



Meyer
Bergman

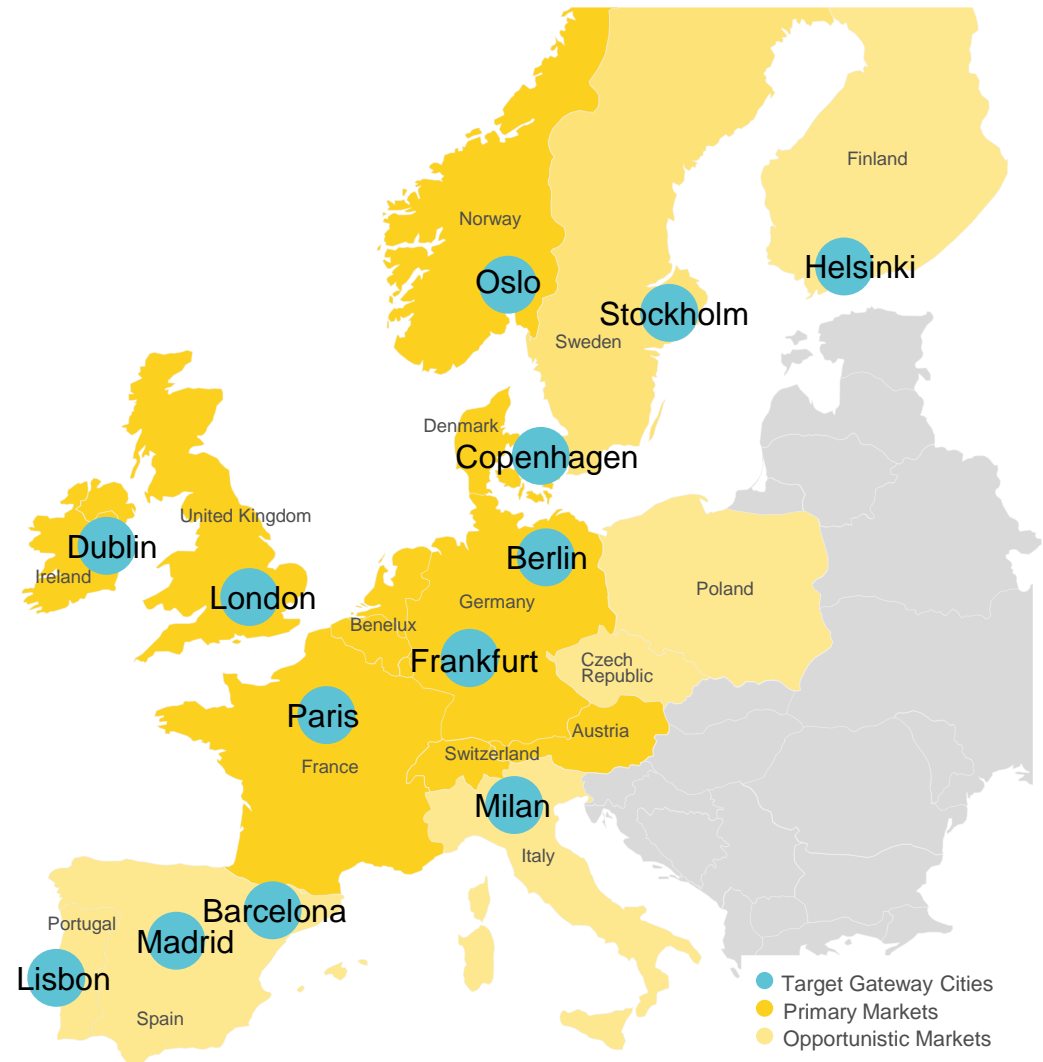
Highstreets and outlet centres as experience destinations

IVBN CFA VBA Seminar 'Customer experience'

Amsterdam. 2nd October 2018

Herman Kok

- **€6 billion in AUM** invested across Europe and the United States
- **45 professionals** with in-house capabilities across acquisitions, asset management, leasing, development, marketing and commercialisation, finance, reporting, and research
- Targets **well-located, urban assets** across **major metropolitan areas** in Europe and the United States that have strong footfall and catchment
- **6 vehicles** invested in **62 assets** across **17 countries**
 - *MBERP I – retail property fund raised in 2008*
 - *MBERP II – retail property fund raised in 2014*
 - *VIA Outlet Venture - joint venture between Meyer Bergman, Value Retail, APG, and Hammerson to establish a pan-European outlet portfolio that leverages best-in-class retail expertise*
 - *MBERP III - target fund focusing on retail led urban mixed use*
 - *Meyer Homes – joint venture between Vanke, Alberta Investment Management Co. to realise a portfolio of 13 sites across Greater London*
 - *Meyer Bergman Americas*



Meyer Bergman European Retail Partners I - 2007 vintage



Burlington Arcade
(Central London, UK)
GLA: 3,500 sqm
Acquisition: Oct 2010



The Bentall Centre
(Kingston-Upon-Thames, UK)
GLA: 62,000 sqm
Acquisition: Mar 2010
Disposition: Jan 2015



The Exchange
(Greater London, UK)
GLA: 27,000 sqm
Acquisition: Jun 2010
Disposition: Mar 2017



Galeria Katowicka
(Katowice, Poland)
GLA: 47,500 sqm
Acquisition: Dec 2010



Forum Nová Karolina
(Ostrava, Czech Rep.)
GLA: 58,000 sqm
Acquisition: Sep 2011



Forum Ústí nad Labem
(Ústí nad Labem, Czech Rep.)
GLA: 27,000 sqm
Acquisition: Sep 2011
Disposition: Apr 2016

Meyer Bergman European Retail Partners II - 2012 vintage



Whiteleys
(Central London, UK)
GLA: 68,700 sqm
Acquisition: Sep 2013



Champs-Élysées
(Paris, France)
GLA: 10,200 sqm
Acquisition: Oct 2013
Disposition: Jun 2016



The Broadway
(Bradford, UK)
GLA: 50,200 sqm
Acquisition: Oct 2012



Futurum Hradec Kralove
(Prague, Czech Republic)
GLA: 34,300 sqm
Acquisition: Dec 2014



Stoney Street
(Central London, UK)
GLA: 18,000 sqm
Acquisition: Feb 2015



59 Corso Buenos Aires
(Milan, Italy)
GLA: 26,000 sqm
Acquisition: Dec 2015

Meyer Bergman European Retail Partners III - 2015 vintage



Promenaden Portfolio
(Oslo, Norway)
GLA: 82,600 sqm
Acquisition: Dec 2015



Topas Arkade
(Berlin, Germany)
GLA: 5,300
Acquisition: Oct 2016



Nassau Street
(Dublin, Ireland)
GLA: 22,800
Acquisition: Jun 2016



33-37 Corso Buenos Aires
(Milan, Italy)
GLA: 3,800 sqm
Acquisition: Feb 2017



New Oxford Street
(Central London, UK)
GLA: 1,000 sqm
Acquisition: Dec 2016



Karstadt Potsdam
(Potsdam, Germany)
GLA: 18,800 sqm
Acquisition: June 2017

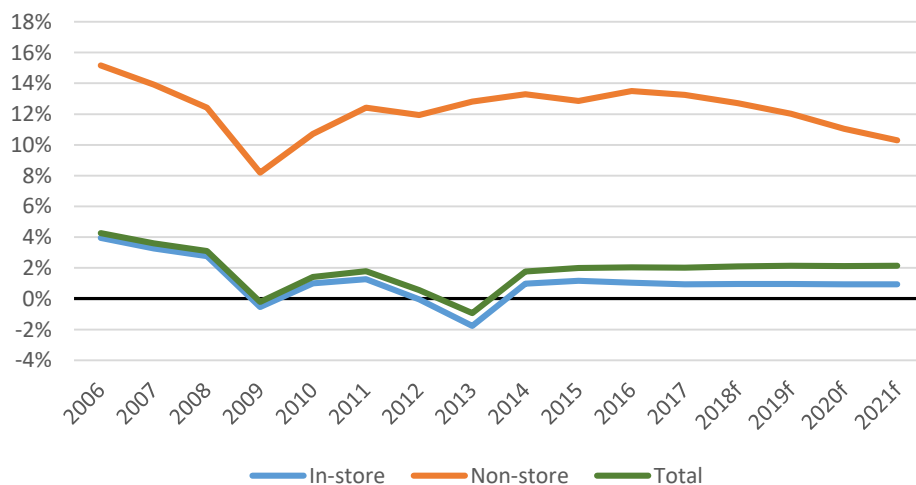
Retail disruption

Key trends

- Online – multi-channel
- Demographics / urbanisation
- Growing inequalities
- Changing anchor performance
- Ownership patterns retailers

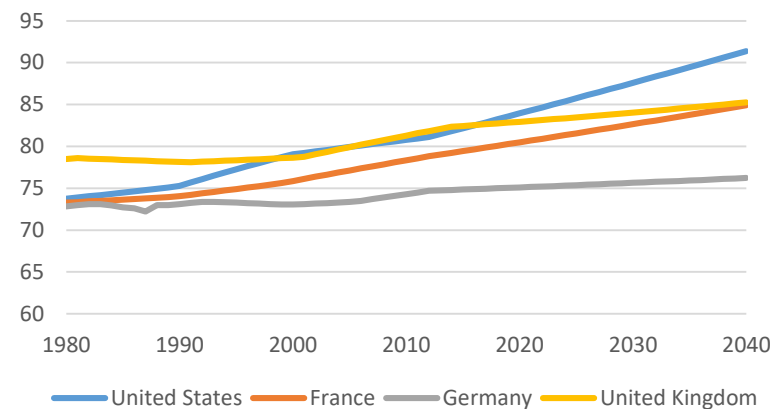
More dramatic than previous disruptions as retailer checkout is not necessarily physical anymore

Netherlands growth retail sales (% yoy)



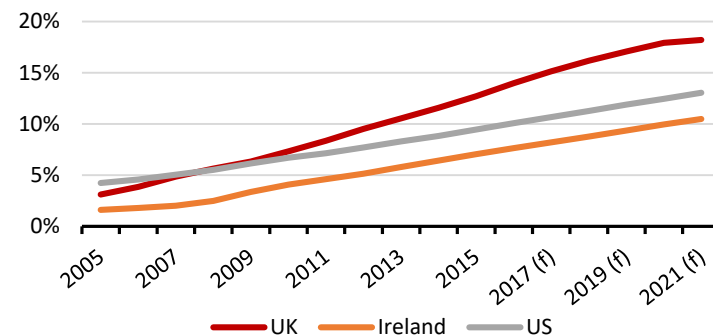
Source: Global Data

Urbanisation (% of total population)

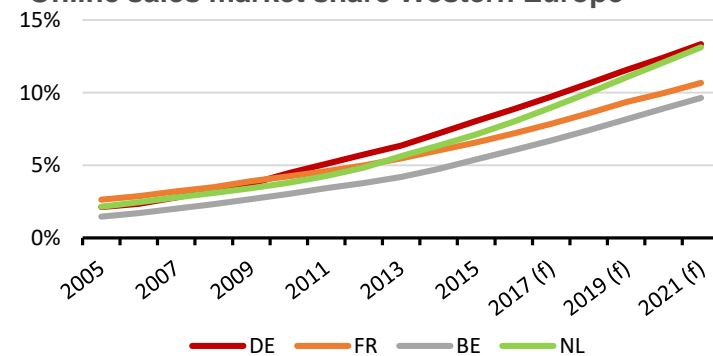


Source: Eurostat

Online sales market share UK, Ireland, and US



Online sales market share Western Europe



Source: Global Data

Location dynamics

Locations in demand

- Core cities / prime locations / destinations (incl tourism)
- Convenience / proximity
- Upcoming neighbourhoods / gentrification
- Outlet centres
- Transit locations



Emphasis on being on the flow



Functional / conceptual aspects

Trends

- Urban mixed use
- F&B
- Authenticity
- Hybridisation from monofunctional space to multifunctional
- From static to flexible
- Increased complexity



From defined to total experience



Borough Yards
Borough Yards

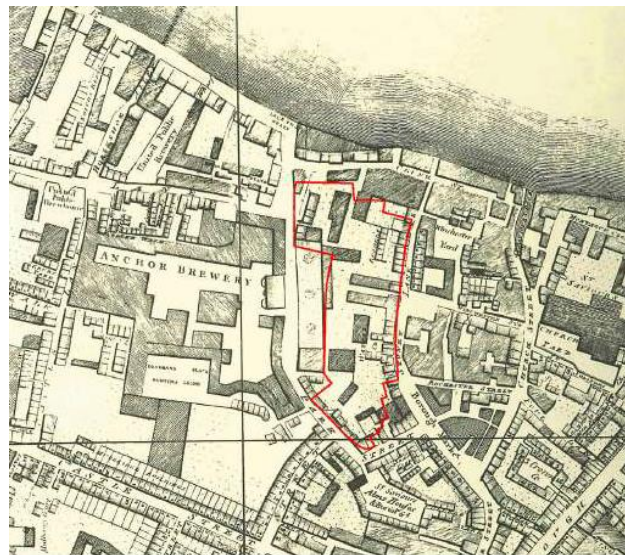


Borough Yards Origin

1908



1813



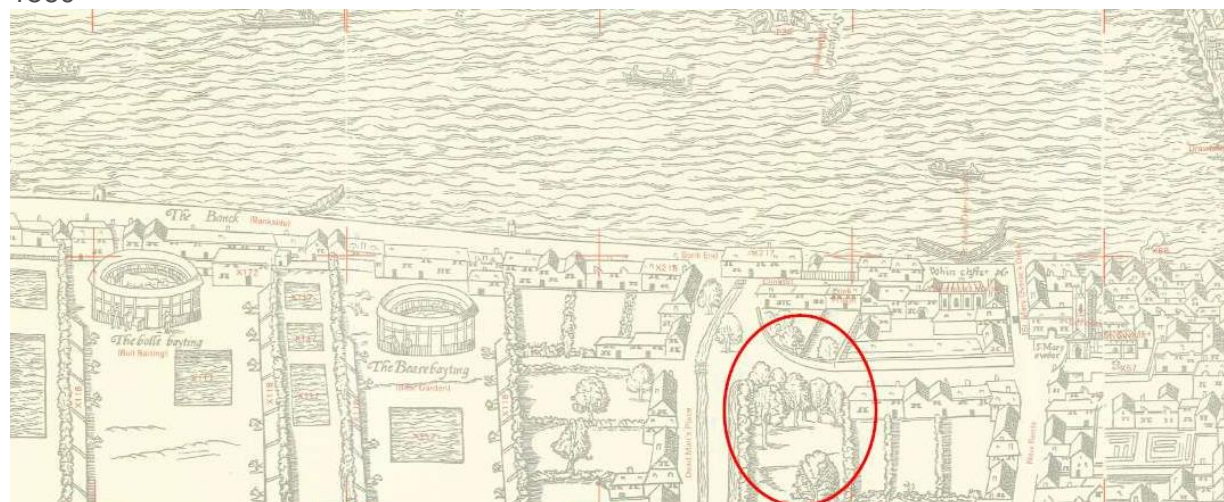
1813 Horwood map

1658



Map drawn by Faithorne in 1658, published by Newcourt, reproduced by London Topographical Institute in 1905

1560

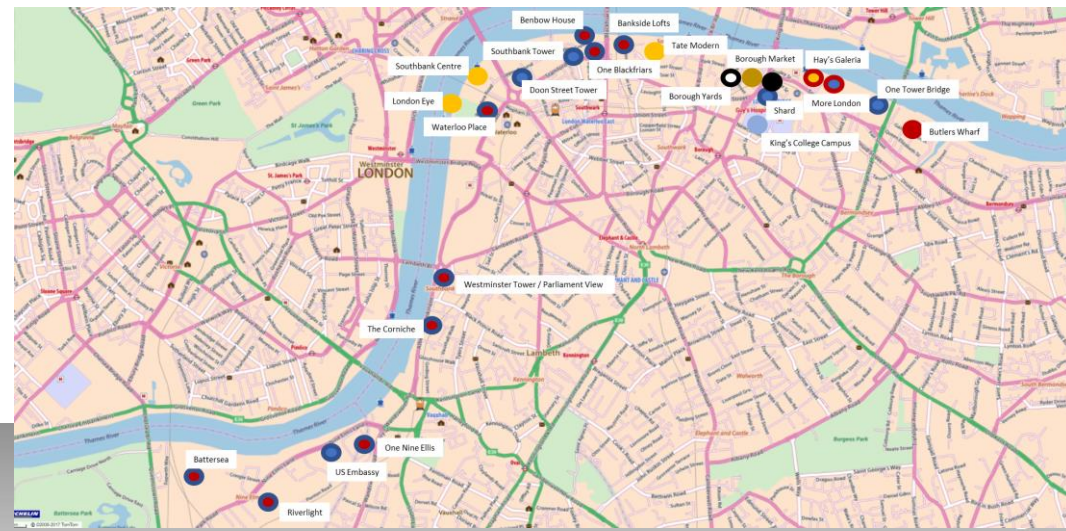


1560 Agas map

Borough Yards

Context – massive urban transition

Two-Acre mixed use development site adjacent to London Bridge Station and Borough Market



Project Summary

ASSET

- Located on the South Bank, London, the site is adjacent to Borough Market and a short walk from London Bridge Tube Station
- Acquisition includes long leasehold on the railway arches and adjacent land, as well as the freehold on Thames House, a Victorian warehouse conversion which is currently used for office use

OPPORTUNITY

- Develop new retail space in a greatly underserved market
- Gain exposure to area, that with significant investment and growth over the last decade, has been transformed into one of London's most exciting locations
- Capitalise on high footfall in the area generated by London Bridge Station, Borough Market and Riverside Walk

ASSET MANAGEMENT

- Re-gear Network Rail lease and commence construction on-site
- Complete development, which will provide retail and leisure uses in the railway arches and the creation of a mixed use building adjacent to the railway tracks
- Actively manage leasing schedule of retail and office space to ensure exciting tenant mix and strong cash flow
- Proactively manage stabilization phase post-opening, optimizing rental growth ahead of exit



Critical Mass

5.3m sf of new offices built within 5 mins walking distance since 2000 and an additional 3.5m sf of office space expected to complete by 2020. The housing stock has also significantly increased, with a number of development expected to complete in due course further increasing the immediate catchment

Transportation Link

Located in close proximity to London Bridge Rail and Underground Station (footfall 130m pa)

Proximity to Attractions

Attractions close by include Borough Market, Tate Modern and Riverside Walk

Limited Retail Offer

Retailing in the area is less than 175,000 sf and sporadic, rents are at £200 psf ZA

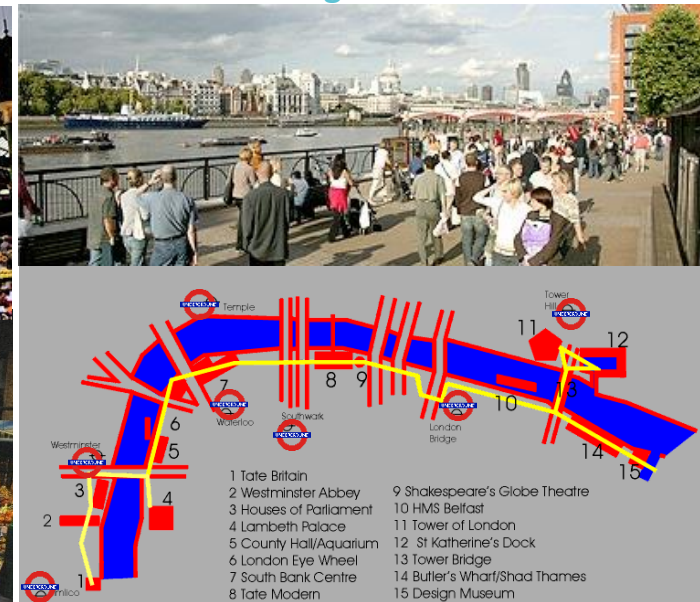
New Office Space



Borough Market



Riverside Walk along London Attractions



Borough Yards – London, UK



Overview

Source	Broker
Vendor	Sparrowhawk Properties
Acquisition date	February 2015

Property Details

Retail GLA	18,000 sqm
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ASSET

- Located in London's South Bank, the site is adjacent to Borough Market and a short walk from London Bridge Tube Station
- Acquisition includes long leasehold on the railway arches and adjacent land, as well as the freehold of Thames House, a Victorian warehouse conversion which is currently used for office use

OPPORTUNITY

- Gain exposure to an area that has been transformed into one of London's most exciting locations, with significant investment and growth over the last decade
- Develop new retail space in a greatly underserved market
- Lease space and drive rental growth benefitting from the high footfall in the area generated by London Bridge Station, Borough Market and Riverside Walk



Borough Yards

Concept Borough Yards

Proposed ground floor plan



Mix usage promoting longer trade time, with two anchor tenants secured

Boutique Cinema

EVERYMAN



Modern Co-Working Space

TOG
THE OFFICE GROUP



VALUE CREATION



Physical Improvements

- Obtained planning consent to reconfigure the railway arches and create a mixed use building adjacent to the railway tracks
- Complete development, which will provide retail, leisure and office uses



Leasing

- Optimise the leasing schedule of the retail and office space to ensure exciting tenant mix and strong cash flow



Operations

- Re-gear Network Rail lease, which was a critical step to obtain planning
- Manage stabilisation phase post-opening and optimise rental growth ahead of exit

DISPOSITION

- Forward sell the scheme in 2019 and handover following practical completion of the project

Borough Yards
Integrated Urban Mixed-Use Scheme



— — — Main Pedestrian Traffic Paths

Meyer Bergman European Retail Partners II
Borough Yards – London, UK

Unique setting with historic character and proposed retail units with exposed façades



Borough Yards
Integrated Urban Mixed-Use Scheme



Promenaden – Fashion District



Promenaden – in the past



Promenaden – site context

Retailing at the heart of Oslo's historic city centre



Parliament



Karl Johans Gate - main pedestrianised shopping street



Main Train Station

Promenaden – arial overview



- A. Eger
- B. Steen & Strøm
- C. Karl Johans Gate 16C
- D. Øvre Slottsgate 18-20
- E. Øvre Slottsgate 10
- F. Nedre Slottsgate 23
- G. Prinsensgate 21
- H. Nedre Slottsgate 13
- I. Nedre Slottsgate 15
- J. Akersgata 16
- K. Slottpassagen

Promenaden – key brands



LUXURY BRAND INDEX

City	# Brands
Rome	57
Munich	42
Zurich	32
Barcelona	31
Dusseldorf	29
Hamburg	29
Brussels	28
Frankfurt	28
Vienna	26
Amsterdam	21
Copenhagen	20
Oslo	9



SAINT LAURENT
PARIS

BALENCIAGA

BOTTEGA
VENETA

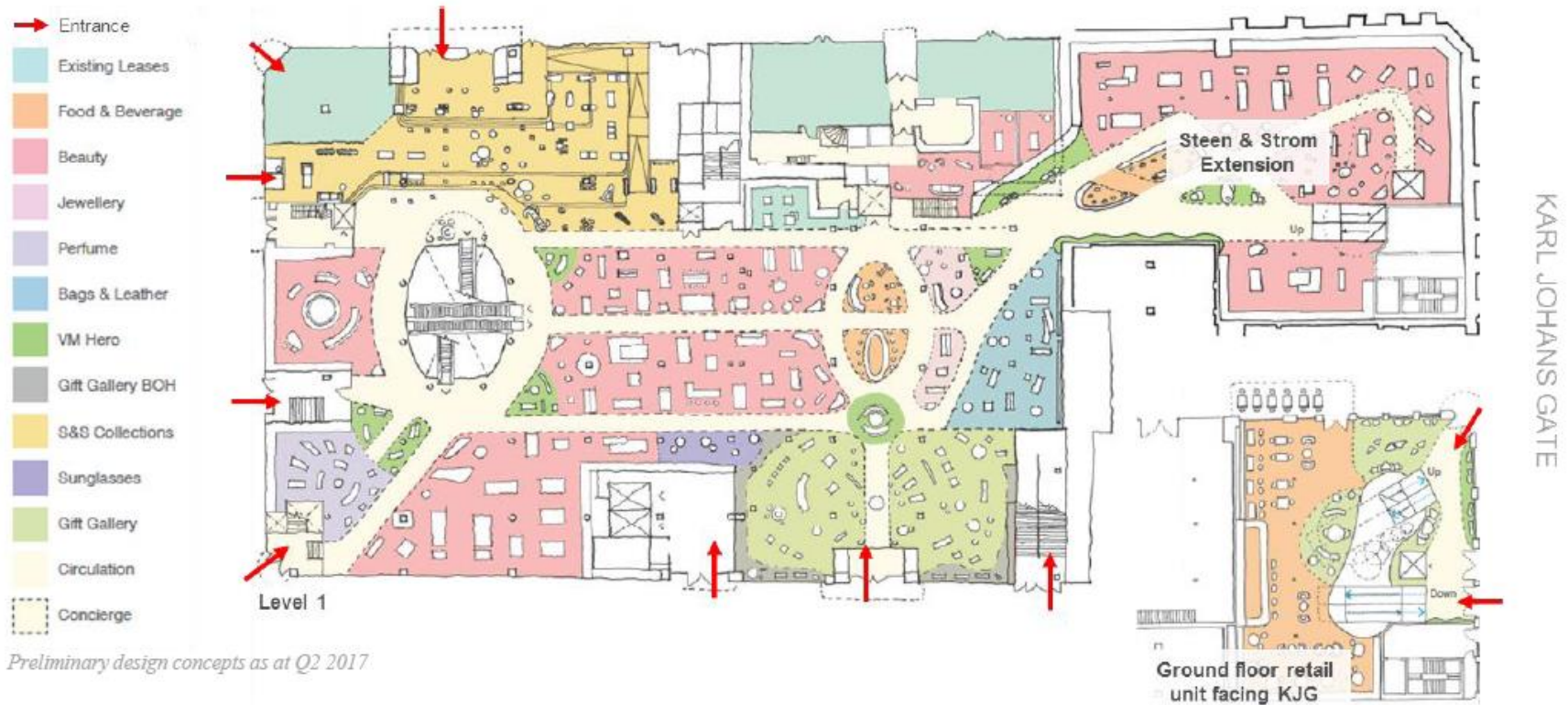


Promenaden portfolio assets



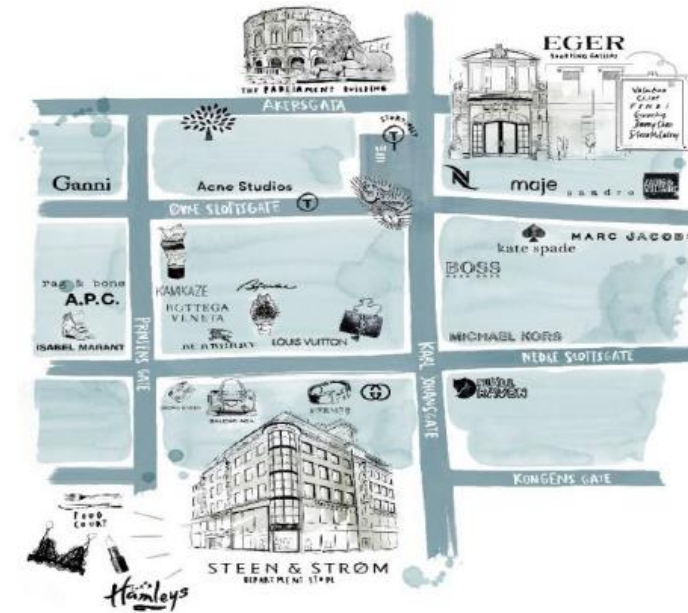
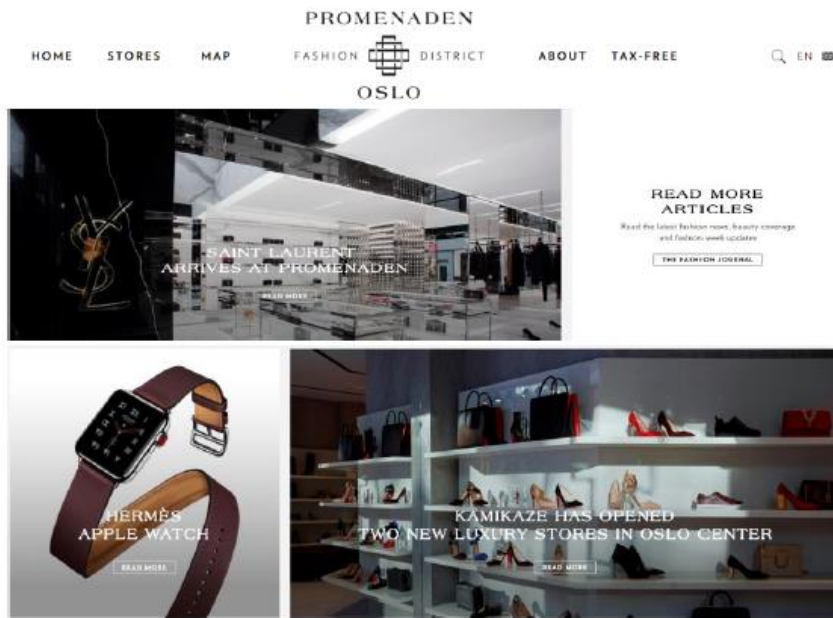
Recent portfolio brand additions

Promenaden – Steen & Strom extension



- Steen & Strom department store extension
 - Increase sales area
 - Direct link from Kung Johansgatan main highstreet into department store

Promenaden – Promenaden Fashion District



- Promenaden Fashion District: to gather all landlords in a unified marketing and branding approach
 - Norway's premier destination for fashion, beauty, lifestyle and luxury
 - Updated multi-lingual website
 - Brochures

Oslo Promenaden
Promenaden – today



Attractive asset class

- Advantages
 - Limited supply
 - Clear division of operators
 - Anti cyclical
 - Marketing communication between outlet and innercity
 - Rapidly maturing as asset class
- Risks
 - 'Pollution' outlet concept



VIA Outlets Portfolio – Various, Europe



Overview

Source	Various
Vendor	Various
Acquisition date	February 2014 onwards

Property Details

Retail GLA	262,400 sqm
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ASSET

- Portfolio of eleven outlet centres spread across nine countries providing exposure to over €1.3 billion of GAV

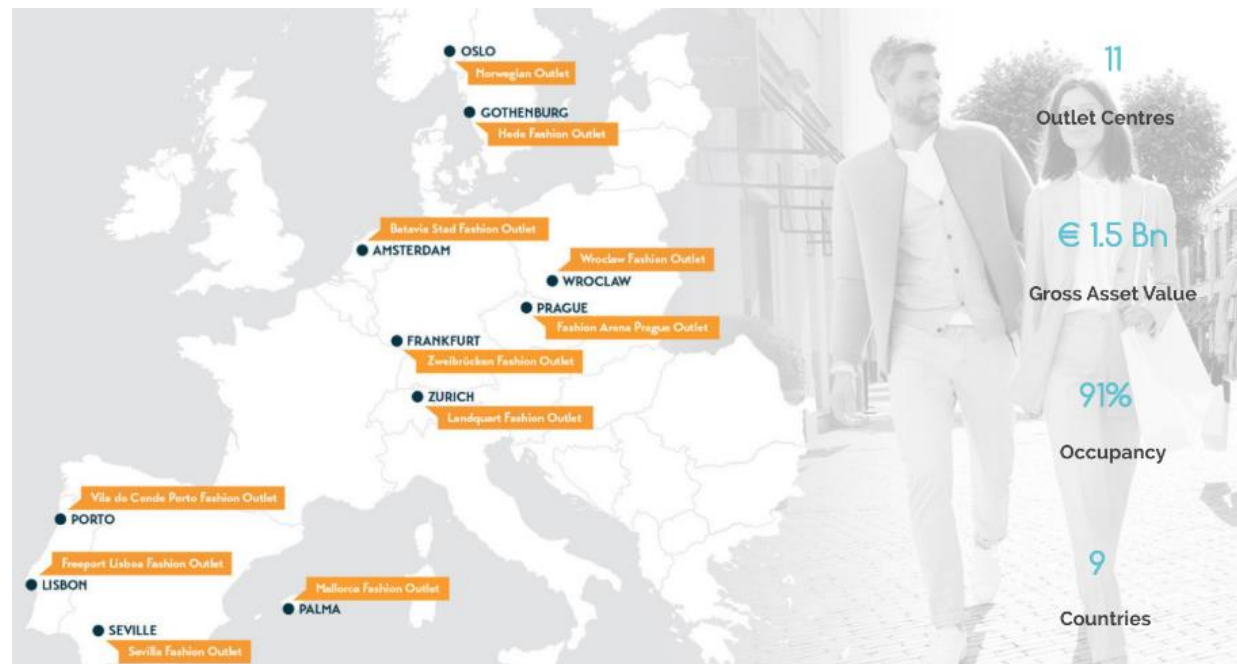
OPPORTUNITY

- Consolidate ownership in a highly fragmented European outlet sector
- Favourable timing to build a scalable portfolio, creating economies of scale and a pan-European platform
- Build a market-leading outlet acquisition and management team with a primary focus on western Europe, as well as Poland and the Czech Republic
- Target under- or mismanaged assets with strong fundamentals at attractive entry levels
- Investment partners: APG, Hammerson, Meyer Bergman



VIA Outlets Portfolio – Various, Europe

11 outlet centres spread across 9 countries providing exposure to over €1.5 billion of GAV



Positioned as the third largest European outlet operators



VALUE CREATION

Physical Improvements

- Undertake centre expansion upon stabilisation, where applicable, in order to ensure critical mass and diverse tenant mix

Operations

- Introduce best-in-class management to schemes with distressed and/or resource-constrained operators
- Establish corporate identity
- Continue to re-brand portfolio assets

DISPOSITION

- Portfolio exit to an institutional investor seeking a pan-European portfolio with a resilient income stream that has proven to perform even during down markets



Meyer
Bergman

Thank you

Herman Kok

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