



The FTSE for shopping centres?

Footfall Index Netherlands, FIN for short

It will all be happening by 2019. Owners and real-estate managers will be able to benchmark the results of their shopping centres with market wide and validated data from all over the Netherlands. The FIN is the result of an intense process of preparation and development in which suppliers of counting systems, owners of shopping centres, IVBN and StiVAD worked together closely. FIN is about to undergo a final test phase before going live in January 2019. During an exclusive preview SCN hears about the latest development and user possibilities of FIN. →



Let's travel back in time. It was 2010 when Bart Schmitz came up with the idea to create an index using all the collected data. Schmitz (general manager PFM Footfall Intelligence and general contractor of passenger counting systems for real estate in The Netherlands, as well as England and several other European countries) explains: 'It's a tool for asset managers, shopping centre managers and marketeers that makes it possible to benchmark shopping centre and portfolio level. In 2011 we collaborated with the five largest retail real estate owners who were already using our system (ING Real Estate, Corio, Wereldhave, Bouwinvest and Unibail-Rodamco), so we were able to calculate an index for 66 shopping centres.'

'The test had a sequel in 2014 when Corio asked us to give a presentation at IVBN. IVBN was excited and suggested that more suppliers of counting systems should be included to create a market-wide index. That's when StiVAD (Stichting Vastgoeddata) joined the group. After conducting a feasibility analysis and creating an operational structure, PFM made agreements with several parties about the processes. Not an easy job as each supplier of counting systems used a completely different technique to gather their data. Luckily StiVAD came up with a solution: simply combine the counting systems of PFM, Tyco as well as Locatus in the FIN.

René Vierkant (member of the board of directors of StiVAD and chairman of the users group): 'Despite all the different systems, StiVAD was able to come up with an optimal account and a way to compare data. Here in the Netherlands we have an almost complete view of all the shopping locations using counting systems. That means that all investors and shopping centre managers now have an instrument at their disposal with which they can compare the primary KPI's of their own shopping cen-

tre with others and also with the market in general. That gives insights that haven't ever been available up until now.'

WHAT DOES STIVAD DO?

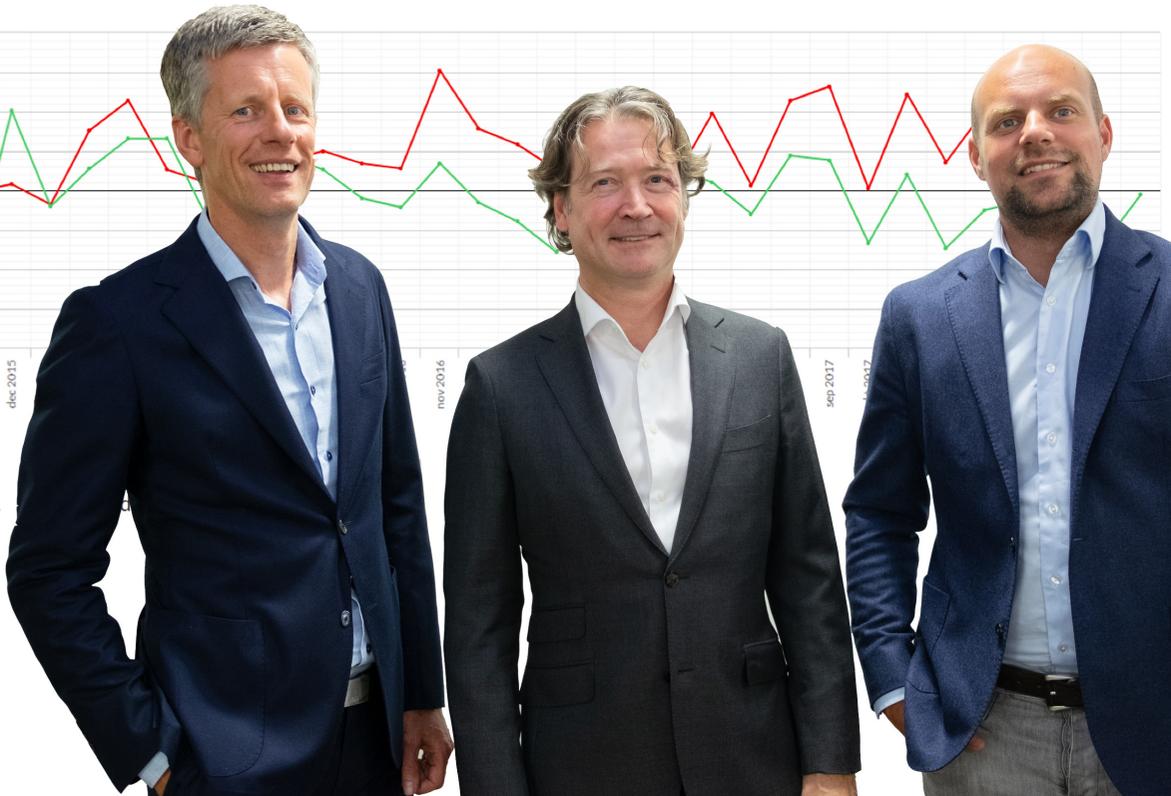
Manager Pieter Jager explains: 'StiVAD is a neutral non-profit information platform. It's a foundation with a strong governance structure in place to be able to process and protect our members data to provide benchmarking. At this moment we offer two products: the Real Estate Investment Transaction Register (VBTR) and the Footfall Index Netherlands (FIN). FIN is now a well-developed information platform, that has been created and soon PFM will be organising an expert meeting in which StiVAD will be providing more information and presenting the benefits of FIN to all interested parties. Using FIN you immediately capture the development of the number of visitors in Dutch shopping areas.'

Jager shows a slide revealing two important indexes: the CBS sales trend for the retail trade and the FIN. 'It's important that the user is able to clearly distinguish the trends. In the example he uses, you can see that CBS and FIN tend to track each other although the FIN index is slightly ahead of the CBS index.'

So what exactly is the FIN composed of at this moment? Right now we are calculating with 100 shopping centres from ten portfolios. That amounts to 1,5 million m2 of retail area, 24 million visitors and 4,700 outlets. By making selections users can let StiVAD calculate a sub-index completely in accordance of their own needs. For example, their own portfolio versus the index of all retail selling points (shopping centres, city centres, furniture boulevards and online retail). Soon users will be able to choose from various FIN sub-indices such as a top 20 town index or a display of a specific shopping location according to the - and here you can choose - definitions, for example NRW or Locatus. Pieter Jager demonstrates this online using 'monthly year-after-year' diagrams.

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'Locatus embraces the initiative of the FIN, with which the StiVAD fills a gap in the field of national benchmarking.'

Gertjan Slob Locatus



René Vierkant, Pieter Jager and Bart Schmitz

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*The Footfall Index
 Netherlands
 contributes to a further
 professionalisation of
 the retail real estate and
 to counting systems in
 particular'*

Frank van Blokland,
 manager IVBN

Rene Vierkant: 'Users can 'tweak' the data according to their own insights'. For example, a user can temporarily turn off a shopping centre that is being redeveloped. FIN is also perfect for researchers, without the absolute numbers on shopping centre level being factored. Researchers will gain access to the biggest data lake of its type. They will be able to compare the shopping centre they are researching with similar locations and not just with their own data from previous periods.'

Pieter Jager throws in a couple more examples: "It is possible to show the effects that strategic vacancy, changes in tenant mix or the introduction of paid parking has on the number of visitors.'

FIN IS A RESULT OF CREATIVE COLLABORATION

FIN mainly exists thanks to the effort PFM, IVBN and StiVAD have put into it, but also many other participating suppliers of counting systems and affiliated investors. Furthermore, the number of shopping centres and shopping areas that are implementing counting systems keeps growing. Bart Schmitz: 'Whilst it used to be just the bigger shopping centers that worked with counting systems, we noticed that more and more smaller centres are implementing them. Obviously it's very important that the produced data is reliable. StiVAD therefore spends a lot of their time checking the accountability of the monitoring and calculating the accurate conversion factor between the various systems. This monitoring of data is one of FINs strong points.'

At PFM they are also examining if they can add even more value to the counting systems: 'Such as the relationship between the number of visitors and the sqm rental prices. Eventually this could lead to new rental models. Furthermore, we're already accurately predicting the number of visitors on any random day in the future. Using this information, you can then create scenarios with or without events that show you what effect this will have on the number of visitors and the duration of their stay.'

As we mentioned earlier, FIN is entering the last test phase this autumn, but already it's certain that FIN is a unique product. No other European country has an index that combines the data of the various suppliers and counting systems into one single platform. FIN contributes to the professionalisation of the retail real estate in general and to counting systems in particular. The more parties that join FIN, the more accurate the system will become and more relevant sub-indices will be created. For real estate owners this means they'll be able to influence the attractiveness of their shopping areas more effectively by changing aspects such as the tenant mix and marketing. ←

FOR FURTHER INFORMATION ABOUT FIN: WWW.STIVAD.NL

WOULD YOU LIKE TO RECEIVE INFORMATION ABOUT ATTENDING ONE OF THE EXPERT-MEETINGS? SEND AN EMAIL TO BART.SCHMITZ@PFM-INTELLIGENCE.COM