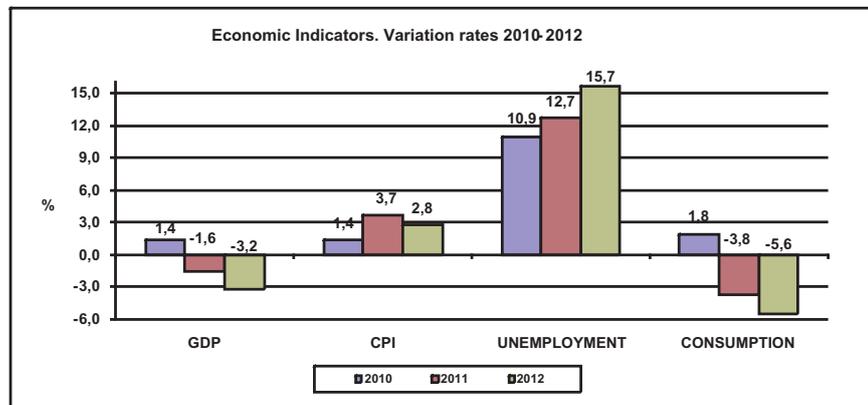


# Shopping Centres in Portugal: Activity Report May 2013

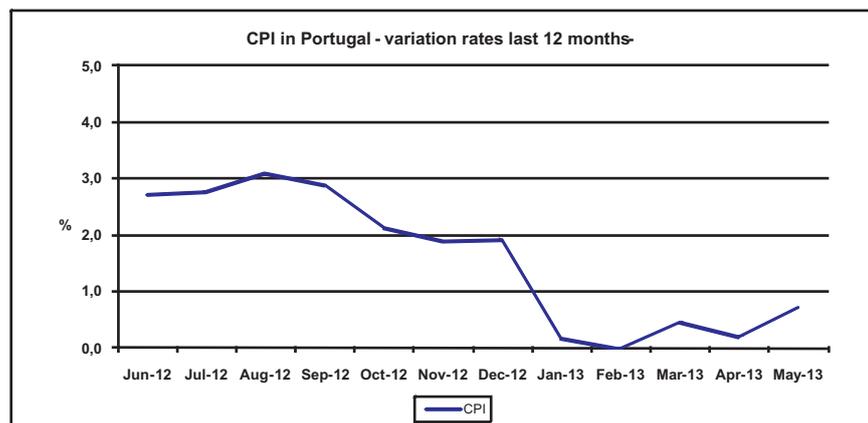
## Economy:

1. **Portuguese GDP** has contracted -3.2% in 2012, according to the National Institute of Statistics (INE), registering the second largest decrease in the European Union, after Greece. EU average was -0.3%. In the first quarter of 2013, according to INE's quick estimate, **Portuguese GDP** fell -3.9%.
2. The **inflation rate** (CPI) was 2.8% in 2012, according to the INE, above the Euro Area (2.5%). In 2013, the monthly variation rates of **CPI** have been lower, between 0% and 1%.
3. The **unemployment rate** was 15.7% throughout 2012, according to the INE. According to Eurostat, in April Portugal's **unemployment rate** has reached a new peak of 17.8%, with youth unemployment reaching 42.3%.
4. **Private consumption** has had a -5.6% variation in 2012, according to the INE. In April 2013, it dropped -3.6%, according to Banco de Portugal.
5. **Retail turnover** had the least negative homologous variation in April from the last twelve months. It varied -2.6%.
6. The **economic climate** indicator has varied -4.0% in 2012, according to the INE. In April the decrease was slightly inferior, -3.6%. The **economic activity** indicator varied -4.1% in 2012 and has since then been having lower decreases; in March of 2013 it varied -2.7%.
7. Portuguese **exports** have increased 5.7% in 2012, according to the INE. Exporting activity has been slowing down since the final quarter of 2012, and in March of 2013 it has grown 0.3%. On the other hand, **imports** have been further decreasing in 2013. In the first quarter, there was a variation of -7.2%. (see Graphs no. 1 and no. 2)

Graph no. 1: Economic Indicators



Graph no. 2: CPI Evolution



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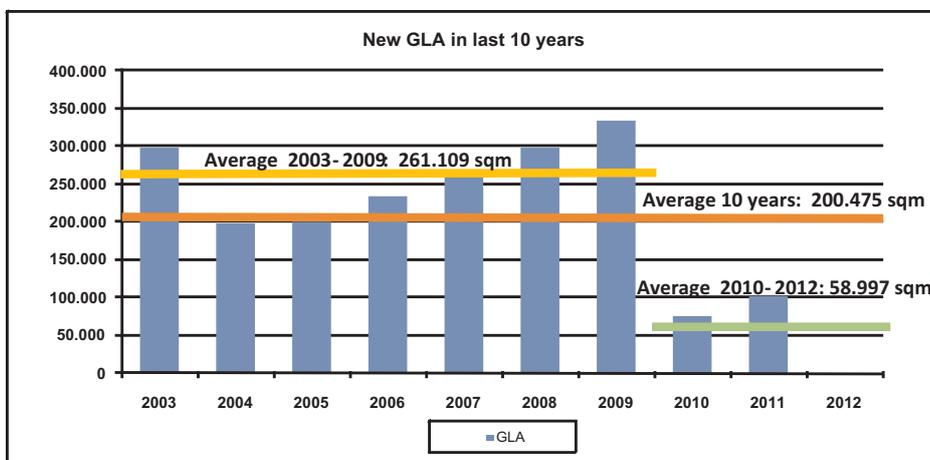
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## Shopping Centre Development Market:

### I. 2012

8. Shopping centre openings have come to a halt in 2012. As it is a market where projects have a long development calendar, which lasts years, it is only natural that there is a time lag between the beginning of the crisis in the economy and in the shopping centre development market.
9. Thus, it was possible that in 2008, when the crisis began, Gross Leaseable Area (GLA) in Portugal increased by 297,800 sqm. In 2009 there were still many openings of shopping centres, with a GLA increase of 333.300 sqm. In 2010 the effects of the crisis were finally visible, as the increase in GLA was only 75.900 sqm and in 2011 the amount of new GLA was 101,090 sqm, slightly surpassing the amount of the previous year. In 2012 there were no openings of either shopping centres or retail parks, and it seems fair to say that the time lag is now over. (see Graph no. 3)

Graph no. 3: New GLA in the last 10 years



### II. Estimations for 2013/2014

10. In 2013, there was an opening in May of the extension of **AlgarveShopping**, developed by **Sonae Sierra**. With 3,000 sqm of new GLA, this shopping centre welcomes new stores by C&A and H&M, increasing GLA to a total 45,500 sqm.
11. For the remainder of the year, only one opening is planned, it is **Évora Shopping** (16,400 sqm of GLA), developed by **Imorendimento**, which will have a LIDL supermarket as its main anchor store.
12. For 2014, the opening of the extension of the Jumbo de Setúbal Shopping Centre has been announced; it will become the **Alegro Setúbal** (40,000 sqm of GLA), developed by **Immochan**. Construction has begun in February of 2013.

### Shopping Centres in operation:

13. **Liberdade Street Fashion** received an award as Best Equipment under the Retail Category for the National Property Awards. This shopping centre stands out due to its open shopping centre concept, and it is located at Av. Liberdade, in Braga.
14. **Forum Sintra** was distinguished at the "Salão Imobiliário de Portugal" (Portugal Property Show) with an award for the best enterprise under the Retail and Services Category. The **Forum Sintra** shopping centre was born out of the extension of the Feira Nova hypermarket (currently Pingo Doce) in Sintra and was developed by **Multi Development**.
15. **Sonae Sierra** inaugurated the first stage of the refurbishment of **Continente de Portimão S.C.** The project's main goal was to modernise and revitalise the inside of the shopping mall. The shopping centre, which has been present in the city for 22 years, has 59 units and 13,500 sqm of GLA.



Forum Sintra

Sintra



Évora Shopping (em projecto)

Évora



Liberdade Street Fashion

Braga



Strada Outlet

Odivelas



C.C. Continente Portimão

Portimão

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Pro Runner



unik



Amorino



Chicco



Equivalenza

16. **Portimão Retail Park** was almost completely destroyed during a fire of major proportions which consumed most of the retail park's medium-sized units. The source of the fire seems to have been a short circuit which then spread to the remaining stores. It is not yet publicly known if there will be a reinvestment for a re-opening of this retail park.
17. Former Odivelas Parque was reinvented into a new concept, and has turned into the **Strada Shopping & Fashion Outlet**. The shopping centre offers a similar atmosphere to a traditional shopping mall, but it provides for discounts and outlet opportunities.
18. According to the Footfall Index, shopping centre affluence has grown in three of the first five months of 2013. Year-on-year variation in May of 2013 was 4.5%, although in April it was negative (-2.3%).

### Information regarding Retailers:

19. The first unit in Portugal dedicated to jogging opened at "Parque das Nações", in Lisbon. **Pro Runner**, a multi-brand store with 620 sq m divided into 3 floors, markets clothing, shoes and sports accessories. Furthermore, at the store there is a cardiofitness studio and it is also possible to have consults about jogging, like for instance nutrition, physiatry, physiotherapy, massage and waxing, in a search for complementarity.
20. **Primark** opened its sixth store in Portugal, at the **Forum Coimbra Shopping Centre**. The unit has 1,800 sq m of GLA and it is the first by the Irish Fashion Chain on the Centre Area of Portugal. Soon it will open its seventh store, in Lisbon, at the **Colombo** shopping centre.
21. After openings at **Colombo S.C.**, **Almada Forum S.C.** and 5 de Outubro Avenue, **GSM Group** (former TB Store) opened a new **Apple Premium Reseller** store at **Amoreiras Shopping Center**, thus strengthening its position as the largest Apple specialists in Portugal. The unit has 115 sq m of GLA.
22. **Asics/Onitsuka Tiger**, the Japanese brand of sports shoes, has opened a new store in Portugal, specifically at the **Freeport Outlet**, in Alcochete. The unit has a total area of 237 sq m.
23. **Unik** opened its first store at the Greater Lisbon area, specifically at the **Continente de Loures Shopping Centre**. **Unik** has a 90 sq m unit and it markets the latest tendencies in fashion and accessories, with a trendy desing and affordable prices.
24. **Amorino**, the icecream chain, has opened its first store in Portugal, at Rua Augusta, in Lisbon. The chain was founded in 2002 and has 78 stores, most of them located in Europe.
25. **Chicco** opened its 37th store in Portugal, at **Serra Shopping**, in Covilhã.
26. **Equivalenza** has opened its first store at Greater Oporto, more specifically at the **Parque Nascente Shopping Centre**. This Spanish chain is specialized in perfumes, personally designed for Men, Women and Children, and it has more than 100 stores in Spain, Portugal and Morocco.
27. **Lefties** has refurbished its store at **Vila do Conde The Style Outlets**. The **Inditex Group** brand has extended its GLA to 1,500 sq m and inaugurated this new store concept, already tested in Spain, in Portugal.
28. **Marella**, the Women Fashion brand by **Max Mara Group**, opens its first store in Portugal, at Rua Castilho, in Lisbon.
29. **Bata** has advanced the process of closing down all of the 26 shoes stores they had in Portugal. This process included the layoff of the 146 workers that worked at those stores.
30. **Sports Direct** has opened a new medium-sized unit at the **Dolce Vita Tejo Shopping Centre**, in Amadora. The unit has 2,000 sq m of GLA.
31. The **Prébuild Group** has inaugurated the largest **IZIBuild** store in the country. The unit has more than 3,000 sq m of total area and is located in Oeiras.
32. Modalfa will be substituted by **MO**, the new fashion brand which will occupy the current units held by Modalfa stores.
33. The men's fashion brand **Forecast** has opened its first outlet store, at the **Freeport Outlet**, in Alcochete.

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- 34. **KNOT**, the children's fashion brand, opened a new store at **CascaShopping**.
- 35. **Unzè Shoes** opened its first store in Portugal, at the **Dolce Vita Tejo Shopping Centre**, in Amadora.
- 36. **Miu Miu**, an Italian luxury brand, has also opened its first store in Portugal, at Avenida da Liberdade, in Lisbon. The unit has 450 sq m.

### Investment Market:

- 37. The retail investment market continued to have low activity during 2012. Access to financing is still very difficult, and furthermore the expectation that yields will go up in the short term exists, which leads to a restrained position by investors. During the first quarter of 2013 a reactivation of the market was not yet felt.
- 38. On the other hand, the macroeconomic scenario also has consequences over foreign investment, leading to its withdrawal from our market, which has also contributed to low volumes of property investment.
- 39. **Sonae Sierra** has acquired 50% of **CascaShopping** from a Fund managed by **Rockspring Property Investment Managers**. The shopping centre has 73,500 sq m of GLA, over 200 stores, 7 cinema screens and around 4,000 parking spaces.
- 40. The Spanish chain of supermarkets **Dia%** (owner of the Minipreço chain in Portugal) has acquired the business of German group **Schlecker** in Portugal and Spain. With this operation, which amounts to 70.5 million Euros, **Dia%** incorporates to its company a network of 41 stores in Portugal and 1,127 in Spain, plus four distribution centres, one of which is in Portugal. The units have an average area of 150 sq m.

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