

CBRE RESEARCH  
DECEMBER 2016

# RETAIL AND **PLACEMAKING**

WHAT IS THE ROLE  
OF RETAIL IN  
PLACEMAKING?

**CBRE**





# CONTENTS

<b>01</b>	EXECUTIVE SUMMARY	4
<b>02</b>	METHODOLOGY	6
<b>03</b>	AMERICAS	9
<b>04</b>	EMEA	25
<b>05</b>	APAC	43
<b>06</b>	CONCLUSION	58

# EXECUTIVE SUMMARY

Placemaking is a much-discussed topic that—like “omnichannel,” “the Internet of things,” and other ongoing trends—has become a talking point without necessarily having acquired an agreed-upon definition.

*Very simply, placemaking is an effort to draw people to a place by creating compelling reasons for them to visit.*

A purist might argue that placemaking is predicated on the presence or development of public realm, but this does not have to be the case. We have uncovered a number of examples around the world which highlight the role that retail plays in establishing a place.

Although people still enjoy and prefer to shop in stores, they have become more demanding: alongside all the functional aspects of a shopping trip, they want an experience. This is what retail placemaking strives to deliver—the experience along with the functional.

In our review of placemaking sites, we uncovered a number of universal truths:

- For placemaking to be successful, it must be founded on a clear vision of what the place is to achieve.
- It’s important to understand a place—what will work and what won’t.
- The place has to be authentic, to deliver what it promises.
- Placemaking success is about people: making them feel something different—a feeling that draws them to and keeps them in a place.
- A strong place offers layers to peel back; under each there is something else to explore, something else to experience.
- A place’s overall offer must be curated.

Successful places need not deliver everything. We have identified five areas of consideration that can help in establishing a place:

## 1. Leisure

- Restaurants, bars, cinemas, sports facilities and events will help maintain visitors’ interest for longer.
- Attractions adding to a place’s leisure appeal can range from a new food concept to an attached full-scale theme park.

## 2. Technology

- The use of technology in retail is well established. The use of technology to help distinguish places is gaining traction.
- Full digital integration is crucial—both within the place itself and also in the realm of social media and online retail.

## 3. Sustainability and well being

- These apply to two important aspects of establishing a place: the elements integral to the built environment, and the impact the environment has on the well-being of its visitors.
- Developers have the responsibility to ensure the environment does no harm and the opportunity to ensure it does some good.
- The internal and external sustainability of a place affect how it is perceived by the public.

## 4. Vertical retail

- Although retail has traditionally avoided being in very tall buildings, there is a recent trend toward this style of development—particularly in Asian markets.
- The visual impact of a tall building, combined with residential and commercial tenants, can be a real attraction for an area.
- In some prime locations, the amount of available land is extremely limited and the judicious use of building vertically can reap rewards.

## 5. Planning

- As with other aspects of commercial development, the planning regime can create challenges.
- The development of a place that integrates many different functions—from residential and office to hotels and retail—needs a strong master plan developed in conjunction with the planning authorities.



"Place connotes an emotional attachment to a piece of land."

"It's about bringing together different sectors and integrating them properly. You can't just build a hotel or a shopping center and call that placemaking."

"Placemaking refers to a collaborative process by which public realm is defined and developed."

"People make placemaking into something very difficult and very complicated; it really doesn't need to be."

"Placemaking is a multi-faceted approach to the planning, design and management of public spaces."

"PLACEMAKING IS ABOUT CREATING AN **ENVIRONMENT** THAT PEOPLE WANT TO VISIT AND RETURN TO."

"Getting the best use from our land."

"Placemaking is bringing together everything that a community wants to see."

"Placemaking facilitates creative patterns of use, paying particular attention to the physical, cultural, and social identities that define a place."

"It doesn't have to be a huge project."

"Placemaking is not a new idea."

"An effective placemaking process capitalizes on an a local community's assets, inspiration, and potential."

"When you focus on place you do everything differently."



# METHODOLOGY

Our inquiry into placemaking sought to answer the question, “what is the role of retail in helping to define a place?”

To address this, we employed CBRE’s global network of retail professionals to create a list of places that have a retail foundation. The key parameters we set were:

- Every included place should have at least one of our five key elements: leisure, technology, sustainability and well-being, vertical retail, or planning.
- The selected places should be best-in-class, recognized as sitting atop the competitive landscape.
- The chosen places should be developer-agnostic, and our final set would be chosen with objectivity.

CBRE’s retail research teams in APAC, the Americas and EMEA reviewed the selected locations. The long list of locations was finally reduced to the 22 that we detail in this report.

We have reviewed each centre in detail in order to determine the factors that indicate why they are successful. We took a considered decision to move away from looking at the standard hard metrics that are often used and instead chose to view the locations as an interested retail real estate professional might. Importantly we have also been able to identify elements that would indicate a poor development or that people should be aware of as “points to note.” These have been captured and discussed in the conclusions.





# AMERICAS







TORONTO ●

NEW YORK ●

● SAN FRANCISCO

● LOS ANGELES

● SAN ANTONIO

● MIAMI

● LIMA

# RUNWAY AT PLAYA VISTA

## LOS ANGELES, CALIFORNIA | U.S.

### WHY IS RUNWAY AT PLAYA VISTA A STRONG EXAMPLE OF THE ROLE RETAIL PLAYS IN PLACEMAKING?

Parks and open green space comprise  
70% of its design

One of the largest new mixed-use retail development on  
the coastal Westside of Los Angeles in the last ten years

Carefully chosen mix of tenants appeals to locals  
and office workers alike

The project is fully integrated into the broader  
Playa Vista development; retail is integral,  
not an afterthought

Clarity of vision

Runway at Playa Vista is a best-in-class example of planning in placemaking. Development at Runway began in 2012. Playa Vista is owned by Invesco Real Estate.

Runway at Playa Vista is one of the largest new mixed-use retail developments on the coastal Westside of Los Angeles in the past 10 years. It consists of 221,000 sq. ft. of retail, 420 apartments and more than 33,000 sq. ft. of medical office space. It is organized around sustainability, green spaces and a growing tech hub featuring high-profile industry players that have established or plan to open major offices there, including Facebook, YouTube and Sony.

What may initially appear to be a traditional Lifestyle Center development at Playa Vista is anything but. Runway is part of a more expansive project that features residential development and the Campus at Playa Vista—a rising technology hub that bills itself “Silicon Beach.”

The aim of the project is to foster a sense of community that intimately links the tech hub and the residential development, serving a neighborhood that is truly and carefully “master planned.”

The tenant mix at Playa Vista is designed to serve neighborhood-style amenities and community-focused convenience. The tenant roster includes a cinema (Cinemark), a grocery (Whole Foods), a drug store (CVS), banks and other service-oriented storefronts. Chef-inspired restaurants are another key component of the property. Overall, the mix is designed to cater to tech-hub employees and local residents alike; often they are one and the same.

While efforts to build master-planned communities have existed in the U.S. for more than a century, few have approached the goal using such a contemporary style; the architecture and design of the Runway project seeks to combine an appeal to the high-tech hub it serves while fostering a localized community feel. Common and green spaces are an important component of community-driven placemaking; 70% of the Runway’s design is reserved for parks and open green space, with an eye towards sustainable development. Much of this common space provides a stage for events and programming, which are another key component of community-building at Runway. Concert series, open-air movies and food-truck offerings all feature initiatives designed to keep residents and visitors engaged with the community.

The wider Playa Vista project encompasses approximately 1.3 square miles and represents a very large, mixed-use planned community. Within the Runway portion of the project, the tenant mix has been carefully selected to offer shoppers a wide range of categories and brands while appealing to local residents and the daytime office crowd of the primarily tech offices that neighbor Runway. For this reason, there is a mix of restaurant, entertainment and retail, in addition to convenience and daily needs shopping like grocery and drug stores.

Runway Playa Vista is very accessible, focusing on pedestrian-friendly streets and walkability, with shuttle services connecting different parts of the project. Runway is innovative, features unique architecture and is carefully coordinated with other parts of the larger Playa Vista project. Many of the storefronts are allowed to develop their own designs to create a more eclectic design and feel.



# GHIRARDELLI SQUARE

## SAN FRANCISCO, CALIFORNIA | U.S.

### WHY GHIRARDELLI SQUARE?

- 100,000 sq. ft. and 12 buildings spanning one full city block
- Mixes historic buildings and new retail concepts effortlessly
- Focuses on tourists and locals
- Diverse mix of food and beverage operators and retailers
- A community experience

*“We live in a time of global brand fatigue by the consumer, and places that offer a unique, dynamic community experience will win out in the next cycle. We’ve worked hard to focus on this in our adaptive reuse projects in office, retail, and residential at projects like Chelsea Market, Ghirardelli Square, Ponce City Market, Industry City, and the Innovation and Design Building.”*

**MICHAEL PHILLIPS**  
President of Jamestown Development



Ghirardelli Square in San Francisco is a best-in-class example of leisure and planning in placemaking. It is widely recognized as one of first examples of adaptive reuse in the U.S. Ghirardelli Square consists of approximately 100,000 sq. ft. across 12 buildings, spanning one full city block. The project comprises specialty retail and dining, as well as parking and residential units.

The development is in the former factory space of the iconic Ghirardelli Chocolate Co., built in the late 1800s. The complex was converted into a retail and restaurant destination in the 1960s after factory operations ceased. The current owner, Atlanta-based Jamestown, purchased the retail portion of the project for an estimated \$54 million in 2013, when the project was approximately 55% leased. Leasing is currently led by CBRE.

The property features a tenant mix that is heavily diversified, with 40-45% currently occupied by food and beverage. The mix not only provides an eclectic culinary offer, but a carefully crafted combination of local, independent tenants that lend a unique, San Francisco-specific allure. An estimated 20,000 people visit the property each day.

Marrying historic preservation with cutting-edge design is a key focus of the project. To help its tenants leverage effective design principles, Jamestown has developed its own Culinary Partners group, which assists restaurant tenants in the physical design and outfit of their space. The aesthetic appeal of the project’s architecture and the careful design of its retail and restaurant spaces are considered one of the project’s strongest drivers of sales and traffic.

The project effectively uses pop-up concepts and temporary retail installations to integrate an element of surprise into its space. The pop-ups, which primarily occupy existing retail spaces within the project, serve two purposes: they enable frequent changes to the product and service offering, while allowing owners to experiment with different restaurant and retail concepts before committing to a longer-term lease. Several of the Square’s currently successful long-term tenants began as short-term projects in the pop-up vein. The owner hosts a robust calendar of special events throughout the year, from food festivals to family events. This is an important part of its strategy to appeal to local populations and not just tourists.

# PEARL DISTRICT

## SAN ANTONIO, TEXAS | U.S.

### WHY THE PEARL DISTRICT?

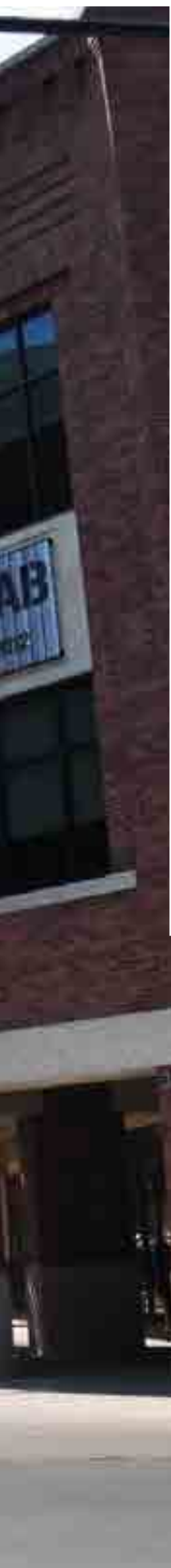
A downtown development that spans 16 city blocks and nearly 23 acres

Integration of housing alongside retail and leisure

Clear concept, differentiated through food and beverage

Brings local brands to the fore

Previously underutilized industrial space, redeveloped to create a compelling retail environment



San Antonio's Pearl District exemplifies placemaking with a focus on leisure. The Pearl District is a downtown development in a converted brewery and industrial complex. It spans 16 city blocks and nearly 23 acres. The first tenants of the new development opened around 2009.

Once an abandoned warehouse area, the District is now one of the city's top tourist destinations. Owner and private equity firm Silver Ventures purchased the property in 2002 with a vision of establishing a new-mixed use urban shopping and dining destination that paid homage to the city's robust industrial past.

The project is themed around local and chef-driven restaurants and a distinctive southwest/Mexican culinary culture. The District has a strong restaurant component and in one area is anchored by a campus of the Culinary Institute of America (CIA)—one of only three such CIA campuses in the U.S. The campus, which opened in 2008, is a major contributor to the project's gastronomic focus and sets a high bar for the nearby restaurant offering. It operates from a 30,000 sq. ft. building and includes an indoor/outdoor Latin kitchen, five additional teaching kitchens, demonstration theaters and a bakeshop.

The district is primarily pedestrian and benefits from its location along the San Antonio Riverwalk North expansion—a network of walking paths along the San Antonio River that receives more than 11.5 million visitors annually, 2.2 million of whom are locals.<sup>1</sup> There is a significant focus on historical architecture and design. Developers have focused strongly on historic preservation in the former brewery and neighboring buildings, combining iconic mission-style architecture and loft-style spaces made possible by the industrial structures. The owners offer excitement and innovation—for example, inviting famous chefs and renowned hotel designers to open concepts in the district. It is an exciting development for locals and tourists alike.

The retail offer comprises primarily local, independent shops—such as Adelante Boutique, which features local fashion designers, and Melissa Guerra, a local cook- and kitchen-ware specialist—but large international brands contribute to the project as well. The district's main boutique hotel, Hotel Emma (named after Emma Koehler, social progressive and wife of brewery founder Otto Koehler), is a 146-room establishment designed by iconic New York-based firm Roman and Williams—better known for their designs of The Standard and The New York Ace Hotel.

Faithful to its regional and culinary focus, Pearl's event calendar focuses on food, music and other activities that celebrate the local. Its popular weekly farmers' market features products sourced within a 150-mile radius. Other calendar staples include a Latin-American music event and a dance hall series that draw local attendees from nearly every age group.

Silver Ventures' revitalization of the Pearl District has paved the way for other developments in and around the project. In 2011, the city of San Antonio spearheaded a public-private partnership that created a Downtown Strategic Framework Plan to add housing and further economic development in the city. The current plan aims to add 7,500 downtown housing units, more than half of which have already been built. To date, over \$750 million has been invested in these housing developments.

1. <http://media.visitsanantonio.com/News/English/Study-Reveals-River-Walk%E2%80%99s-Importance-to-San-Anton>

# CHELSEA MARKET

NEW YORK CITY, NEW YORK | U.S.

## WHY CHELSEA MARKET?

Office and retail space with a strong focus on food that includes expansion and an aim to be a leader in meeting consumer needs

A draw for locals and visitors to New York

The project has helped pull in museums and new cultural events

Great accessibility via public transport and a large catchment for foot traffic



The Chelsea Market in New York City is another example of placemaking with a focus on leisure. In its newer form, the market has been open since the late 1990s but has evolved tremendously since. Chelsea Market is currently owned by Jamestown, L.P.

Chelsea Market, in Manhattan's Meatpacking District, is a former industrial building that has been converted to a 1.2 million sq. ft. ground-floor retail and upper-floor office property. Originally the main factory complex of the National Biscuit Company (Nabisco), it is now one of the most well-known indoor food and market halls in the world, and hosts more than thirty-five vendors.

The market's retail space features a combination of national chain tenants, chef-concept restaurants, and local food vendors/restaurants with a focus on cuisine. Approximately 75% of the retail floor space is dedicated to food uses.

Anthropologie is perhaps the most well-known international brand present on the property, and the majority of the remaining space is occupied by independent food and craft concepts—from crêpes (Bar Suzette) and sausages (Berlin Currywurst) to lobster (The Lobster Place) and coffee (Ninth St. Coffee). A busy events calendar is another key feature of the project. Activities and events hosted at the market include food and wine festivals, art exhibits and concerts.

Receiving more than 6 million visitors annually, Chelsea Market has become a major Manhattan tourist destination. The development benefits from its proximity to the New York Highline—a public park, constructed on a 1.5-mile elevated rail line, that sees more than 20 million visitors each year.<sup>1</sup> The project also draws significant traffic from nearby Manhattanites and office workers, including those occupying the market's upper levels.

The project has played a significant role in revitalizing the Meatpacking District, which in the 1990s was a crime-ridden area of mostly dilapidated industrial buildings; today, the Chelsea Market area is home to upscale office, retail and restaurant space, with nearby parks (the Highline and Chelsea Piers) and cultural venues. In 2015, the iconic Whitney Museum moved to the neighborhood with a new \$422 million building designed by renowned architect Renzo Piano. The neighborhood has become a hub for media and design companies, drawing a strong creative-class pool of designers, architects, restaurateurs and media-related professionals. Many local officials credit the Chelsea Market project—which leases upper-level space to well-recognized brands like The Food Network—with being an early driver of the area's economic development and the establishment of what some call Manhattan's "Silicon Alley." The developer is also seeking to expand its upper-level office space. In 2012, when the city approved the expansion, it was estimated that the additional space would contribute more than \$7 million in annual property taxes, more than 1,000 new jobs in the tech and media sector, and \$1.3 billion in additional yearly economic output.<sup>2</sup>

In 2011, the property's value was estimated at \$800 million—a substantial increase over the early-1990s purchase price of \$10 million, which represented the existing debt on the then-dilapidated factory. Jamestown, which first invested in the property in 2003 and became a full owner in 2011, plans to further expand the retail portion of the project. In May 2016, the company announced plans to renovate the project's currently unoccupied lower level, which would add 80,000 sq. ft. of new retail space. The renovation, which is expected to take five years and cost between \$35 million and \$50 million, would double the amount of currently leasable space.

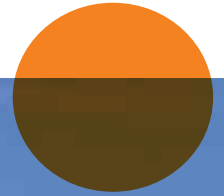
Chelsea Market is accessible to public transportation and the large downtown pedestrian flow. It offers a unique combination of old and new, with industrial architecture and an open-space floor plan that features pop-ups and encourages flow between stores.

1. [http://files.thehighline.org/pdf/high\\_line\\_fact\\_sheet.pdf](http://files.thehighline.org/pdf/high_line_fact_sheet.pdf)

2. <https://www.rebny.com/content/rebny/en/newsroom/columns/2012/Chelsea-Market-expansion-create-jobs-help-advance-NYC.html>

# MIAMI DESIGN DISTRICT

## MIAMI, FLORIDA | U.S.



### WHY MIAMI DESIGN DISTRICT?


Retail plays a fundamental role in making the area one that people want to visit

Design and culture sit comfortably alongside retail

Hotels and office space, to meet the needs of locals and visitors alike

Luxury retail to satisfy the growing wealth in the area

Retail is supported with events and art shows that raise footfall




## The Miami Design District (MDD) is a classic example of planning in placemaking. The project spans 18 square blocks and has been opening in sections as part of a three-phase plan.

MDD is an innovative, mixed-use project in Miami's old design district, a formerly run-down area of residential and design and furniture businesses. Several city blocks were bought by a consortium of developers and investors to establish a luxury shopping district that would eventually feature restaurants, residential units, a hotel and some office space. By the end of 2017, the project is expected to house 160 luxury retailers, a 119-room hotel, 15 to 20 restaurants, luxury condos, and several cultural and design showrooms.

The project's retail offer focuses on internationally recognized luxury brands. Of the more than 160 luxury brands expected to occupy the property by the end of next year, many are multi-level, flagship-sized stores. Currently, the project's largest retailers include Hermès, Louis Vuitton, and Prada. Seeking to cultivate a creative and design-driven aesthetic, the developer gave many brands creative license in designing their façade and architecture, giving the project an artsy feel.

Accordingly, art and design are the project's second anchoring theme, alongside luxury retail. MDD features many private art galleries and event spaces that host evening art exhibits. Well-known contemporary artists were commissioned to supply the space with public art including a large, steel exoskeleton around the multi-level parking garage. In addition, large sculptures and installation art pieces occupy many of the open spaces.



Also contributing to the project's art theme is the city's Institute of Contemporary Art (ICA), which is beginning construction on a nearly 40,000 sq. ft. building and sculpture garden, to be opened in 2017. Until then, the museum is operating in a temporary space within the District.

Art and cultural programming comprise a key strategy for traffic and sales growth at the project. A steady line-up of evening art events in the galleries and reserved event spaces draws traffic to restaurants and retailers. Most significant among the project's annual events is December's Art Basel, the country's largest contemporary art fair, which attracted over 77,000 visitors in 2015.<sup>1</sup> Though many of the official events take place at convention centers downtown or in Miami Beach, MDD hosts satellite events and a parallel industrial design fair on the property called Design Miami, and provides transportation from the convention to its property.

The owners are focusing the development on high-end, luxury tenants that appeal to Miami's large local and tourist luxury market. Services are tailored around that offer, with valet and high-end hotels planned in the project. The project is expected to benefit from Miami's more than 15 million annual visitors—a volume that has been increasing steadily in recent years.<sup>2</sup> In 2015, there were over 22 million arrivals at the Miami International Airport—8% more than in 2014. In 2015, just under half of the city's overnight visitors were international, two thirds of whom came from Latin America. Many of these visitors are considered high spenders; a 2015 wealth report ranked Miami the second most important American city (after New York City) to the world's wealthiest people.<sup>3</sup> New World Wealth reported a 34% increase in Miami's number of high-net-worth residents, and forecast a further 32% increase between 2015 and 2020.

Buying up several city blocks, the owners have redesigned the neighborhood, creating a visually cohesive plan with green spaces, sidewalks, and seating areas. Their investments represent a significant revitalization of the area. With the addition of luxury condos, a boutique hotel and high-end office space, the neighborhood's profile is expected to change significantly.

1. <http://www.miamiherald.com/entertainment/visual-arts/art-basel/article48436040.html>

2. [http://partners.miamiandbeaches.com/~media/files/gmcbv/partners/research%20statistics/annual-report\\_2015](http://partners.miamiandbeaches.com/~media/files/gmcbv/partners/research%20statistics/annual-report_2015)

3. Source: The Wealth Report Attitudes Survey

# LIMA LARCOMAR

LIMA | PERU

## WHY LIMA LARCOMAR?

- Retail is at the heart of the development
- Shopping is complemented by a five star hotel
- A focus on both tourists and local visitors
- A fully integrated retail, food, leisure and entertainment environment

*“Larcomar is built on a cliff overlooking the Pacific Ocean in the Miraflores sector of Lima, one of the best neighborhoods in the city. The unique location and architecture of the mall, including its diverse gastronomic, entertainment and shopping options have been key to the success of the lifestyle center. Unlike most traditional malls, Larcomar has a high percentage of the GLA assigned to high-quality restaurants and entertainment, including a movie theater and a cultural center. This placemaking has allowed Larcomar to position itself as an iconic destination for not only tourists but also with Peruvians.”*

**EDUARDO HERRERA**  
Chief Executive Officer, Parque Aruaco Peru



Lima Larcomar is an example of placemaking that focuses on leisure. Lima Larcomar opened in 1998, and is currently owned by Parque Arauco S.A., a Chilean company.

Larcomar is a shopping center of approximately 500,000 sq. ft. (45,000 sq. m.) spread across four levels, built into the side of a cliff, overlooking the ocean. The shopping center features more than 150 tenants in a diverse offer of retail, restaurants and leisure activities, including a bowling alley, a grocery store and a gym. The center’s cinema offers 3D films and is recognized as one of the city’s premier movie theaters. The property also has a hotel with direct beach access.

Larcomar underwent a major renovation and redevelopment beginning in 2012, in association with major international design firm, Gensler. Once a purely retail-focused property, the refurbishment involved adding a 300-room, five-star hotel to create a fully mixed-use and integrated shopping, dining and entertainment destination. The new 18-story hotel cost a reported \$90 million. Managed by international hotel firm, Hyatt, it provides direct access via escalators and an elevator to the shopping center above.

The completed renovation is regarded as a huge success; rental rates rose by a reported 30% after the update, and many new retailers and restaurants were added to the tenant mix.<sup>1</sup> In the company’s 2015 annual report, the shopping center was listed at 89.5% occupancy.

For its unique vistas and architecture, the mall has become a shopping and tourist destination and represents a major attraction for visitors to Lima. The project’s surrounding neighborhood, Miraflores, is one of the city’s most-visited, ranking third on TripAdvisor’s list of top Lima destinations. The project receives an estimated 500,000 visits a month, of which an estimated 56,000 are foreign tourists. The tenant mix caters to both local and tourist clienteles, with many international brands alongside local Peruvian restaurants and retailers. Also contributing to the site’s tourist draw is the project’s location along the Malecón, a 6-mile promenade along the city’s coastline.

Among the project’s international retailers are Aldo, Desigual and GAP brands. Its food offer is also expansive and is distributed between a food court with quick-service tenants and a number of larger full-service restaurants. International names include TGI Fridays and Chili’s, in addition to more independent options, such as Restaurante Popular.

Visitors—most arriving by car—have access to an underground parking garage that can accommodate more than 700 vehicles. Larcomar has established itself as a key example of placemaking in Latin America through its large scale, its tenant offering, and a strategic design that makes it as much a tourist destination as a shopping center.

1. <http://www.america-retail.com/destacado/larcomar-atrae-a-nuevos-operadores/>

# THE DISTILLERY DISTRICT TORONTO | CANADA

## WHY THE DISTILLERY DISTRICT?

Pedestrian-only, commercial and residential village focused on arts, culture and entertainment

Food and beverage and retail form a backdrop for the creative studio spaces

Events scheduled throughout the year; its Christmas market is ranked among the world's top 10 holiday markets

Maintains an authentic environment while enabling visitors to enjoy all that is on offer

The Distillery District in Toronto, Canada, is a great example of planning in placemaking. During the 1800s, the Gooderham and Worts Distillery was a manufacturing district in the city of Toronto and the largest distillery in the British Empire. Today, the Distillery is not only Toronto's heritage district, having been designated a National Historic Site of Canada in 1988, but is one of the city's largest hubs for arts and culture.

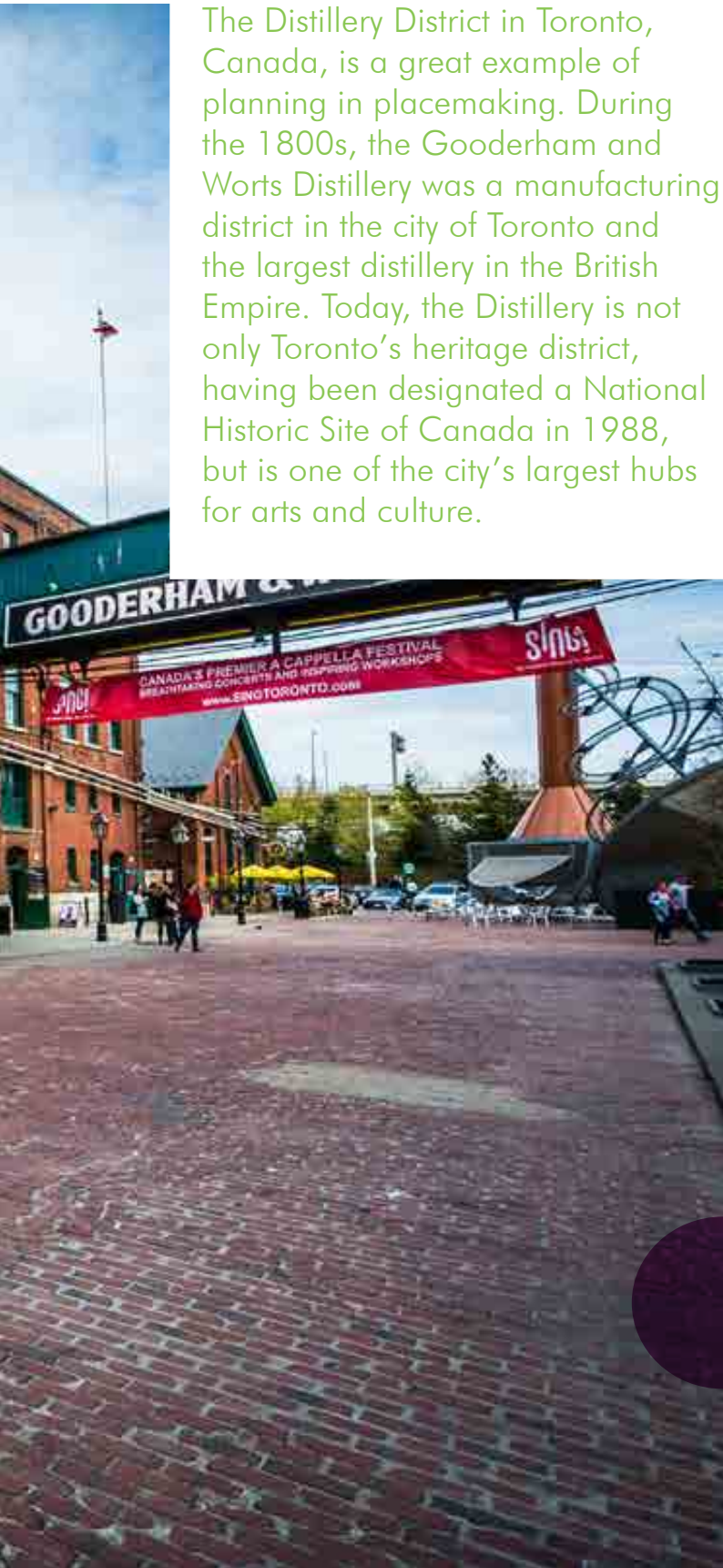
After more than a century and a half of production, the distillery ceased operations in 1990 and was bought by Cityscape Holdings Inc. in 2001. Reopened in 2003, the site has been redesigned into a pedestrian-only, commercial and residential village dedicated to arts, culture and entertainment.

The 13-acre district covers 10 streets and comprises more than 40 heritage buildings—the largest and best-preserved collection of Victorian-era industrial architecture in North America. The restored buildings feature post-and-beam finishes, natural light and expansive ceilings. Heritage conservation and restoration of the original distillery buildings by ERA Arch repurposed original materials and blended them with today's modern materials and green technologies.

A non-restoration approach was taken with the buildings as well, rather than striving to make them an ideal representation of a 19th century distillery—creating a place to be experienced as a living entity and part of the contemporary urban environment.

With the heritage buildings providing a stunning backdrop for the cafés, restaurants, and shops housed within, the project has embraced the creative class, leasing studio space to artists and office space to tenants with a creative focus. As the owners have not permitted chains or franchises to lease any of the retail or restaurant space, the majority of the buildings are occupied by boutiques, art galleries, restaurants, jewelry stores and cafés, as well as the Mill Street Brewery.

The Distillery District plays host to various events throughout the year—the most popular being the Christmas market, which is ranked among the top ten holiday markets in the world. The success of this and other events is deeply rooted in the atmosphere created with the Distillery District's dramatic fusion of old and new.



EMEA

JOHANNESBURG ●







STOCKHOLM ●

● EDINBURGH

● LONDON

● HAMBURG

● MARNE-LA-VALLÉE

DUBAI ●

# SPITALFIELDS

## LONDON | UNITED KINGDOM

### WHY SPITALFIELDS?

Wonderful use of space

Diverse mix of offers and brands, both pure retail and food and beverage

Excellent links to transportation

A focus on getting visitors to return

Focal point of a regenerated area

Sits comfortably alongside residential and office



One of London's oldest markets, Spitalfields, is a successful example of the use of leisure in placemaking. It has achieved a strong sense of community and is well known for its integration of public realm. The area is very easy to access by public transport, being very close to Liverpool Street Station.

Situated east of central London, the area has undergone a dramatic regeneration over the past decade or so. What was once an unfashionable part of London is now an area that attracts niche brands, eclectic dining and a hipster residential vibe. The completion of the formal regeneration in 2005 resulted in the creation of two new public spaces—Bishops Square and Crispin Place. Several historic streets in the area were revitalized and a new mix of tenants moved in.

The market itself sits under a glass canopy and attracts more than 100 stalls on peak trading days. The core consists of a trader's market, an arts market, and a different style of Saturday market. The estate hosts public art exhibits and sculptures. An ongoing calendar of events for both adults and children gives new reasons to visit. Spitalfields attracts more than 80,000 visitors each week. The estate has strong links to more than 70 organizations and charities, further enhancing its community feel.

The mix of tenants in the area is very interesting. Strong luxury brands sit alongside lower-priced but more niche offers. The location attracts mainstream brands that want to try something a little different—a new concept or a different approach. Lots of newer brands seem to be targeting the area as its offer continues to grow. More than 40% of the overall offer is dedicated to food and beverage; here again, we see a diverse mix of offers and levels of quality. The focus on eating and drinking is in line with current thinking about non-retail offers' importance in increasing dwell time.

Leisure is not the area's only focus. Technological upgrades addressing the website and engagement with social media have also paid dividends. These have been key in the project's marketing strategy of communicating to the wider public the benefits of the offer.

Spitalfields provides consumers with a level of leisure and entertainment that can simply not be satisfied online. The area will continue to develop as a prime leisure and retail destination.

# VAL D'EUROPE SHOPPING CENTER MARNE-LA-VALLÉE | FRANCE



## WHY VAL D'EUROPE?

Incredible transport links

Proximity to Disneyland Resort Paris

Use of technology to empower shoppers

Clear focus on delivering an experience

Continued plans into the next 15 years;  
it's an evolving development



Val d'Europe Shopping Center has made great use of technology in its placemaking efforts. The role of technology is ever more important in retail; consumers are experienced users of technology and expect to see retailers and landlords using it to add value to their retail experience. Val d'Europe is determined to make use of technology to create a digitally advanced destination.

The center opened in 2000 and has been developing constantly since then. The center's ideal location has helped to attract visitors, but it is the offer and the overall feel that make visitors return. More than 16.5 million people per year come to visit the center. The transport links to the center are second to none. Only 30 minutes from central Paris, 6,100 parking spaces, free shuttles from the nearby Disneyland Resort Paris, and the RER commuter network all ensure a constant flow of visitors. The center is one of the most successful developments in Greater Paris.

The 160 retail brands, 24 restaurants and Sea Life aquarium all draw visitors. An expansion of the center will bring an additional 29 retail brands in 2017. The wider area offers 8,000 hotel rooms and two convention centers that host more than 1000 events annually.

The digital innovations the center has implemented make its focus on engaging visitors via technology clear to see. Play Box enables shoppers to access mobile games via a link in a text message. In conjunction with Clear Channel they created digital totems that help remotely guide visitors around the center via their smartphones. Interactive kiosks abound throughout the center, and digital communication points are easily accessed.

The center's role at the heart of the community cannot be overestimated. Over the next 15 years, 8 billion euros in public and private money will be invested in urban projects—a venture that will directly and indirectly create 70,000 jobs.

New emerging technologies will create a sustainable retail destination at Val d'Europe, a center that aims to innovate and adapt to evolving consumers' behavior.

*“Val d'Europe ... benefits today from an ideal location—at the heart of a European retail hub, and connected to an extensive transport network. A very attractive place for leading international retailers since opening, it has established itself among the top five shopping centers in France in less than ten years.”*

**KLEPIERRE ON VAL D'EUROPE**

# SANDTON CITY

## JOHANNESBURG | SOUTH AFRICA

### WHY SANDTON CITY?

It demonstrates the incredible retail opportunities available in South Africa

Its ability to attract ultra-luxury brands is an absolute testament to its success

A wonderful mix of hotel, office, retail, leisure, food and beverage. Seamless integration, as opposed to any feeling of separate entities

Transport links, both public and private

Award-winning design

In South Africa, retail is incredibly diverse, ranging from spaza stores at one extreme to high-end luxury stores at the other. Sandton City in Johannesburg has to be recognized as an outstanding example of how retail can be at the center of a successful placemaking program.

The complex is the core retail asset of the Sandton Central Business District, having developed over the past 40 years into a true retail destination. The center is home to more than 300 leading local and international brands. From ultra-luxury to entry-level food operators, the offer is diverse and caters to many different groups. The center received an average of two million visitors per month during 2015.

The focus on leisure is clear to see: the food offer, the high-tech cinema and the linkages to non-retail elements are very strong. The center is connected directly to a high-end hotel; it is surrounded by offices and is the true heart of the placemaking initiative. The complete complex, including hotel, retail and offices, comprises more than 2.3 million sq. ft.

As the area and demand for retail and office space have grown, the Sandton City development has continued to grow as well. Perhaps the most exciting development was the opening of the Diamond Walk, a place for luxury and ultra-luxury brands, in 2015. There can be no brand that you'd expect to find on the most premium shopping streets of Paris or London that is not available on the Diamond Walk. This luxury part of the complex is directly linked to premium hotels that form part of the center.

Transport connections are very good. The site is secure, with security patrols around the clock. Thousands of parking spaces are complemented by public transport access. The Gautrain offers links to Pretoria and Johannesburg and to Tambo International Airport.

This outstanding location has established itself over the past 30 years as a premier retail and leisure destination. In terms of international retail brand penetration, Johannesburg is currently Africa's highest ranked city. Sandton City is where international brands want to be. Continuing investment in the development of the area and its offices, retail and hotels will ensure that Sandton City remains so attractive.

*The iconic Sandton City is one of the most distinctive shopping centers in the Liberty Property Portfolio, managed by STANLIB Direct Property Investments (SDPI). It was born in the early 1970s out of a site in an open field, and has since grown into one of the country's most prestigious assets in the richest square mile in Africa. Today, Sandton City is the heartbeat of the metropolis, surrounded by premier hotels, conferencing facilities, retail spaces, transport nodes, businesses and offers patrons an unparalleled shopping experience. Over the years, Sandton City has had several facelifts, won several awards for innovative designs and marketing campaigns, and it continues on its growth path to attract local and international shoppers. It has delivered consistent double-digit growth, accentuating SDPI's investment philosophy of investing for customers with a long-term appetite for quality real estate in economically growing nodes.*

**AMELIA BEATTIE**  
Sandton City

# THE DUBAI MALL

## DUBAI | UAE



### WHY DUBAI MALL?

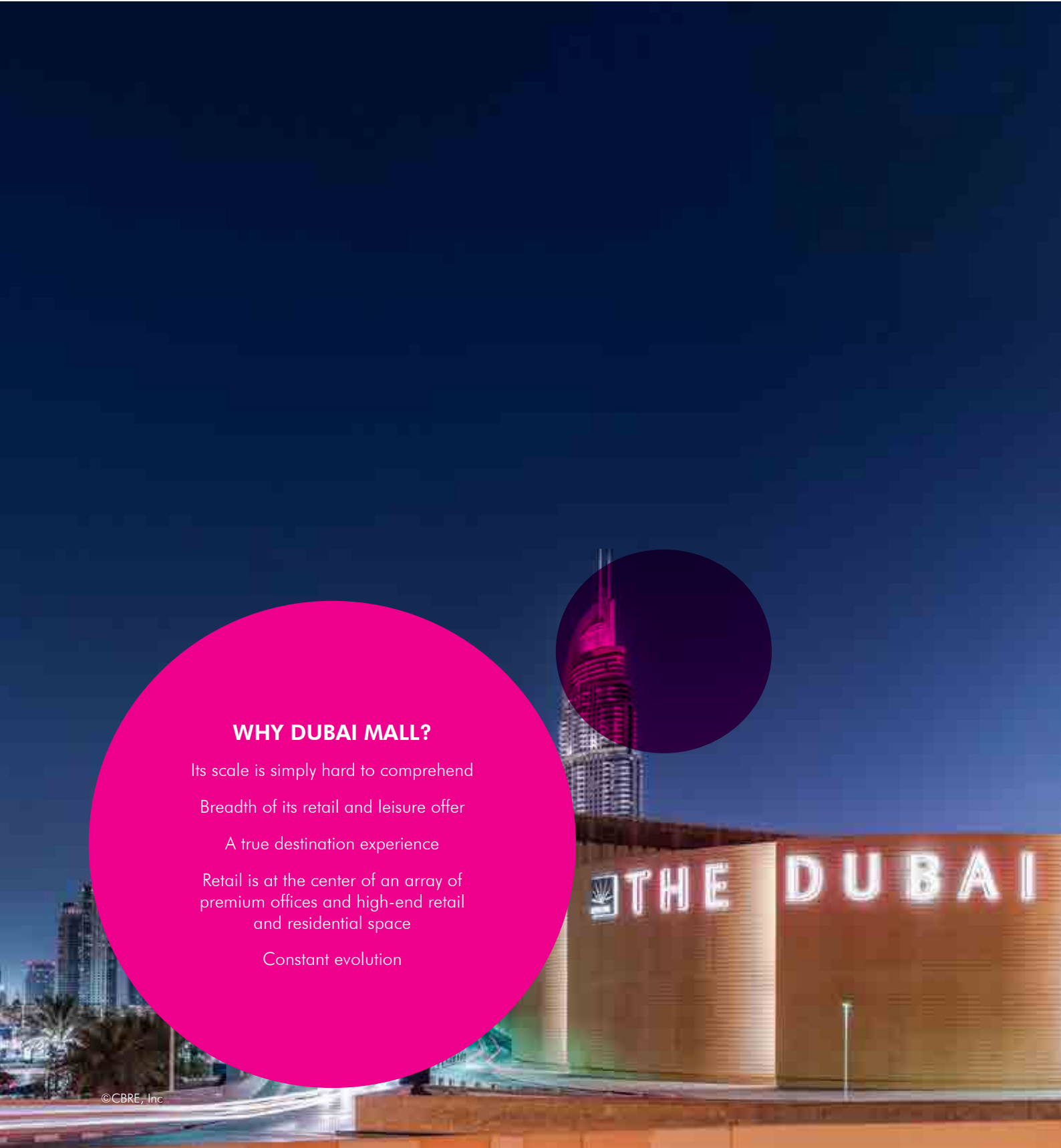
Its scale is simply hard to comprehend

Breadth of its retail and leisure offer

A true destination experience

Retail is at the center of an array of premium offices and high-end retail and residential space

Constant evolution





When looking at the role of retail in placemaking it would be remiss to exclude The Dubai Mall. The world's largest shopping and leisure destination is a true example of "build it and they will come." In 2015, 80 million people visited the center to stay in the hotels, to shop the stores, to eat in the restaurants and to partake in the incredible leisure facilities on offer. It was the world's most visited shopping and leisure destination.



The Mall has the world's biggest signpost, the Burj Khalifa. It is the tallest building in the world, a 160-story tower and mixed-use development consisting of retail, office, residential and hotel.

The Mall opened in 2003; it has more than 1,200 retail outlets and 200 food and beverage outlets. To support the amazing array of core retail, The Dubai Mall also features the Dubai Aquarium, SEGA Republic, cinemas and an ice rink. There is an adjoining five-star hotel and parking for more than 14,000 vehicles.

The speed of development in Dubai has been incredible. In 1994, Dubai's retail stock totaled 750,000 sq. ft. and consisted of one shopping center. Today, shopping center stock in Dubai totals 24.9 million sq. ft.; this figure is expected to reach 34.4 million sq. ft. over the next five years.

The contribution of The Dubai Mall to the city's retail sector is significant, and is estimated to account for about 5% of Dubai's GDP. Tenant sales recorded across the mall's 1,200+ retail stores and 200 food and beverage outlets grew by 14% in 2014, according to an Emaar Malls press release.

Emaar is currently expanding the Dubai mall, adding 1 million sq. ft. of retail, leisure, and residential space to Fashion Avenue. In terms of international retail brand penetration, Dubai is currently ranked second in the world. In 2015, 38 new retailers opened in Dubai.

Total retail sales have increased at a compounded annual growth rate of 6.1% since 2005; total retail sales more than doubled. Prime high street rents in Dubai have increased by about 60% over the past ten years. In just the past year, prime high street rents have increased by 16%.

The Dubai Mall also has a strong social media following. The Dubai Mall is one of Instagram's top 10 geo-tagged locations globally, and the mall has more than 1.5 million fans on Facebook—the highest for any shopping mall globally.

# THE NAKHEEL MALL

## DUBAI | UAE

### WHY NAKHEEL MALL?

It has been developed with “place” in mind

Luxury hotel and retail sit side by side

Focus on developing a business and tourist destination

Understanding of the benefits of integrating leisure and retail from the outset

Transport links

Private and public collaboration



The Nakheel Mall is a placemaking initiative that represents a visionary part of the Government of Dubai's planning process—a \$327 million retail, dining, and entertainment destination under development on Palm Jumeirah in Dubai. It is scheduled to be completed in 2018.

It is a best-in-class example of planning in placemaking. Palm Jumeirah, launched in 2001, is developer Nakheel's flagship project. Palm Jumeirah is one of the world's largest man-made islands. The island has added 78.6km to the Dubai's 72km coastline.

Nakheel is a Dubai state-owned developer. The creators of the Nakheel Mall are collaborating with Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Ruler of Dubai, to create a thriving business and tourism destination.

The 418,000 sq. m. destination will consist of five retail levels with 350 shops, restaurants and leisure attractions, with 111,400 sq. m. of leasable space. The mall will also have 4,000 parking spaces, as well as a roof dining plaza with views of Palm Jumeirah, Arabian Gulf and the Dubai skyline.

Alongside the outstanding retail will be The Palm Tower—Nakheel's new, five-star, 52-story hotel and residential complex. A five-star, St. Regis hotel will occupy the first 18 floors, with 504 luxury residences above. Due for completion in 2018, the tower will also boast a trio of rooftop attractions, with one of the world's highest infinity pools on the 50th floor, a 51st floor restaurant and a viewing deck 220 meters above ground, on level 52. The whole complex will be accessible via the Dubai monorail and public transportation.

The planning of Palm Jumeirah and the development of the Nakheel Mall is a clear demonstration of well-conceived placemaking. Tourism is significant in the city of Dubai. Approximately 15% of retail spend was from international tourists in 2015; this is projected to grow, according to Oxford Economics. Between 2005 and 2015, international tourists' average number of inbound nights in Dubai increased by 150%.

# MALL OF SCANDINAVIA

## STOCKHOLM | SWEDEN

### WHY THE MALL OF SCANDINAVIA?

Uses underutilized industrial space

Brings together retail, office, residential and green spaces

Sustainability at the heart of the development

Award-winning: Best International Shopping Center 2016

Alignment with the local community



The development of the Mall of Scandinavia in Solna, Stockholm is a good example of sustainable placemaking. Retail will play a key role in establishing the Solna district as a popular destination. The Mall of Scandinavia is part of a larger city district being created on previously underutilized industrial land in Solna. The city district will be a secure location with retail, offices, apartments and green spaces. The Mall of Scandinavia was developed to create a sustainable urban environment aligned with the local community for shopping and entertainment.

At approximately 1,087,700 sq. ft., the Mall of Scandinavia is the largest retail development in Scandinavia. The mixed-use components of the project design integrate a large mall within the new Solna district. The mall has more than 200 retail and leisure units and incorporates a dedicated dining plaza with 22 restaurants and cafes.

The Mall is adjacent to mixed-use office and 3,000 new apartments. The development also includes a new 65,000-seat arena hosting 50 events this year, a 400-room hotel, and a conference center. The complex is easily accessible to transportation and the existing rail network.

The mall was developed with a strong focus on sustainability. It was developed by Unibail-Rodamco and is very much in line with their recently released Better Places 2030 strategy, aimed at reducing its carbon emissions by 2030.

The Mall of Scandinavia has been certified as Excellent in the Design Phase, in accordance with the global environment and sustainability standard BREEAM. Achieving 32% lower energy consumption, the mall is connected to the local urban heating and cooling network, covering 100% of its energy needs. Perhaps uniquely, the environmentally friendly mall roof is home to 250,000 bees.

Retail & Leisure International named the Mall of Scandinavia the "2016 Best International Shopping Center."

Ethics are important to consumers when deciding where to shop. More than half of the respondents in a recent EMEA survey said a store's environmental policy is important to them; sustainability strategies in placemaking will enable the Mall of Scandinavia to outperform in the long run.

Retail is an increasingly important contributor to The Swedish GDP. Prime retail high street rents in Stockholm have increased 8.1% over the past year. Retail high street capital values in Stockholm have increased 15.3% over the past year. Prime retail rents in Stockholm are projected to increase 7.5% over the next 18 months.

Planned public realm improvements in Stockholm should improve the consumer experience and engagement with retail.

# ÜBERSEEQUARTIER SUD HAMBURG | GERMANY

## WHY ÜBERSEEQUARTIER SUD, HAFEN CITY?


Inner city development founded on the principles of good placemaking

Integration of retail, leisure, residential and office—with retail at the center

Linkages of different retail locations

Focus on increasing dwell time and frequency of visit

Retail for tourists and locals alike



Überseequartier Sud, Hafen City, Hamburg, is a leisure placemaking initiative that is part of the biggest inner city redevelopment underway in Europe. Retail will play a key part in helping to establish Überseequartier as a destination. The location is clearly distinguishable from a standard shopping center; it is a shopping experience on an open waterfront. The development creates linked retail locations and shoppers can also walk around Mönckebergstrasse, Spitalerstrasse, and HafenCity.

Hafen City is a former port and industrial land; the port is the largest in Germany and the second largest in Europe. In partnership with the City of Hamburg, Unibail-Rodamco will create a development with retail, offices, housing and a hotel. The development will consist of 1,900,000 sq. ft., of which 50% will be dedicated to leisure and retail.

Überseequartier is an investment of approximately \$910 million, 100% privately funded. The opening of the retail and entertainment project is targeted for 2021.

The development is a placemaking initiative focused on public realm improvements; it is not a closed shopping mall. Rather, it is an open retail place in a maritime setting, interspersed with mixed-use amenities. Hamburg is Germany's second-largest city, with a growing population of 1.7 million.

The retail offer will consist of 190 shops, including luxury retailers. The entertainment facilities will include a movie theater, a high-efficiency cruise terminal and a new waterfront. The center will consist of a dining plaza overlooking the Elbe River. Already an established tourist destination—it received 600,000 cruise passengers during 2014—the new development will be fully accessible, with a metro station and 2,950 new parking places. Überseequartier is developing into a secure 24 hour city with increasing visitor numbers.

HafenCity is attracting innovation tenants—retailers that appeal to younger generations. Several international labels are planning a presence in HafenCity. In terms of international retail brand penetration, Hamburg is currently ranked #26 globally. In Hamburg, retail spending has increased at a compounded annual growth rate of 1.2% over the past five years. Retail sales growth is forecasted to increase as Überseequartier expands and attracts international brands.



# ST JAMES' SHOPPING CENTER EDINBURGH | UNITED KINGDOM

## WHY EDINBURGH, ST JAMES?

- A major development focused on retail
- Strong anchor tenants, in both retail and food and beverage
- Clear understanding of its clientele, both tourist and local
- Great transport links
- Integration and natural fit with historical nature of the city





Edinburgh—Scotland’s capital and a UNESCO World Heritage Site—is also one of the UK’s top retail destinations. Steeped in history, this beautiful and historic city is the UK location outside of London most visited by overnight visitors, according to VisitBritain. The iconic Edinburgh Castle sits at the top of Castle Rock, an extinct volcano that overlooks the city landscape. The city is also home to the Edinburgh Festival Fringe, the world’s largest Arts Festival, which takes place every August. This Festival attracts hundreds of thousands of visitors each year and will celebrate its 70th birthday in 2017.

Major investment in the city’s infrastructure has been taking place over recent years including the expansion of Edinburgh airport and the launch of the trams. Construction on a new road bridge, the Queensferry Crossing, connecting the city to the north of Scotland, is well underway; the bridge is expected to open in May 2017. This historic city has grown from strength to strength. In the past ten years, the population in the city has grown by 11% and is forecast to grow by a further 9% by 2025, according to the Office of National Statistics. Annual retail spend has also increased by 1.7% on average over the past ten years.

In future years the retail landscape will improve dramatically. Major redevelopment is underway at the city’s St. James’ Shopping Center, which has resulted in its temporary closure. The 430,000 sq. ft. center has stood on the east side of Princess Street since 1973, and was one of the main shopping attractions in the city center. Anchored by John Lewis, many of the nation’s most famous high street brands, including Sports Direct, River Island and Next, were located here. John Lewis is the only retailer to continue trading during the construction.

Placemaking is at the heart of this exciting 1.7 million sq. ft. mixed-use redevelopment. More than 850,000 sq. ft. of new retail space will be created when the development launches in 2020/2021. The scheme will also feature a wide and exciting choice of food and beverage outlets, a state-of-the-art multi-screen cinema, a luxury five-star hotel and up to 250 apartments. It is ideally located, just a short walk from Waverley train station and proximate to the tram link from the city center to Edinburgh Airport. When complete, the development will expand and complement the already existing prime retail pitches of Princes Street, George Street and Multrees Walk. The Center will only be a short walk to some of the city’s key tourist attractions, such as the Royal Mile and Edinburgh Castle.

Since the Global Financial Crisis and until recently, local prime retail rents remained at a constant level. However, since the closure of the St. James’ Center there has been a notable imbalance of supply and demand, with only 4% of vacant units on the prime shopping street. This has resulted in an increase in rental tones in all of the prime retail locations in the city center, with prime rents on Princes Street having increased by more than 25% since the closure of the shopping center. The most recent data from Oxford Economics show that retail spend in Edinburgh has been strong, increasing by 3%, year on year, significantly outstripping the 10-year average annual increase of 1.8%.

*“A world-class example of city-enhancing place making, Edinburgh St. James will see the former 1970s shopping center replaced with 850,000 sq. ft. of retail space, a multi-screen cinema, a world-class hotel comprising up to 210 rooms, and up to 150 new homes. Designed by Allan Murray Architects, the scheme will help move Edinburgh further up the UK retail rankings (from 13th to eighth), create up to 3,000 permanent jobs, and support the city’s tourist industry, which contributes an estimated £260 million to Edinburgh’s economy each year.”*

**Martin Perry,**  
Development Director, TH Real Estate

The image features a solid green background with several white geometric elements. There are four white circles of varying sizes: a medium-sized circle on the left, a small circle above it, a larger circle on the right, and another small circle below the left circle. Two thin white curved lines sweep across the right side of the frame. On the far right edge, a portion of a stylized green leaf with white diagonal stripes is visible.

APAC



TOKYO

SHANGHAI

NOIDA, NEW DELHI

HONG KONG

MUMBAI

AUCKLAND

# THE YOHO MALL

## NEW TERRITORIES | HONG KONG

### WHY THE YOHO MALL?

Cutting edge use of technology to drive retail

Full integration of retail with leisure  
and green space

Easily accessible

Wide variety of food and beverage  
establishments to enhance visitor numbers  
and dwell time



The YOHO Mall in Yuen Long is a best-in-class example of technology in placemaking. Opening in 2015, The YOHO Mall is privately owned by Sun Hung Kai Properties. The YOHO Mall retail flagship will be part of a larger project consisting of residential and hotel space as well. The mall has successfully attracted tenants to establish their first stores in new territories.

Technology is used in placemaking at The YOHO Mall to create a digitally enhanced retail destination. According to Sun Hung Kai Properties, the innovative YOHO Moment concept, which advocates an interactive lifestyle, will further enrich the shopping experience. The landlord has created a mobile app in which e-ticketing service is available. Customers can “queue up” for their favorite restaurants via the app, which allows them to better plan their visit to the mall. During the wait, users can explore other parts of the mall care-free as the app will notify the users when it is their turn. For drivers, the app will recommend driving routes and users can check the real-time availability of car parking spaces in the shopping centre. Last but not least, an e-coupon is available, offering discounts to customers and to encourage spending within the mall.

The mall has more than 1.1 million sq. ft. of gross floor area, including 150,000 sq. ft. of outdoor green landscaped area and a piazza. An IMAX theater with 1,200 seats will be available in the new phase by the end of 2016.

There are 41 food and beverage tenants and around half of them are exclusive to the mall within New Territories West. The YOHO Mall is large—it is in the top 20 malls in Hong Kong in terms of the development size. The Mall is accessible and just next to the West rail line.

Tier 1 streets in Hong Kong have undergone a sharp rental correction over the past two years. However, regional malls are firmly supported by the middle class population in the catchment areas. More brands are thus willing to decentralize their footprints.

# GINZA PLACE TOKYO | JAPAN



## WHY GINZA PLACE?

Showcases Japanese technology and culture, offering a unique shopping experience

Space for special events

Balance of high-end luxury and entry-level brands

Outstanding food and beverage offer

Easy access via metro or foot



Ginza Place, at 5-8-1 Ginza Chuo-ku, Tokyo, is an example of vertical retail in placemaking. Ginza Place is owned by Sapporo Real Estate and opened in September 2016. Ginza Place consists of approximately 6,942 sq. ft. of land area and 79,114 sq. ft. of total floor space; it is 56 meters high (B1F-11F). The landmark 11-story building is the highest building in Ginza 4-chome crossing. Ginza Place stands out architecturally, with its height and fully white exterior.

Vertical retail buildings are common in cities where land in the most prestigious retail area is scarce, such as Ginza in Tokyo and Causeway Bay in Hong Kong. In fact, such vertical retail buildings are often referred to as “Ginza-type building”. Compared to street shops, these buildings provide more affordable options to retailers which allow them to be more “wallet-friendly”.

Ginza Place is located at the center of Ginza Chuo, on Harumi-dori (street). This location offers direct access from Ginza station, where three metro lines cross; it is also within walking distance of two other stations, Ginza 1-chome station and Higashi Ginza station.

Ginza Place offers space for special events and a café where seasonal events often take place. Aside from general retailers and F&B operators, visitors can experience the latest technologies in Japan in the storerooms of Nissan Crossing and Sony. Moreover, visitors can enjoy views of Ginza’s Chuo and Harumi-dori in the balconies on the third and seventh floor.

A number of retailers already in Ginza are looking to relocate to better locations in the area to improve their turnover, even if it means paying higher rents. Prime rents in the district have gone unchanged for four consecutive quarters. Some properties are attracting bids from several retailers, despite above-market asking rents.

# LALAPORT FUJIMI

## FUJIMI | JAPAN



### WHY LALAPORT FUJIMI?

Close links between retail and the community

Greenery and natural spaces all within a residential development

Green food court, offering park-like seating areas

Incorporating childcare facilities for local residents

Promotes local products and educates visitors





LaLaport FUJIMI at 1 – 1313 Fujimi, Yamamuro, Saitama is an example of sustainability and well-being in placemaking. LaLaport FUJIMI opened in April 2015 and is owned by Mitsui Fudosan. According to Mitsui Fudosan, LaLaport FUJIMI embodies “a place where people interact.”

LaLaport FUJIMI consists of 293 stores and is designed to be united with its community beyond its buildings. The facility has entertainment functions and “sensory stores” that fuse experiential consumption and shopping. LaLaport FUJIMI is a three-layered, circuit-style mall and consists of approximately 1.63 million sq. ft. The facility is located among natural surroundings in a place rich in greenery, despite the development of nearby residential areas.

Mitsui Fudosan’s CROSS PARK concept is a site where people, goods and cultures intersect. The facility aims to be a new type of shopping center that moves from the concept of “a place where people gather” to become a “place where people interact” through space, community, experience and shopping.

LaLaport FUJIMI has the most greenery for any LaLaport—approximately 452,084 sq. ft., including around 93,646 sq. ft. dedicated to a park, and greenery on the roof. With a greenery to site area ratio of around 25.3%, LaLaport Fujimi meets standards established under Saitama Prefecture ordinances. The interior offers park-like sitting spaces in common areas centered around a green food court.

LaLaport FUJIMI is accessible; it is approximately 1.5km from Tsuruse Station, Tobu Tojo Line. Route bus services are planned from Tsuruse Station, Fujimino Station, and Shiki Station on the Tobu Tojo Line and from Omiya Station and Minami-Yono Station on the JR Lines. There is a transport plaza with accessibility to major stations in and outside the city.

LaLaport FUJIMI has childcare facilities and clinics for local residents. The center provides a full range of play and learning offerings. There is a barbecue area and futsal court. LaLaport FUJIMI hosts special events, including Harvest Experience, a collaboration among the Tokyo University of Agriculture, Fujimi City, JA Irumano and local farms. The local JA (Japan Agricultural Cooperative), Irumano—has a store. The store sells vegetables and holds food-related events to promote local production and education.

# DLF MALL OF INDIA

## NOIDA, NEW DELHI | INDIA

### WHY DLF MALL OF INDIA?

Largest mall in India to get LEED Gold green building certification

Solar heating for energy, 100% treatment and reuse of waste water

Great accessibility by road and rail

Maximum visibility of stores in any one area

Multiple store and restaurant openings this year



The DLF Mall of India, in Sector 18, Noida, New Delhi is an example of sustainability in placemaking. The mall opened in 2015 and is privately owned by DLF India.

The mall is the largest in the country, with an approximate leasable area of about 2 million sq. ft. It is the largest mall in India (and the first mall in North India) to be awarded with LEED Gold green building certification. The mall has an energy efficient air conditioning system that consumes 20% less energy. The mall also applies solar energy for heating and has a heating capacity of 4000 liters. The mall boasts of 100% treatment and reuse of the waste water it generates. Extensive use of regional and renewable materials with low Volatile Organic Compounds (VOCs) have been considered in the mall, while maintaining its aesthetic requirements. The mall also incorporates a comprehensive storm water management system consisting of rain water harvesting tanks and bore wells to recharge ground water.

The mall also integrates technology into its built environment—it has features such as digital video walls, digital directories and a mobile application for easy navigation. The mall is a differentiator in terms of sustainability and technology, but also has many other “firsts” to its credit. It is the first in India to have five defined zones, it has a ski park, it dedicates 40% of its leasable area to food and beverage, and houses the country’s largest food court.

The DLF Mall of India is accessible—well connected with Delhi Metro and effective road networks to other parts of Noida, Greater Noida and Delhi. At the mall there is ample space for open and covered car parking, valet parking, and reserved car parking for seniors and disabled visitors, along with a dedicated room for drivers.

The mall provides services such as a mobile app, emergency response team, dry cleaning services, and a free Wi-Fi zone. The mall provides maximum visibility for all stores within each zone. The mall hosts special events such as local festivals, an apparel fair, and food promotion. It has a designated kids’ area including kids’ stores, kids’ theater and baby-changing rooms.

DLF’s Mall of India saw multiple store and restaurant openings in the first half of 2016. In terms of international retail brand penetration, India is currently ranked 27th in the world; 24 new global brands entered the country in 2016. New Delhi is ranked 43rd in the world for cities, and is the top performing city in India.

# HIGH STREET PHOENIX

## MUMBAI | INDIA

### WHY HIGH STREET PHOENIX?

500 brands including outstanding food and beverage

Five-star hotel, commercial and residential space

Strong schedule of relevant events

Entry point for retailers looking to come into the market

High Street Phoenix, a mixed-use development in Lower Parel, Mumbai, is an example of leisure in placemaking. The mall opened in phases between 2000 and 2008. High Street Phoenix is privately owned by The Phoenix Mills Co. Ltd.

High Street Phoenix (HSP) is a cluster development that has been developed over 3.3 million sq. ft. across three zones (approx. 800,000 sq. ft. salable area). It houses more than 500 brands, including a variety of food and beverage retailers, entertainment, and domestic and international brands. The mall is divided into three sections: Palladium (luxury shopping, FEC), Grand Galleria (High-end shopping, dining, multiplex) and Sky Zone (High-end shopping, dining, and entertainment).

High Street Phoenix (HSP) is a cluster development that has been developed over 3.3 million sq. ft. across three zones (approx. 800,000 sq. ft. salable area). It houses more than 500 brands, including a variety of food and beverage retailers, entertainment, and domestic and international brands. In addition to the mall, the compound hosts a

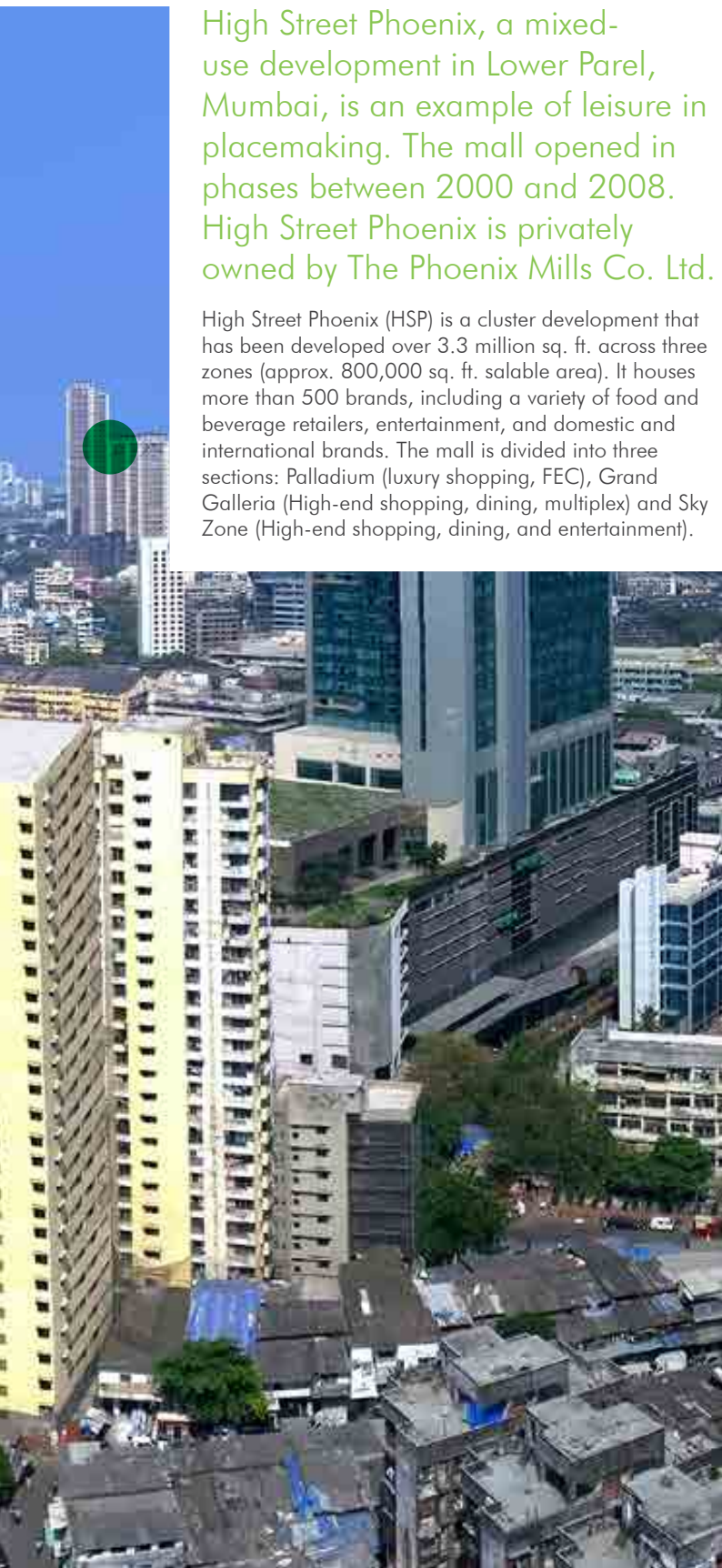
five-star hotel, commercial space and a residential tower. It is a popular destination located in the heart of Lower Parel, a prominent business district in Mumbai, and is easily accessible from the suburban rail network and arterial roads. The mall is divided into three sections: Palladium

(luxury shopping, FEC), Grand Galleria (High-end shopping, dining, multiplex) and Sky Zone (High-end shopping, dining, and entertainment).

High Street Phoenix is the only destination in South Mumbai with F&B options across price bands. Several new F&B entrants opened in the city, such as Pappaya and James Pizzeria. Unlike other retail developments in Mumbai, most of the F&B operators in High Street Phoenix are located on the ground floor instead of the top floor. It is easily accessible from the main road and thus, many pedestrians are drawn to stop by for a meal. There is a courtyard where visitors can dine and relax in outdoor environment. It is also used for events, e.g. the landlord organized around 70 dessert stalls earlier this month.

In addition to the mall, the compound hosts a five-star hotel, commercial space and a residential tower. It is a popular destination located in the heart of Lower Parel, a prominent business district in Mumbai, and is easily accessible from the suburban rail network and arterial roads.

The destination is well connected to suburban rail and an effective road network reaching other parts of the city. There is ample space for open and covered car parking, valet parking, and reserved parking for senior citizens. The mall provides services such as valet parking, assistance for disabled visitors, and a pharmacy. The mall serves as a one-stop destination for the shopping requirements of the surrounding catchment. The mall hosts special events such as Parikrama@25, Captain Phoenix, Corporate Soccer League, Mumbai Market and Awestrung Events.



# SHANGHAI JOY CITY / SUZHOU RIVERSIDE SHANGHAI | CHINA

## WHY SHANGHAI JOY CITY/ SUZHOU RIVERSIDE?

- Integration of public realm and retail
- Premium retail and leisure offer, including a ferris wheel as an attraction
- Customers are able to take part in classes and/or buy products
- Intelligent parking management system



Shanghai Joy City/Suzhou Riverside is a model of leisure and entertainment in placemaking, accessibly located near the city center of People’s Square.

Shanghai Joy City/Suzhou Riverside was defined as a place in December 2010 when Phase I launched.

Placemaking is broadly evident in the second phase, which opened in 2015. It is a successful initiative with public realm improvements for leisure.

The rapid growth of online shopping in China has prompted shopping centre landlords to enhance the experience offered in their malls. Shanghai Joy City has a Ferris wheel, named Sky Ring, located on top. It is the first cantilever Ferris wheel atop an urban complex in China and it is popular among consumers. Approximately 60,000 people visited in the first nine days after the opening of Sky Ring. Visitors can order afternoon tea while in the cabin of the Ferris wheel.

Chinese shoppers are more sophisticated now and they are looking for more fun and interaction that cannot be provided by online shopping. The 8/F and 9/F of Joy City II is an art-themed street (named as More Fun 166) where a number of brand new lifestyle and DIY shops like Zowoo (woodwork DIY) and Boogie Woogie (jewelry DIY) have opened. Consumers can buy products or join the DIY classes in the workshops behind the street-facing storefronts.

Last but not least, the Shanghai Joy City/Suzhou Riverside has a new intelligent parking-management system with automatic license plate recognition, park guidance, and reverse tracking for vehicles.

As it draws on the concept of “nurturing emotional bonding with consumers” and leveraging the new business models of differentiation, themes and smart applications, Shanghai Joy City is succeeding in unlocking its potential commercial value.

# COMMERCIAL BAY

## AUCKLAND | NEW ZEALAND



### WHY COMMERCIAL BAY?

A sustainable urban environment aligned with the local community


Provides international-grade retail space to attract new brands

Office and retail space in very close proximity

Great accessibility

Largest transformational project Auckland CBD has seen





Commercial Bay reshapes a significant part of Auckland CBD's waterfront area and resurrects the location's original name from the 1800s. It embraces the best of the existing buildings within a city block and links them together with a new retail and office development to create a new precinct containing a working population of 10,000 people. This development will re-appoint the southern shore of the City's harbour as the heart of the CBD, re-establishing a hub of transport, commerce and trade for all Aucklanders to meet and enjoy.

18,000 sqm of retail at Commercial Bay will open before Christmas 2018; the 39,000 sqm office tower will open in 2019. Commercial Bay is owned by Precinct Properties and, at \$681 million, is the largest mixed use development yet undertaken in Auckland.

Commercial Bay is designed to capitalise on location. It is next to the city's busiest railway station and will have a rail line running under the building. The development is adjacent to the waterfront, amid an emerging luxury retail area. The redevelopment takes the place of an outdated 1970s enclosed shopping mall that cut the area off from its surroundings. The new development will be significantly more open and integrated into both the wider surroundings and the neighbouring commercial buildings. Office buildings within the precinct will be linked at lobby level to the retail development, allowing an integrated and seamless environment that increases client engagement and fosters business collaboration.

Commercial Bay incorporates a laneway design aimed to be an inspiring place to relax, meet, work and shop. A selection of rooftop bars and restaurants will provide new hospitality experiences while maximising views over the harbour. Adjacent streets are also being redesigned to become activated public spaces to engage people, drawing them to the precinct. The aim of the Commercial Bay project is to redefine retail in Auckland, with global flagship brands, diverse food and beverage and the highest concentration of quality retailers in one central, easily accessible location.

Auckland is the top-ranked city in New Zealand in terms of international retail brand penetration. It is ranked #183 globally, but its international retail brand penetration has increased significantly in recent years. From an initial focus by luxury retailers, international retailer presence is rapidly broadening across multiple retail categories including fashion and food and beverage operators. This trend has been well supported by the fast growing resident population and booming tourism. Chinese tourism spending in New Zealand increased by over \$1 billion in the past three years. New Zealand's population growth averaged 1.2% pa in the 2000-2015 period, already high by developed country standards, but this has accelerated over the past three years as the country entered an unprecedented migration boom. With about half of the country's migration gain being focused on Auckland, the city's population growth has reached 2.8% pa, helping to drive retail sales growth of 6.6% average pa in the past three years.

# CONCLUSION

In most of the places we studied, improved public spaces improved real estate rental values and retail sales. Public realm improvements improved the retail consumer experience. Placemaking creates a sustainable urban environment aligned with the local community.

Real estate owners and developers can learn from the placemaking examples profiled here. According to a recent CBRE EMEA survey, consumer preferences suggest the in-store experience will continue to play an important role in the future. Consumers still want to visit physical store locations in addition to utilizing online options. Global consumer surveys indicate that people still prefer to shop in-store. More than half of the recent CBRE EMEA survey respondents said they prefer to buy what they want and take it immediately, which can't be done online. Approximately 80% of survey respondents in Asia Pacific intend to visit physical shopping centers in the future.

Placemaking also creates tourism, which attracts the presence of international brands. International tourist retail expenditure has doubled in the past ten years and is forecast to increase by a further 40% in over the next five years, according to Oxford Economics. Today's shoppers increasingly prefer urban locations and are more likely to travel. Despite competition from online retailing, retail tourism spending is still rapidly growing in certain cities, such as Dubai. Real estate investors and developers can create and capitalize on places where tourism attracts retail spending. Tourism growth presents actionable opportunities for placemaking at transportation hubs. Cities should develop diverse cultural attractions and entertainment offerings in places to attract future tourist spending.

Successful placemaking should also target growing demographics. Millennials' shopping and travel preferences will determine future retail expansion. Retailers must constantly evolve and open in new cities, based on millennials shopping preferences and trends.

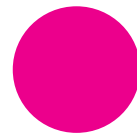
Real estate owners and developers should plan to add adequate social space, in addition to food and beverage outlets. Placemaking is not sustainable without food and beverage allocations. Successful retail placemaking destinations should allocate at least 25% of GLA to food and beverage in the future.

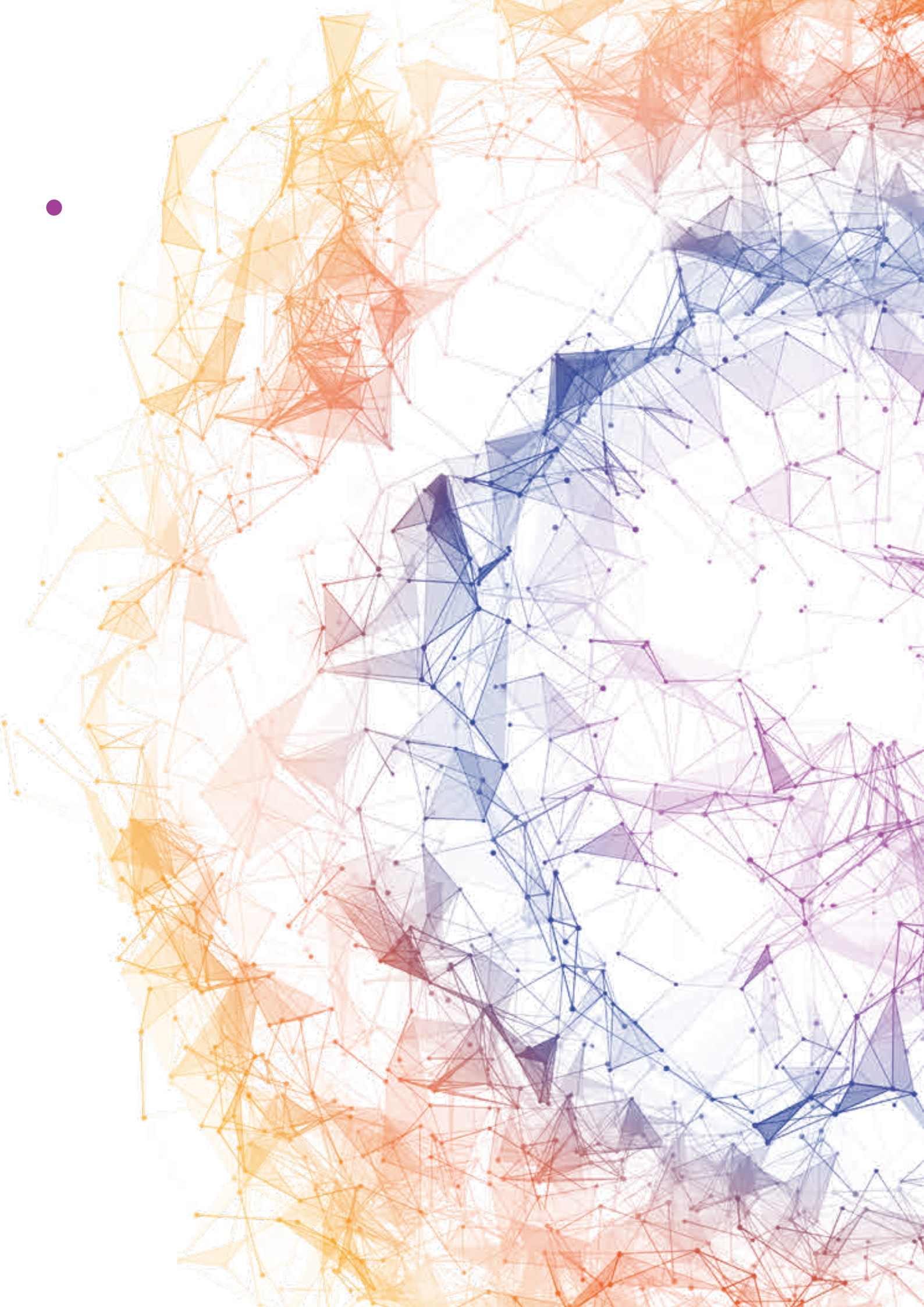
Not all retail placemaking destinations have performed as expected. Adequate transportation must link retail with consumers. The timing of placemaking must be strategic, as an area in recession may experience declining retail sales which will affect the leasing and development financials.

Green spaces and parks need financing for maintenance. Some placemaking projects with retail development lacking adequate public green space have been unsuccessful. Ineffective marketing campaigns will not increase leasing by international brands and may lead to negative financial returns.

Successful retail placemaking strategically analyzes the possibilities of re-zoning, as new developments can lead to overcrowding and noise. A place must also be suitable for future community plans. Successful placemaking should involve the community in the planning process.

Online retail may pose a challenge to the real estate market, but a smart placemaking strategy with technology implementation can position real estate players ahead. Although online sales will continue to rise, most people still prefer to shop in-store. Retailers must constantly evolve and adapt, based on an understanding of shopping behaviors.





# CONTACTS

For more information about this report, please contact:

## Global Retail Research

**Andrew Phipps**  
Executive Director  
EMEA Research  
t: +44 207 182 2116  
e: andrew.phipps2@cbre.com

**Margaret Heavey**  
Associate Director  
EMEA Research  
t: +44 207 182 3129  
e: margaret.heaveyl@cbre.com

**Melina Cordero**  
Director  
Americas Research  
t: +1 202 585 5532  
e: melina.cordero@cbre.com

**Liz Hung**  
Associate Director  
Asia Pacific Research  
t: +852 2820 6557  
e: liz.hung@cbre.com.hk

## Global Retail Leadership

**Anthony Buono**  
Chairman Retail  
Executive Committee  
t: +1 619 696 8302  
e: anthony.buono@cbre.com

**Mark Burlton**  
EMEA  
t: +44 20 7182 220  
e: mark.burlton@cbre.com

**Todd Caruso**  
The Americas  
t: +847 572 1480  
e: todd.caruso@cbre.com

**David Close**  
EMEA  
t: +44 20 7182 2272  
e: david.close@cbre.com

**Brandon Famous**  
The Americas  
t: +1 2 215 279 9780  
e: brandon.famous@cbre.com

**Tim Starling**  
Pacific  
t: +61 2 9333 3382  
e: tim.starling@cbre.com.au

**Alistair Palmer**  
Australia & New Zealand  
t: +61 2 9333 3396  
e: alistair.palmer@cbre.com.au

**Joel Stephen**  
Asia  
t: +852 2820 2803  
e: joel.stephen@cbre.com.hk

**Vivek Kaul**  
India  
t: +91 124 4659700  
e: vivek.kaul@cbre.co.in

## Global Research Leadership

**Nick Axford, Ph.D**  
Global Head of Research  
t: +44 207 182 2876  
e: nick.axford@cbre.com

**Richard Barkham Ph.D**  
Global Chief Economist  
t: +44 207 182 2665  
e: richard.barkham@cbre.com

**Neil Blake, Ph.D**  
Head of Research, EMEA  
t: +44 207 182 2133  
e: neil.blake@cbre.com

**Henry Chin, Ph.D**  
Head of Research, Asia Pacific  
t: +852 2820 8160  
e: henry.chin@cbre.com.hk

**Spencer Levy**  
Head of Research, Americas  
t: +1 617 9125236  
e: spencer.levy@cbre.com

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at [www.cbre.com/researchgateway](http://www.cbre.com/researchgateway).

Disclaimer: Information in this report, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty, or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CBRE.