

MIPIM Special

The importance of Urban Anchors: shopping centres in the inner city

Thomas Binder

An Shoppingcentern scheiden sich die Geister. Als die „Konsumtempel“ vor den Stadttoren erreicht wurden, klagten die Kommunen über die Abwanderung von Kaufkraft und veröden Innenstädte. Jetzt hat sich der Trend umgekehrt und große Einkaufszentren entstehen in attraktiven City-Lagen. Dennoch stoßen sie auf Widerstand, weil lokale Händler die Konkurrenz fürchten. Deshalb empfehlen die Autoren, mit Planungsbeginn und über die Fertigstellung hinaus den Dialog mit den „Betroffenen“ zu suchen. Durch die Integration lokaler Händler in das Zentrum könne nämlich dessen Akzeptanz erhöht werden. (Red.)

For a long time, the majority of new shopping centres were built on green-field sites, on the outskirts of urban areas. The disadvantages of this traditional approach are well known: the customers drifted away; the city centres slowly became less used by the city inhabitants. In many towns and cities the former centres even threatened to become totally inefficient. In the last few years there has been a change in this trend.

While almost a quarter of all new shopping centres in Germany were built on the outskirts of towns and cities between 1964 and 1995, by 2005 this number had reduced to four percent. Since then ever more investors are rediscovering city centres as the location for their shopping centres. But there are also reservations about this model: many retailers are afraid they will lose their customers to the new competition. And many people, including politicians, see the centres as a threat to the established city culture and traditional retail.

The dialog is important

But the fact is, there really is no need for conflict between modern and traditional retail forms. Ideally, a shopping centre complements the range of products and services offered by local retailers. What's more, it is in a position to provide targeted stimuli to revive the market and become a strong urban anchor of the city centre. That makes the town more attractive, encourages customers from throughout the region to visit – and, last but not least, strengthens the local economy. The most important prerequisite for a successful implementation of

this idea is to have a holistic concept. Investors can only optimally target their offer to meet prevailing conditions when they are familiar with the local situation. Additionally, local councils as well as centre managers must be prepared to cooperate closely with each other. Only then will the new shopping centre be properly integrated in the city centre – to everyone's advantage. To achieve this, close and honest dialogue is vital. And this should not be restricted to those directly involved. Ideally, as many local groups and organisations as possible should be involved from the very beginning.

Often brown-field sites and sites that have proven unsuitable for other applications are prime locations for new city centre shopping malls. By creating a new shopping opportunity here, neglected streets are revitalised and local shop owners benefit from the increase in walk-by customers as well as the possibility to open a new shop in the centre. In addition, shopping centres often also simplify access to city centres. This is because the traffic situation is a fundamental constituent of the holistic concept. Investors must provide sufficient parking facilities and also involve local public transport, for instance with park and ride schemes.

Another major factor is the way in which the new buildings fit into their sur-

roundings, both optically and aesthetically. Sonae Sierra, an internationally active owner, developer and operator of shopping centres, places great value on maximising the harmonious integration of the buildings within the existing architectural traditions. As the company's various projects show, there is no need for new buildings to be dull, grey concrete blocks.

A good example of this is Alexa, a shopping and leisure centre that will be opening this autumn on Berlin's famous Alexanderplatz. The building's forms and colours take their inspiration from the world of art déco. What's more, Sonae Sierra has successfully integrated existing architectural elements into the Alexa complex. The developer carefully restored the surrounding urban railway arches and integrated the newly-created space into the overall concept, lending the shopping centre a unique aesthetic that also significantly enhances the surrounding area.

The arches provide room for various local retailers and caterers. And this is just one way of integrating owner-operated shops into a shopping centre. All of the company's new developments offer local businesses fascinating opportunities to be a part of the project. Accordingly, every fourth tenant in the Alexa complex comes from the local region.

It's the mix that makes it great

To make sure that the shops in the shopping centre appeal to customers and also optimally complement the existing selection of outlets, operators like Sonae Sierra must obtain insights into the preferences and needs of the local clientele. Regular market research and trend studies are carried out to ensure the right mix of tenants. And the company's experts also know the needs of the retailers themselves. Down to the last detail, such as the required floor space and fittings.

At the same time, it is extremely important to remain flexible. Experience has shown that shopping centres need to adapt constantly to changing conditions. And they also have to set trends themselves in order to keep existing customers and win new ones. This requires that centre managers are always ready to try out innovative concepts and ideas. At the same time, it is important to keep a firm grip on costs. Businesses that integrate both aspects have good prospects for long-term success. ■

The author

Thomas Binder is Chief Executive Officer (CEO) of Sonae Sierra's development activities in Germany.