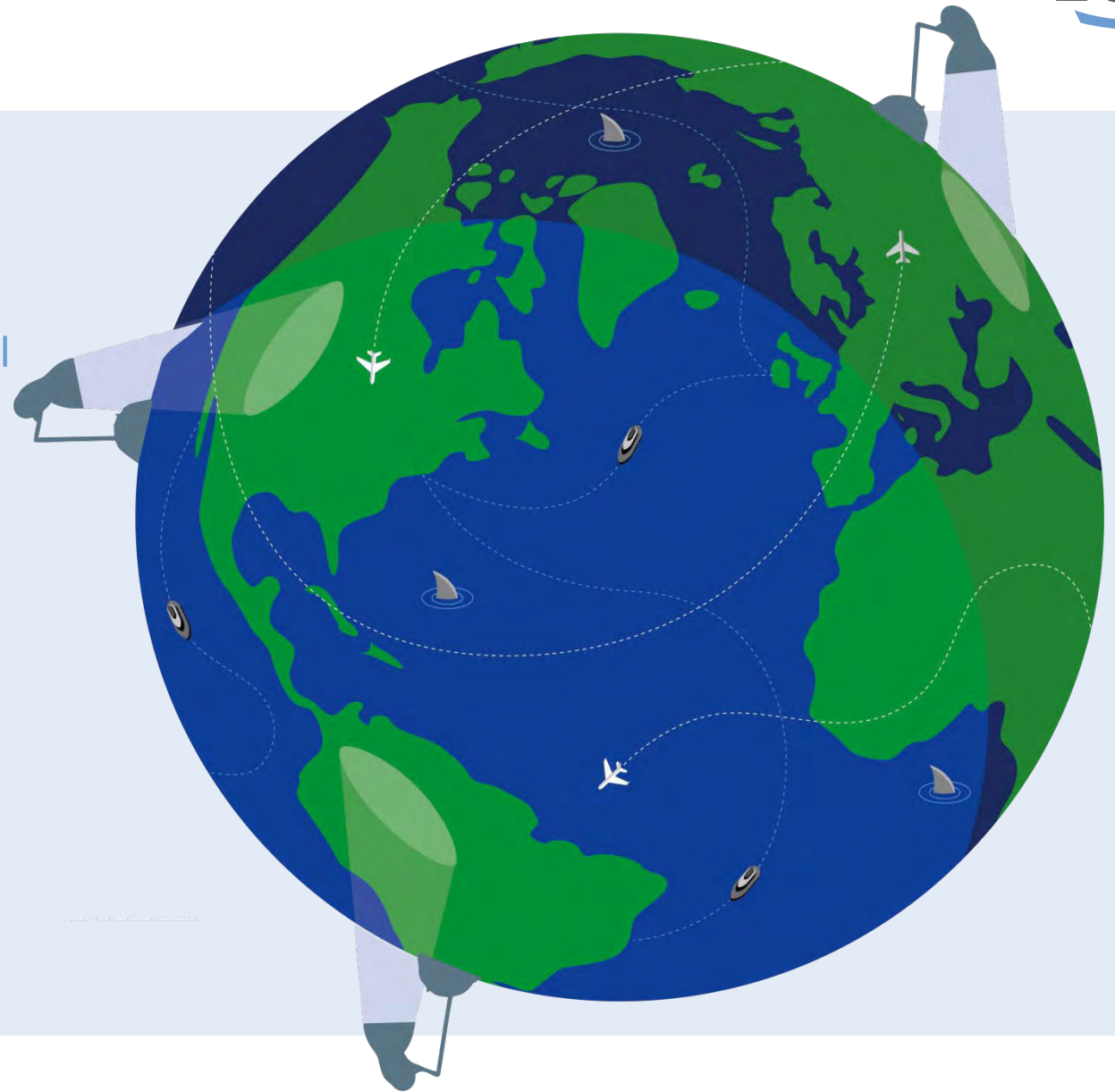
PRIMARK™



Challenges and chances.....

Chances for brands from all sectors of the Retail, F&B and Leisure industry to overcome economical challenges in their respective home market:

→ Cross border expansion into various new markets with the help of ECE



BIG CHEFS – MyZeil Frankfurt

full service support



- Consulting
- Support with local authorities
- Recommendations for shopfitting
- Regional staff recruitment
- Menu adaptation to German market and target group



Examples of acquisitions of top tenants

A global network enables innovative concepts to be won!



First store in Germany at all in cooperation with ECE

FIVE GUYS[®]
BURGERS and FRIES



Wir leben Autos.



First store in a German center
In cooperation with ECE



ECE as an expansion partner among the first five openings in Germany

極度乾燥(しなさい)
Superdry.



New entries - new brands



BURGERISTA


ALNATURA[®]
Super Natur Markt


HUAWEI

DW
Daniel Wellington

 **MISTER SPEX**

FIVE GUYS[®]
BURGERS and FRIES

SOSTRENE GRENES

ALL OVER THE WORLD
HANDELSKOMPAGNIE

ASTOR
FILM LOUNGE MyZeil


Abercrombie
& Fitch



IQOS
THIS CHANGES EVERYTHING

stadium[®]

SEPHORA

Abercrombie
& Fitch


SCOTCH & SODA[®]
AMSTERDAM COUTURE

MINI
SO_じ **メイ**
ソウ

HKM
by Harkensmeyer

極度乾燥(しなさい)
Superdry.




playmobil[®]

L'OSTERIA
PIZZA E PASTA

Paprika



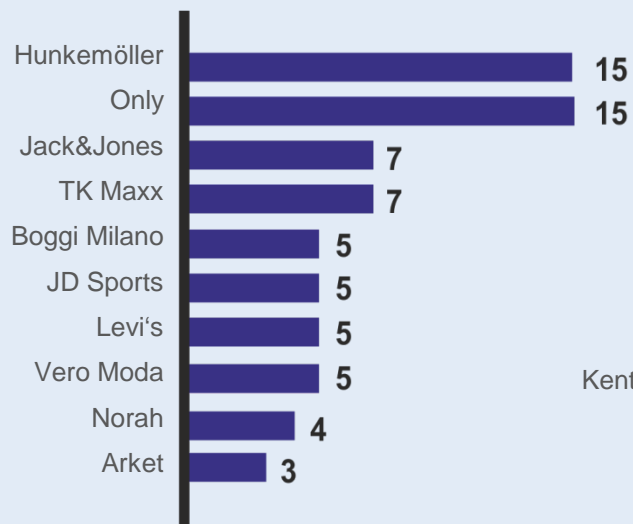
TESLA



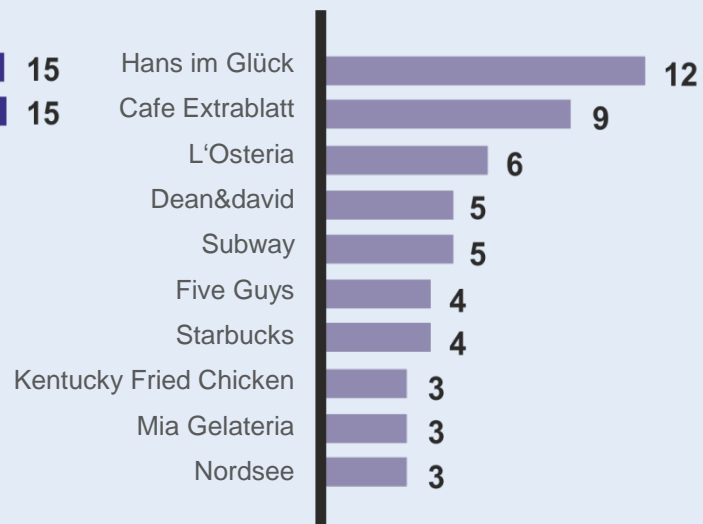
Most active retailer 2019

Different industries - different expansion profiles*

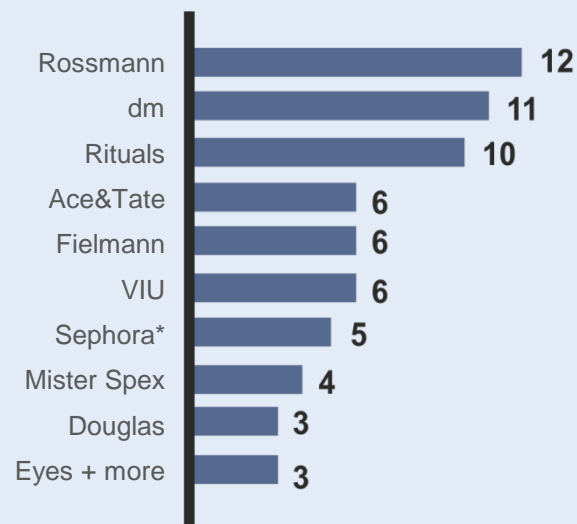
International Fashion labels



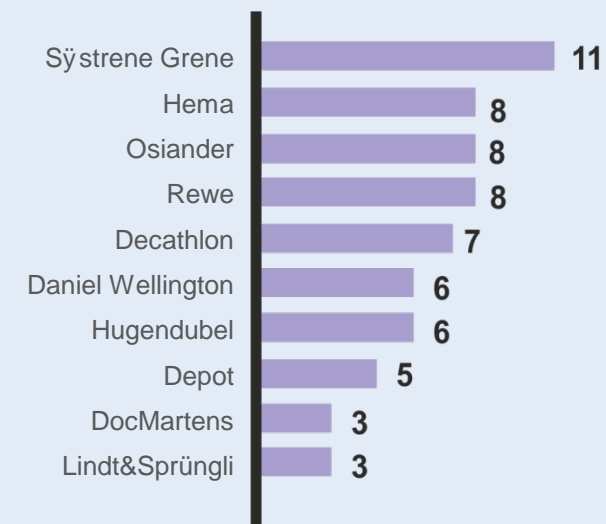
Gastronomy



Body care / health



selected retailers of other industries



*Number of rentals / openings nationwide in city locations, incl. shop-in-shop-concepts

50 % of the most active retailers in the personal care / health segment are eyewear labels!

Bricks Drive Clicks Globally Consumer Survey*



Nearby physical stores are **important** when making online purchases.



Retailers **lose business** when they close a store.



Physical stores **generate brand awareness and trust**.



Opening a store **boosts online traffic**.

NEW FORMATS

Innovative retail concepts & new industries



Online goes offline



**bon
prix**
it's me!



fashion connect

So funktioniert Shopping im neuen bonprix Fashion Store

Check-In

Store-Modus in bonprix App öffnen, Shopticket scannen – los geht's!



Fitting Room

Anderes Licht? Andere Größe? Fashion Assistant? Kommt sofort!

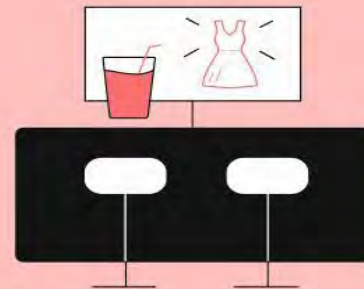


Lieblingsteile finden und scannen



Shopping Bag

Gewünschte Größe(n) auswählen



Fashion Bar

Drinks und Inspiration genießen, bis der Fitting Room bereit ist.



Shopping Bag

Alles Gewünschte ist drin, sonst nichts. Dank RFID-Technologie.

Sofortkauf

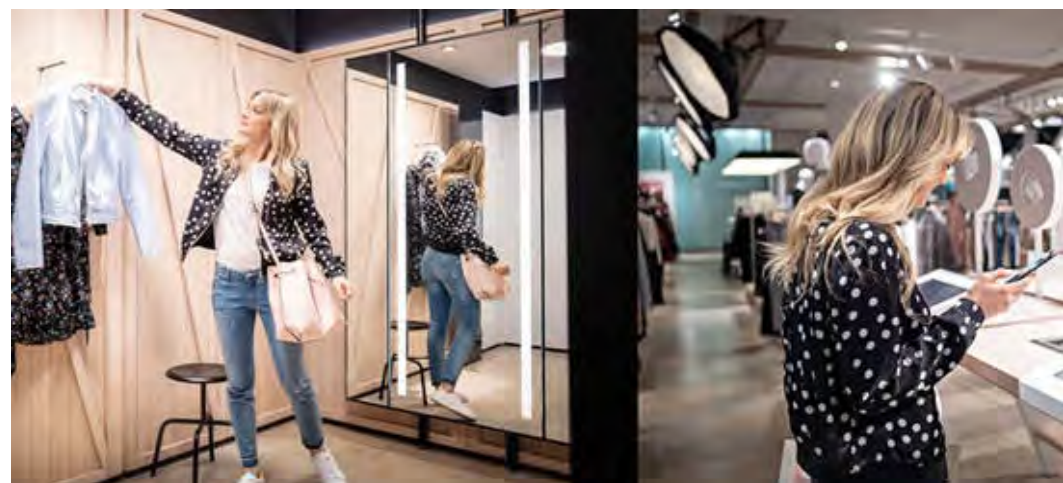
Ohne Anprobe



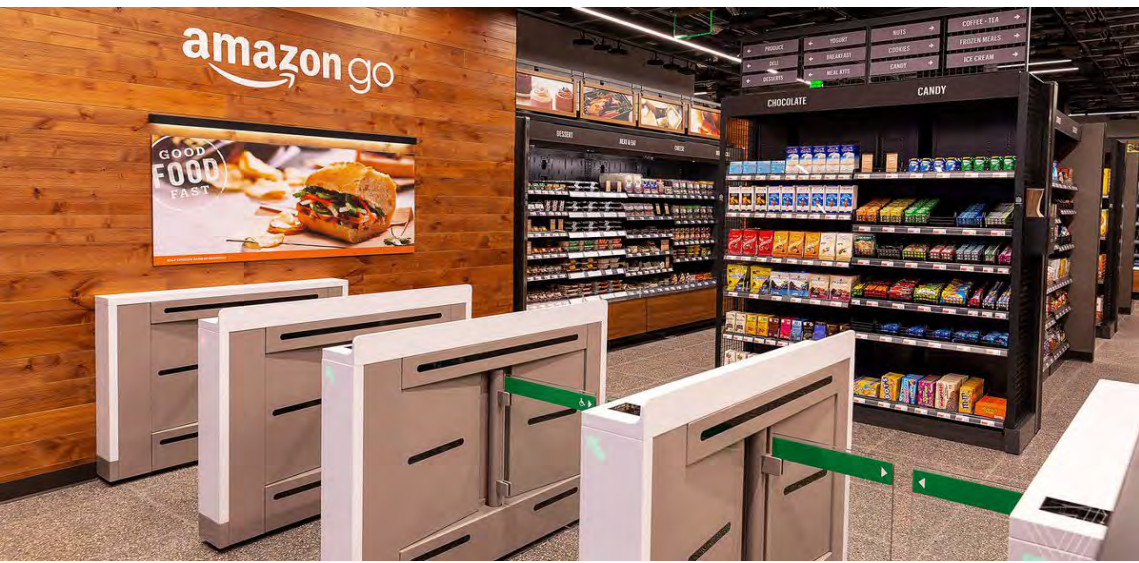
Check-Out

Einfach und schnell bezahlen, wie's gefällt.

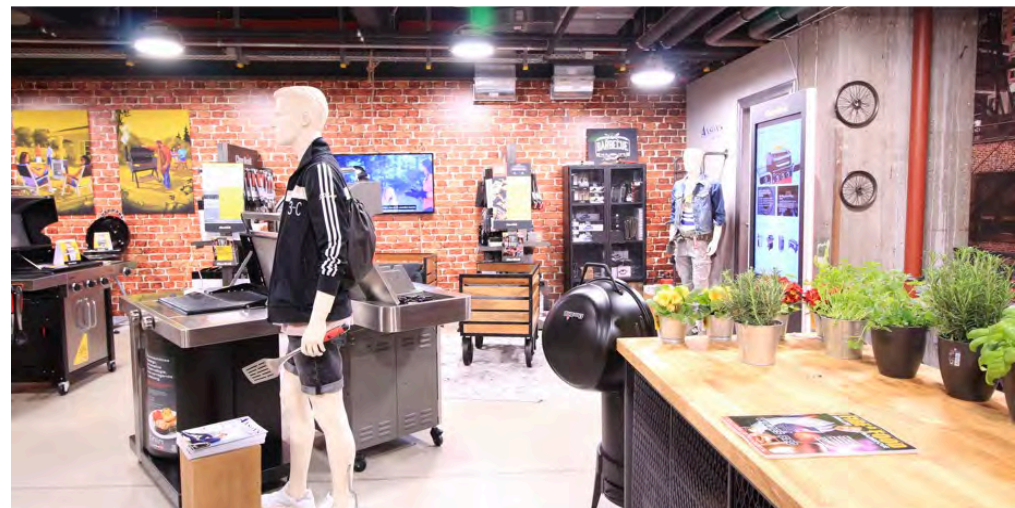
Bricks drive clicks

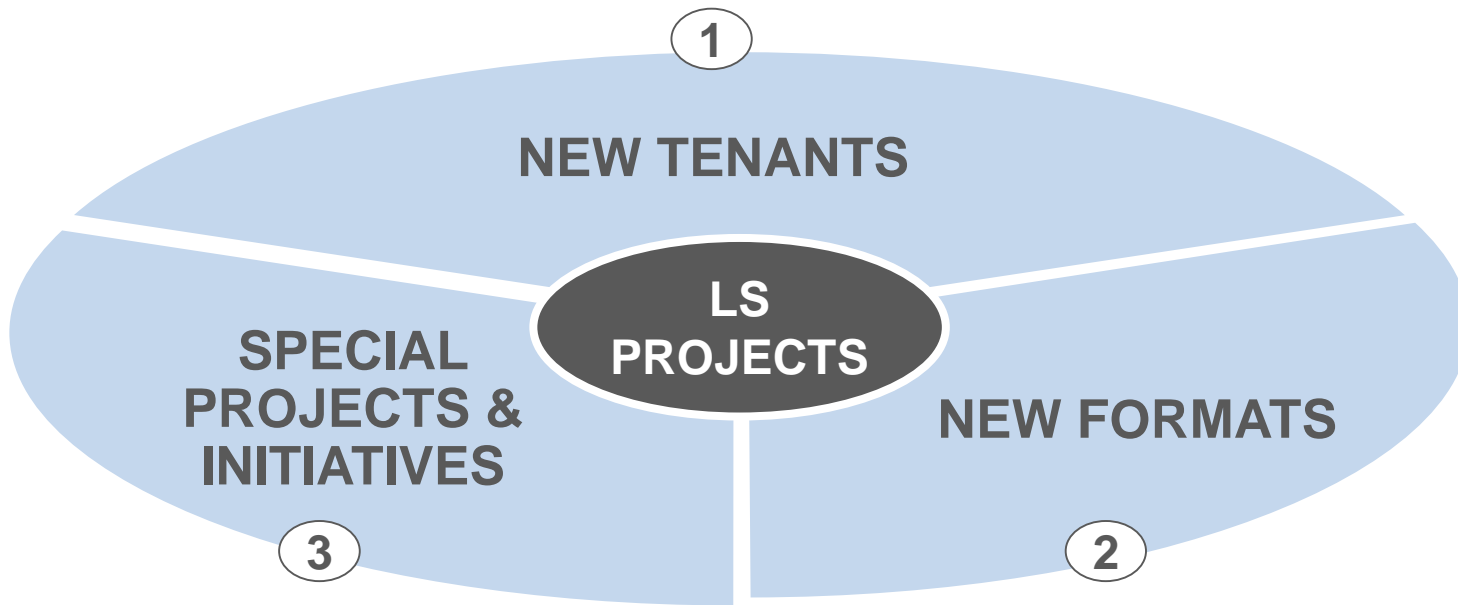


amazon go



Pop-Up Stores





→ Monitoring of market developments and identification of relevant trends

→ Responsibility for idea management process

→ Responsibility for strategic projects and initiatives

→ Knowledge transfer

Projects & initiatives in both the retail & non-retail sector!

LEISURE & ENTERTAINMENT



CO-WORKING SPACES

wework

Hafven

DESIGN OFFICES

SPACES.

Regus

New Formats



IT'S ALL ABOUT STORIES



MICRO-HUBS



CONCEPT LAB



NOWNOWEVENTS





IT'S ALL ABOUT

STORIES

THE STORE



**SHORT TERM
COMMITMENT**

8 WEEKS FLIGHTS

**CONSTANTLY
NEW
THEMES
(,STORIES')**

**SELECTED
PARTNERS**





IT'S ALL ABOUT REALITY.

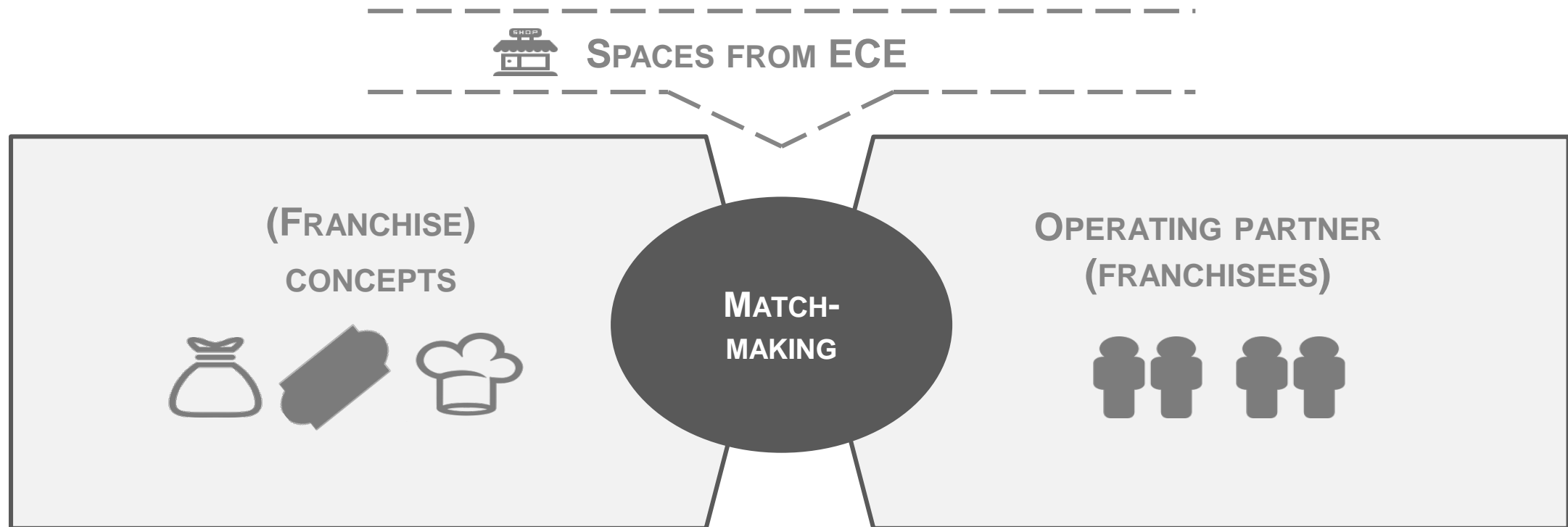
bohnen
kartell

bohnen
kartell

‘Concept Labs’ in selected centers of ECE as test case for new tenants in a fully fitted store for limited time

- **180 to 200 sqm (B-locations)**
- **Short-term lease (3 to 6 months, limited risk)**
- **Fit-out: flooring, ceiling, lighting, facade, water; shelves optional**





Potential partners can...

- ... search for concepts based on different criteria
- ... compare different concepts
- ... contact concepts for further information



Services (counseling, medical, citizen's office...)





COOPERATIONS

The new hybrid thinking



Thalia with Moleskine-Cafe



COMMUNITIES

Meeting, sharing and get in touch



Customer Community

Rapha, London



Center-Community



Tenant-Community

Retail Meeting

+8.4%

50%

+43.7%

+7.8%

12%

ECE Türkiye

25 NISAN / APRIL

2019 ISTANBUL

ULUSLARARASI PERAKENDE KIRALAMA FÖYÜ

INTERNATIONAL LEASING

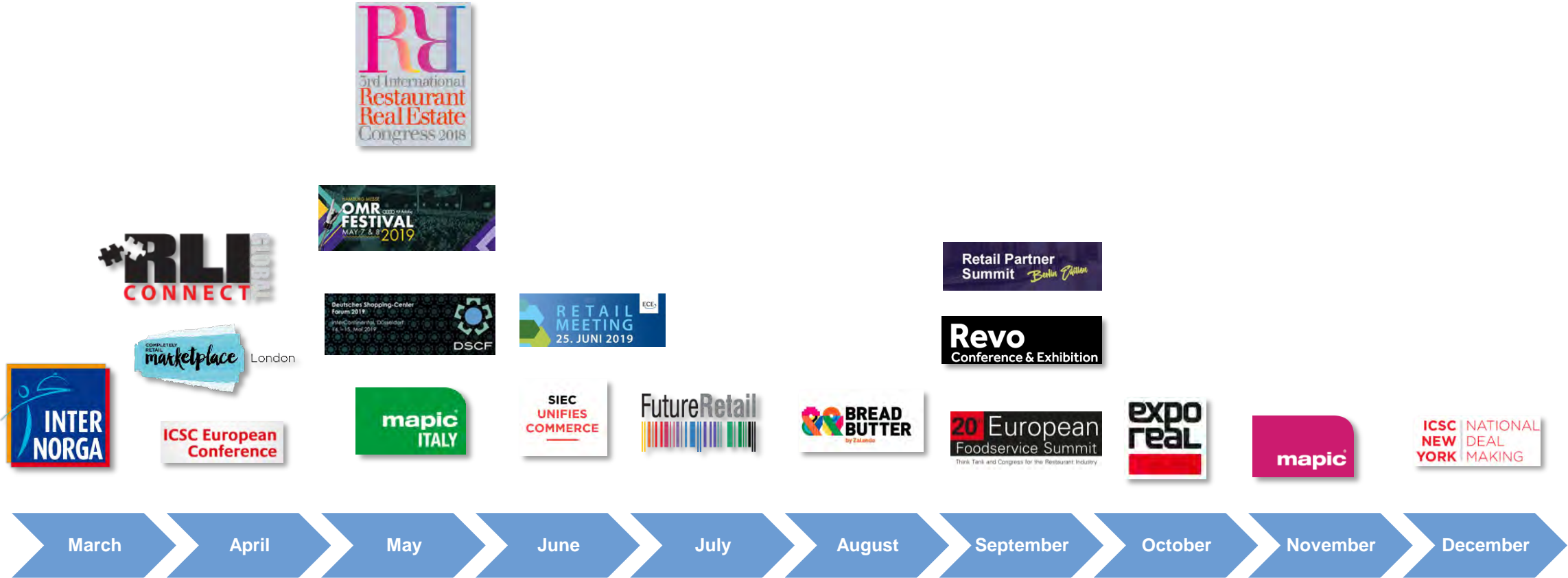


Tenant-Community

Retail Partner Summit



International Acquisition and Networking





THE PLACE TO BE

Emotion, Entertainment and Experience





WE ♥ LEISURE

CUSTOMER EXPERIENCE

Shopping meets fun and action



Entertainment



Trampoline park
JUMP House



Skydiving

Indoor





ECE

WE ♥
FOOD

A white-bordered box containing the ECE logo in the top right corner and the text "WE ♥ FOOD" in large, bold, white letters below it. The heart symbol is a simple white outline.

MyZeil

Frankfurt







FOOD TOPIA
at MyZeil



Skyline Plaza

Frankfurt





Examples for new Food-Concepts

OhJulia,
Authentic & Italian Food

**POMMES
FREUNDE**

THE ASH
STEAKS • BURGER • BAR



ALEX



POKÉ YOU
Healthy Food by *Julia*

L'OSTERIA
PIZZA E PASTA

**FRIENDS
& BRGRS**

coa
ASIAN FOOD & DRINKS

FIVE GUYS
BURGERS and FRIES

**BIG
CHEFS**

ORGANIC COFFEE
PRET
NATURAL FOOD

Krispy Kreme
DOUGHNUTS

**fritten
werk**
POMMESMANUFAKTUR

dean & david
fresh to eat

sander

hans im glück
BURGERGRILL · BAR

**PAPA
LA PIZZA
NAPOLI**

ROCKET'S
by Eddie Rocket's

EXX
nature's kitchen

CHIPOTLE
MEXICAN GRILL

**HEIDI
UND
PAUL**

Aposto

**ESPRESSO
HOUSE**

**WILMA
WUNDER**
ESSEN
TRINCHER

PROJECTS

Current planning highlights



Potsdamer Platz

Berlin



Do we believe in Retail Real Estate?

¥ € \$