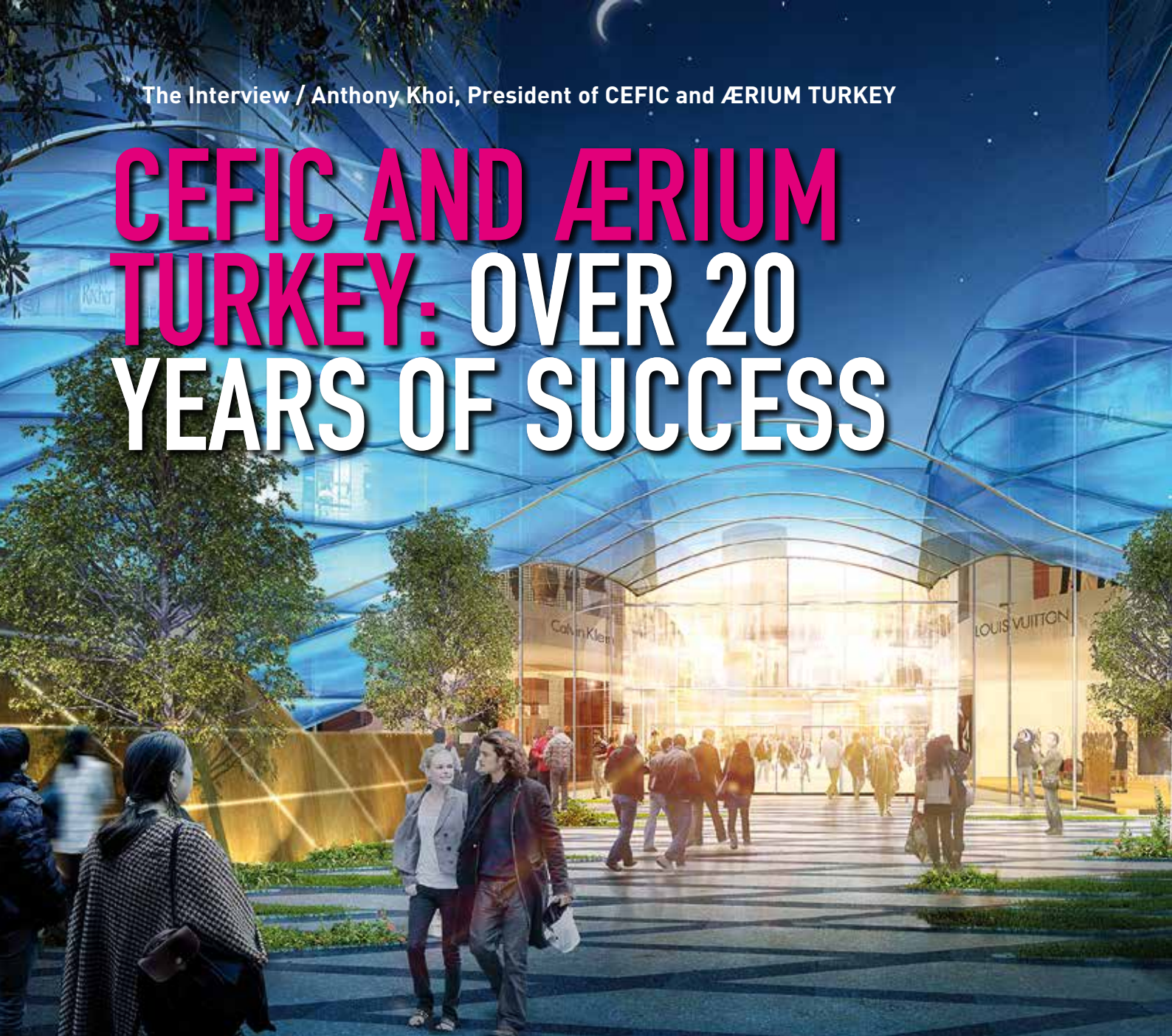


# CEFIC AND ÆRIUM TURKEY: OVER 20 YEARS OF SUCCESS



In an exclusive interview with REurope Magazine, Anthony Khoi, President of CEFIC and Ærium Turkey and Ærium board member, explains how a successful strategy has created value for the company and its investors and pushed forward the boundaries of the industry over the past twenty years.

**RE: WHAT WOULD YOU SAY IS THE KEY TO ÆRIUM'S SUCCESS IN RECENT TIMES?**

Anthony Khoi (AK): Founded in 2003, Ærium is an independent pan-European real estate investment manager, headquartered in Luxembourg, with offices in London, Paris, Geneva, Dusseldorf, Stockholm and Istanbul. With over €6.4bn under management throughout Europe and Turkey, Ærium ranks amongst the leading independent platforms in Europe. Ærium has launched 16 closed-ended funds since 2003, and also

manages separate account mandates for long-term institutional investors. Despite the global financial crisis, Ærium has achieved an exceptional track record and has found unrivalled success in managing and developing its portfolio of properties through proactive asset management strategies in several countries. In 2005, Ærium became one of the first foreign investors to purchase Turkish commercial properties. In 2015, Ærium Turkey's asset value represents over €750m in property, with an additional €2.5bn under development. Ærium has proven it is not only a market pioneer, but also a leader and expert in Turkey's shopping centre sector.

**RE: HOW ARE THE ASSETS IN TURKEY MANAGED?**

AK: The assets in Turkey are managed by CEFIC, leader in Turkey with over 20 years of

experience and success.

CEFIC is a subsidiary of Ærium Turkey, operating in Europe since 1986 and in Turkey since 1994. The company is providing services with an international know-how and tailored solutions to strongly support investors, developers and tenants for the most efficient results in growth and added value. With its team of 85 professionals, CEFIC manages over 350,000 sq m GBA of shopping centres and commercial properties in Turkey. The company supports its clients in investment, development, design, leasing, property and facility management, as well as sales, marketing & promotion of shopping centres and commercial properties. Its deep market knowledge and experience have established CEFIC as the leading expert in its field in Turkey. CEFIC is highly recognized by the industry with one of the best track records





In an exclusive interview with REurope Magazine, **Anthony Khoi, President of CEFIC and Ærium Turkey**, explains how a successful strategy has ensured 20 years of success in the region for one of Europe's foremost players. From attention to key external markets, to a deep understanding of local culture, Mr. Khoi highlights the main issues facing shopping centre operators and developers today and offers a glimpse of the future...



for accomplished achievement during the past 20 years in the Turkish market. CEFIC is managing the shopping centres owned by Ærium Group in Turkey, as well as offering

dedicated third-party services for investors, banks and financial institutions that require an expert in asset management, investment management, development, leasing, marketing and centre management. The company has developed and has been implementing a sustainable strategy through innovation, for the improvement of its assets, notably with addition of extensions, renovations, refurbishments, and re-development, as well as creative marketing, repositioning and branding. In doing so, Ærium has generated an

important increase of activity and values in its centres.

**RE: WHAT IS THE SECRET OF YOUR SUCCESS IN TURKEY?**

AK: The key factor of Ærium's success is: "thinking global acting local and executing strategy with highest standards."

The Turkish market is very specific and difficult in terms of risk management, with fast-growing catchment areas and competition in a dramatically changing market environ-







ment. It is incredibly important to upgrade your shopping centres constantly to local requirements, competition and the expectations of the customer and retailers. You need to ensure that your centres permanently achieve those requirements. You have to increase more than ever your reactivity and your agility to act fast. Following the first wave of extension and refurbishment projects in Turkey, we are looking carefully at the potential of each centre, and the opportunities for increasing their sizes.

Each centre must be appropriately sized to be competitive. Indeed, in some locations we can be more ambitious, by completely redesigning and redeveloping the property, creating added value for the investors, retailers and the city by implementing ambitious and attractive mixed-use projects.

#### RE: WHAT WILL THE FUTURE HOLD FOR YOU IN TURKEY?

AK: We believe in Turkey and continue to invest in the country. Arium Turkey will be moving towards total assets under development with over 600,000 sq m of new retail, hotel, office, leisure and residential projects under development in Turkey. We

have a number of local and international investors and partners who trust our capacity to drive this development forward. We have the expertise, industry experience and the resources to implement it.

There are not many companies in Turkey able to manage and deliver results like this. Arium together with CEFIC's expertise is capable of providing a comprehensive range of integrated services for those seeking to invest in the Turkish market. The rapid development cycle of Turkish shopping centres in the last ten years is very exciting. The number of shopping centres was around 50 ten years ago, reached 350 in 2015, and expected to increase to 500 by 2017, heralding a step-change into maturity that both developers and investors will view as fantastic opportunities to enter this exceptional market. Considering the saturated levels in Europe, many foreign investors are considerably interested in Turkey realizing its great potential in terms of demographics, growth, consumption habits, and quality of assets. CEFIC has been monitoring the consumer market diligently by ways of periodic internal and external surveys and market studies. These studies significantly contribute to the company know-how and strategic management skills. Throughout these studies we







can easily monitor many indicators like the evolution of catchment areas, consumer profiles, consumer preferences in retail brands, and reposition the shopping centre concepts

as family destinations and meeting places. The consumers are inclined to spend more time in the shopping centres, and search for more leisure activities, events, and social spaces as compared to ten years ago.

#### RE: WHAT ARE THE GAME-CHANGING STRATEGIES FOR MODERN SHOPPING CENTRE OWNERS AND DEVELOPERS?

AK: The important thing today is proactive and innovative management. As an investor, we have to operate and manage shopping centres not only as “real estate assets” but also as “shopping companies”. A shopping centre is a “shopping corporation” like a department store! Investors are fully concerned and should bear their responsibilities, with regard to the operation, to the positioning and to the commercial performance of the activity of that centre. Shopping centres are a fast-changing environment and I consider that it is now more necessary than ever that we be more reactive, better performing and professional. Over the past 12 months one of our key challenges was to implement a strategy to take advantage of mobile technology, CRM, and digital marketing to improve the attraction of our centres and create a better relationship with our customer.

We are constantly improving our team by internal and external trainings, as well as

recruiting new talent at all levels, optimizing our organization and process to enhance the quality of services. Teaming with each other, with our retailers, investors, cities and partners is also a very important objective and a key factor of success for Arium and CEFIC. As a consequence of proven success over 20 years in Turkey, our group has positioned itself as a distinctive leader in terms of track record and value creation, and our achievements thus far are a result of the quality of the team and the ability to implement the very best strategy, driving execution with high expertise capabilities where it is needed.

Our strong track record and success story during the last 20 years in Turkey has proven that we are able to manage with high performance our projects and deliver the expected results to our investors. Our team will continue supporting our investors with highly international standard services and professionalism. We take the advantage of our international and local experience and achievements to continue to work with further global and local investors interested to invest in Turkey. In order to increase our capacity of investment, we are looking forward to raise new funds and to create new partnerships with new investors on our exceptional projects and also on our attractive pipeline of opportunities in Turkey.

