The global reach of outlet retailing

Neinver's Vicolungo The Style Outlets, Milan

The Global Snapshot

- **Number of outlet centers:** 355
- **Total Outlet Center GLA:** 109.4 million sf
- **Average Outlet Center GLA:** 307,887 sf
- **Average Outlet Center Age:** 11 years
- **Number of outlet center openings in 2010:** 5 centers totaling 1,131,490 sf
- **Planned Phase 1 new construction through 2013:** 83 planned centers totaling 30.6 million sf
- **Ownership:** 137 developers own 355 outlet centers
- **Outlet Portfolios:** 15 developers have outlet portfolios of more than 1 million sf; those developers own a total of 188 centers totaling 73,482,736 million sf

The outlet industry gains status and stability as centers open worldwide.

By Linda Humphers
Editor in Chief

Twenty-five years ago outlet retailing was often dismissed as a short-lived enterprise that would soon burn out. The experience in the U.S., especially in the last three years, has proven that theory untrue, and traditional developers who once scoffed at the sector are now seeking to join it.

The sector is also flourishing throughout Europe and in Japan, thanks to the vision of early developers and brands, as well as the financial commitment from fund operators and investors, and it is now being embraced throughout Asia, Latin America and Russia. Who knows – we might one day see outlet centers on Mars.

Using data gathered for the 2010-2011 Global Outlet Project Directory, the editors of VRN/IOJ have determined the scope of this relatively young industry.

Worldwide, there are 355 outlet centers totaling 109.4 million sf. They are, on average, just 11 years old.

We know the sector is a miniscule portion of the overall retail real estate picture (in the U.S., out of 105,000 shopping centers, only 179 are outlet centers), but its importance belies those numbers.

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Value Retail's Fidenza Village, Milan

Largest Global Outlet Center Portfolios (more than 1 million sf)

DEVELOPER	GLA	NO. OF CENTERS	LOCATION
Simon Property Group, including:	39,764,452	87	Global
Premium Outlet Centers	26,279,452	70	U.S.
Mills Corp.	10,836,000	7	U.S.
Chelsea Japan	2,649,000	8	Japan
Shinsegae Chelsea	415,000	1	Korea
Premium Outlets de Mexico	232,000	1	Mexico
Tanger Factory Outlet Centers	10,285,550	33	U.S.
Craig Realty Group	3,006,919	10	U.S.
Henderson Global Investors	2,846,600	11	Europe
Austexx	2,632,700	8	Australia
Neinver	2,424,200	11	Europe
Value Retail	1,790,600	9	Europe
Horizon Group Properties	1,461,940	5	U.S.
Walton Brown	1,399,000	1	China
Taubman Centers	1,360,000	1	U.S.
Fashion District	1,324,000	3	Italy
Freeport	1,211,000	3	Europe
Ivanhoe Cambridge	1,168,775	2	Canada
Morgan Stanley	1,100,000	1	U.S.
AWE Talisman	1,060,000	3	U.S.
	73,482,736188		

Source: *2010-2011 Global Outlet Project Directory*

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Europe/Middle East Snapshot

- **Number of outlet centers:** 132
  108 in Europe
  13 in Central and Eastern Europe
  11 in Greece, Turkey, Dubai
- **Total Outlet Center GLA:** 29.2 million sf
  Europe: 23.0 million sf
  CEE: 2.4 million sf
  Greece, Turkey, Dubai: 3.8 million sf
- **Average Outlet Center GLA:** 221,212 sf
- **Average Outlet Center Age:** 9 years old
- **Ownership:** 62 developers own 132 outlet centers

Henderson Global Investors and Neinver have the largest European outlet portfolios. Henderson owns 11 outlet centers totaling 2.9 million sf; Neinver owns 11 outlet centers totaling 2.4 million sf

- **Operators:** In Europe, centers often have an operator who isn't the owner. Two operators – McArthurGlen Development and Fashion House Development – are the largest non-owner operators of outlet centers in Europe.

McArthurGlen has developed 19 centers totaling more than 4.7 million sf, and has sold 11 to Henderson Global Investors, three to Aviva Investors, one to Resolution Property, retains ownership of four centers, and continues to operate all of them.

Fashion House Group, has developed eight centers totaling 1,514,407 sf. With Liebrecht & Wood, the company developed four Fashion House centers, of which three were acquired by AIB Polonia II Property Fund; the company has also worked with K&K Engineering, TK Developments, LMS Outlets, Miller Developments and the Aviva CE Fund on four other centers, and continues to operate them all.

- **European phase 1 openings in 2010:** 3 totaling 462,500 sf
  Sicilia Fashion Village, Italy, Gruppo Percassi, 269,100 sf
  Riverside Place, England, Kendal Riverside/Junction One, 75,000 sf
  Norwegian Outlet, Norway, Norwegian Outlet, 118,400 sf
- **Planned Phase 1 through 2013:** 28 phase 1 centers totaling 8.9 million sf; another 12 planned phase 1 centers totaling 2.6 million sf haven't scheduled opening dates

Largest European Outlet Center Portfolios
(more than 1 million sf)

Owner	No. of centers	GLA in SF
Henderson Global Investors	11	2,846,600
NEINVER S.A.	11	2,424,200
Value Retail PLC	9	1,790,600
Concepts & Distribution	8	1,338,730
Fashion District Group	3	1,324,000
Freeport	3	1,211,000
6 owners	**45 centers**	**10,935,130**

Source: *2010-2011 VRN Global Outlet Project Directory*

Neinver's Castel Guelfo The Style Outlets, Bologna

Largest European/Middle East Outlet Centers
(larger than 400,000 sf)

CENTER	CITY	COUNTRY	DEVELOPER	OPENING	TYPE	GLA
Freeport Outlet Alcochete	Lisbon (Alcochete)	Portugal	Freeport	2004	M	807,300
Dubai Outlet Mall	Dubai	UAE*	Al Ahli Holding Group	2007	M	750,000
Via Port Outlet Shopping	Istanbul	Turkey	Bayraktar Insaat A.S.	2008	V	688,900
Optimum Goztepe Outlet Center	Istanbul	Turkey	Renaissance Construction	2008	M	493,000
Fashion District Valmontone Outlet	Rome	Italy	Fashion District Group	2003	V	484,400
Outlet City Metzingen	Stuttgart (Metzingen)	Germany	Holy AG	1975	N/A	484,375
Optimum Outlet Center Ankara	Ankara	Turkey	Volga Dis	2004	M	457,500
Fashion District Molfetta Outlet	Bari	Italy	Fashion District Group	2005	V	430,600
Fashion District Mantova Outlet	Mantova (Bagnolo San Vito)	Italy	Fashion District Group	2003	V	409,000
Serravalle Designer Outlet	Milan (Serravalle Scrivia)	Italy	Henderson Global Investors	2000	V	402,000
Designer Outlet Parndorf	Vienna (Parndorf)	Austria	Henderson Global Investors	1998	V	401,500

*United Arab Emirates

Source: *2010-2011 VRN Global Outlet Project Directory*

Shinsegae Chelsea's Yeoju Premium Outlets, Seoul, S. Korea

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The fact is, outlet retailing is a distribution channel for brands that allows them to diversify their risks, test new products, liquidate excess goods and become more profitable.

Although brands have operated their own outlet stores near their factories for many decades, it wasn't until purpose-built outlet centers came along – in the 1970s in the U.S. and in the 1980s in Europe – that the distribution channel found stability and a comfort zone. Outlet centers provide brands with an environment that the consumer can trust and enjoy visiting, and outlet-center marketers are brilliant at attracting

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Asia/Pacific Snapshot

- **Number of outlet centers: 31 centers**
  19 centers in Australia and New Zealand
  12 centers in China, Japan and Korea, not including 8 to 10 outlet centers operated by Mitsui due to lack of data
- **Total Outlet Center GLA:** 10.3 million sf
  5 million sf in Australia and New Zealand
  5.3 million sf in China, Japan and Korea
- **Average Outlet Center GLA:** 334,155 sf
- **Average Outlet Center Age:** 8 years old
- **Ownership:** 12 developers own 31 outlet centers
- **Portfolios:** 2 developers – Austexx Property and Chelsea Japan – each own 8 outlet centers and have outlet portfolios of more than 2.6 million sf in Asia/Pacific
- **Phase 1 openings in 2010:** none
- **Planned Phase 1 new construction through 2013:** 18 (13 in China/2 in Australia/2 in Korea/1 in Malaysia) totaling 10.2 million sf

10 Largest Asia/Pacific Outlet Centers

CENTER NAME	CITY	COUNTRY	DEVELOPER	OPENED	GLA
Shanghai Outlets	Shanghai	China (PRC)	Walton Brown Group	2006	1,399,000
Harbour Town Gold Coast	Brisbane (Gold Coast)	Australia	The Lewis Land Group of Companies	1999	640,000
Direct Factory Outlets Canberra	Canberra (ACT)	Australia	Austexx Pty Ltd.	2008	619,200
Kobe-Sanda Premium Outlets	Kobe-Osaba	Japan	Chelsea Japan Co., Ltd.	2007	536,000
FoxTown Factory Outlets Shanghai	Shanghai	China (PRC)	Studio Silvio Tarchini	2006	528,500
Gotemba Premium Outlets	Gotemba	Japan	Chelsea Japan Co., Ltd.	2000	480,000
Harbour Town at Waterfront City	Melbourne	Australia	ING Real Estate Development Australia Pty. Ltd.	2008	441,300
Yeoju Premium Outlets	Yeoju (Seoul)	Korea (South)	Shinsegae Chelsea	2007	415,000
Sano Premium Outlets	Sano	Japan	Chelsea Japan Co., Ltd.	2003	390,000
Direct Factory Outlets South Wharf	Melbourne	Australia	Austexx Pty Ltd.	2002	383,100
TOTALS					**5,832,100 SF**

Source: *VRN Global Outlet Project Directory*

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shoppers on a slim budget. Outlet centers and outlet brands give each other credibility, ensuring that the sector has a long future.

On the following pages are snapshots of the outlet industry's progress around the world. If you would like to comment on the data or ask any questions, please contact me at lhumphers@icsc.org.

Tanger's Tanger Outlets at the Arches, New York

The Americas Snapshot

- **Number of outlet centers:** 192
  179 in the U.S.
  9 in Canada
  4 in Latin America
- **Total Outlet Center GLA:** 69.8 million sf
  67.5 million in the U.S.
  1.6 million in Canada
  692,000 sf in Latin America
- **Average Outlet Center GLA:** 376,951 sf in the U.S./181,787 sf in Canada/173,000 in Latin America
- **Average Outlet Center Age:** 17 years
- **Ownership:** 63 developers own 192 outlet centers
- **Portfolios:** 3 developers – Simon's Premium Outlets, Simon's Mills Corp., and Tanger Factory Outlet Centers – have outlet portfolios of more than 10 million sf; those 3 developers own a total of 110 centers totaling 47.4 million sf
- **Number of outlet center openings in 2010:** 2 in the U.S totaling 668,990 sf
- **Planned Phase 1 new construction through 2013:** 37 (not including 10 to 15 centers planned in Canada by Tanger Factory Outlet Centers and RioCan) totaling 3.5 million to 5.3 million sf
- **Planned conversions of traditional shopping centers to outlet tenancy through 2013:** 10 centers
- **Planned expansions to existing outlet centers through 2012:** 18 expansions totaling 3.9 million sf

Unico's Unico Barranquilla, Colombia

Largest Outlet Centers in the Americas

(non-anchored projects 600,000 sf and larger)

CENTER	CITY	STATE	GLA	DEVELOPER	OPENED
Woodbury Common Premium Outlets	Central Valley	NY	845,000	Premium Outlets/Simon	1985
Orlando Premium Outlets - International Drive	Orlando	FL	775,297	Premium Outlets/Simon	1981
San Marcos Premium Outlets	San Marcos	TX	748,237	Premium Outlets/Simon	1990
VF Outlet Center	Reading	PA	734,000	VF Outlet	1970
Tanger Outlet Center	Riverhead	NY	729,475	Tanger Factory Outlet Centers	1994
Birch Run Premium Outlets	Birch Run	MI	689,232	Premium Outlets/Simon	1986
Camarillo Premium Outlets	Camarillo	CA	674,000	Premium Outlets/Simon	1995
Atlantic City Outlets, The Walk	Atlantic City	NJ	670,000	Cordish Company	2003
Tanger Outlets at the Arches	Deer Park	NY	653,780	Tanger Factory Outlet Centers	2008
Wrentham Village Premium Outlets	Wrentham	MA	616,000	Premium Outlets/Simon	1997
Miromar Outlets, Southwest Florida	Estero	FL	605,537	Miromar Development Corporation	1998

Source: *2010-2011 VRN Global Outlet Project Directory*