

EVALUATING SHOPPING CENTRES

From an Investor's Perspective

NEWSEC

The Full Service Property House

Lars Backemar, Newsec AB

LARS BACKEMAR

SENIOR CONSULTANT

- 25 years experience from the Shopping Centre Industry
 - Consultant - Jones Lang LaSalle - Management, project development and leasing
 - Property Company - NK Cityfastigheter/Hufvudstaden, Property Manager and MD NK
 - Consultant - Centrumutveckling/CentrumInvest
- 30 years total experience from retail
 - Swedish Retail Federation
 - ICA, The largest food retailer in Sweden
- Misc.
 - Boardmember Swedish Town Center Federation
 - Chairman at retail conferences and speaker
 - Nordic School for Advanced Centre Management
 - ICSC, Public Affairs



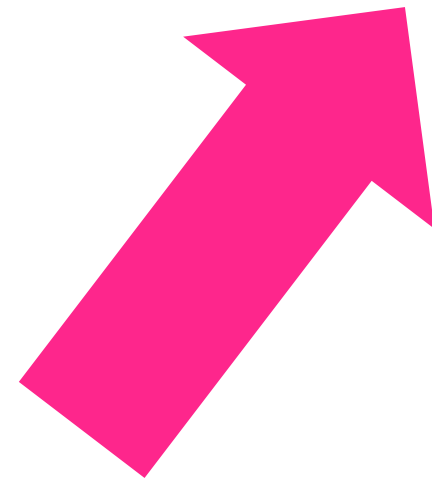
- *The Full Service Property House* in Northern Europe
- 700 specialists employed
- Largest research department in the Nordics
- Real Estate Advice, Transactions, Asset Management
- Newsec Retail
 - Advice
 - Research, market analysis
 - Conceptual development
 - Leasing
 - Asset Management/Shopping Centre Management
 - Investment analysis
 - Transactions

- Offices
- ◇ Local Offices
- △ Representative Offices
- Partners



RETAIL INDUSTRY TO THE END OF 2008

- A decade of growth in private consumption
- Strong growth in new Shopping Centres and retail space
- International investors entering the market
- Strong demand for new Shopping Centre investments
- Easy to finance
- Higher rents
- Yield decrease, higher prices for Shopping Centres
- Stronger competition



WHAT HAPPENS NOW?

- Whats in the future?
- Changing market conditions!
- Consumer spending is falling
- Retailers are struggling with lower turnover
- Rents are decreasing
- Financing problems
- Change in consumer behaviour
- Lower return and falling property values
- Need for more professional management
- Winners and losers?



WHAT'S UNIQUE WITH A SHOPPING CENTRE?

- The value of a shopping centre is not based solely on bricks and mortar
- It all comes down to creating high footfall
- The strengths lie in soft values
 - Attractiveness
 - Tenant-mix
 - Pleasant environment
 - Branding



SHOPPING CENTRE DIAGNOSIS

A TOOL TO MAXIMISE RETURN

- In today's market it's crucial for real estate owners to understand the strengths and weaknesses of their shopping centres to maximize their revenues.
- Our new product "Shopping Centre Diagnosis" helps to identify possible difficulties and opportunities.
- We measure 8 different sectors and give recommendations on how to improve your Shopping Centre.



SHOPPING CENTRE DIAGNOSIS

A TOOL TO MAXIMISE RETURN

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1. **Market & Competition**
 - How large is the catchment area?
Changes, Consumer patterns and Competitors
2. **Profile and shopping center concept**
 - Appropriate profile and concept?
3. **Marketing & Branding**
 - Does it suffice? Does it support the concept?
4. **Shopping center mix, tenant/mix**
 - Does it fit the consumer profile and demand?
 - Store analysis - How are the retailers performing?



SHOPPING CENTRE DIAGNOSIS

A TOOL TO MAXIMISE RETURN

5. Masterplan & Design
6. Shopping Centre Management/
Organisation
7. Financial analysis & Key Figures
 - Revenues - rents, turnover rents,
service charges,
 - Costs - operational, maintainance,
energy
8. Valuation
 - Desk-top valuation
9. Recommendations



SHOPPING CENTRE DIAGNOSIS

A TOOL TO MAXIMISE RETURN

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The Full Service Property House

- This tool takes a holistic view on the Shopping centre, its strengths and weaknesses, from an investor's point of view.
- It gives recommendations for the ongoing management and future redevelopments
- It helps the investor to maximise the value and gives a safer investment.



NEWSEC RETAIL

A PART OF THE FULL SERVICE PROPERTY HOUSE

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The Full Service Property House

- Market analysis
- Conceptual development
- Tenant mix
- Development and refurbishments
- Design and architecture
- Implementation
- Shopping Center management
- Leasing
- Revenues -and investment analysis
- Project management
- Transactions
- Valuations



CONTACT

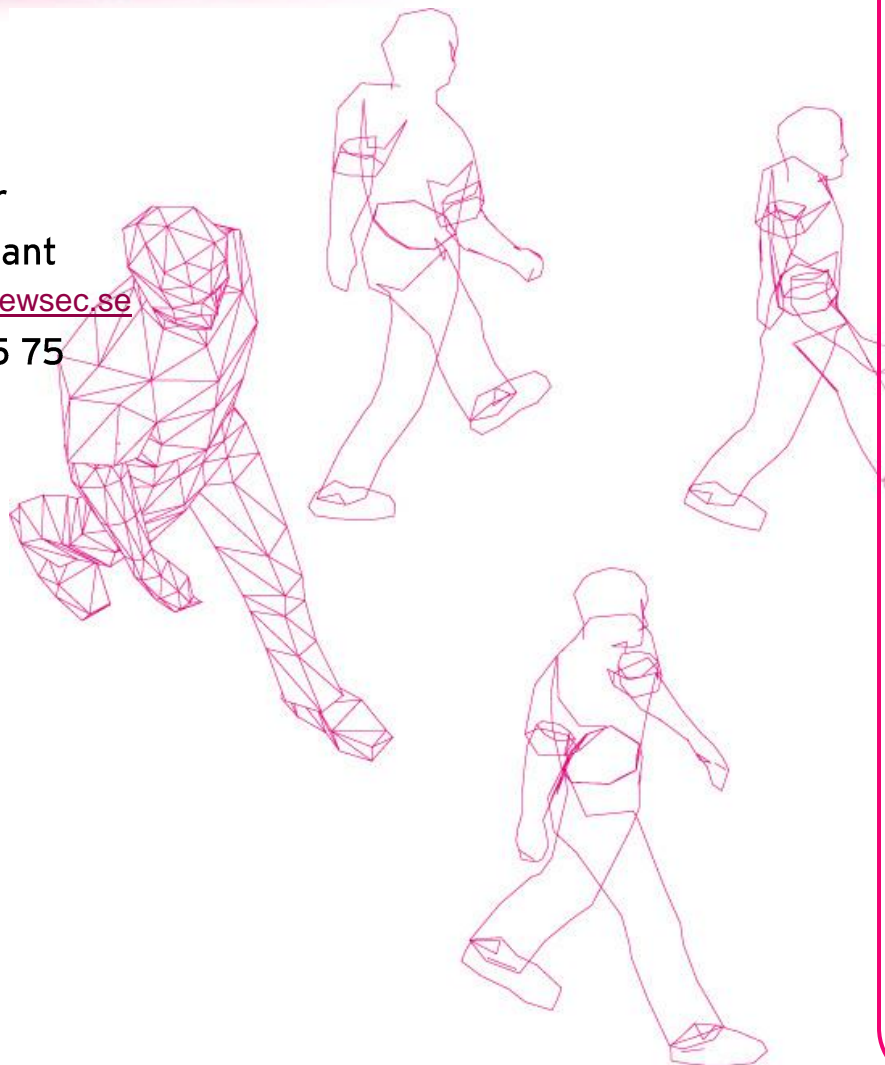
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