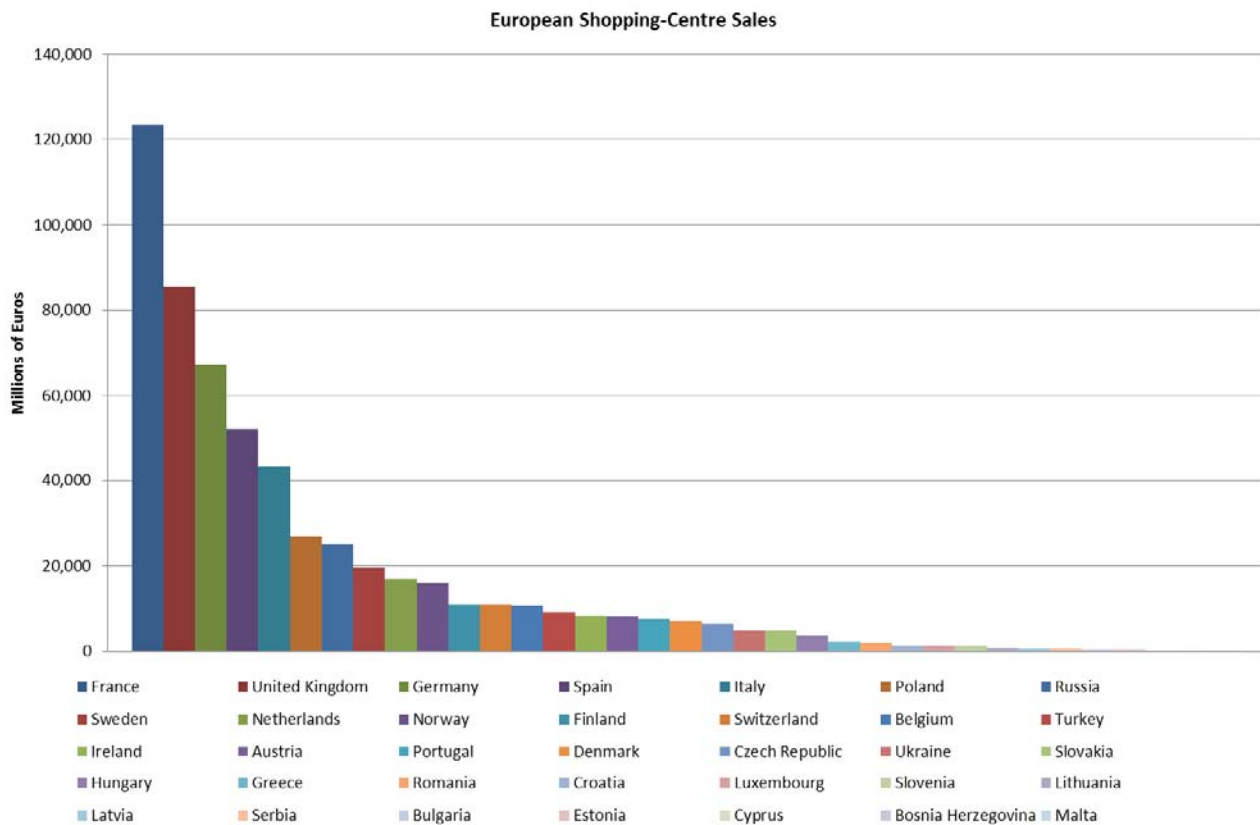


The Importance of the European Shopping-Centre Industry

A Snapshot of its Retail Sales Impact in 2012

Shopping centres provide the ‘delivery infrastructure’ for the efficient connection of consumers with goods and services and can act as a multiplier of retail sales volume by way of a targeted, planned tenant mix with complementary occupiers in close proximity to one another in order to maximise footfall and cross-shopping. Through this infrastructure, shopping-centre industry sales provide a window on the consumers’ and economy’s health, a vehicle to collect sales taxes for governments and a place for jobs in the community.

It is widely acknowledged that economies are driven by consumer demand. Retail sales account for the ‘goods portion’ of consumer demand and that measure is a key cyclical indicator of economic activity. Expenditure on retail goods has a far-reaching impact on the European economy through the supply chain, which encompasses the manufacturing and distribution sectors as well as merchandising. Retail sales are the most-timely indicator of broad consumer spending patterns and make an important contribution to GDP. The final consumption expenditure of households accounted for at least half of GDP in the majority of EU Member States in 2012 (average 56.9%).



Source: International Council of Shopping Centers

The importance of shopping-centre sales to the European economy is proportional to its contribution to retail sales. Shopping-centre penetration of retail sales is high in mature markets and is rising rapidly in other European countries, particularly in Central and Eastern Europe where there has been rapid expansion of the shopping centre market in recent years.

Retail sales (except of motor vehicles and motorcycles) in the EU-27 totalled €2,687 billion in 2012. **The International Council of Shopping Centers estimates that shopping-centre sales in the EU-27 accounted for 19% of total retail sales and reached €511.9 billion in 2012.** There was a pronounced gap between the prospering and struggling nations where positive sales growth in the Nordics, Baltics and Central Europe were offset by negative growth in many southern European countries, such as Greece, Cyprus, Spain and Portugal, as consumption continues to be affected by high unemployment, stringent Government budgeting measures and low expectations for economic development.

References

The Importance of Shopping Centres to the European Economy, European Shopping Centre Trust and the International Council of Shopping Centers, 2008.

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2012 Shopping-Centre Retail Sales

European Country	Shopping-Centre Sales (millions of euros)
Austria	8,235
Belgium	10,812
Bulgaria	519
Cyprus	313
Czech Republic	6,446
Denmark	7,132
Estonia	436
Finland	11,059
France	123,378
Germany	67,266
Greece	2,138
Hungary	3,564
Ireland	8,389
Italy	43,154
Latvia	550
Lithuania	765
Luxembourg	1,246
Malta	256
Netherlands	17,021
Poland	26,854
Portugal	7,620
Romania	1,926
Slovakia	4,720
Slovenia	1,128
Spain	51,961
Sweden	19,440
United Kingdom	85,603
EU-27	511,931
Bosnia Herzegovina	266
Croatia (joined EU in 2013)	1,323
Norway	15,861
Russia	25,061
Serbia	532
Switzerland	10,891
Turkey	9,242
Ukraine	4,881
GRAND TOTAL	579,989

Methodology

These estimates were derived using a combination of methods and data sources. For the vast majority of countries, the shopping-centre-sales estimates for 2000-2012 were derived by applying a custom shopping centre-inclined sales growth rate to ICSC's 2006 estimates of shopping centre sales as reported in "The Importance of Shopping Centres to the European Economy" (2008). The growth rates were calculated using Eurostat's structural business statistics on turnover for select retail trade sectors (when available). Eurostat's indices of total retail trade turnover found in the short-term business statistics database were used to fill in the gaps as needed.

In select cases, 2006 shopping centre sales were not available (Croatia, Cyprus, Malta, Turkey). For these countries, total retail sales were derived based on a blended ratio of 2006 total retail sales to 2006 shopping centre sales for a cohort of geographically and economically similar nations. Growth rates, as calculated above, were then applied to adjust this figure forwards and backwards for 2000-2012 data.

Some nations had neither 2006 data nor growth rates (Bosnia & Herzegovina, Russia, Serbia, Ukraine). For these countries, a blended ratio of 2012 shopping centre sales to 2012 traditional shopping centre GLA was developed for a cohort of similar nations. This ratio was then applied to the GLA for these countries (as provided by Cushman & Wakefield) to generate an estimated 2012 shopping centre sales figure.