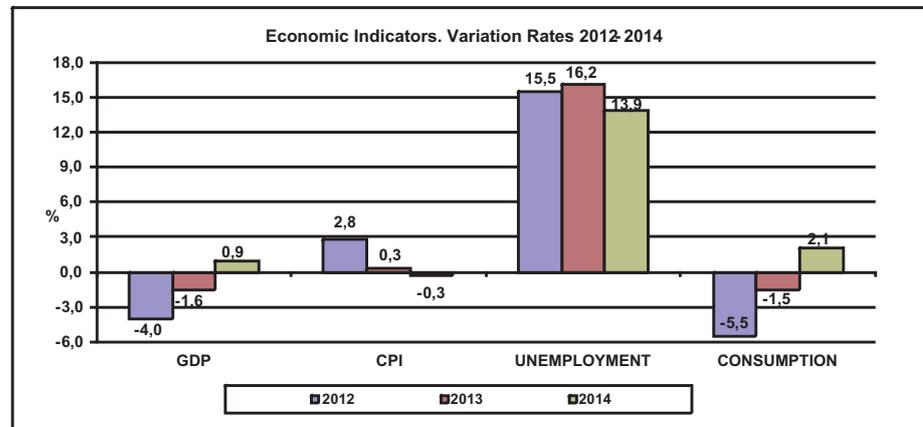


# Shopping Centres in Portugal: Semestral Activity Report April 2015

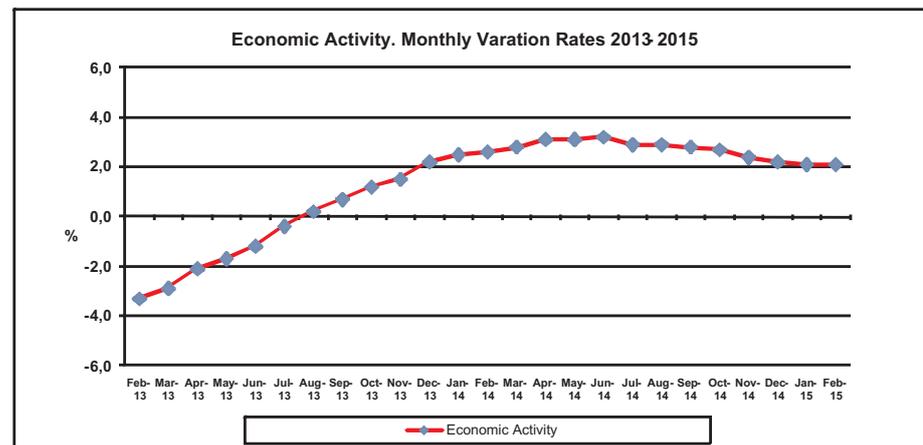
## Economy:

1. **Portuguese year-on-year GDP** had a positive growth rate in 2014, which had not happened since 2010. It grew 0.9%, according to the National Statistics Institute (INE). In the European Union, GDP growth was slightly higher, with an average of 1.3%. (see Graph no. 1)
2. In 2014 there was a slight deflation in Portugal. The **inflation rate** was -0.3% for the entire year, according to the INE. (see Graph no. 1)
3. **Unemployment** has also been decreasing and the rate was 13.9% in 2014, according to the INE. (see Graph no. 1)
4. **Private consumption** has reached positive growth rates, which had not occurred since 2010, also according to the INE. During 2014 it grew 2.1%. (see Graph no. 1)
5. The **Retail Index** has had a slightly positive average variation in 2014, according to the INE. Excluding fuels, the average year-on-year variation rate was 1.0% in 2014. In January 2015 year-on-year variation rate was 1.9%.
6. The **economic activity** indicator grew 2.8% in 2014, according to the INE. In January and February of 2015 (the last available data) it presented the same growth rate, 2.1%. (see Graph no. 2)
7. Portuguese **exports** grew 3.4% in 2014, presenting a lower growth with respect to 2013. Conversely, **imports** have accelerated their growth. The growth rate was 6.4% in 2014.

Graph no. 1: Economic Indicators last 3 years



Graph no. 2: Economic Activity Indicator Evolution



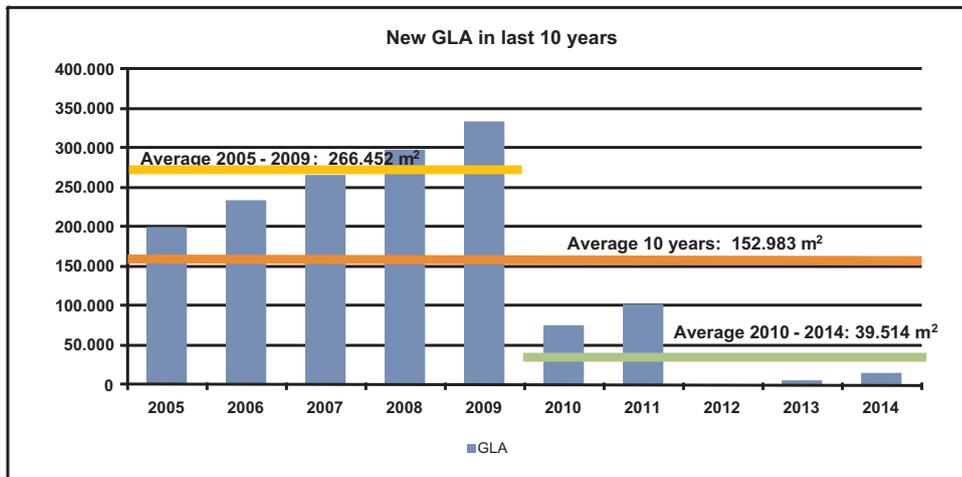
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## Shopping Centre Development:

8. Shopping centre development has not yet been reactivated in Portugal. The economic crisis which began in 2008, and was felt in terms of development from 2010, together with the maturity of the Portuguese market, are the main reasons for this current state of play.
9. As predicted in our last Report, there was just one shopping centre opening during 2014 in Portugal.
10. This shopping centre is **Alegro Setúbal** (41,200 sq m of GLA), which is the extension of the existing Jumbo de Setúbal S.C. Developed by **Immochan**, it has retailers such as **Mango, H&M, Fnac, SportZone, Lefties, Bershka, Zara, Stradivarius, Pull & Bear** and many others, in a total of 115 units.
11. With this opening, 2014 has surpassed the two previous years, which had little or no new GLA. (see Graph no. 3)

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



12. The tables presented in our last Report with the projects planned for the upcoming years remain the same. There are 6 projects under development, some of which have begun construction, but the opening dates are more or less unpredictable at this time. There are 4 new openings and 2 extensions of existing shopping centres planned. Two of these projects are yet to have a new developer, after the assets having been sold off to banks. At this time, what will happen to those specific developments is yet to be known. (see Tables no. 1 and no. 2)

Table no. 1: Planned Opening for the following years

Shopping Centre	Location	Developer	GLA (sqm)	Opening Date
Algarve The Style Outlets	Faro	Neinver	23,500	n.d.
Dolce Vita Braga (provisional name)	Braga	Caixa Geral de Depósitos	50,000	n.d.
Évora Shopping	Évora	BES	16,400	n.d.
Inter Ikea Algarve	Loulé	Inter Ikea Group	90,000	n.d.
<b>Total Openings Upcoming Years</b>		<b>4</b>	<b>179,900</b>	

Table no. 2: Planned Extensions for the following years

Shopping Centre	Location	Developer	Opening Date	GLA (sqm)		
				Extended	Initial	Total
Forum Algarve	Faro	Multi Development	n.d.	15,000	40,000	55,000
Oeiras Parque	Oeiras	Mundicenter	n.d.	3,000	34,500	37,500
<b>Total Extensions Upcoming Years</b>		<b>2</b>		<b>18,000</b>	<b>74,500</b>	<b>92,500</b>

## Shopping Centres in Operation:

13. In the last few months of 2014, the retail supply of **Mar Shopping**, in Matosinhos, went through transformations. The shopping centre developed by the **Inter Ikea Group** opened six new stores: **Naturapura, Superdry, Gardénia, Sumo Pontífice, Bairro Arte** and **Tiger**. Other stores relocated to larger units (**Tiffosi** and **Pandora**) and **Shopping à La Carte** went from pop-up store to permanent store.



Alegro Setúbal Setúbal



Forum Algarve Faro



Braga Parque Braga



Mar Shopping Matosinhos



Forum Castelo Branco Castelo Branco



Hackett London Av. Liberdade, Lisboa



Pinko Passeio dos Clérigos, Porto



Guess Chiado, Lisboa



Asics Centro Colombo, Lisboa



Padaria Portuguesa Amoreiras S.C.

14. **Forum Castelo Branco** has also strengthened its retail supply. During 2014, stores like **Pluricosmética**, **Exgame**, **Celeiro da Saúde**, **Science4You**, **Happy Grill**, **Trincanela Restaurante** or **Taska das Bifanas** were added to the retail mix.
15. The shopping centre **Braga Parque**, developed by **Mundicenter**, has strengthened its retail mix with the opening of new stores: **Fitness UP**, for practising sports, the Danish **Tiger** and two new restaurants, **Italian Republic** and **Ris8tto**.

### Information regarding Retailers:

16. English Clothing brand **Hackett London** has opened its first store in Portugal, specifically at **Av. Liberdade**, in Lisbon. The opening of this new store is in line with their strategy, which plans to open own stores in main cities throughout the world.
17. The Italian **Pinko** has also opened its first store in Portugal, in Oporto, specifically at the **Passeio dos Clérigos**, a pedestrian and partially covered retail space that rose from the refurbishment of the old Praça de Lisboa. The new unit has an area of 226 sq m.
18. German Luggage brand **Rimowa** recently opened a new mono brand store at **Avenida dos Aliados**, in Oporto. The new store has an area of 150 sq m, and it is the second of its kind in Portugal, the first one being the one at **Av. Liberdade**, in Lisbon.
19. Also at **Av. Liberdade** the new store by Brazilian designer **Juliana Herc** opened. The high end Clothing store has 260 sq m.
20. The American **Guess** has a new store in Chiado, at **rua Garrett**, in Lisbon. **Guess** was already present in Lisbon with 4 own stores in shopping centres, and now begins to open its first street shops.
21. The first flagship store by **ASICS** in Portugal opened at **Centro Colombo**, in Lisbon. The store, divided in two, presents collections regarding jogging and a portion devoted to lifestyle, through sub brand **Onitsuka Tiger**.
22. **MO**, the Portuguese Clothing chain, opened its first shopping centre store under its new concept at **Forum Sintra**. With this opening, the brand has 25 refurbished stores under the new concept, in a total of 113 units throughout the country.
23. **Eureka Shoes** opened its first store in Madeira, expanding its chain to 26 shoe stores in Portugal. The elected unit is located at the **Forum Madeira** shopping centre.
24. **Reebok** opened in Lisbon the first store in the Iberian Peninsula exclusively dedicated to CrossFit. Named 'Yellow Adventure', the unit specialises in CrossFit training equipment and supplies clothing lines for fitness, running, dance and yoga.
25. **Fnac** has elected Portugal to inaugurate its new worldwide store concept, at **Oeiras Parque**. The new concept is distinguished by a strong innovation and technology component, which aims to facilitate the shopping experience and the waiting period for clients, changing the relationship with consumers. This flagship store will have 2 floors and a total of 1,900 sq m.
26. **Atelier da Cortiça** has opened a pop up store in Lisbon, at the **Atrium Saldanha** shopping centre. So far, the Portuguese brand specialising in Fashion accessories mostly handmade from cork had chosen to present itself only at events and annual fairs.
27. **Vista Alegre Atlantis** has opened new stores in Funchal and in Viseu, at the **Palácio do Gelo** shopping centre. Both stores market products by Vista Alegre, Atlantis and Bordallo Pinheiro, coming from branches like art, architecture, industrial design and graphic design.
28. Sonae has launched the brand **ZU**, a new specialised retail format in goods and services for cats and dogs. The first unit opened on the gallery of the **Continente de Matosinhos**.
29. **DeBorla** opened a new store in Lagoa, with around 1,700 sq m. This is the 21<sup>st</sup> opening in Portugal by this chain.

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30. **Refan**, the Perfume and Natural Cosmetics franchise, inaugurated six new stores in Portugal: Lisbon, Estremoz, Quinta do Conde, Braga (2) and Espinho are the cities. The brand now has 45 units opened in Portugal, including these new openings.
31. **Starbucks** opened its ninth store in Portugal, at **El Corte Inglés** in Lisbon. This opening is part of a collaboration agreement between the brand and El Corte Inglés in Spain and Portugal.
32. **A Padaria Portuguesa** opened its first store at a shopping centre. The elected unit is at the **Amoreiras Shopping Center**, in Lisbon.

### Investment Market:

33. The retail investment market was reactivated in Portugal during 2014. There were transactions for over 500 million Euros throughout the year, an amount significantly above the amounts of previous years, although quite far off from the amounts reached before the crisis, such as, for example, 950 million Euros in 2007.
34. Foreign investors are demonstrating confidence in the Portuguese market and were responsible for the majority of acquisitions. Out of the operations concluded during 2014, the highlights are:
35. The acquisition of 50% of **AlbufeiraShopping** and of the **Continente de Portimão S.C.** by **Sierra Portugal Fund** from **GREP II**, which is managed by **Grosvenor Fund Management**;
36. The sale by **Immochan** of 50% of the company which owns the commercial gallery inside the **Alegro Alfragide S.C.** The buyer was the **Alaska Permanent Fund**, which concluded its first operation in Portugal;
37. **Freeport Outlet**, in Alcochete, sold to **VIA Outlets**, a trust owned by the British **Hammerson** and partners **APG**, **Meyer Bergman** and **Value Retail**. This operation included two other retail assets located in Sweden and the Czech Republic, all sold by the **Carlyle Group**.
38. **Dolce Vita Tejo**, the largest shopping centre in Portugal, located in Amadora, sold by **Chamartín** and **ING**, which both held 50% of the asset, to **Eurofund Investments** and the **Baupost Group**. The shopping centre is now managed by **Pragma Management**.
39. Prime shopping centre yields continue to decrease slightly, and are now below 6.5%.

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