

## Press Release

Date  
February 18, 2009

Press contact:  
Cornelia Lichtner

Tel. +49 (0)7251 9295270  
Fax. +49 (0)7251 9295290

E-mail  
c.lichtner@gfk-geomarketing.com

GfK GeoMarketing GmbH

www.gfk-geomarketing.com  
info@gfk-geomarketing.com

Bruchsal headquarters:  
Werner-von-Siemens-Str. 9  
Building 6508  
76646 Bruchsal  
GERMANY  
Tel. +49 (0)7251 9295100  
Fax +49 (0)7251 9295290

Hamburg office:  
Hans-Henny-Jahnn-Weg 53  
22085 Hamburg  
GERMANY  
Tel. +49 (0)40 2271120  
Fax +49 (0)40 2277282

Nuremberg office:  
Nordwestring 101  
90319 Nuremberg  
GERMANY  
Tel. +49 (0)911 3952509  
Fax +49 (0)911 3954054

Management Board:  
Olaf Petersen  
Wolfram Scholz  
Dr. Eberhard Stegner

Mannheim County Court  
HRB 250872  
Ust-ID: DE 143585033

# "Shopping centers are 'pillars of strength' in these troubled times," says Manuel Jahn, GfK real estate expert

**In a white paper on the real estate investment scene, Manuel Jahn indicates that well-known mutual and institutional funds plan to significantly increase their investment in retail real estate in the coming months. Above all else, the shopping center segment is forecasted to develop in a positive direction despite the current financial crisis. The outlook is particularly good for Germany, whose stable retail conditions make shopping centers a reliable investment.**

Manuel Jahn, expert on investors and financiers in GfK GeoMarketing's Real Estate Consulting division, argues that the current financial crisis has not negatively affected all sectors. Certain areas of the retail real estate sector actually offer opportunities for growth. This is especially true in the case of shopping centers, according to Jahn: "Amidst the tumultuous waters of the present crisis, owners, banks and tenants can look to one particular investment area that continues to chart a steady course: the German shopping center."

Manuel Jahn notes here that rental income and retail turnover have been growing by one to one-and-a-half percent in good shopping center portfolios. According to Jahn, the current theoretical fair values at six percent mean that investors can hold the course and wait for better times. However, Jahn issues a warning to bargain hunters: Because demand for core investments among financial groups is a top priority, the premium market continues to be characterized by scarcity. A price decline is not to be expected even despite the ongoing financial crisis.

The real estate expert argues that good shopping centers represent sustainable, reliable investments in this time of crisis, given their relatively affordable monthly rent of around 20-25 euros/m<sup>2</sup> – particularly in comparison to prime retail locations in city centers, which can cost hundreds of euros per square meter. This is true not only for

the companies who operate out of these locations, but also for the financiers and investors for whom these properties generate a continual stream of capital.

Jahn concludes that if certain location, concept and management criteria are met, shopping centers offer sustainable investment opportunities and reliable cash flows even amidst the currently plunging branch and market indices. He also issues a reminder regarding the cause of the current financial and real estate crisis: During the real estate boom, real estate objects with failing or outmoded concepts, poor location profiles or other problems were often inconspicuously "buried" in larger portfolios and then sold to inexperienced investors at inflated prices. To avoid repeating these mistakes, Jahn emphasizes the importance of arranging for a professional assessment of the relevant criteria that impact on the real value and future success of a given real estate object.

Manuel Jahn is particularly optimistic with regard to the outlook for German shopping centers: While Spanish, Polish and Turkish shoppers spend between 35 and 56 percent of their disposable income in retail venues during prosperous periods, the notoriously frugal German consumers devote only around 28 percent of their disposable income to retail expenditures. "While these once enthusiastic shoppers abroad are now forced to tighten their belts, German consumers have long since already done so, meaning that further cuts in spending among Germans are not likely." Additionally, the substantial government benefits enjoyed by Germans – in contrast to many other European countries – help to guard against a steep decline in consumption.

**Questions and requests** for an interview or additional information on Manuel Jahn's retail real estate assessment should be directed to Cornelia Lichtner, Public Relations, GfK GeoMarketing at [c.lichtner@gfk-geomarketing.com](mailto:c.lichtner@gfk-geomarketing.com) or +49 (0)7251 9295270.





**Graphics in print-quality resolution** can be found at [www.gfk-geomarketing.com/rec\\_paper\\_sc](http://www.gfk-geomarketing.com/rec_paper_sc).

#### **About Manuel Jahn**

Manuel Jahn works as a real estate and investment consultant and heads GfK GeoMarketing's investors and financiers division. He has been with GfK GeoMarketing since 2004 and has extensive knowledge of retail real estate, honed over the course of carrying out hundreds of Europe-wide location and real estate object appraisals.

### **About GfK GeoMarketing**

GfK GeoMarketing is one of the largest providers of geomarketing services in Europe for customers and users from all branches of trade. Key business areas include:

-  Consultancy
-  Market data
-  Digital maps
-  RegioGraph and DISTRICT geomarketing software solutions

GfK GeoMarketing is one of the leading independent providers of consultancy services in the area of real estate and location research. The company produces studies and reports for customers from the retail, public authority, investment, banking and project development sectors.

GfK GeoMarketing is a subsidiary of the globally active GfK Group. Ranked fourth among the world's market research institutes, the GfK is represented by approximately 10,000 employees belonging to more than 115 subsidiaries located in 100 countries.