The retail and entertainment sector is one of the most dynamic in the real estate industry. ULI Europe’s Retail and Entertainment Council examines all aspects of ownership and operation in this sector, from shopping centres, high street shops, and out-of-town retail parks to restaurants, cinemas, and concert venues. Through a programme of events and original content, the council draws ideas from both established best practices and emerging trends to provide members with insights into the retail and entertainment market.

At their Berlin meeting in January 2018, The Council was hosted by Linklaters. The day began with an overview of the retail and investment market in Berlin and Germany, before moving on to a series of presentations from food and beverage (F&B) and leisure operators. In the afternoon, the Council learned about the impact technology is having on the retail and entertainment sector.
Retail investment market in Berlin and Germany

Jan Dirk Poppinga, CBRE
Jan gave an overview of the retail and investment market in Berlin and Germany. The big question on the table was the future of e-commerce retail. Which city will attract retail start-ups? Despite Berlin being an attractive young city, there is more capital available in other German cities.

Key takeaways:
- In 2017, Germany’s retail turnover online and offline was €501 billion – the best ever.
- The retail investment turnover was €14 billion in 2017.
- Retail warehouses received the most retail investments in 2017.
- Berlin is the retail powerhouse of Germany and also known as the start-up haven. 10 out of 15 trendy start-ups in Germany are based in Berlin.
- The city’s infrastructure is built for 4 million people but it is facing a housing challenge.
- Berlin has 12.7 million tourists, an increase of 80% from 1996, but lacks the airport capacity to accommodate this.

F&B Case Study

Mario Bauer, Vapiano
Vapiano is a European fast food leader in Germany and beyond. Vapiano is considered to be the epitome of the young and promising ‘Fast Casual’ concept: fresh, fast and fine. Mario explained Vapiano’s strategy and why it differs from other F&B companies.

Key takeaways:
- Most companies grow in their home country first before going abroad. While Vapiano has a strong base in Germany, it grew internationally much earlier than other F&B companies.
- Despite only being 15 years old, the Vapiano brand is established in all continents, with over 200 Vapianos in 33 countries. They aim to have 330 restaurants by 2020.
- In Germany many restaurants achieve frequencies of 1,000 and more guests every day. In other countries 600 to 700 visitors a day counts as a success. An average of 500 visitors per day is the norm.
- Mario also revealed his latest venture, Curtice Brothers. This is an organic tomato ketchup brand, with a USP of a healthier and more tasteful ketchup originating from Tuscany.

“The word of the year is ‘disruption’”

“The greatest challenge of international expansion is to preserve the authenticity of the brand while taking specific local requirements into account at the same time.”
F&B Case Study

Christian Bellander, O’Learys

O’Learys is a well-known informal restaurant in the style of a Bostonian neighbourhood bar. They offer diners a complete experience of sports, American food, drinks and friendly atmosphere with music and other forms of entertainment. Christian shared the O’Learys sports bar concept and strategy with the council.

Key takeaways:

- O’Learys first started in Scandinavia and are extremely popular there.
- They have over 130 restaurants all over the world, with 20 more opening in 2018.
- More than four million guests visit an O’Learys every year.
- They invest in busy and easy accessible locations with event and entertainment amenities nearby such as bowling, laser tag, arenas, hotels, travel locations (such as train stations and airports), shopping centres, city centres and other flow modes.
- Having entertainment nearby leads to 23.5% higher sales per seat, 13% increased dwell time and 7.6% higher F&B sales per square meters in the restaurant.
- It is easy to build something from the ground, but the bottle neck is to find the right people. Council members were in agreement that when establishing your franchise abroad, it is difficult to find the right people.

Technology & Multi Media in Retail

Edgar Breed, MediaMarkt

MediaMarkt is Europe’s largest retailer for consumer electronics. Edgar shared its success story with the council.

Key takeaways:

- MediaMarkt has over 1,000 stores in 15 countries. Much of their growth is online which currently accounts for 11% of total sales but local bricks-and-mortar stores are still key to their business.
- More than 40% of their online purchases are picked up in store.
- ‘One size fits all approach’ does not apply anymore. Understanding the customer journey, needs and wants is key.
- To accommodate the changing retail environment and digital disruptions, smaller stores format is the answer.
- While expansion of smaller stores is ongoing, partnerships are required to exchange data and offer flexible leases.

“Different locations need individual customization of small store formats”

Technology in Shopping Centres

Edouard Detaille, Edouard Detaille Consulting

Edouard Detaille talked about the impact of technology and the digital revolution on the retail industry.

Key takeaways:

- 7.5 billion people have a mobile phone. Wifi and socket chargers will be imperative to the future of shopping centres.
- Data is an important asset for shopping centres. Keeping on top of and analysing the huge amount of data produced by visitors each day on your store, centre or portfolio allows you to ensure you are maximising your revenue and running your centre efficiently.
- There is growing retail trend where e-commerce operators such as US-based Amazon and China-based Alibaba are opening futuristic cashless retail stores as part of their new retail strategy.
- While technology is welcomed, cyber attacks are viewed as one of today’s most prominent threats and still largely overlooked within the retail sector. 77% of all companies were hit by some sort of cyber-attack in 2017. Unibail Rodamco already has appointed a former military commander for safety and engineering and organisations are now taking cybersecurity seriously as they employ cybersecurity experts in house.
Members and guests of the Council

Co-Chairs
Marije Braam-Mesken, CBRE Global Investors Europe
Chris Igwe, Chris Igwe International

Michael Alberts, Heuking Kühn Lüer Wojtek
Mario Bauer, Vapiano and Curtice Brothers
Justin Beavis, Urban Adventure
Vincent Bechet, Inowai Group S.A.
Christian Bellander, O’Learys Bar & Restaurant
Edgar Breed, MediaMarktSaturn Retail Concepts
Edouard Detaille, Edouard Detaille Consulting
Peter Heftrich, PATRIZIA Netherlands BV
Bernd Knobloch, Continuum Capital Investment Management
Herman Kok, Meyer Bergman
Claes Konig, O’Learys Bar & Restaurant
Tassos Kotzanastassis, 8G Capital Partners Limited

Aref Lahham, Orion Capital Managers LLP
Wilson Lee, Cale Street Partners
Carsten Loll, Linklaters LLP
Christian Luft, Valuation Advisory JLL
Todd Lundgren, Callison RTKL-UK
Ross MacDiarmid, Bruton Capital
Rory Mepham, Newbridge Poland
Alexander Otto, ECE Projektführung GmbH & Co. KG
Jan Dirk Poppinga, CBRE
Helen Rainford, Aviva Investors
Herculano Rodrigues, Javelin Group
Will Rowson, Hodes Weill & Associates
William Sebring, STIR Architecture
Maciej Zajdel, Kulczyk Silverstein Properties
Jon Zehner, LaSalle Investment Management

About ULI Europe

The Urban Land Institute is a global, member-driven organization comprising more than 40,000 real estate and urban development professionals in 76 countries dedicated to advancing the Institute’s mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. In Europe, we have over 3,000 members.

European Councils are forums for industry leaders to meet, exchange ideas, share best practices and foster thought leadership in their specific sector of the real estate market. Consisting of a genuinely international membership, the councils provide a unique platform to learn from peers in the same sector who are operating in different geographical markets, as well as help shape the future of pan-European real estate.

Join us today

The success of ULI’s Product Councils relies on the active participation of our senior executive full members. If you would like to share your expertise and be involved in shaping the future of real estate in Europe, please contact the relevant Chair or Jacqui Collins at jacqui.collins@uli.org for information on applying to join a Council.

https://europe.uli.org/join