



Opportunity knocks!

Arne Bongenaar

Managing Director

The ACTEEUM Group

Marcus Evans, 18-19 Sept 2006, Prague



Opportunity knocks!

- But where exactly?
- When?
- How to respond?
- With whom?



Content

1. The ACTEEUM Group
2. CE market history
3. Maturing market: Prague
4. Emerging market: Kyiv
5. 'Emerging market': Istanbul
6. Lessons for developers and investors



1. The ACTEEUM Group

- Privately owned development group
- Established May 2006
- Working in C/SE Europe and Turkey
- Team of 15 persons (from TK, ECE, Multi, Ahold, Carrefour)
- Developing 20 shopping centers for MEL



1b. The ACTEEUM Group Strategy and focus

- Identify sites in emerging markets for three different products:
 - Dominant regional shopping centers
 - Neighborhood centers
 - Retail parks



1c. The ACTEEUM Group Strategy and focus

- Assess catchment area
- Investigate (potential) competition, both market based and suicidal
- Either buy land or team up with owner
- Early cooperation with anchor tenants
- Long term post-completion involvement



2. CE Market History


- Today's issues in countries like Czech Republic, Poland, Hungary, Slovakia, Slovenia, The Baltic:
- Tight 'sellers' market
- High rents situation of 2000-2003 resulted in questionable sustainability of cash flow
- 2000-2006 yield compression from 12% to 6% provided relief




3. Maturing market: Prague

- The example of Prague:
 - First development in early nineties
 - Big boxes, simple malls
 - Late nineties: sophisticated malls
 - Early 2000: filling in the blank spots
 - Yield compression, investors' rush, first casualties





 Letnany

 Cerny Most


 Sestka


Novy Smichov **prague** Vinorady **Flora**


 Carrefour Eden

 Stodulky

 Zlicin

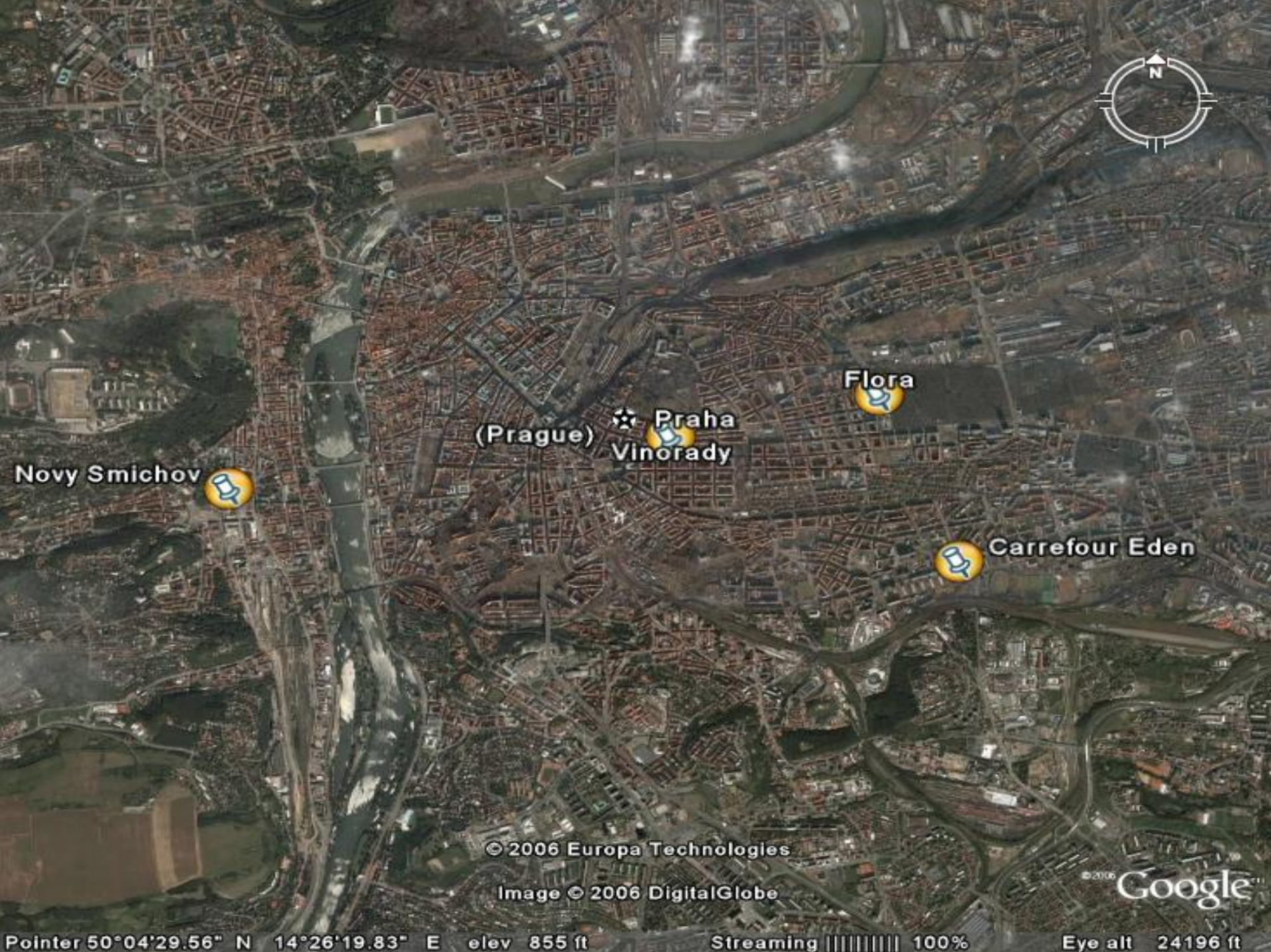
 Optima Butovice

 Chodov

 Pruhonice

© 2006 Europa Technologies
Image © 2006 TerraMetrics
Image © 2006 DigitalGlobe

© 2006 **Google**



Novy Smichov



(Prague)

Praha
Vinorady



Flora



Carrefour Eden



© 2006 Europa Technologies

Image © 2006 DigitalGlobe

© 2006 Google™



Letnany



Cerny Most

© 2006 Europa Technologies
Image © 2006 TerraMetrics
Image © 2006 DigitalGlobe

© 2006 Google™

Pointer 50°08'09.05" N 14°33'21.24" E elev 883 ft

Streaming ||||| 100%

Eye alt 33397 ft



Chodov



Pruhonice



© 2006 Europa Technologies
Image © 2006 TerraMetrics
Image © 2006 DigitalGlobe

© 2006 Google™

Pointer 50°01'08.63" N 14°32'00.42" E elev 976 ft

Streaming ||||| 100%

Eye alt 28580 ft



3b. Prague Lessons

- Forget about location, location, location
- Instead be:
 - fast
 - big
 - different
 - preferably all three



4. Emerging market: Kyiv

- No serious shopping center today
- Stand alone hypers, bazars, small centers
- No international retailers
- Sites incredibly expensive
- Future excess capacity prepared today

5. 'Emerging Market': Istanbul

- The example of Istanbul:
 - Strong local retailers
 - First mixed use developments early nineties
 - Construction companies as developers
 - 2001 financial crisis stopped everything
 - 2004 entrance of international developers
 - Fight for the sites, incredibly expensive
 - Yield compression, investors' rush, first casualties



Karacaköy



İstanbul

Arnavutköy

Çatalca

Sarıyer

Beykoz

İstanbul

Üsküdar

Çekmece

No

Esenyurt

Mahmutbey

İstanbul

Fatih

Umraniye

Küçükçekmece

Üsküdar

Samandıra

Zeytinburnu

Kadıköy

Bakırköy

Kartal

Pendik

Büyükada

Gebze

Darıca

Körfe

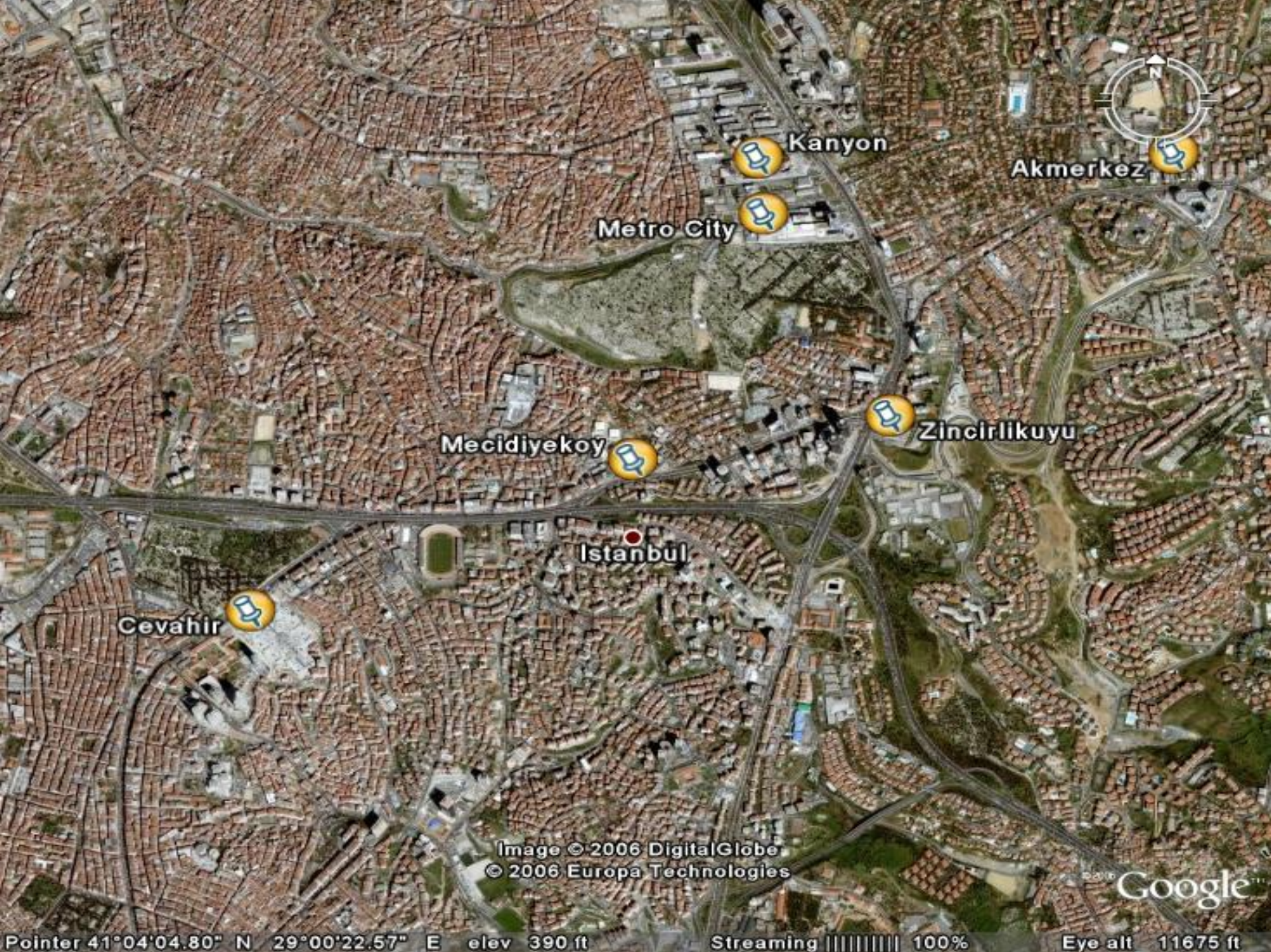
© 2006 Europa Technologies
Image © 2006 TerraMetrics

© 2006 Google™

Pointer 41°03'54.72" N 29°03'27.61" E elev 147 ft

Streaming 100%

Eye alt 55.21 mi



Kanyon

Akmerkez

Metro City

Mecidiyekoy

Zincirlikuyu

Istanbul

Cevahir

Image © 2006 DigitalGlobe
© 2006 Europa Technologies

Google™

Pointer 41°04'04.80" N 29°00'22.57" E elev 390 ft

Streaming ||||| 100%

Eye alt 11675 ft



5b. Istanbul lessons

- Shopping center development is a profession!
- Yield compression can go faster than CE
- Casualties will be just as big or bigger
- Be fast, big or different



6. Overall lessons

- Opportunities are not limited to so-called 'emerging markets'.
- Product identity is crucial:
 - What is your edge in today's' market
 - And in the future's market
- Tribute to old fashioned market research
- We can help you