

ITALY

Scalo Milano, 20 minutes from downtown Milan on Via Ripamonti



Italy is ready to spend again

As Italy's retail property industry gears up for the inaugural MAPIC Italy in May 2016, host city Milan is emerging as one of Europe's retail development powerhouses. Graham Parker reports

SINCE the financial crash of 2008 a near-decade of austerity in Italy has held back consumer spending and put a brake on retailers' growth ambitions. But now evidence is emerging that the country's shoppers are in the mood to spend again, and retailers are starting to speed up expansion plans.

New research from Cushman & Wakefield shows retail sales in August 2015 were up 1.3% year-on-year and up 0.7% over the first eight months of 2015. Food sales grew by 1.4% and non-food by 0.3%.

As a result, the retail property market is showing signs of revival. According to Cushman & Wakefield, luxury locations, including Via Montenapoleone in Milan and Via Condotti in Rome, have seen the strongest rental growth, although the mass market is slowly regaining retailers' interest.

This is good news for the new generation of shopping centres, the first due for delivery in 2016. With Italy's most resilient regional economy and one of the most affluent populations, Milan looks to have moved ahead of its rival cities and put together one of the most substantial development programmes in Europe. The

city's iconic retail destinations — the Galleria Vittorio Emanuele for example — have traditionally drawn customers from across Northern Italy, the Lakes and Switzerland; now a number of new schemes are looking to build on this strong heritage.

Arese Shopping City, which is on schedule for its opening in April 2016, is only the first of a series of major projects proposed for the northern-Italian city. With 92,000 sqm of GLA and boasting over 200 shops, cafes, restaurants, outdoor as well as indoor sport, cultural

“

Milan has put together one of the most substantial development programmes in Europe

”

Arese Shopping City, on schedule for April 2016



and health activities, the project will become the largest shopping centre built in a single phase in Italy. Designed by a consortium of architects including Michele de Lucchi, Arnaldo Zappa and Davide Padoa of Design International, Arese Shopping City maximises permeability, with open streets, indoor buildings, indoor and outdoor squares, porticos, gates and gardens. Next year will also see the opening of Scalo Milano, 20 minutes from downtown Milan on Via Ripamonti. The project will have 300 stores and restaurants when complete, with a GLA of 60,000 sq m and parking for 4,000 cars. Developer Promos intends the city-style mall to demonstrate strong physical and cultural integration with the urban fabric of Milan, combining fashion, food and design alongside complementary uses including a higher education college and several Art Plazas featuring exhibitions of contemporary art. And looking further ahead, Westfield is investing over €1.3bn in Italy to develop the country's largest retail, leisure and dining destination — Westfield Milan. This development will be delivered in partnership with Stilo

Immobiliare Finanziaria, and will help regenerate a key part of Milan, creating 17,000 permanent new jobs. At 235,000 sq m, Westfield Milan will feature over 300 stores; a luxury village with 50 retailers; cinemas; leisure; entertainment; 50 restaurants, parking for 10,000 cars as well as the latest in digital technology and signature shopping and tourism services. Galeries Lafayette, France's largest department store chain, will open an 18,000-sq m flagship in the centre — its first store in Italy. Galeries Lafayette's decision to anchor the new development is testimony to the strength of the Westfield Milan proposition, and to the city's iconic status as a world centre for luxury and fashion. In its latest quarterly report to shareholders, Westfield said it envisages a development start between 2016 and 2018.

The \$1.3bn Westfield Milan project



MAPIC Italy launches in 2016

MAPIC is coming to Italy. Reflecting its status as one of the true focal points for world of retail, Milan will host its own edition of MAPIC in late May 2016 and an official introduction will take place at 17.00 today in the Champs-Elysees room at the Palais des Festivals, introduced by Filippo Rean, director of the real estate division of MIPIM and MAPIC.

Speaking at the Milan launch of MAPIC Italy earlier in the year, MAPIC director Nathalie Depetro said: "The strength of Italian retail brands, coupled with the dynamic retail real estate sector — ranging from shopping malls to high-street outlets and factory stores — make Italy incredibly attractive for national and international retail brands. MAPIC Italy is dedicated to companies that want to do business in the vibrant Italian retail market."

The concept has received high-level support and Massimo Moretti, president of CNCC, the Italian Council of Shopping Centres, said: "The Italian real estate market is experiencing renewed dynamism and offering great business opportunities for both Italian and international retailers and investors. Our ambition is to make MAPIC Italy an unmissable yearly rendezvous for retail real estate professionals interested in the Italian market. CNCC considers this event an absolute priority and will support it with enthusiasm and energy."