

True Value of Retail. Our Socio-economic Footprint

Hammerson

Positive
Places





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INTRODUCTION

In 2013, I had the pleasure of introducing “True Value of Shopping Centres”, our first portfolio wide review of the local social and economic impacts of our assets. That report measured the social and economic impacts of nine shopping centres in our UK portfolio, for the first time quantifying how our assets create jobs, trigger further investment, establish new destinations, increase visitor numbers and grow local spending.

That work proved invaluable for us in demonstrating to key stakeholders the value generated for communities, towns and cities, by the presence of a well-managed shopping centre. Five years on, I am delighted to introduce the next iteration of our social impact study, “True Value of Retail”. With the retail landscape evolving at a faster rate than ever before, the findings in this report highlight the sheer scale of the impact that retail destinations continue to have on local economies and communities, and their combined significance for the national economy. The study reveals that our regional retail destinations across Europe are responsible for creating 40,000 jobs, the vast majority (over 80%) of which are awarded to people local to the communities that we serve. Taken together, this equates to some £800 million in employee wages, a large proportion of which will be redistributed into the local economy.

Our impact within local communities remains a material issue for Hammerson and forms one of the four pillars of our objective to be Net Positive as a business by 2030. Achieving this will require measurement of progress over time against a clear base-line. Updating the initial research and expanding it to include our other portfolios and jurisdictions has provided us with that base line data. It has also provided us with an even richer data set that supports our understanding of the strengths and challenges of our portfolio. We will use the outputs of this work to respond to our stakeholders, refine our local community engagement plans and strategies, tackle issues and concerns that are of real relevance to local people and measure our impacts in a meaningful way.

Our Net Positive socio-economic objective is to ensure each of our assets has a positive socio-economic impact within its neighbourhood. This means supporting a net improvement in areas such as employment and skills, local enterprise, health and wellbeing, local networks, accessibility and enhanced built environment.

As part of our journey to achieving Net Positive, we will be reporting on progress in each of our key impact areas every five years within our Net Positive time line. I look forward to keeping stakeholders updated on the positive changes Hammerson has made in the places we create and manage between now and 2030.

David Atkins
CEO, Hammerson

A GROWING UNDERSTANDING OF OUR TRUE VALUE

ESTIMATED INWARD INVESTMENT

2017

£2.4bn

Estimated inward investment attributable to Hammerson assets (whole portfolio)

2013

£1.5bn

Estimated inward investment attributable to Hammerson assets (UK Shopping centre portfolio)

JOBS CREATED (FTEs)

40,000

2017



18,300

2013



WAGES GENERATED

£800m

2017



£420m

2013



OUR NET POSITIVE OBJECTIVE

In 2017 our sustainability vision became even more ambitious, with a new objective to become Net Positive for carbon, resource-use, water and socio-economic impacts by 2030.



Carbon

Net Positive for carbon means carbon emissions avoided exceed emissions generated.



Resource Use

Net Positive for resource use means waste avoided, recycled or re-used exceeds materials used that are neither recycled, renewable nor sent to landfill.



Water

Net Positive for water means water replenished by external projects exceeds water consumed from mains supply.



Socio-economic

Net Positive for socio-economic impacts means making a measurable positive impact on socio-economic issues relevant to our local communities beyond a measured baseline.



MEASURING OUR SOCIO-ECONOMIC IMPACTS FOR NET POSITIVE

Research undertaken by JLL and Envoy Partnership, combined with data collected from across our UK, France and Ireland portfolios, has enabled us to understand and measure the actual socio-economic contributions of our assets and developments both today and over the lifetime of our centres. It presents us with a baseline from which to measure future progress.

The findings will be used to shape asset plans that ensure we optimise the positive impacts generated from our portfolio, and create great retail destinations through both best in class asset management and development. The data gathered also enables us to forecast the socio-economic impacts of future development projects.

This report presents the outcomes of this comprehensive research and the socio-economic footprint for our UK, France and Ireland shopping centres and retail parks.

It also presents locally specific findings for some of our newly developed, and longer standing assets in case studies, including Victoria Gate, Cyfarthfa Retail Park, Les Terrasses du Port and Dundrum City Centre.

OUR SOCIO-ECONOMIC FOOTPRINT

JOBS CREATED

95%
ARE RETAIL
JOBS

82%
OF RETAIL JOBS
TO LOCAL
PEOPLE

48%
OF RETAIL JOBS
TO UNDER 25
YEAR-OLDS

19%
OF RETAIL
JOBS AT
MANAGEMENT
LEVEL

10%
OF RETAIL JOBS
TO PREVIOUSLY
UNEMPLOYED
PEOPLE

40,000
JOBS CREATED
(OVERALL FTE)



2000
SUPPLIER JOBS



£800m
WAGES



£300m
TAXES FROM EMPLOYMENT

GOVERNMENT SAVINGS



£7m

Cost savings to Government from reduced unemployment benefits



£1m+

Cost savings to Government from reduced crime and health and wellbeing benefits from reduced unemployment

Our Placemaking Strategy aims to create places that respond to local needs, celebrate local heritage and look to the future.

For Case Studies, turn to page 24

INVESTMENT ATTRACTED



£40m

INVESTED BY RETAILERS
IN TRAINING



£2.4bn

ESTIMATED ATTRIBUTABLE
INWARD INVESTMENT

CREATING A SENSE OF PRIDE

We also found that through focusing on design and asset management we are making a valuable contribution to the quality of places, and the sense of local pride and wellbeing. Our qualitative research with local stakeholders revealed:



14%

IMPROVEMENT
IN QUALITY OF
LIFE FOR LOCAL
PEOPLE



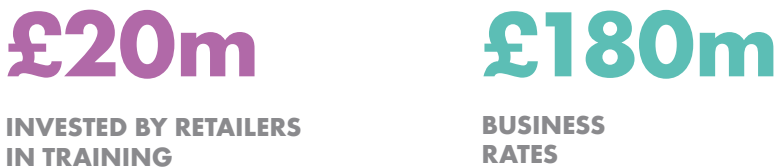
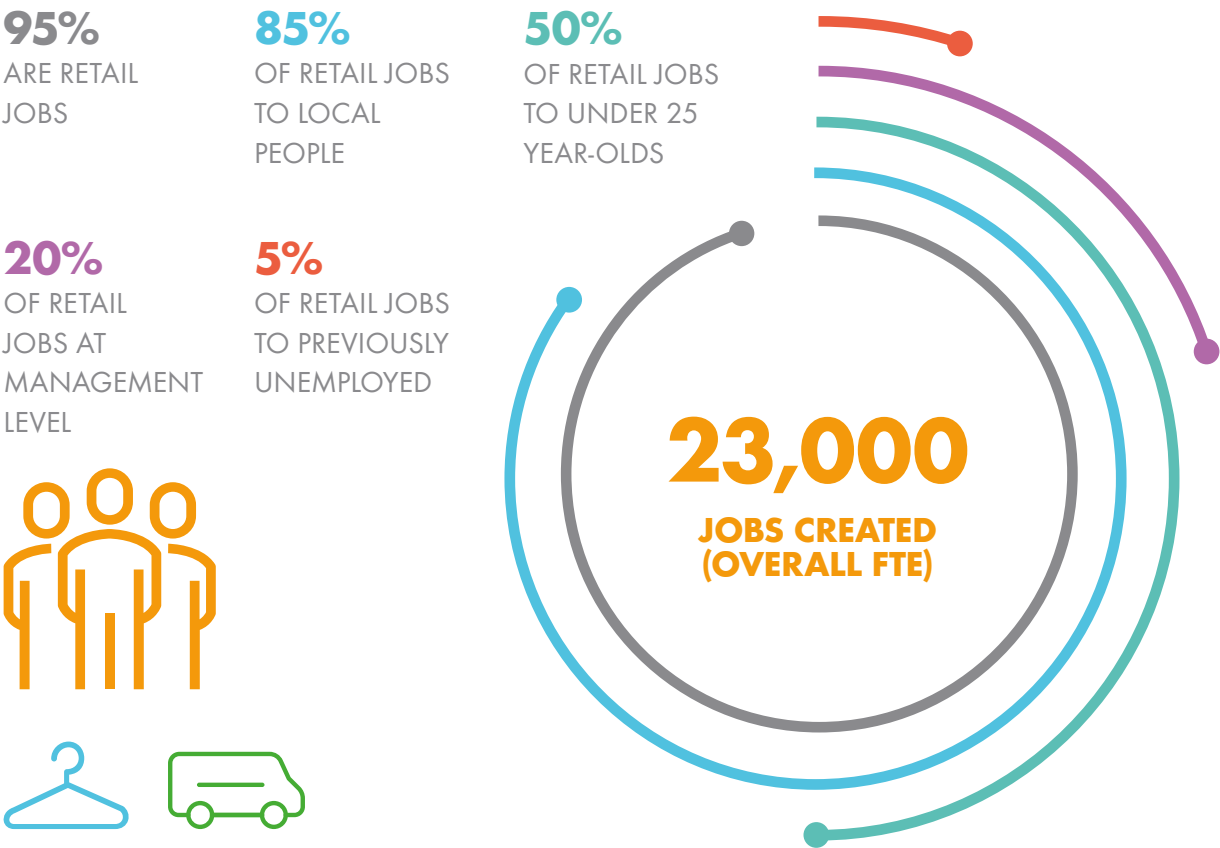
15%

INCREASE IN
LEVEL OF PRIDE
FELT ABOUT
THE AREA

PORTFOLIO OVERVIEW

UK SHOPPING CENTRE FOOTPRINT

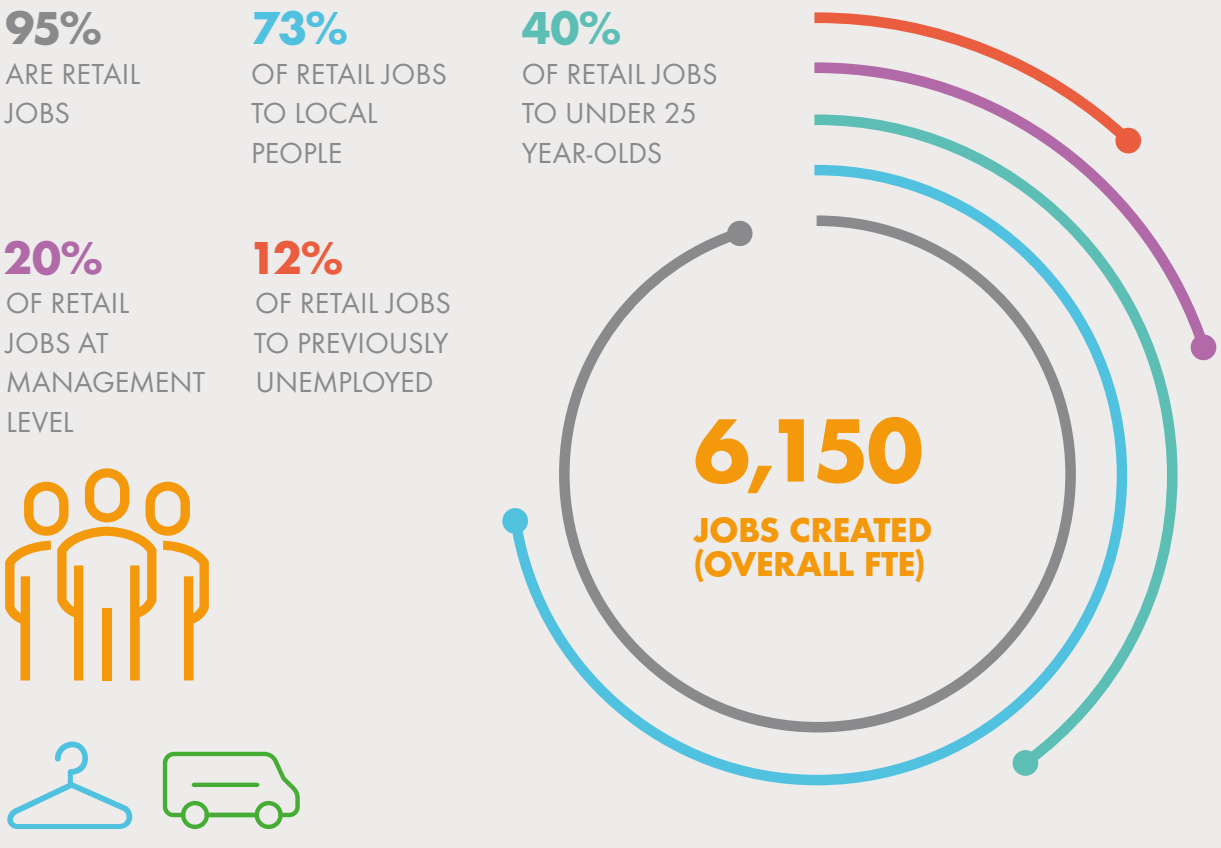
JOBS CREATED



PORTFOLIO OVERVIEW

UK RETAIL PARK FOOTPRINT

JOBS CREATED



PORTFOLIO OVERVIEW FRANCE

SHOPPING CENTRE FOOTPRINT

JOBS CREATED

95%
ARE RETAIL
JOBS

24%
OF RETAIL
JOBS AT
MANAGEMENT
LEVEL

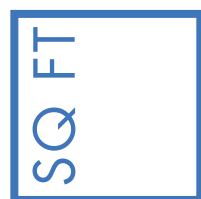
7,500
JOBS CREATED
(OVERALL FTE)



6,800
RETAIL JOBS



500
SUPPLIER JOBS



144

OF RETAIL SPACE
THAT ONE FTE JOB
IS SUPPORTED BY



€160m

WAGES

€8m

INVESTED
BY RETAILERS
IN TRAINING



€60m

TAXES FROM EMPLOYMENT



SUPPORTING LOCAL ECONOMIES

Generating training and employment opportunities for local people

One of our most important impacts is on local economies, through supporting employment and training for local people. We also contribute significantly to local and national Governments through taxes. We strive to make sure our assets are accessible to all, and make a valuable investment in local communities.

Our current portfolio provides full-time jobs for over **40,000 people**. Over **80%** of retail jobs across our assets go to local residents (defined as people living within 20 miles of the asset). These jobs generate over **£800 million in wages**, a large proportion of which will be distributed into the local economy by employee spending in the area where they live.

On our developments, we work closely with our contractors to provide apprenticeships and work experience opportunities for local people. For example, the extension of Elliott's Field Retail Park in Rugby supported **ten apprenticeships**. The development of Victoria Gate, Leeds provided valuable training and experience for **fifteen existing apprentices and a further thirteen new apprenticeships were created**. We also work with our contractors to encourage the employment of local people. For example **45%** of people employed by Sir Robert McAlpine on our Westquay Watermark development in Southampton were **based within 20 miles of the site**.

SUPPORTING RETAIL AS A CAREER

Our commitment to supporting local people into work does not stop once we finish on-site.

To support local people into retail jobs at Westquay Watermark, we ran local recruitment events and roadshows that reached nearly **30,000 local people**. **Overall, 79% of jobs went to local people living within five miles of the development**. We provided pre-employment training to **140** long-term unemployed people and supported **45%** of participants into jobs with retailers in the scheme.

We have also created a retail job shop to provide a long term legacy for the community.

We estimate that retailers across our portfolio invest over **£40 million** annually in training their employees. With almost **50%** of retail jobs employing under 25 year olds, this makes a valuable contribution to skills development for young people, many of whom go on to have a long career in retail.

Our suppliers and contractors also support the learning and development of employees working in our centres and on our development sites. Recent research from the British Retail Consortium suggests that whilst **73%** of retail employees receive training, it does not always support their progression, with only **19%** stating that training enabled them to earn more. With this in mind, we are investigating how we can support our retailers in providing training that enables career progression and ensures a long-term career path in the industry.



Case Study

HEIDI BELL SHOWCASE CINEMA GENERAL ASSISTANT

Our employment roadshows and training programmes delivered in partnership with Quickstart are helping local people into long-term employment at Westquay, Southampton.

Heidi Bell Jones had been out of work for approximately 3 months before attending the Westquay training and preparation for work course.

Heidi felt she lacked in confidence and felt like a failure. She said that attending the training gave her a new sense of self-worth, she met new people and gained self confidence.

Heidi felt the help and support provided by Quickstart helped her to achieve this. She was ultimately successful in gaining employment with Showcase Cinema working as a General Assistant on Commissions.



Case Study

RESTAURANT CHEF

At Victoria Gate, Leeds, during our Employment Roadshows, we engaged with a young, profoundly deaf man who despite being a qualified chef could not secure employment.

Through establishing extensive dialogue between the young man and an entrepreneur, and working with Remploy, we successfully secured funding to provide support in the workplace.

Our actions as the broker between this young person and one of our new restaurants led directly to him fulfilling his ambition of working in a restaurant kitchen. This outcome ended his reliance on Disability Living Allowance and has been a hugely positive outcome for everyone involved.

Supporting the national economy

Our portfolios and others like ours generate important income for the exchequer, both directly and indirectly. Employment on our portfolio generates **over £300 million** in employment taxes. Business rates from our UK shopping centres and retail parks contribute an **additional £250 million** to local authorities. We also contribute to local authorities through community infrastructure levy and section 106 contributions which are invested in the areas around our developments.

Our efforts to support unemployed people into work also result in significant cost savings for the taxpayer, reducing unemployment benefit payments, and mitigating the additional costs associated with the social impacts of unemployment. These are important indirect benefits with a financial value. Calculations within the research show that the savings to the public purse from reduced unemployment benefits for people employed at Hammerson's assets who were previously unemployed is an

estimated **£7 million** annually. This includes savings both from the immediate impact of moving an individual from unemployment into work, but also from minimising the chance of a young person entering unemployment again later in life.



£1 MILLION



Research from the Prince's Trust Youth Index has identified an increased likelihood of offending and of experiencing poor health and wellbeing when unemployed. We have estimated that reducing unemployment generates **an additional £1 million in annual savings** from a reduction in costs related to crime and health service provision. And of course the positive impacts on the lives of people helped into employment and given training and support are immeasurable.

At Highcross, Leicester, we helped pilot the Retail Path initiative to show young people what life is like behind the scenes at shopping centres, and why retail property makes a fascinating and rewarding career.



I'M REALLY GRATEFUL TO BE GIVEN THIS OPPORTUNITY. I'M PROUD OF MYSELF FOR WHAT I'VE ACHIEVED. I FEEL VERY LUCKY TO BE DOING A JOB THAT I ENJOY, AND HOPEFULLY I WILL LEARN ENOUGH OVER THE NEXT YEAR TO ENABLE ME TO GET A PERMANENT FULL TIME POSITION IN RETAIL.

Joe, Retail Path participant, High Cross, Leicester



BUILDING LOCAL RELATIONSHIPS

We seek to establish and build on strong, positive partnerships with the stakeholders local to our assets.

For example, Hammerson staff within our UK shopping centres support eight Business Improvement Districts and play an active role in local area management.

Our annual Positive Local Places bursary scheme supports local community partners chosen by staff at our assets, providing grants and access to centre space to fundraise or manage activities. In total we invest about £1 million every year in community and charitable organisations, focused on tackling social issues identified in our asset community engagement plans.

£1m

The amount we invest in community and charitable organisations every year

500+

Local community organisations

benefited from support from Hammerson in 2016

Supporting local entrepreneurs and enterprises

As part of our Croydon Town Centre development, through our Croydon Partnership Community Plan, we have contributed over £500,000 in community investment focused on youth opportunity and skills development. We have supported a number of local businesses who provide valuable services for local people, including Lives Not Knives and Mum's the Chef.

Our developments support local enterprises, with contractors spending on average 12 percent of their spend with suppliers based within 20 miles of the site. We also support local enterprises in and around our assets. A notable finding from our visitor surveys was that those questioned spend almost a third of their retail spend with independent retailers either in or outside our centres.

OUR COMMUNITY ACCESS FORUM



As part of the new development at Brent Cross, the area will be designed and built with the needs of disabled people in mind from the start.

The Brent Cross Cricklewood Consultative Access Forum, made up of local representatives and chaired by an access expert, review and comment on designs at every stage. The forum has six local residents representing the key diversity strands and representatives from the London Borough of Barnet and the Greater London Authority.

The Forum provides an opportunity for the local community to input their suggestions to improve the accessibility of the asset and make Brent Cross open to all. Issues considered by the Forum include transport access, Shopmobility, internal layout, type and provision of disabled toilet facilities including a Changing Places toilet, technology and training for staff. The feedback has been incredibly useful and is being considered in the design and decision-making about the scheme. We now plan to roll this model out elsewhere.

The scheme will create a "new inclusive community" in north London, improve the accessibility of public transport and provide an expanded Shopmobility scheme.

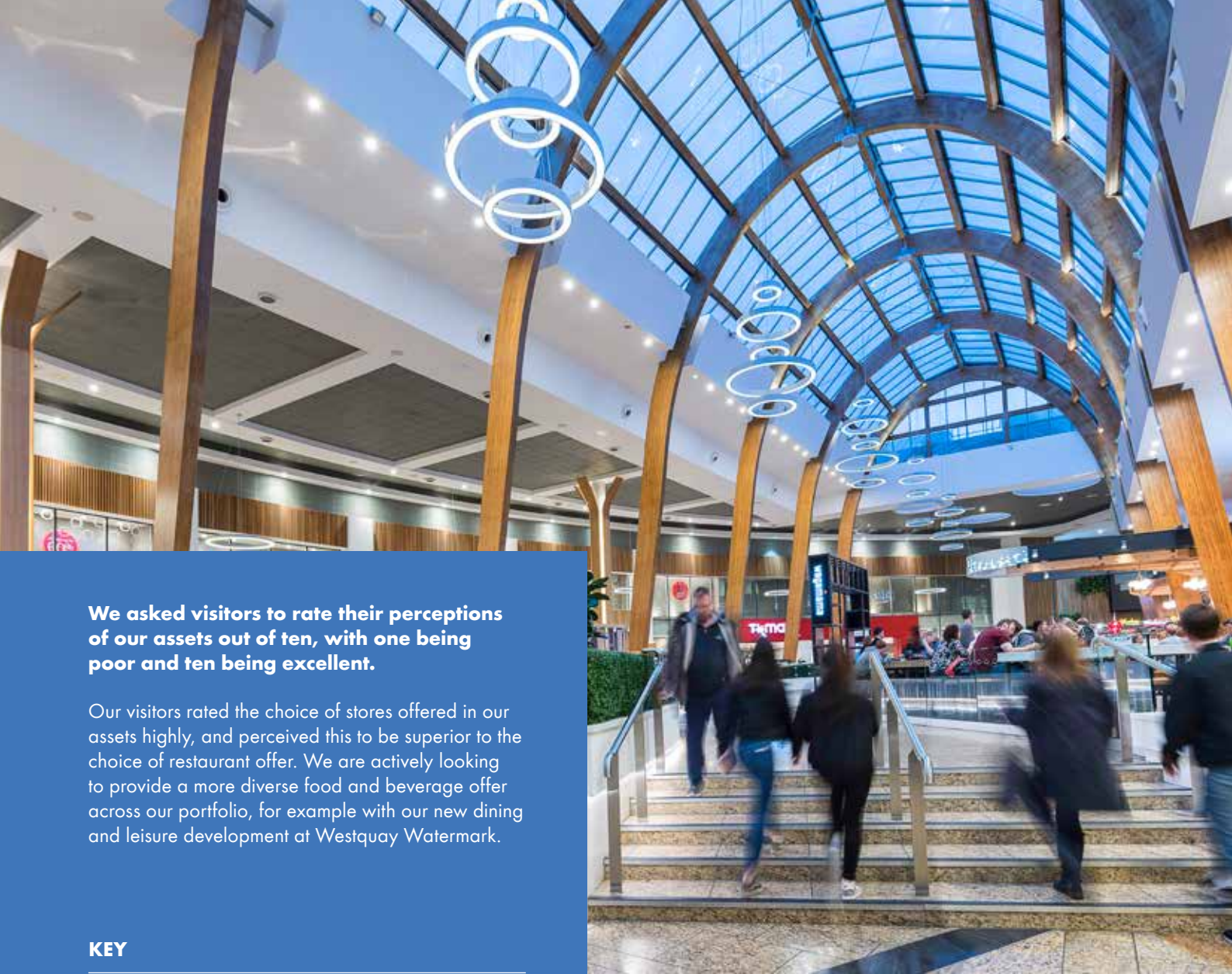
WHAT WE WILL BE LOOKING FOR IS TRYING TO IMPROVE DESIGNS AT THE EARLIEST OPPORTUNITY, GETTING MAXIMUM WINS FOR EVERYBODY. IF DISABLED PEOPLE ARE TALKING TO ARCHITECTS AT THE VERY EARLY STAGES YOU CAN INFLUENCE THINGS. IT IS VERY DIFFICULT TO INFLUENCE SOMETHING LATER DOWN THE LINE.

Tracey Proudlock, Chair,
Brent Cross Cricklewood
Consultative Access Forum

CREATING A SENSE OF PLACE

Understanding what our communities want

We aim to create local centres for local communities, so understanding what local people think and what they want to see in their area is critical. Knowing this, we have undertaken surveys with over 600 visitors and local residents and stakeholders around our assets over the course of the two projects, to capture local insight in a number of different subjects from catering provision to design.



SURVEY RESULTS: PERCEPTIONS OF THE ASSET WHAT OUR VISITORS TOLD US



We asked visitors to rate their perceptions of our assets out of ten, with one being poor and ten being excellent.

Our visitors rated the choice of stores offered in our assets highly, and perceived this to be superior to the choice of restaurant offer. We are actively looking to provide a more diverse food and beverage offer across our portfolio, for example with our new dining and leisure development at Westquay Watermark.

KEY

	Choice of stores	8/10
	Choice of restaurants	6/10
	The mix and quality of cultural activities and entertainment	4/10
	Design and architecture of the building	8/10
	Public space inside	7/10
	Public space outside	7/10
	How well building blends with the local landscape	7/10
	Access and routes to the area	8/10

In addition to gathering feedback on our existing assets, we are speaking to local people who live and work near our developments to understand what matters to them, and inform the design and future operation of the asset. In Croydon, we are hosting drop-in sessions for residents, businesses and local community groups to meet the Croydon Partnership team and find out more about the development. Roadshows form a central part of the "Partners in the Town" component of the Croydon Partnership's Community Plan, which aims to ensure regular dialogue with residents and local businesses and community groups across Croydon as the scheme progresses.

PLACES THAT RESPOND TO THE LOCAL CONTEXT AND HERITAGE

Local interviews and site assessments undertaken in 2013 identified opportunities for us to enhance the performance of our assets by:

ESTABLISHING CLEARER LINKAGES BETWEEN SHOPPING CENTRES AND THE HIGH STREET

UNLOCKING THE VALUE OF PUBLIC SPACES OR HERITAGE ASSETS TO CREATE MORE ENGAGING AND APPEALING FEATURES

DELIVERING POSITIVE IMPROVEMENTS TO CITY CENTRES IN TERMS OF ROAD STRUCTURE AND ACCESSIBILITY WITH IMPROVED TRANSPORT LINKAGES

The assessments undertaken in 2016/17, particularly on our new assets at Terrasses du Port and Victoria Gate demonstrate how our commitment to these areas has paid off.

The building architecture and design achieved an average rating of 8 out of 10 across the assets surveyed.

The design of Victoria Gate and Les Terrasses du Port were rated on average **9.1** and **8.7** respectively and the provision of internal and external public space was also rated more positively in these newer assets. Access to and routes through the area was rated particularly highly at Victoria Gate.

These findings were supported by the assessments undertaken by our urban architecture and heritage experts. They found that access to these assets was good, with different and engaging access routes. They also considered the building design to blend well with the design and materials of other local buildings, and effectively reference aspects of the heritage of the area.

Our assets play an important role in the surrounding area and in creating a sense of place for the local community. We understand this and work hard to make sure our developments contribute real economic and social value over the long term.

Learning where we can improve

The area where our assets rated lower than we would want was on the mix and quality of cultural activities and entertainment. The ratings for this varied across our portfolio, suggesting different expectations from consumers in different locations, however we are already considering further opportunities in this area. The provision of more affordable shops was also mentioned, as was a desire for more greenery and outdoor seating. We are considering how we can respond to these findings through our asset management activities and they are now encapsulated in our Placemaking Strategy which will be applied across our portfolio. We are already planning expansions to our events programme, such as rolling out the Teenage Markets that we have held successfully in Leeds and Croydon.

DESIGN THAT GENERATES A SENSE OF LOCAL PRIDE

SURVEY RESULTS: PERCEPTIONS OF THE ASSET'S IMPACT ON THE LOCAL AREA



QUALITATIVE RESEARCH WITH LOCAL STAKEHOLDERS REVEALED THAT OUR CENTRES SCORE HIGHLY FOR:

- Impact on local pride
- Being safe and welcoming
- Impact on quality of life
- Importance in the town or city



Our surveys found that over half of all visitors live very locally (within 5 miles of the asset), with 92% living within 30 miles of the asset.

UNEMPLOYMENT & JOB CREATION

SUPPORT FOR LOWER INCOME POPULATION

ACTIVITIES & ENTERTAINMENT

HOMELESSNESS

INEQUALITY

We wanted to know what really matters to the people who live near our assets and visit them frequently, so we asked them what they thought the key social issues were in their local community. A wide range of issues was raised but respondents highlighted unemployment and job creation as a significant issue across all assets, with 39% mentioning it as their key issue. Other notable issues were providing support for lower income populations, homelessness and inequality.

CASE STUDY

BRENT CROSS



KEY FACTS:

BRENT CROSS NOW

There are currently almost 2,300 people employed at Brent Cross shopping centre. This is generating:



£47m
WAGES GENERATED



£17m
TO THE PUBLIC PURSE IN INCOME TAX AND SOCIAL SECURITY



£21m
IN BUSINESS RATES TO THE PUBLIC PURSE

Brent Cross Job Shop has supported over 300 people into jobs with Brent Cross tenants.

BRENT CROSS IN THE PIPELINE

The future Brent Cross will generate even bigger benefits for the local community. Our plans to extend and revitalise the centre are expected to generate:

2,300

ADDITIONAL RETAIL JOBS

In addition, this ambitious scheme will deliver substantial improvements to the local public realm, amenity space and connectivity with the local area.

1,670

RESEARCH FROM QUOD SUGGESTS 1,670 FTE CONSTRUCTION JOBS COULD BE GENERATED FROM THE CONSTRUCTION OF THE EXTENSION TO BRENT CROSS.

4,700

FOLLOWING THE EXTENSION, WE EXPECT AROUND 4,700 PEOPLE TO BE EMPLOYED AT BRENT CROSS.

300+

BRENT CROSS JOB SHOP HAS SUPPORTED OVER 300 PEOPLE INTO JOBS WITH BRENT CROSS TENANTS

We have run a number of pre-employment, sector-based work academy programmes with Barnet & Southgate College and held a number of recruitment events. Through this support, we have placed over 200 candidates into work with Brent Cross employers; 155 (84%) are Barnet borough residents and previously

Whilst much of the Brent Cross catchment area is affluent, our research identified local areas that are relatively deprived and suffering from higher than average unemployment. Responding to this local need, our Community Commitment focuses on youth engagement, and in particular providing new opportunities for children to undertake activities beyond the school gates, supporting 16-24 year olds into further education or into work, and creating opportunities for young people to develop new skills.

We also focus on health and wellbeing for local residents and on enabling local enterprise, actively seeking to work with organisations in supporting the business regeneration of Barnet and providing new job opportunities for local residents.

We have worked with the Urban Land Institute, Enabling Enterprise, Barnet EBP and Inspire to deliver a school engagement programme in local schools. We have also partnered with London Borough of Barnet and Middlesex University to deliver an enterprise programme, delivered local enterprise events and supported social enterprises and charities in Barnet.



£14m
CONSTRUCTION WAGES GENERATED DURING THE DEVELOPMENT



£3.6m
ADDITIONAL INVESTMENT IN TRAINING FOR CONSTRUCTION AND RETAIL EMPLOYEES



£113m
ESTIMATED INWARD INVESTMENT ATTRACTED TO THE LOCAL AREA

unemployed. There are already 2300 people employed at Brent Cross, with a further 2300+ jobs expected to be created following the expansion. In addition, we have estimates that over 1,670 FTE construction jobs will be supported by the extension project.

Brent Cross Shopping Centre is an important asset in our portfolio and within Barnet. Our extension of the centre forms an important part of the ongoing regeneration of the wider Brent Cross Cricklewood regeneration area. It will support the creation of jobs, apprenticeships, training and new business opportunities as well as bringing improvements to the local transport infrastructure and public realm.

CASE STUDY VICTORIA GATE



KEY FACTS:



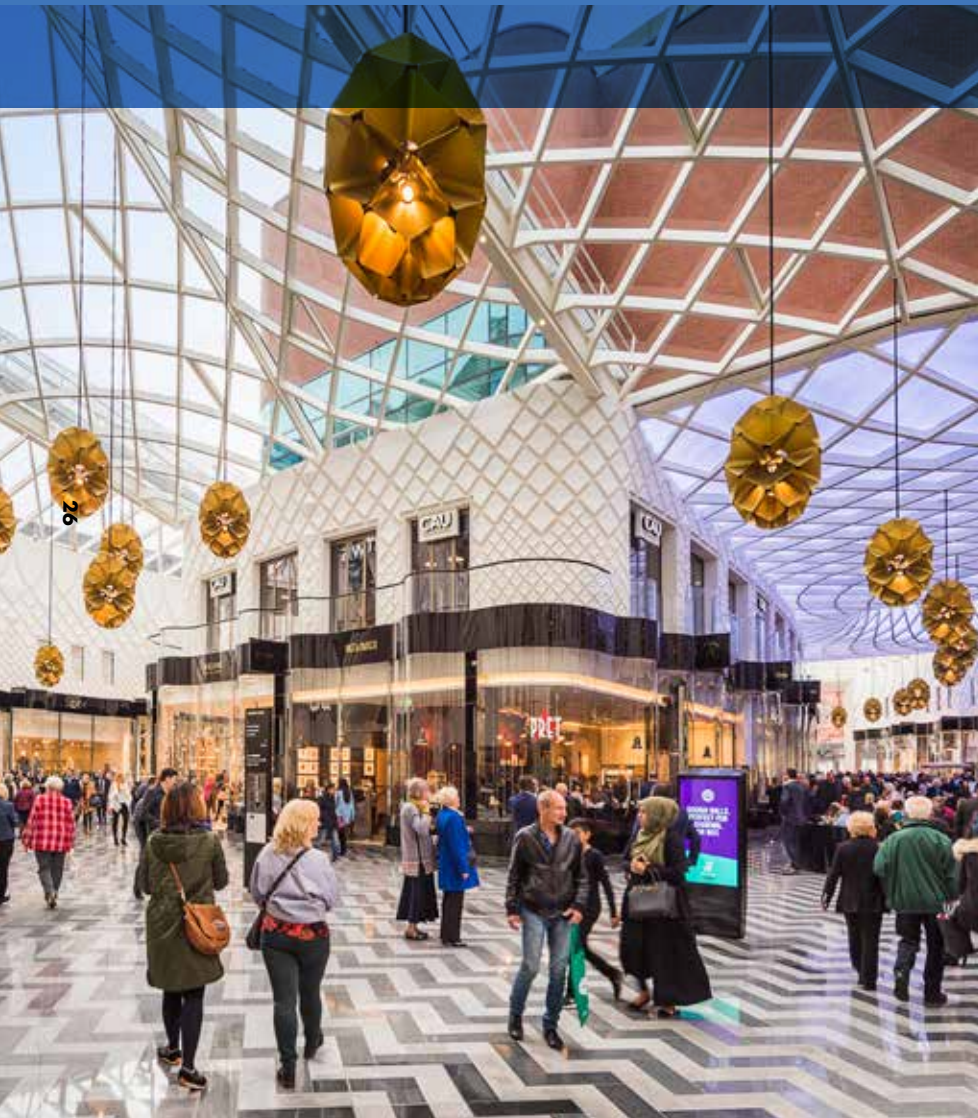
**£16m
WAGES GENERATED**



**£2.2m
INCOME TAX TO
THE EXCHEQUER**



**£4.9m
IN BUSINESS RATES
TO THE PUBLIC PURSE**



Our development of Victoria Gate, Leeds is a great example of the impact new development can create for local people and a local economy.

Construction spend is of course important for a local area but of equal significance is what happens once the construction is completed and the centre is up and running. We work

hard with our on-site teams to ensure our community engagement impacts remain positive through the life of our schemes.

Visitor surveys of the asset following opening gathered very positive feedback from the local community. Respondents loved the building's design, praising the modern

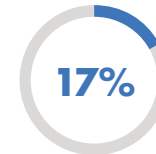
architecture and the pleasant internal environment.

They felt it was accessible, and liked the provision of public space inside and outside the centre. The asset was also felt to be safe and welcoming, which is important as our research found crime has been increasing in the area over the last few years.

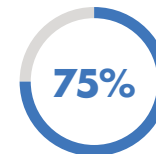
£82m INVESTMENT



Our research found an estimated £82 million of attributable inward investment will be attracted to the area following the asset's development.



**17%
OF CONSTRUCTION WORKERS
CAME FROM THE LOCAL AREA**

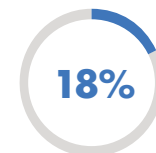


**75%
OF RETAIL STAFF EMPLOYED ON
THE SCHEME ARE FROM THE
LOCAL AREA**

£100m+ INDIRECT VALUE



Over £100 million of indirect value was generated through the construction supply chain, with 18% of contractor spend with local businesses, and 39% of spend within Yorkshire.



**18%
OF CONTRACTOR SPEND
WITH LOCAL BUSINESSES**

£140,000

Community investment to the local community

£250,000

Invested in training staff by contractors on site

£270,000

Section 106 contribution for transport infrastructure improvements

35

**APPRENTICES WERE
EMPLOYED ON THE SCHEME**



9/10

VISITOR RATING OF
BUILDING DESIGN



8/10



9/10

VISITOR RATING OF PUBLIC
SPACE, INSIDE AND OUTSIDE



9/10



8/10

VISITOR RATING OF ASSET
SAFE AND WELCOMING.
IN THE DAY AND AT NIGHT



8/10

VISITOR RATING OF ASSET'S
ROLE IN THE TOWN



8/10

VISITOR RATING OF ASSET
IMPACT ON QUALITY OF
LIFE FOR LOCAL PEOPLE



600

600 FTE RETAIL JOBS CREATED

534

534 UNEMPLOYED PEOPLE
SUPPORTED INTO WORK

122

122 WEEKS OF WORK
PLACEMENTS WERE PROVIDED
TO LOCAL YOUNG PEOPLE

CASE STUDY CYFARTHFA RETAIL PARK



KEY FACTS:



**£12.6m
WAGES GENERATED**



**£1.8m
INCOME TAX TO
THE EXCHEQUER**



**£5.3m
IN BUSINESS RATES
TO THE PUBLIC PURSE**



Following the completion of a 14,500 m² extension in August 2015, we have welcomed a new mix of retail brands to Cyfarthfa Retail Park, repositioning it as the premier fashion retail destination in the South Wales Valleys. Our visitor surveys found that Cyfarthfa serves a large catchment area. Visitors praised the choice of stores at the expanded retail park, with the new Marks & Spencer store being a big draw for local residents. The striking design for the park was also well received.



8/10

VISITORS RATED
CHOICE OF STORES



8/10



9/10

VISITORS RATED ASSET SAFE
AND WELCOMING.
IN THE DAY AND AT NIGHT



8/10

VISITORS RATED ASSET'S
ROLE IN THE TOWN



9/10

VISITORS RATED
SENSE OF PRIDE

Unemployment is considered to be a key issue by local residents, and throughout the construction period for the extension, we worked in partnership with the local council, key contractors including BAM and tenants such as Marks & Spencer and Next to support 700 local people into work and provide training opportunities.

Over 600 people are employed at the park, with 95% of these being local residents. Our tenants at Cyfarthfa told us that 35% of their employees were previously unemployed, and 57% are under 25 years-old. This employment supports an annual saving of £300,000 for the tax payer from reduced unemployment benefit. In addition, the park generates £5 million annually in business rates for the local authority.

Visitors also feel that the asset is safe and welcoming, plays a key role in Merthyr Tydfil and enhances their sense of pride in their local area.

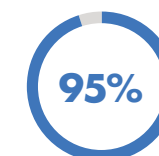


700

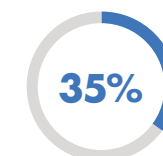
700 CONSTRUCTION
JOBS CREATED (NON-FTE)

600

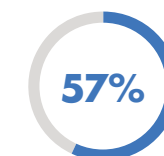
600 FTE RETAIL JOBS CREATED



OF EMPLOYEES ARE
LOCAL RESIDENTS



WERE PREVIOUSLY
UNEMPLOYED



ARE UNDER 25

CASE STUDY

LES TERRASSES DU PORT



KEY FACTS:



€32m
WAGES GENERATED



€3.7m
INCOME TAX TO THE EXCHEQUER



€8.4m
SOCIAL SECURITY CONTRIBUTIONS THROUGH EMPLOYMENT



Opened in May 2014, Les Terrasses du Port has transformed the local area creating a vibrant, popular retail and leisure destination for the city of Marseille. Our site assessment, undertaken by urban planning experts identified that the asset is very accessible, with engaging public space, and the terrace is well-used by local people as a meeting place.

Visitors praised the centre's design, which uses modern and high quality materials but aligns the building mass, height and colour tone to blend well with the surrounding historic buildings.



9/10

VISITOR RATING OF THE DESIGN OF THE BUILDING



8/10

VISITOR RATING OF THE BUILDING'S BLEND WITH THE REST OF THE TOWN



8/10

VISITOR RATING OF INTERNAL AND EXTERNAL PUBLIC SPACE



8/10

VISITOR RATING OF ACCESSIBILITY AND ROUTES TO THE LOCAL AREA AROUND THE ASSET

50%

MORE THAN 50% OF VISITORS TRAVEL TO THE ASSET BY PUBLIC TRANSPORT

€35_m

ESTIMATE OF ATTRIBUTABLE INWARD INVESTMENT ATTRACTED BY THE DEVELOPMENT

The centre employs over 1400 people, generating €32 million in wages and €12 million in employment taxes. The retail offer is designed to complement existing and new retail businesses in the old port quarter, and we surveyed local independent retailers who confirmed their business was not being displaced by the new centre.

Local residents perceive that the centre has had a hugely positive impact in terms of attracting new visitors and a new night time economy to the area, and feel it has reduced crime and improved security in the quarter.

The centre is also acting as a catalyst for the regeneration of the port, with over €350 million inward investment in mixed use real estate developments attracted to the area since the centre's opening; we estimate 10% of this can be attributed directly to the centre.

We are incredibly proud of Les Terrasses du Port as an example of the transformational impact of well thought through design and a long term commitment to a location.

CASE STUDY DUNDRUM



KEY FACTS:



**€90m
WAGES GENERATED**



**€9.3m
INCOME TAX TO
THE EXCHEQUER**



**€130m
ESTIMATED
ATTRIBUTABLE
INWARD
INVESTMENT
ATTRACTED TO
THE AREA**

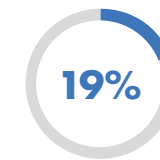


**€9.2m
IN BUSINESS RATES
TO THE PUBLIC PURSE**



28

ONE FTE JOB IS SUPPORTED BY
EVERY 28 SQM OF RETAIL SPACE



**19%
OF RETAIL JOBS
ARE MANAGEMENT LEVEL**



3,800

JOBS CREATED



3,700

RETAIL JOBS



60

SUPPLIER JOBS



20

HAMMERSON JOBS

Retail wages in Ireland are amongst the highest in the EU, and the sector provides almost a quarter of Ireland's tax revenue. Our assessment calculated that jobs at Dundrum collectively generate over €90 million in wages, and more than €30 million in employment taxes.

Retail Ireland's Retail 2020 research found that 85% of Irish retailers intend to grow investment in people and careers in the next three to five years. Based on average training investment reported by the British Retail Consortium, we have estimated that retailers at Dundrum invest more than €4 million annually in training, and we intend to work closely with our tenants to continue enhancing the provision of training and skills development opportunities for their employees.

Dundrum has a diverse retail offer, including many international brands which made their Ireland debut at the centre. One of the areas our visitor surveys have suggested is important to focus on is the choice of restaurants we provide at our assets. Since acquiring Dundrum, we have undertaken a refurbishment of the food court to enhance the centre's dining offer, and introduced a range of new food and beverage providers.

Retail is Ireland's biggest private sector employer, and Dundrum Town Centre in Dublin makes a significant contribution to this: 3,800 jobs in total are supported by the centre, including over 3,700 retail jobs, 60 supplier jobs and 20 Hammerson employees. One retail job (Full Time Equivalent) is supported by every 28 sq m of retail space in the centre. Almost 20% of retail jobs in the centre are manager level.

METHODOLOGY

The findings set out within this report are based on a comprehensive data collection exercise undertaken in 2016/17 across the Hammerson portfolio, and from research undertaken by JLL and Envoy Partnership on behalf of Hammerson. The research expands on that undertaken on Hammerson’s shopping centre portfolio in 2012/13 for the original True Value of Shopping Centres research, and uses the same methodology.

Data Sources

This project collated primary and secondary data from a number of sources including:

Primary data about Hammerson assets and developments gathered from Hammerson, our tenants, suppliers and contractors

Primary surveys undertaken by Envoy Partnership with visitors and local residents at six Hammerson assets which provide a diverse and representative sample:

- The Bullring, Birmingham
- Westquay, Southampton in 2013
- Silverburn, Glasgow
- Cyfarthfa Retail Park, Merthyr Tydfil
- Les Terrasses du Port, Marseille
- Victoria Gate, Leeds in 2016/17

Assessments of the quality of the building architecture and site accessibility, undertaken by a team of experts in urban planning, architecture and heritage at the above six assets and at Highcross Leicester; (also undertaken in 2013)

Secondary data gathered from reputable sources including National Statistics

Where possible, primary data from Hammerson assets has been used to calculate impacts. Where data was unavailable, portfolio averages from the available data for that asset type have been used to estimate impacts. Primary data was obtained from the following sources:

Employment and economic contribution data collected across 29 Hammerson assets in the UK, France and Ireland

Contractor data collected from four developments

Visitor and local resident surveys undertaken by Envoy Partnership across a sample of 250 people at Westquay and Bullring undertaken in 2013 and 360 at Silverburn, Cyfarthfa Retail Park, Les Terrasses du Port and Victoria Gate in 2016/17. Data from all six sites has been used to calculate impacts where the data is perceived to be comparable. We also drew on research carried out by CACI and Javelin across our managed assets

Urban design and architectural site surveys of Bullring, Westquay and Highcross in 2013 and Silverburn, Cyfarthfa Retail Park, Les Terrasses du Port and Victoria Gate in 2016/17

Where secondary data has been used the most recently available data sources have been used. Inflation rates have been applied to historic secondary data sources where figures have not been updated. Secondary data was obtained from the following sources:

Demographic, crime and economic statistics from the Office of National Statistics, Scottish Statistics, INSEE in France and the Central Statistics Office in Ireland

Jobs and training statistics from British Retail Consortium Retail 2020 research

Training statistics from the UK Commission for Employment & Skills

Tax and benefits information from Government websites

Salary data from Payscale

Data on the impacts of unemployment from the Prince’s Trust Youth Index, University of York and Oxford Economic Papers

Economic multiplier data from UK Contractors Group (now Build UK)

Retail rents and vacancy rates from JLL Retail Research

ADVISOR’S STATEMENT



In 2012, the Upstream Sustainability Services team at JLL helped Hammerson to document and assess tangible socio-economic contributions of nine of its shopping centre assets. At the time, Hammerson was one of the first real estate companies to do this publicly and since the launch of the first True Value of Shopping Centres report, it is pleasing to observe that others have followed Hammerson’s lead and that Hammerson have re-visited their impact in this report. In 2012, some of the drivers which led Hammerson to start their journey were structural shifts in retail, changing planning requirements, changing perceptions around a shopping centre’s contribution to place and growing investor interest in the link between socio-economic performance and long term asset value, particularly after the global recession.

Today, the same factors are in play, however, the value creation and preservation opportunities which are presented by addressing the social and economic impacts of real estate are better understood thanks to the research by Hammerson and others in the industry. In addition, the recent interest in the impact of real estate on people’s health and wellbeing provides welcome support to the goal of improving the social impacts in particular of real estate.

In compiling the data for this report, we have used the same overall methodology as the first report in order to aid comparability and track progress over time (See “Methodology” section). However, the methodology has also been updated based on a review of peer and industry methodologies which have emerged over recent years in this field and from the experience we have gained from undertaking similar assessments with other real estate companies. We therefore have confidence that the methodology used represents best practice and in the results it produces.

Of the impacts measured in the first report, some have not been repeated in this report (e.g. impact on residential rents) as over time and on review they have proven to be difficult to measure or to attribute accurately. Similarly, new impacts have been added in this report, in particular it is pleasing to see Hammerson looking to further quantify its place making impact using qualitative surveys and interviews with the people who experience and use the places they create.

From the beginning we advocated and Hammerson was committed to the principle of transparency, and Hammerson’s commitment to publish its impact and share its methodology is again to be commended; this helps to move the entire industry to a better understanding of its impact on society and the economy.

Moving forward, this report provides the baseline against which Hammerson and its stakeholders can track performance over time as part of its Net Positive commitment and is therefore an important initial step in achieving more positive social and economic outcomes. There remain opportunities to further refine and improve the methodology and the accuracy of results, such as through conducting on-site assessments at more of Hammerson’s assets and increasing the quality of information available from Hammerson’s supply chain and tenants. We look forward to seeing how Hammerson addresses these challenges and crucially, how all real estate companies address these and the other challenges addressed by Hammerson in this report so as to create a more sustainable future.

To prevent over-claiming impact, attribution factors have been applied and each impact metric has been allocated a confidence value.

OUR NEXT STEPS

Our Net Positive socio-economic commitment is to make a measurable positive impact on socio-economic issues relevant to our local communities beyond a measured baseline.

The results from this project will help us understand the socio-economic impact we can deliver through our asset management and development programme, and to measure progress towards this goal.

Our next steps are to:

Set locally specific baselines for the socio-economic impacts generated by our assets and establish a process to measure performance against these baselines over time

Establish goals and specific targets within our socio-economic Net Positive commitment, and set a clear baseline from which to monitor progress

Review asset-level opportunities resulting from the implementation of our placemaking strategy and incorporate these into our asset community engagement plans

Continue to gather data that supports us in measuring our placemaking impacts and performance on our individual assets and development projects

We are also keen to work closely with our partners, tenants and supply chain to enhance the positive impacts we create at our retail destinations and in the broader area and economy. We will continue to explore opportunities to collaborate to deliver great retail places, and through our involvement in industry bodies such as the British Property Federation and Revo, hope to encourage the broader industry to join us on our placemaking journey.

Finally, we need to consider how the changing retail landscape and wider macro-changes such as an ageing population will affect our placemaking approach up to 2030. For example, with the British Retail Consortium's Retail 2020 research finding that a third of retail jobs could be lost by 2025, we need to consider how training and skills development for our retail workforce can minimise this impact across our portfolio.

Other trends represent a significant opportunity – with those aged 55 and over expected to represent more than a quarter of retail spend within two decades, designing accessible and inclusive places is critical to our business success. Ensuring we anticipate and accommodate technological, demographic and physical change is both a key challenge and a key objective of our Placemaking Strategy.

For further information about our placemaking approach and our Net Positive commitments, please contact me on the details provided. I look forward to updating you on our progress against our baseline in our Net Positive 2020 report.

Louise Ellison

Group Head of Sustainability





Hammerson Positive Places

Our sustainability vision is to create retail destinations that deliver Net Positive impacts economically, socially and environmentally.

Positive Places is our strategy for making that happen.

If you have any questions about our sustainability strategy or the information contained within this document please contact the Hammerson Sustainability Team at:

sustainability@hammerson.com

**Positive
Places**