

Outlets' global bloom

2014 Global Outlet Snapshot

Number of Outlet Centers: 415
Total Outlet Center GLA: 135.5 million sf
Average Outlet Center GLA: 326,592 sf
Average Outlet Center Age: 13 years
Ownership: 164 ownership entities

Europe/CEE/Middle East Snapshot

Number of Outlet Centers: 156 centers in 26 countries
Total Outlet Center GLA: 36,373,154 sf
Average Outlet Center GLA: 235,353 sf
Average Outlet Center Age: 11 years
Ownership: 79 entities own 156 outlet centers. Three dominant developers, McArthurGlen, Neinver and Value Retail, own a total of 44 outlet centers comprising 10,245,578 sf.

Asia/Pacific Snapshot

Number of Outlet Centers: 43 centers in 6 countries (Australia, China, Japan, Korea, Malaysia and New Zealand)
Total Outlet Center GLA: 14,205,996 sf
Average Outlet Center GLA: 330,372 sf
Average Outlet Center Age: 9 years
Ownership: 18 entities own 43 outlet centers throughout the Asia-Pacific region. Four developers own 25 of the 43 centers; those 25 centers total 7,444,180 sf. Three of the four developers are partnered with Simon Property Group, whose total outlet GLA in Asia is 4,396,258 sf.

The Americas Snapshot

Number of Outlet Centers: 215 in 6 countries (Brazil, Canada, Colombia, Mexico, Puerto Rico and the United States)
Total Outlet Center GLA: 84,378,607 sf
Average Outlet Center GLA: 392,461 sf
Average Outlet Center Age: 17 years in North America
Ownership: In North America, 61 entities own 202 outlet centers; in South America, 6 entities own 13 centers (all seven centers in Colombia are owned by Centro Comercial Unico). The largest outlet owners in North America are Simon Property Group (71 centers totaling 19,089,251 sf) and Tanger Outlets (48 outlet centers totaling 13,597,249 sf).

In each corner of the world, outlet retailing has its own personality and growth profile.

By **LINDA HUMPHERS**
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IN THE PAST three years, the outlet sector in the U.S. and Canada has risen faster than a moonshot, with 30 outlet-center openings since the beginning of 2012. In the rest of the world, however, the sector has risen, but more along the speed of bread dough.

For 2013 and 2014, VRN's International

Outlet Journal reported on two outlet center openings in Russia and one each in China, England, Germany, Italy, Japan, Korea, Poland and Slovakia, plus a relaunch in France. That's 11 openings in 10 countries. In 2014, when nine outlet centers will open in the U.S. and two in Canada, only one has opened in China and none in Europe or the rest of Asia. One new center will open by the end of this year in Brazil.

Outlet growth around the world has always been a smaller part of the retail development picture than in the U.S., and the reasons are myriad. American shoppers are the fastest to adapt to new shopping venues and American lenders are less risk-adverse than their European counterparts. Retail funding is difficult to find in Europe where



Fashion House Outlet Centre Moscow



McArthurGlen Designer Outlet Serravalle, near Milan

outlet centers are lumped in with other retail properties, and that negates the sector's positives (small footprints, low dependency on any one tenant, high occupancy levels).

Most specialized investors in Europe, including Henderson's European Outlet Mall Fund, Hammerson, Resolution, CBREI, Meyer Bergman and Blackstone, are generally more comfortable with acquisitions than phase 1 projects.

Europe's major developers – McArthurGlen, Value Retail and Neinver – have kept their pipelines going by finding financial partners, and a year ago MCG boldly aligned with Simon in order to both stabilize and accelerate its business.

“We never failed to do a project as a result of being cash-short, but it requires a lot more work to complete a deal,” MCG chairman J. W. Kaempfer told VRN/IOJ. “Sometimes it's almost as much work to get financing as it is to go through the always-difficult process of getting site approvals in Europe.”

Fewer global phase 1 openings in 2014 doesn't mean activity has faltered. Like their North American counterparts, outlet developers in the rest of the world are expanding existing centers. For Europe, VRN/IOJ counts 25 planned phase 1 centers totaling 5 million sf and 13 expansions totaling 1.7 million sf.

One interesting note is the heavy increase in the number of brands that operate outlet chains in both North America and Europe. VRN/IOJ data shows that in 2014, 172 brands crossed the pond one way or the other to tenant outlet centers, a 65 percent increase from the 104 doing the same in 2011. **V**

For more details on outlet retailing around the globe, see the Summer and Fall 2014 issues of VRN's International Outlet Journal, which can be accessed at www.valueretailnews.com.



Ami Premium Outlets, near Tokyo



Bicester Village, near London

World's 10 Largest Outlet Centers

NAME	LOCATION	DEVELOPER	GLA sf	OPENING
Shanghai Outlets	Shanghai, China	Bailian	1,405,156	2006
Deepto Outlet Center	Istanbul, Turkey	Torunlar Sirketler Grubu	940,621	2010
Woodbury Common Premium Outlets	Central Valley, N.Y.	Simon Property Group	847,714	1985
Freeport Outlet Alcochete	Lisbon, Portugal	Freeport Retail Ltd.	810,852	2004
Orlando Premium Outlets International Drive	Orlando, Fla.	Simon Property Group	778,708	1981
Dubai Outlet Mall	Dubai, UAE	Al Ahli Holding Group	753,300	2007
Tanger Outlets Deer Park	Deer Park, N.Y.	Tanger Outlets	745,246	2008
San Marcos Premium Outlets	San Marcos, Texas	Simon Property Group	740,243	1990
VF Outlet Center	Reading, Pa.	VF	737,230	1970
Tanger Outlets Riverhead	Riverhead, N.Y.	Tanger Outlets	732,945	1996

Total GLA: 8,492,013

Source: Value Retail News Nov 14 international, largest centers chart