



# Interview With The Market

## Kristóf Molnár – Tesco

“The crisis has a serious impact on commerce, and I think the worst is yet to come. The value of amounts bought is apparently decreasing, i.e. it is more and more obvious that people have less money. Unfortunately this tendency is likely to persist in the future. We are trying to compensate all this by offering quality products, even at prices lower than previously.”

*Retail monitor – 21 January 2009*

## András Kovács – ORCO

“The crisis can be perceived in case of everyone and everywhere. It will definitely have an effect on rental prices and conditions, too. Even if rental prices would not increase due to the strikingly rising rate of exchange, they will still grow, because the lessees pay the sum total in Hungarian forint. Rental prices previously considered reasonable, but now high, may cause temporary problems in paying. Anybody with long term planning can develop a construction that helps lessees in the short run, and is tenable for both parties. We try to offer such constructions for our lessees.”

*Retail monitor – 18 February 2009*

## Krisztina Major – Tópark

“Nowadays the fact that there are stores of well known and new brands in a shopping centre is not enough for success. It is important to fully satisfy the customers’ demands. We will provide family friendly, time saving services which are already used abroad, but are still in their infancy in Hungary. Theme parks are such a service, the essence of which is that they are divided on the basis of age groups, so there are going to be theme parks for children and for adults, too.”

*Retail monitor – 18 March 2009*

## Viktória Szabó – Cushman & Wakefield

As opposed to other market segments, the retail market was reached by the crisis relatively later, compared to the real estate investment market. The fall of new developments and the slowing down of the expansion of merchants is blocking the previously experienced rapid growth of the market, but this does not mean that the crisis will completely transform the market. Merchants still show a considerable interest for developments with a good location and a conscious concept. The real question is how much compromise market players are able to make and willing to take to achieve success in the long run.”

*Retail monitor – 22 April 2009*

## Adrienn Lovro – ABLON

“The crisis is deepest in the real estate market, since in such cases people delay their least urgent purchases, so they tend to give up luxury items and durables, such as changing flats, buying a car or going on holiday. The next segment affected by the crisis is retail, because of the same reasons mentioned above. The cancelling of investments due to the halt of financing, however, affect all four areas to the same degree.

Shopping habits have changed by now: most consumers in Budapest prefer going shopping once in a week or several weeks and spend more money once instead of shopping a number of times per week, in a smaller value. Nevertheless, it hasn’t been proved that this change comes from the consumers’ needs or simply from the fact that shopping malls providing a good time and comfortable shopping are far from homes or workplaces, so they are not so easy to reach on weekdays.”

*Retail monitor – 20 May 2009*

## Anna Malarczyk – Echo Investment

“One must remember, however, that in case of a complex project there is always a lot of change. The bank’s requirements must be met, which means a determined number of pre-leasing agreements. It is especially difficult to meet these requirements in the present state of market, since lessees make much stricter stipulations.”

*Retail monitor – 17 June 2009*

## Pál Baross – ING Real Estate

“After the 1989 political changes all three components of the retail market started to boost: purchasing power, merchants and commercial development concepts. Now, of course, all three came to a halt. When will purchasing power start to increase again, it is up to the economy, not us. I am optimistic, however, that merchants keep growing, small, medium and large shops alike, the shop windows are more and more aesthetical, there are a lot of “product innovations”, and tunings to segmented consumer markets. We, real estate developers are working on further and further developments, as well: how could we enlarge the supply of the inner city market with the rediscovery of internal passageways? How could we enlarge the local public supply, where we could bring together in a pedestrian environment comfortable shopping, a bunch of services and local culture, playgrounds, or perhaps churches, libraries? And, of course, every (good) real estate developer is wishing, deep inside, for the realization of a project with some really “exciting architecture.” The future is bringing together location, segmented supply and architectural quality.”

*Retail monitor – 15 July 2009*

## Csillagh András – Real Management

The crisis cleans the real estate market. All markets need some selection induced by such difficult situations, so that the remaining businesses and service providers may later be all the more effective and more successful, meeting the higher demands of the market, which is, naturally, essential for a progressing economy. The global effects of 2008 did have an impact on the Hungarian market, but, since in Hungary there had not been such an overpricing as in the Romanian or Moscow market, we may not even have to expect a further decrease. We may see a calmer period when only those dare to move forward who had favoured premeditated, well-prepared developments in the dynamic period, too.”

*Retail monitor – 16 September 2009*