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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Stichting Depository APG Strategic Real Estate Pool
Basisweg 10A
1043 AP Amsterdam
The Netherlands

PIMCO Prime Real Estate GmbH
Seidlstrasse 24-24a
80335 Munich
Germany

Subject: **Case M.11648 - APG REP / PIMCO PRE / OMGH JV**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004 ([1]) and Article 57 of the Agreement on the European Economic Area ([2])

Dear Sir or Madam,

(1) On 26 March 2025, the Commission received notification of a proposed concentration concerning the acquisition of joint control within the meaning of Article 3(1)(b) of the Merger Regulation of Outlet Mall Group Holding S.à.r.l. ("**OMGH JV**" or the "**Target**") by Stichting Depository APG Strategic Real

([1]) OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

([2]) OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Estate Pool ("**APG REP**") and PIMCO Prime Real Estate GmbH ("**PIMCO PRE**") ("**Transaction**"). APG REP and PIMCO PRE together are referred to as the "**Notifying Parties**" and together with OMGH JV as the "**Parties**".

1. THE PARTIES

(2) **APG REP** (the Netherlands) is a mutual fund focusing on investments in real estate on a worldwide basis, including Europe, the Americas and Asia Pacific. It is controlled by Stichting Pensioenfonds ABP ("ABP", the Netherlands), a pension fund for government and education employees in the Netherlands.

(3) **PIMCO PRE** (Germany) is part of the real estate platform of Pacific Investment Management Company, LLC, a global investment management firm with activities across Europe, Asia, the Americas, the Middle East and Africa. It is controlled by Allianz SE ("Allianz", Germany), which is the ultimate parent company of the Allianz Group, a global integrated financial services group operating in life and non-life insurance and asset management products.

(4) **The Target** (Luxembourg) holds interests in a portfolio of outlet centres ("**OCs**") in several EU Member States, namely:

(a) Austria: 100% interest in the Designer Outlet Parndorf (Phases 1-2 and Phase 5) (the "**Parndorf Phases 1-2-5 OC**");

(b) Italy: 100% interest in the Designer Outlet Serravalle (Phases 1-5 and Phase 6) (the "**Serravalle OC**") and 100% interest in the Designer Outlet Castel Romano (the "**Castel Romano OC**");

(c) The Netherlands: 100% interest in the Designer Outlet Roermond (Phase 1) (the "**Roermond Phase 1 OC**") and 18.08% interest in the Designer Outlet Roermond (Phase 4) (the "**Roermond Phase 4 OC**"). ([3])

2. THE CONCENTRATION

(5) The Transaction is a reorganisation of the specialised investment fund, European Outlet Mall Fund FCP ("**Fund**"), which pre-Transaction was solely controlled by Nuveen LLC ("**Nuveen**") acting as its management company with the overall responsibility for the management and operation of the Fund. APG REP and PIMCO PRE and Cardif Assurance Vie ("**Cardif**") are the existing main investors of the Fund. Cardif is an insurance company that forms part of the French BNP Paribas group. However, none of them control the Fund or the Target, because they do not have veto rights over key commercial decisions, which would allow them to exert a decisive influence over the Fund or the Target.

(6) Following the Transaction, the Fund's interests will be transitioned into an unregulated company named OMGH JV. ([4]) To effectuate the transition, Nuveen will distribute in specie shares in the Fund to APG REP and PIMCO PRE. ([5]) As

([3]) OMGH JV's 18.08% interest in Roermond Phase 4 OC does not involve any veto rights over key commercial decisions, therefore APG REP and PIMCO PRE will not acquire joint control over the Roermond Phase 4 OC.

([4]) OMGH is currently a special-purpose vehicle of the Fund whose sole role is to hold interests in the underlying assets.

([5]) The Fund will be liquidated on expiry of its term.

a result, following the Transaction APG REP and PIMCO PRE will respectively acquire […]% and […]% in the Target. ([6])

(7) According to the shareholders' agreement of 20 December 2024, OMGH JV will be governed by a board of […] managers (the "Board"), in which […] are nominated by APG REP, […] are nominated by PIMCO PRE and […] is nominated by Cardif. Board decisions relating to the approval and amendment of (i) the business plan of OMGH JV; (ii) the annual budget (including the budget of the underlying assets); and (iii) capital expenditure in excess of EUR […] – in comparison to what has been foreseen in the business plan of the Target – will require a […]% majority (i.e. […] out of […] OMGH JV's managers). ([7]) This means that each of APG REP and PIMCO PRE will have the ability to block any decision regarding the business plan and budget of OMGH JV and, therefore, will have joint control over the Target following the Transaction. ([8])

(8) In accordance with paragraph 91 of the Consolidated Jurisdictional Notice, an acquisition of joint control by several undertakings of another undertaking constitutes a concentration according to Article 3(1) of the Merger Regulation without it being necessary to consider the full-functionality criterion.

3. UNION DIMENSION

(9) The Parties have a combined aggregate worldwide turnover of more than EUR 5 billion (APG REP: EUR […]; PIMCO PRE: EUR […]; OMGH JV: EUR […]). In addition, the EU-wide turnover of each of at least two of the undertakings concerned exceeds EUR 250 million (APG REP: EUR […]; PIMCO PRE: EUR […]). Furthermore, the Parties do not achieve more than two-thirds of their respective aggregate EU-wide turnover within the same Member State.

(10) The Transaction therefore has an EU dimension within the meaning of Article 1(2) of the Merger Regulation.

4. MARKET DEFINITION

(11) The Target is active on the market for the rental of retail spaces, in particular of rental of space in OCs. PIMCO PRE and APG REP are also active on this market through their majority interests in shopping centres, high street units, and OCs across Europe.

4.1. Product market definition

4.1.1. The Commission's decisional practice

(12) The Commission has previously considered that the market for the rental of real estate properties was distinct from the market for the development of real estate properties and the market for the management of real estate properties on behalf of third parties. ([9])

([6]) For completeness, Cardif will own a […]% minority stake in the Target whereas the McArthurGlen Group will own approx. […]% minority stake in the Target post-Transaction.
([7]) The Notifying Parties do not intend to […].
([8]) Cardif will not have any veto rights in relation to key commercial decisions.
([9]) M.9195 – Lifeco/Hammerson/Sword Pavilions, paragraph 15.

(13) In its prior decisional practice, the Commission has also considered, but ultimately left open, whether real estate services could be segmented according to the use made of the real estate property between (i) residential and (ii) commercial real estate property. ([10]) With regard to commercial properties, the Commission has considered possible segmentations into (i) office properties; (ii) retail properties; and (iii) industrial properties. However, the Commission ultimately left the product market definition open. ([11])

(14) With regard to the market for rental of retail spaces, the Commission has considered, but ultimately left open, a plausible market for (i) the rental of retail spaces in real estate properties (including shopping centres and retail parks) of at least 8,000 sqm and 10,000 sqm respectively, and (ii) a distinct market for the rental of retail spaces in shopping centres of at least 8,000 sqm and 10,000 sqm respectively. ([12])

4.1.2. The Notifying Parties' views

(15) The Notifying Parties submit that rental of retail spaces in OCs forms part of a wider segment for the rental of retail spaces, encompassing on-street retail units, retail parks and shopping centres (including shopping centres of at least 8,000 sqm and 10,000 sqm previously distinguished by the Commission). This is because retailers are active across all types of retail centres and seek locations based on access to consumers and the shopping environment rather than the type of service provided. In addition, the Notifying Parties consider that OCs and shopping centres of a similar size offer a comparable shopping experience to consumers, such as (i) similar amenities (car parks, leisure and food/beverage facilities); (ii) a selection of premium/luxury and mid-range brands; (iii) convenient location (even if most of OCs are located out of town but they are easily accessible from the city centre); (iv) sales and promotions offered throughout the year. Ultimately, the Notifying Parties submit that the exact product market definition can be left open, since the Transaction does not raise competition concerns under any plausible market definition.

4.1.3. The Commission's assessment

(16) The market investigation did not provide clear indications that rental of retail spaces in OCs should be treated as a distinct market segment from the wider market segment for the rental of retail spaces. Several customers (i.e. retailers) considered that it should be considered a separate market, pointing to the differing clientele and specific rules relating to discount levels and type of products sold. In line with those views, one customer respondent indicated that "*[o]utlet centres provide different service than traditional retail concepts.*" Other retailers, however, held a contrary view and considered that OCs are regular shopping centres and compete with regular real estate. One customer indicated that they consider all new retail opportunities in all forms of real estate, while another suggested that they would not open a mainline store next to an OC store for fear of cannibalisation. Overall, it would appear that the approach might be dependent on a retailer's commercial strategy and product and pricing mix.

([10]) M.9195 – Lifeco/Hammerson/Sword Pavilions, paragraph 15.
([11]) M.9195 – Lifeco/Hammerson/Sword Pavilions, paragraph 16.
([12]) M.9195 – Lifeco/Hammerson/Sword Pavilions, paragraph 16; M.8229 – Hammerson/Irish Life/ILAC Shopping Centre, paragraph 16.

(17) For the purposes of the present case, the question whether rental of retail spaces should be further segmented according to the type of rental space can be left open, given that the Transaction would not raise serious doubts as to its compatibility with the internal market under any plausible market definition. Notwithstanding, the Commission will for the purpose of this Decision assess the competitive impact of the Transaction on the narrowest plausible market, that is rental of retail spaces in OCs. For the purpose of the analysis in this case, and on a conservative basis, the Commission has only taken into account competing assets which also have a gross lettable area ("**GLA**") in excess of 10,000 sqm, since all of the shopping centres (including OCs) located in the overlapping countries in which the Target and the Notifying Parties have controlling interests ([13]) have a GLA in excess of 10,000 sqm.

4.2. Geographic market definition

4.2.1. The Commission's decisional practice

(18) The Commission has previously considered, but ultimately left open, whether real estate markets (including their segmentations) can be regarded as national, regional or local. ([14]) In particular, the Commission has considered in previous cases, but ultimately left open the question whether these markets should be considered as regional and examined the market for rental of retail space in shopping centres of at least 8,000 or 10,000 sqm within a 50 km radius around the relevant city in the region. ([15])

4.2.2. The Notifying Parties' views

(19) The Notifying Parties submit that the rental of space in OCs should be considered based on regional catchment areas. According to the Notifying Parties, (i) travel distance or time plays a key role in consumer decision-making, as consumers are not willing to travel long distances to reach retail stores; ([16]) (ii) customers are not constrained by national borders as a significant number of visitors to the Target's OC in the Netherlands originate from the neighbouring countries (this is visible on the heatmaps tracking the origin of the customers of the Target, which show that the catchment area comprises the densely populated areas surrounding Roermond OC with the majority of customers located in […]), and (iii) the OCs advertise themselves to customers by explaining how close they are to the major cities near which a relevant OC is established. ([17]) Nevertheless, the Notifying Parties are of the view that the exact geographic market definition can be left open as the Transaction does not raise any competition concerns on a regional or national basis.

4.2.3. The Commission's assessment

(20) The market investigation provided indications that it would be appropriate to examine the market for the rental of retail spaces in shopping centres and/or in

([13]) Namely, in Austria, Italy and the Netherlands.

([14]) M. 7203 – Unibail-Rodamco/CPPIB/Centro, paragraph 22; M.9195 – Lifeco/Hammerson/Sword Pavilions, paragraph 21.

([15]) M.8229 – Hammerson/Irish Life/Ilac Shopping Centre, paragraph 20.

([16]) For instance, customer heatmaps show that customers are drawn in from regional catchment areas. See Form CO, paragraphs 173 et seq.

([17]) For instance, the Roermond OC advertises itself on social media as "45 min from Düsseldorf", and on its website as "only a 45 minutes' drive from Eindhoven and Maastricht", whereas Via's Batavia OC is a "45 min from Amsterdam". See Form CO, paragraphs 173 et seq.

OCs using a 50 km radius around the relevant city. The heatmaps provided by the Notifying Parties clearly confirmed that customers are not constrained by national borders and that travel distance plays a key role in consumer decision-making. This must translate to decisions taken by retailers when deciding on the location of their stores. However, retailers who responded to the market investigation did not provide a clear view on whether a 50 km radius would be the appropriate geographic scope to consider, with several indicating that under certain circumstances, customers may be willing to travel further than 50 km.

(21) The Commission considers that, for the purposes of the present case, the exact geographic market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible geographic market definition. In line with its precedent, it will assess the horizontal overlaps both under the broadest plausible geographic scope (national) and under the narrowest plausible geographic scope (i.e. a 50 km radius).

5. COMPETITIVE ASSESSMENT

5.1. Affected markets

(22) The Transaction gives rise to an affected market in the Netherlands if a national market for the rental of retail spaces in OCs is considered. The competitive assessment will, thus, focus on this market.

(23) Neither APG REP nor PIMCO hold controlling interests in shopping centres (including OCs) within a 50 km radius around the Target's Roermond Phase 1 OC. ([18]) Therefore, considering the 50 km radius catchment area, the Transaction does not lead to any overlaps in the Netherlands or the surrounding areas caught by the 50km radii.

(24) The Transaction also results in horizontal overlaps in Austria and Italy. However, none of these overlaps give rise to affected markets under any possible geographic scope of the markets. Therefore, these overlaps will not be further discussed in this decision.

5.2. Legal framework

(25) Under Article 2(2) and (3) of the Merger Regulation, the Commission must assess whether a proposed concentration would significantly impede effective competition in the internal market or in a substantial part of it, in particular through the creation or strengthening of a dominant position. In this respect, a merger may entail horizontal and/or non-horizontal effects.

(26) As regards the assessment of horizontal overlaps (meaning when the undertakings concerned are active in the same relevant markets), the Horizontal Merger Guidelines distinguish between two main ways in which mergers between actual or potential competitors may significantly impede effective competition, namely non-coordinated and coordinated effects. ([19])

([18]) The location of the OC was used as the centre of the 50 km radius, since it is located between major urban areas. The assessment would not change if 50 km radii were drawn around the relevant cities in the area. See the Notifying Parties' response to RFI 1, question 2.

([19]) Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('Horizontal Merger Guidelines'), OJ C 31, 5.2.2014.

(27) A merger giving rise to horizontal non-coordinated effects might significantly impede effective competition by creating or strengthening the dominant position of a single firm, one which, typically, would have an appreciably larger market share than the next competitor post-merger. Moreover, also mergers that do not lead to the creation of or the strengthening of a single firm's dominant position may give rise to competition concerns under the substantive test set out in Article 2(2) and Article 2(3) of the Merger Regulation. Regarding mergers in oligopolistic markets, the Merger Regulation clarifies that *"under certain circumstances, concentrations involving the elimination of important competitive constraints that the merging parties exerted upon each other, as well as a reduction of competitive pressure on the remaining competitors, may, even in the absence of a likelihood of coordination between the members of the oligopoly, result in a significant impediment to effective competition"*. ([20])

(28) The Horizontal Merger Guidelines list a number of factors which may influence whether or not non-coordinated effects are likely to result from a merger, such as large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, the fact that the merger would eliminate an important competitive force, or the existence of barriers to entry. ([21]) Not all those factors need to be present to make significant non-coordinated effects likely and it is not an exhaustive list. ([22])

5.3. Rental of retail spaces in the OCs in the Netherlands

(29) The Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market with respect to the Dutch market for the rental of retail spaces in OCs on the basis of the below considerations.

(30) First, post-Transaction, the combined market shares of the Target (Roermond Phase 1 OC) and APG REP (through its ownership of Batavia OC) will amount to 42%, measured by GLA, as indicated in Table 1. This does not allow for immediately dismissing competition concerns, while at the same time does not clearly point to a competition concern. The remaining competitors are all of a similar size as the Parties today(market shares in Table 1 only take into account OCs with more than 10,000 sqm). Moreover, these market shares do not take into account out-of-market constraints, the fact that a number of alternatives will remain on the market for the retailers, and the limited competition between the two OCs in question, as elaborated on below.

Table 1 Market shares – rental of retail spaces in OCs of above 10,000sqm in the Netherlands

OC	Asset size (sqm)	GLA %
Roermond Phase 1 OC (Target)	20 319	17%
Batavia OC, Lelystad (APG REP)	31 100	26%
Combined	**51 419**	**42%**
Roermond OC (Phases 2 to 4)	27 735	23%

([20]) Merger Regulation, recital 25. Similar wording is also found in the Horizontal Merger Guidelines, paragraph 25.

([21]) Horizontal Merger Guidelines, paragraphs 27 et seq.

([22]) Horizontal Merger Guidelines, paragraph 26.

OC	Asset size (sqm)	GLA %
McArthurGlen Roosendaal	23 000	19%
Amsterdam 'The Style' outlets	19 000	16%
Total	121 154	100%

Source: Form CO

(31) Second, several competing OCs will remain on the market, including one in the same location as the Target (i.e. Roermond OC Phases 2 to 4). Apart from Roermond, retailers interested in renting OC retail spaces in the Netherlands would continue to have alternatives available in Roosendaal and Amsterdam 'the Style' outlets.

(32) Third, the Parties will continue to face out of market constraints. In the first place, OCs face at least some competition from other retail spaces, including from shopping centres and other retail rental properties, as indicated above in paragraph (30). In the second place, in line with the findings regarding the geographic market definition (section 4.2.3 above), the Parties will face competitive constraints from OCs located close to the Dutch border, in particular from OCs in Maasmechelen (19 500 sqm GLA), Münstereifel (12 000 sqm GLA), Ochtrup (17 350 sqm GLA), and Montabaur (12 500 sqm GLA).

(33) Fourth, in practice the competition between Roermond OC Phase 1 and Batavia OC appears to be limited, as, from an end customers' perspective, they are located too far apart to be real alternatives. These OCs are located more than 200 km from each other, with an estimated drive-time of almost 3 hours between them. ([23]) Customer data confirms that both OCs attract customers from entirely different areas, ([24]) which must factor into tenants' (i.e. retailers') choice of location. Equally, the websites and marketing materials of the relevant OCs show that the OCs advertise themselves with a reference to the driving times from nearby cities rather than nation-wide. ([25])

(34) Fifth, from a tenant's perspective, the Batavia OC and the Roermond Phase 1 OC are complementary, not substitutable, also because of their different competitive positioning. This is reflected, in particular, in the brands that choose to have a presence at only one site. The Roermond OC is focused on aspirational and luxury brands (with tenants including Dolce & Gabbana, Gucci, Jimmy Choo, Karl Lagerfeld, Longchamp, Prada, Salvatore Ferragamo, Valentino and Versace), and also includes brands that are targeted at German consumers, which are not present at the Batavia OC (for example, Adenauer & Co, Aigner, Babor, Comma, FALKE, G.K. Mayer, Schiesser, and Seidensticker). By contrast, the Batavia OC has only a very small number of aspirational and luxury brands. It focuses instead on mid-market brands, of which there are over 100 (e.g. America Today, Diesel, G-Star Raw, Guess, Helly Hansen, Levi's, ONLY, O'Neill, Manfield,

([23]) Form CO, paragraph 236.
([24]) From CO, paragraph 239.
([25]) For instance, on the main "Plan your Visit" page, Roermond OC advertises itself to Dutch customers, referencing a drive of only 45 minutes from Eindhoven and Maastricht; Amsterdam "The Style" OC advertises itself as "The only outlet centre of the Randstad". The Randstad is a broadly used term to refer to the cities of Amsterdam, Utrecht, Rotterdam and The Hague. On its website, it does not advertise itself broader than that region; Roosendal OC targets Dutch and Belgian customers within 20/34 min drive and advertises that it is "easy to reach by car […] from Rotterdam, Antwerp and Breda".

NAPAPIJRI) and brands that are primarily targeted at Dutch consumers (such as Aaiko, Ajax Fanshop, Black Bananas, Claudia Sträter, King Louie, Mart Visser, Max Verstappen Store, Petrol Industries, Reinders, and Suit Supply). ([26])

(35) Sixth, while it might not be very easy to enter this market, in particular because it might take considerable time to obtain the necessary regulatory approvals for a new real estate development, ([27]) this does not appear to be enough to prevent investors from entering this market. In fact, there are ongoing plans by STABLE International and Veluwezoom Verkerk to develop a new OC in Zevenaar with a GLA of 19,400 sqm. ([28]) Furthermore, the level of initial investment required to enter the market can be considered relatively low when compared to some other real estate classes. This can be explained by the typical location of OCs outside of city centres (with cheaper land available) and the basic nature of the infrastructure (horizontal development with no floors and no basement in contrast, for example, to large office buildings). ([29])

(36) Finally, the respondents to the market investigation did not foresee any negative impact of the Transaction on competition such as, for example, higher rent prices for tenant brands that would like to establish themselves at the OCs or lower quality of offering.

(37) For the reasons set out above, and in light of the results of the market investigation and of the evidence available to it, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market with respect to the rental of retail spaces in OCs in the Netherlands.

6. CONCLUSION

(38) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Teresa RIBERA
Executive Vice-President

([26]) Form CO, paragraph 242.
([27]) Response to RFI 1, question 1.
([28]) Form CO, paragraph 291.
([29]) Response to RFI 1, question 1.