



A market in transformation

The fourth edition of MAPIC Italy brought together investors, developers, retailers and F&B specialists as the retail real estate industry came together to debate one of Europe's most interesting markets.

MAPIC Italy combined a series of thought-provoking conference sessions with a major exhibition dedicated to the Italian market, fast-paced presentations and a focus on the influence of digital innovations in property. Leisure was high on the agenda!



MAPIC ITALY IN NUMBERS

2,200+
participants across MAPIC Italy and MAPIC FOOD

+10%
increase in visitor numbers this year

45
countries represented

850
retailers

400+
F&B brands



"The shopping centre industry is in transformation but based on solid fundamentals and with clear ideas on where to go. Food, together with leisure and services, are some of the topical elements of this transformation. In our food court, for example, the offer is increasingly rich and attentive to new trends and customer tastes."

Massimo Moretti, president, CNCC Italy

OVERVIEW: Let's talk about Italy

Five MAPIC Italy takeaways

1. Italian market cautiously optimistic despite challenging conditions
2. Impact of digital retail increasing despite historically lower adoption
3. High streets remain popular, with investors searching for product
4. Leisure & Food are growing markets as malls reinvent their offers
5. Industry body CNCC argues that shopping centres are social hubs in bid to prevent restrictions on Sunday trading

Key players from the Italian retail real estate sectors attended MAPIC Italy, including: JLL, CBRE, Cushman & Wakefield, Ceetrus, Grandi Stazioni Retail, Savills, ECE, Eurocommercial, IGD, Svicom, Sonae Sierra and Klépierre. Sentiment was cautiously optimistic during the discussions in the opening session, organised with industry body CNCC.



OFFICIAL CNCC SESSION. NEXT MILES OF ITALIAN RETAIL REAL ESTATE

Joachim Sandberg (CUSHMAN & WAKEFIELD), Pierre Marin (JLL), Alessandro Mazzanti (CBRE), and Guglielmo Pelliccioli (CBRE)



Joachim Sandberg, head of Italy and southern Europe at Cushman & Wakefield, said: “There is no apocalypse, the shopping centre is not dead but is undergoing a great transformation, in terms of format and value, with a repricing in action. The increased uncertainty and volatility surrounding the future of the mall continues to keep core investors away while offering opportunities for investors willing to take a greater risk. This is being reflected in yields, which have already started to grow in Europe, reaching just under 5% in 2018. For the future, we expect the sector to return to attracting more core capital once the transformation is complete.”

“Retail real estate is a changing asset class today. In the future, we will talk more and more about hybrid projects, aimed at responding to the needs of retailers who in turn are significantly changing their business model,” said Pierre Marin, CEO of JLL Italy. «At the same time, as far as the investment market is concerned, we expect, with the right repricing, a consolidation of domestic capital as well as a return on international capital for Retail real estate”.



“The current evolution of Italian retail,” said Alessandro Mazzanti, CEO of CBRE, “represents a great opportunity to further modify and enhance commercial properties, making them more and more attractive for families and consumers in meeting their needs for consumption and entertainment.”

“Our sector is quite young and there has not been a lot of attention but modern retail accounts for €114bn of revenue and the extended value is very sizable,” said Claudio Gradara, president, Federdistribuzione. “We are already seeing the challenges, consumption levels have been static or declining over the past decade. Online is also changing customer behaviour. Therefore, the retail industry is being asked to provide more sophisticated answers. It is important for stores to provide a buying experience”.



One of the key issues impacting Italy right now is Sunday trading. In April, Parliament began debating a law aimed at “returning the weekend to families.” Five Star has advocated shutting stores some 45 days a year. The League is proposing a milder version, easing restrictions in the run-up to Christmas and other holiday periods. But they both say the laws would reinforce long-standing traditions such as Sunday lunch at home, while giving retail workers a needed break and letting would-be shoppers go to Mass.

According to Istituto Cattaneo, an economic research group in Bologna, The Five Star proposal would shrink gross domestic product by 0.5%—€9.4 billion—and cost almost 150,000 jobs, the institute said in an April report. That would reduce tax revenue by as much as €2bn.



Massimo Moretti, president, CNCC Italy, added: “The value of shopping malls is the big question. On Sunday opening, 79% of people who use malls on Sunday go with friends and relatives, so it becomes a social experience. [As malls] We will become less commercial, we will have to change our name [from shopping centres] because we are a social hub. I believe this is food for thought.”

The investment picture: Pierre Marin, CEO Italy, JLL



All in all last year was a good year, despite investment volumes falling by 24%. Liquidity is good, the issues were more around pricing and political instability. Retail volumes have increased 12% from last year but this has to be interpreted carefully, as some deals have taken a long time to complete but there is also a diminishing volume of deals. Foreign capital represents 65% of the total but we are seeing a growing number of Italian investors.

Over the past 12 months out-of-town retail has increased slightly and the high street is interesting investors but there is a lack of product. Milan stands out but also Rome, Turin and Verona. Investment is concentrated in the north but there is interest in the south too. Yields in Milan are 3.3%, in Rome 3.4% on the high street, secondary is at 8.15%, retail parks 6.4% and shopping centres 5.15%.

FOCUS: When retail gets entertaining

In the last session at MAPIC Italy, When Retail Meets Entertainment: The New Shopping Destinations, the panel discussed the profound changes that are affecting shopping centres: from shopping centres to lifestyle destination through leisure. Many Italian food operators also took part in the co-located MAPIC FOOD event, which included pitching sessions and food sampling.



WHEN RETAIL & ENTERTAINMENT MEET: THE ULTIMATE SHOPPING DESTINATION

Marco Mazzucchi (ZAMPERLA)

WHEN RETAIL & ENTERTAINMENT MEET: THE ULTIMATE SHOPPING DESTINATION

Marco Pizzoni (WAY), Gian Gherardo Aprile (WEARENA), Marco Mazzucchi (ZAMPERLA), Massimiliano Freddi (TRADELAB), Andrea Caldonazzi (TEAM PARK PROJECT), Roberto Bramati (SPAZIO FUTURE), and Roberto Folgori (DEDEM)

Mauro Gelmetti, general manager of Leisure Group Italia (Dedem Group), a company specialising in entertainment for the 3-14-year-old target demographic, made a particularly significant contribution: "The new frontier of leisure is to provide ever greater areas - even up to 1500 sq m - within which there is a mix of proposals and services, with the integration of content that adds value to the edutainment side as well. The aim is to create modular spaces with segmented proposals for different age groups and the support of high level technologies. Recently we have created edutainment formats on submarine worlds with high quality contents, almost at museum level. It's all touch screen and following the latest high-tech trends".



"We are going towards hybrid centres, food and leisure trends will get consolidated, whatever brings emotions in the space, not just retail," said Pierre Marin, CEO Italy, JLL. "For our role in the future, the process of change has already started and means we are more integrated, following the whole value cycle. The industry is dramatically changing and investors are considering the impact."

At MAPIC Italy, leisure in retail was discussed by experts such as Gian Gherardo Aprile, group CEO, Wearena Entertainment; Roberto Bramati, president, Spazio Futuro; Roberto Folgori, head of commercial department, Dedem, Marco Mazzucchi, marketing director, Zamperla and Marco Pizzoni, CEO, Way.

DIGITAL ITALY: The growth of omni-channel

E-commerce in Italy is developing rapidly and has registered annual two-digit growth over the past five years. Although the Italian digital economy lags behind other major European countries, e-commerce is poised to continue its upward trend in the next three years, with turnover from e-commerce in Italy estimated at \$32.4bn in 2018, a 15% growth over 2017 according to HiPay.



[VIEW PARTICIPANTS](#)

PANEL SESSION “RETAIL CONVERGENCE: ENERGISING PHYSICAL!”

Francesco Riganti (MONDADORI), Marc Sondermann (FASHION MAGAZINE-EDIZIONI ECOMARKET), Andrea Maria Allara (SATISPAY), Sandra Riccardi (ECE), Simone Maggi (LANIERI), Andrea Facchini (IBM IX)

The number of Italian web shoppers is constantly increasing, 6.5% of all retail sales in Italy in 2018 were completed online, up from 5.6% in 2017, with mobile devices accounting for roughly 30% of all digital sales.

In terms of products purchased online, information technology and consumer electronics dominate with a 25% market share an 18% growth rate, followed by clothing (8% market share and 21% growth) and publishing (13% market share and 25% growth). Emerging sectors include food & grocery, furniture/home decor, beauty and toys, all categories growing between 30%-50%.

Milan Polytechnic University estimated that the total sales from Italian websites worldwide will total \$29.5 billion in 2018. Of these total sales originating from .it domains 85% are sold domestically while 15% are sold to foreign customers.

Mario Resca, president, Confimprese, added: “We have always lived in a customer-centric environment but we need to learn from operators like Amazon, which has a customer obsession.”

MAPIC Italy delegates heard about a range of innovative digital solutions aimed at improving the customer experience and customer profiling, including Shoppertrak, a solution to help retailers and properties better understand their current and potential customers. People-counting sensors are used to collect a range of data: from the number of visitors passing through the store to those entering the store and dwell times.

Infopad, produced by Pta Group, highlighted its multi-function digital system and interactive map. It allows users to take and share photos, but its real strength is delivering gift cards. Microlog’s people counters help retailers optimise their business, with the information processed to evaluate the steps to be taken to increase access to the store and the probability of sales.

At MAPIC Italy a Digital lounge hosted key players, showcasing their solutions during the Digital Talks.



PANEL SESSION “RETAIL CONVERGENCE: ENERGISING PHYSICAL!”

Laura Giannini (PTA GROUP)



DEVELOPMENT DRIVES MIXED USE, FUTURE-PROOF SPACES

Westfield Milano, a shopping centre covering 170,000 sq m, will become the first Unibail-Rodamco-Westfield in Italy when it opens in 2021. Situated in Segrate, with easy access to Linate airport, the scheme will house approximately 380 stores, a luxury village, leisure, entertainment and dining precincts, 10,000 parking spaces as well as the latest in digital technology, personalised shopping and tourism services.

Meanwhile, Merlata Mall, in the north-west of the city, near the Expo2015 site, will deliver 65,000 sq m of shopping in the middle of a park which is part of a wider brownfield redevelopment dubbed Cascina Merlata. With an expected footfall of around 10 million per year, it aims to become a central attraction for this new area of Milan, completing this year.

Regional cities are also driving change, with the Alto Adige town of Bolzano attracting the UK's David Chipperfield Architects for a downtown scheme, transforming an old bus station into a dynamic mixed-use development called WaltherPark, with a shopping centre at its heart, high quality residential, a hotel and F&B provision complete the line-up. Meanwhile, plans to significantly extend Bologna's Gran Reno centre will transform the retail offering in the northern Italy city.

Investor-developer Aedes is working on its Caselle Torinese development scheme, a hugely ambitious open-air mall near Turin with more than 250 stores across 120,000 sq m of GLA, 15% of which will be focused on leisure.

And IGD SIQ is developing a large, multi-functional centre set to redesigns the city of Livorno in a beautiful location in the heart of the city, close to the historic centre and overlooking the sea. Livorno Porta A Mere will include the development of shops, restaurants, megastores, residences and a large fitness and wellness centre.



SHOPPING CENTRES NEW DEVELOPMENT MODELS

Roberto Limetti (PRADERA), Maryse Beucher (CARMILA), Massimo Moretti (CNCC ITALY/ CDS HOLDING), Guglielmo Pelliccioli (IL QUOTIDIANO IMMOBILIARE), and Edoardo Favro (CEETRUS)

RELIVE THE SHOW