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Too much retail space across Europe? We don't think so, CEOs say

After the retail real estate Gold Rush of the last few years, many shopping centres across Europe have been left with vacant retail units, but there still isn't enough good quality retail space available, according to four CEOs at the ICSC European Conference.

Arpad Torok, CEO of TriGranit Coporation based in Hungary, said: "Basing a decision on whether to develop a shopping centre purely on assessing the GLA per capita of population is far too simplistic, you need to look at the locality, the tenant mix and the detail behind the headline information," he said.

Top locations will attract top retailers, said Isaac Kalisvaart, CEO of Netherlands-based MAB Development, and such locations will maintain their rental levels. For MAB, this means focussing on mixed use developments in the urban environment. "In my experience, retail belongs in the city," he said.

Marcus Wild, CEO of SES Spar European Shopping Centers, said: “The retail real estate industry will recover but recovery will come at a different time for each country.” Decisions on where to expand or develop must be taken after assessing the local environment, he said.

In the few years before 2007, shopping centres were built in locations which were never going to be sustainable in the long term, according to Glenn Aaronson, CEO of Multi Development. “It was ‘Fools Gold’,” he said, suggesting that some centres should never have been built. “There is not enough good quality space so saying there is too much spare retail space is misleading.”