METRO PROPERTIES is the real estate entity of METRO GROUP. We combine comprehensive retail competence with extensive expertise in real estate and consistent execution. When it comes to investing in, developing and managing modern retail and wholesale locations, we are the partner of choice. We employ people who are committed to contributing to our clients’ success and who also help our tenants to create added value for their customers. We take full ownership in everything we do. That is what we mean by **DRIVING REAL ESTATE VALUE**.
INTERNATIONAL PRESENCE

METRO GROUP
2,060 locations in 29 countries

METRO/MAKRO Cash & Carry 748 stores
Media Markt/Saturn 1,017 stores
Real 291 stores
Others 4 stores

As of July 2016
Why does an integrated retail and wholesale company such as METRO GROUP need its own property company?

JEAN-CHRISTOPHE BRETXA: We move in a dynamic environment: the retail world is permanently changing and so too are the demands on the real estate. Being part of a company entirely focused on customers, we have a unique capability to anticipate their expectations. Carefully built up and effectively managed, our property portfolio constitutes an important strategic resource for METRO GROUP.

Are all your stores owned by METRO PROPERTIES?

JÜRGEN SCHWARZE: We own one out of four stores, representing about 40 per cent of the selling space. The others are rented from third-party landlords or are jointly held in venture capital companies together with partners. Our mission is to find the best structure from both the operational and the financial perspective.

Up to what point are you flexible?

JÜRGEN SCHWARZE: Before making a decision, we analyse all the options, taking into account the real estate market developments. Being part of METRO GROUP, we follow a disciplined investment policy, combined with a flexible approach. Sometimes, the most interesting opportunities can be found along the unconventional roads. We’re always interested in developing and implementing new ideas together with anchor tenants, developers and investors. It’s all about creating successful and sustainable solutions.

What does sustainability mean for METRO PROPERTIES?

JEAN-CHRISTOPHE BRETXA: Sustainability is a priority for METRO GROUP as a whole. For us, it’s not just about green roofs and energy management. It’s more than that. It’s building for the future.

Isn’t the future of retail online?

JEAN-CHRISTOPHE BRETXA: Digitalisation is shaping the world, including in retail and real estate. But surprisingly, with online retail booming, the human dimension is more than ever a central part of the game. Retail locations become favourite places to meet, to share, to experience. We offer quality of life.
OUR CORE COMPETENCIES

INVESTMENT
Every real estate portfolio has its own life cycle and this needs to be managed proactively. Working on behalf of our partners, we strike the right balance to achieve systematic capital growth.

PROPERTY MANAGEMENT
Preserving the value of retail real estate is also a question of consistency. We provide management, upkeep and maintenance services, as well as sustainable energy concepts.

DEVELOPMENT
Creating customer value in retail and wholesale is often a question of selecting the right sites. We support this process with tailored solutions for modern shopping locations.

INVESTMENT
Retail property is an attractive option for investors with a long-term approach. This calls for an underlying portfolio strategy designed to achieve lasting appreciation. Our investment team takes full ownership of the process from strategy development and implementation all the way through to the purchase or sale. Our team ensures that capital is put to good use in the interests of investors and property owners alike.
With a focus on the future performance of our portfolio, we define a sustainable real estate strategy for the group, always taking into account the interests of the sales lines. In doing so, it is essential to closely observe the markets in order to recognise trends and developments early on.

As a subsidiary of METRO GROUP, we manage all of the international retail and wholesale company’s real estate. This comprises about 600 properties such as retail and wholesale stores in 29 countries. We have a clear mandate to achieve long-term increases in the value of the assets entrusted to us.

This is founded on regular and comprehensive evaluations of our portfolio of properties. How is the portfolio’s potential developing? Does its composition tally with the strategic objectives of METRO GROUP? Which countries have the potential for lasting real estate value appreciation? And in which property markets would a sale be prudent?

Our specialists monitor and analyse the market, the competition and real estate trends both nationally and internationally in order to answer these and other questions. In this way, they can identify existing and potential opportunities and risks, and thus subsequently develop suitable strategies to provide our shareholders with targeted solutions. These include specific recommendations regarding steps that need to be taken, such as potential property disposals.

Continual monitoring of the real estate markets, coupled with thorough analysis and knowledge of the group portfolio, is the basis for a successful strategy.

Marc Hohmann,
Portfolio Management & Research, Düsseldorf
Real estate assets are in safe hands with our specialist asset managers, who are au fait with the worlds of finance and retail in equal measure. They see to the detailed planning work and make sure that each and every property generates the best possible return for its investors.

Everything starts with proper documentation: a high degree of transparency makes it possible to carry out reliable cost-effectiveness analyses to identify the prerequisites that will enable a property to achieve the best possible results. This may lead to a decision to invest in a property, keep it in the portfolio or sell it. On this basis, suitable measures for real estate appreciation can be implemented in accordance with our portfolio strategy, with our asset managers attending to all of the planning and management involved.

The Asset Management team is also responsible for all the rental agreements and leases, including those for our shopping centres in Poland and Turkey.

Local presence is very important in optimally assessing opportunities and risks for value development. This also allows ideas to be exchanged more quickly.

Jorge Tauste,
Manager of Expansion & Asset Management, Madrid
TRANSACTIONS

PROFESSIONALS FOR OPTIMAL MARKETING.

The Transactions division interfaces with the international real estate markets. Our employees know exactly what investors expect and are familiar with the specifics of each different market environment. Drawing on this knowledge, they develop tailored concepts for the targeted placement or purchase of individual properties and portfolios.

Is it advisable to opt for funds, an asset deal or a share deal? When it comes to placing properties or portfolios, there are a number of different instruments, all with their own pros and cons. Getting to grips with these is what our Transactions team does. The team is responsible for all of METRO GROUP’s real estate transactions, including property purchases, and its aim is to identify optimum solutions that make a positive contribution to the company’s result without losing sight of market requirements or neglecting the necessity to constantly maintain transparency at all levels.

The Transactions division coordinates and liaises with all internal and external contacts. Our employees pinpoint potential investors and conduct negotiations. In addition, the team’s responsibilities include due diligence checks. This entails analysing all of the opportunities and risks associated with a purchase or sale.

In my line of work, you have to master the full spectrum of the thrilling real estate industry to successfully complete transactions.

Sebastian Mittmann, Project Manager Transactions International, Düsseldorf

SOLUTIONS – INVESTMENT

→ P. 12

DEVELOPMENT

The retail and wholesale sector is all about recognising customers’ expectations early on and offering something which creates value not only in terms of product range and services, but also in relation to the point of sale. Choosing the perfect location and fitting it out in a contemporary style are therefore important factors for success. That is the role of our Development team – with a competitive range of solutions.

GUTENBERG CENTER MAINZ, GERMANY
A great deal of METRO GROUP’s potential for growth comes from its international set-up and its local presence. To win over new customer groups, the sales lines are expanding into key regions and increasing the density of their store networks. We support them in this in our capacity as a real estate company.

We not only play a part in generating the capital needed for METRO GROUP to expand internationally; the experts in the Expansion team also analyse suitable locations for new stores and retail-related properties. Their activities are founded on thorough location analyses that specifically take local aspects into account. Our employees always seek out innovative solutions to ensure that we stay ahead of the competition.

The Expansion team acquires future retail and wholesale locations, and develops economically viable planning and usage concepts so as to guarantee that investments are used effectively and in a targeted manner. By collaborating closely with the sales lines, we are able to provide comprehensive support right the way through from strategic expansion planning to site analysis and real estate construction.

Our team plans and builds METRO Cash & Carry locations that offer better connections, easier access and long-term profitability – without compromising on quality or cost efficiency.

Ranganesh Venkataraman,
Director Expansion METRO Cash & Carry India

DRIVERS FOR INTERNATIONAL GROWTH.
From new builds to conversions, from modernisations to extensions: we offer our customers turnkey solutions for retail property. We put together a hand-picked expert team of multi-award-winning project developers, architects and civil engineers for each individual project who then manage the entire process.

The experts from our Projects unit are well aware that no two sites are the same. They devise bespoke, forward-looking, project-specific solutions that are tailored exactly to the local market situation, the clients’ requirements and, above all, the customers’ expectations and needs.

Once the planning stage is complete, it is time to rigorously execute the project. Our project managers can draw on a wealth of experience as well as an extensive network of partners. Every year, they manage thousands of projects and take care of tendering, awarding contracts and billing services. They can draw from this vast experience to react flexibly to changing circumstances. Beyond this, they also select suitable local contractors, procure materials and conclude agreements. This means our customers can rest assured that their project is in safe hands from start to finish.
Creating added value for customers while simultaneously increasing the quality of time spent in the retail real estate – our Studio team stands behind this claim. Our specialists work at the interface between modern architecture, contemporary urban planning and innovative retail formats.

The Studio team acts as an independent think tank, and supports its colleagues in project development and the experts of the METRO GROUP sales lines worldwide. The focus is on achieving optimal interplay between the economic, functional and architectural aspects that make for sustainable project development.

Our architects are primarily interested not in visually impressive properties, but above all in intelligent utilisation plans that can be custom-integrated into their context. The original idea defines the framework. Our Studio team accompanies the entire development of the project, remaining responsible for the functional and aesthetic characteristics of the real estate throughout the entire process.

The Studio team always has an eye on the central demands of our customers: added value for the customers of METRO GROUP, greater relevance for the locations, and a resultant increase in the value of the properties. To achieve this, creativity and profitability must go hand in hand. The extensive analyses and thorough research that precede every planning process are therefore all the more important. They take into consideration social and financial parameters, the geographical and cultural circumstances of the location, and trends in retail and wholesale.

In addition to the allocation of the marketable floor space, the sustainable success of a real estate property is determined above all by a friendly environment. This is why off-the-peg solutions do not work.

Stefan Herbert,
Head of Studio, Corporate Project Development, Düsseldorf
ADDED VALUE AND QUALITY OF LIFE

From the idea to a finished plan: the innovative, flexible and value-adding solutions of our Studio team.

LOCATION + OPPORTUNITY + IDEA = M² + EUR
When it gets to the stage of completing a building project on schedule and at a competitive level, this is where the employees in our Construction division come in. Working in tandem with various partners, they oversee the development of new retail properties, including quality assurance.

The tasks range from applying for construction permits to resource planning, risk valuation and final inspection of construction services on site. Last but not least, our employees make sure that the projects stay on schedule.

Our experts are also the people to turn to about property maintenance – in particular when it comes to major repairs. They perform regular technical checks on all of the buildings we manage to ensure they are operating safely. And they constantly update the comprehensive digital records held for each building project in order to document all of the maintenance work carried out.

Our mission is to unify the different requirements of all those involved and simultaneously to stay within the defined cost framework.

Friedrich-Wilhelm Zimmermann, Construction Management, Region Germany
MAINTENANCE & REPAIR

Through comprehensive technical support, the Maintenance & Repair team ensures the attractive appearance of our properties and contributes to their appreciation in value. In this way, we meet the high demands placed on modern retail properties.

Our team carries out regular site inspections to precisely evaluate structural conditions and building service installations. The structured implementation of repair and maintenance measures as well as regular servicing additionally guarantee compliance with all legal requirements. Matters of customer and employee safety as well as operating efficiency are of paramount importance to us. In the interest of our customers, we accompany the planning, the call for tenders and awarding of contracts, and the supervision and execution of these and other services. This ensures the optimal utilisation and smooth operation of our properties.

CENTER & FACILITIES MANAGEMENT

From the retail park for daily needs to the shopping mall with 170 tenants: our Center Management provides shopping locations that are equally attractive to our tenants and their customers.

This includes the correct tenant mix to match the location, a broad complementary service selection as well as high comfort in an appealing ambience. Together with the joint venture MEC METRO-ECE Centermanagement GmbH & Co. KG, we support 48 locations in all parts of Germany, from operation and leasing management to marketing.

Not only in Germany but also abroad, our centres set standards. In Poland and Turkey, M1 is among the most popular shopping brands. Despite ever-increasing competition, M1 leads the market with nearly 100 per cent occupancy as well as the lowest maintenance and operating costs. The centre’s high standard in sustainability has earned it the BREEAM certification.

Our consistent and holistic approach of putting the customer first has been honoured accordingly: METRO PROPERTIES was named the “Most Trusted Brand” in Poland; the M1 centres in Poland also seek to retain their designation as “Consumer Quality Leader” and “Superbrand”.

EXPERTS IN PROPERTY MANAGEMENT FOR SUSTAINING VALUE.

My core business lies in joining the worlds of construction and retail. I see myself as a builder of bridges between the two.

Christina Eckart, Head of Technical Property Management, Region Germany

CREATORS OF ATTRACTIVE STRUCTURES.

We’re setting standards in all areas of the retail property business – from sustainable development and the increase in gross rental space to the most modern marketing events.

Renata Kode-Czyz, Managing Director METRO PROPERTIES Sp. z o.o., Poland
Investing in retail property is a forward-looking strategy. The energy and resource efficiency of buildings is becoming increasingly important in this context. METRO PROPERTIES helps property owners to identify ways of boosting efficiency early on, and shows them how to proactively tap this potential and operate sustainably.

The staff of Energy Management develop effective power usage concepts for existing buildings, planned projects and retail properties of the future. Their work is based on the constant monitoring of consumption figures by using smart metering systems. METRO GROUP has now equipped 1,200 locations with more than 10,000 digital meters. At over 1,000 stores, the 3,800 refrigeration systems are electronically monitored using “LOCS” (Logbook for Cooling Systems). Our METRO GROUP Energy Management System (MEMS) then assesses the figures. This software offers the possibility of comparing different locations and climate zones. All of this paves the way for our team to pinpoint necessary improvements.

Based on this data, our experts recommend what action should be taken and put measures into practice to enhance energy efficiency. For instance, they modernise energy systems and coordinate the use of renewables such as geothermal, solar thermal and photovoltaic power. Comprehensive operational management of technical systems – including training on-site staff – rounds off the range of services. The Energy Management unit is certified in accordance with ISO 9001 (quality management system) and ISO 50001 (energy management system).

On top of all this, the colleagues are responsible for buying electricity, gas, heating oil and district heating for all sales lines and companies within METRO GROUP.

Andrea Weber, Director Corporate Responsibility METRO Cash & Carry
People in about 29 different countries work for METRO PROPERTIES. They all share a passion for the real estate industry and retail. Our corporate culture is dominated by excellence in execution, a strong customer focus, highly empowered employees as well as an international dimension.

Our staff have a wide range of qualifications and include property administrators, architects, architectural drafters, business experts, marketing specialists and facility managers. We wholeheartedly believe that our employees’ varied skills offer us a crucial competitive advantage as they take full responsibility for our customers’ success, providing them proactively with the best solutions. As METRO PROPERTIES, we bring together all their different perspectives to create an overall picture of property management with a focus on retail.

PASSION AND EXPERTISE

OUR ETHOS

- A community of property experts
  - We are committed to offering our customers the very best in quality
  - We trust our staff, respect and value their opinions and ideas, and promote their development

- Growth by means of creating customer value
  - We support the METRO GROUP sales lines
  - We identify and secure sites in prime locations

- Value-enhancing property management
  - We provide transparent information about existing properties and markets
  - We monitor risks and opportunities in our portfolio and sell at the right moment

- An innovative approach to constructing, maintaining and extending our sites
  - We build and manage energy-efficient, cost-effective stores for our tenants
  - We develop sites so as to support our retail partners’ sales growth
METRO GROUP

METRO PROPERTIES is part of METRO GROUP, one of the leading international retail and wholesale companies. The group has more than 220,000 employees around the world. Based in 29 different countries, it generated sales of about €59 billion in the financial year 2014/15.

One of the key areas of our work is to support the growth course of METRO Cash & Carry. The company is a leading international player in self-service wholesale trade. At the same time, it is METRO GROUP’s highest-revenue sales line.

We support METRO Cash & Carry as a partner. First of all, we select suitable locations and spaces for new stores. We analyse the surrounding area, develop medium- and long-term usage concepts, agree these with the sales line, oversee the necessary approvals processes and also manage the actual construction work. Optimised and standardised processes ensure that the cost of developing new sites is constantly reduced and more funds are available for the next stage of expansion.

Our comprehensive management system allows METRO Cash & Carry to concentrate on its core business as a wholesaler for commercial customers.

The sales lines – METRO Cash & Carry, Media-Saturn and Real – are responsible for the retail and wholesale operating business. Each of the sales lines occupies a leading position in its own sector.

METRO PROPERTIES pools all of METRO GROUP’s real estate expertise. We own about 600 retail locations. Our role is to permanently increase the value of the group’s real estate assets by means of active, strategic portfolio management. In this way, we enable METRO GROUP to make optimum use of its tied-up capital and furthermore support the company’s growth plans.
ONE COMPANY

ACTIVE IN 29 COUNTRIES

NUMBER OF LOCATIONS 2,060

4 M. SQUARE METRES OF SELLING SPACE, 2,000 TENANTS

> 10 AWARDS FOR IDEAS ON SUSTAINABLE CONSTRUCTION

FACTS AND FIGURES

IMPRINT / CONTACT DETAILS

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METRO PROPERTIES is the real estate entity of METRO GROUP. Operating in 29 countries, the company manages the most international retail property portfolio worldwide. You can also visit us on the internet at:

www.metro-properties.com