

Redevco Targets Opportunities in Retail's 'Secular Shift' with €1.0 bln Pan-European Urban Transformation Investment Pipeline



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Retail real estate investment markets in Western Europe have taken a battering in recent years from e-commerce and the Covid pandemic, which have contributed to the hollowing out of oversupplied retail High Streets and hit capital values and rental growth. Redevco believes these forces are also opening-up great investment opportunities as they are reshaping our cities and driving a 'secular shift' away from traditional mono-usage investment models towards mixed-use 'experience' place-making formats that are increasingly defining the character of major urban centres.

Redevco is uniquely positioned as one of Western



Elisen Palais in Hamburg, Mönckebergstrasse

Europe's biggest owners of High Street properties and managing one of Europe's largest retail park portfolios – with total AUM of about €10 billion encompassing more than 300 buildings – to capture the investment opportunities arising from this urbanisation megatrend. We have embarked on a €1.0 billion pan-European investment programme, out to 2030 – with half that capital expected to be committed over the next few years – focused primarily on our retail assets in urban centres, curating dynamic 24/7 destinations that are more embedded in the rapidly evolving demands of the communities where they are located.

Redevco is currently considering potentially up to 40 redevelopment projects, which would make it one of Europe's most ambitious urban transformation programmes by a single asset manager.

These mixed-use projects can range from a greater proportion of restaurants, hotels, sport, and wellness venues and other commercial or community uses in redevelopment schemes, to major residential

components that can contribute to tackling Europe's severe shortage of housing.

It is also striking to see how much the pure retail component will be reduced within our larger redevelopments with the shift to mixed-use schemes – that also provide more diversified and substantially higher projected gross rental income streams. This indicates the measurable 'win-win' nature of these projects for investors and retailers when we successfully cultivate a new Zeitgeist or spirit for a previously 'tired' location.

For example, the gross lettable retail area of our Elisen Palais project in the heart of Hamburg – where Redevco is redeveloping a former C&A retail store into a highly sustainable mixed-use property – will be cut by about 70% versus its pre-redevelopment retail GLA. Other uses, in this case two hotels with different concepts, are occupying the former retail space.

Similarly in our Rue De Rivoli redevelopment in central Paris, retail GLA will fall by more than half as we move to a mixed-use format in the eight-storey building. Three floors will be given over to offices and there will be an urban logistics function, a lifestyle hotel and restaurant all nestling under an extensive roof-top garden with 360-degree views of Paris, while there is extensive retailer interest in the lower floors. In our projects we aim to create an environment that is connected both horizontally and vertically with the other uses in the building, so it becomes an ecosystem within itself, as well as an integral part of the wider retail and commercial surrounding area.

Lille the 'Experiential Blueprint' à La Française

In central Lille, a 25,000 sqm retail asset we acquired at the end of 2016 was underperforming and almost vacant. We took the decision to reduce the retail component to about 10,000 sqm, less than half the original surface area. Then by integrating a hotel and offices above the carefully selected retail and leisure mix below and creating an amazing architectural façade in the project 'Le 31,' we were able to choreograph a new dynamic 24/7 energy vibe for the Rue de Béthune location. After the opening of Le 31 in mid-2021, footfall tripled from around 300,000 to more than one million by the end of last year. Sales turnover jumped 20% between 2022 and 2023 and was accompanied by a substantial increase in a more diversified and stable rental income than prior to the redevelopment.

A Force For Good – Where Urban Transformation Spurs the Energy Transition

Redevco aims to equally balance our fiduciary duty to produce financial returns for our investors with



BPM in Paris, Rue De Rivoli

the ethical responsibility of battling climate change through sustainable investments and generate positive social impact in the communities that we serve. A pan-European mixed-use redevelopment programme of the scale Redevco is embarking on offers particularly compelling opportunities to reduce the carbon footprints of our assets. Our five High Street schemes currently underway are all targeting a BREEAM 'excellent' sustainability certifications and significant reductions in indicative carbon intensity from pre-project levels, ranging from over 90% in Hamburg to an estimated 35% at the Rue de Rivoli in Paris.

Retail Warehouse Parks Adopting the Mixed-Use Typology of High Streets

Urban areas are expanding and absorbing these periphery locations as people want more affordable homes, more living space and gardens.

When populations move to the urban periphery, retail warehouse parks, often situated in these areas, are emerging neighbourhood hubs that are becoming affluent and diverse. Retailers, pure players, and other consumer businesses and services, from Michelin-star restaurants and gyms to electronics and furniture brands, are taking note and following these urbanisation shifts to where their customers are moving. The obvious places to locate are existing retail warehouse parks with usually excellent public transport and road connections, large site footprints, and space for redevelopment densification, which can form the core of these new neighbourhoods.

Redevco consequently expects strong value growth in retail warehouse park locations as they increasingly transition from mono-usage and take on the mixed-use character that is more and more defining city centres, including residential developments and last-mile logistics.

We are initially focusing on realising this future vision for retail warehouse parks in our Belgian portfolio, which accounts for nearly 40% of Redevco's total 2.5 million sqm GLA pan-European portfolio in this market segment.

Redevco 'Live Projects' in European Urban Transformation Redevelopment Pipeline

Location	Pre-Dev Retail GLA (sqm)	Post-Dev Retail GLA (sqm)*	Retail Reduction*	Carbon Intensity Reduction*	Completion
Hamburg	14,368	4,092	-72%	-93%	Q3 2026
Paris, Rue de Rivoli	8,651	3,857	-55%	-35%	Q4 2026
London	6,783	2,223	-67%	-90%	Q2 2025
Geneva	5,897	2,171	-63%	-92%	Q4 2025
Paris, Bd Haussmann	8,083	7,080	-12%	-42%	Q1 2026

*Current estimations

