First came towns, then came malls, followed by town centers. Now there is the "town mall."

New Thinking
On Regional Shopping Centers

I A N  F.  T H O M A S

A sk any CEO of a major mall what should be done to offset the malaise in regional malls and typically the CEO will reply that they must be "fresh, exciting, and different." What constitutes such qualities is a matter of wide interpretation. However, developers are finally recognizing that the problems regional malls started to face at the beginning of this decade simply are not going away.

The well-documented prediction for certain regional malls has been that up to 15 percent (about 350 centers) could close within five to ten years. Reasons for this grim outlook include:

- The homogeneity of most malls, which have the same anchors, national stores, food courts, and layouts, and are completely lacking in variety and interest.
- The "time poor" phenomenon, which plague consumers as they struggle to maintain their lifestyles while working longer hours. Consequently, time spent in malls has halved in the last 15 years.
- Consumers who have become savvy, discriminat ing, and disloyal. They know what they want and will not be upsold. Stores visited now average three versus seven stores in 1989.
- Stagnant incomes and record-level personal debt ratios, resulting in lackluster retail sales.

The resultant retail shakeout has made mall development exceptionally difficult. In the early 1990s, regional mall development virtually stopped. Today, only about six regional malls will come on line each year compared with ten times that number just a decade ago.

So what new, exciting, and different approaches are developers taking to maintain the strength and momentum of their centers?

Enhancing What Exists

Existing site conditions, lease terms, and disproportionate costs of alterations and additions often limit the ability of regional owners to respond to changing forces. Despite such constraints, to protect and enhance value, owners are responding in a variety of ways.

Entertainment. The information era is changing the way consumers live, shop, and play. More people are turning to the Internet, television, and telephone shopping. As a result, there will be less demand for traditional retail floor space and more for purchase-fulfillment centers.

As fewer consumers patronize typical malls, owners must find new ways to attract them. Malls are being turned into entertainment venues that cater to all members of the family, incorporating stores as entertainment; theme restaurants (Planet Hollywood has given a new complexion to the Biltmore Fashion Park in Phoenix as has Dives; at Fashion Show Mall in Las Vegas); nightclubs (a whole new industry is emerging as exemplified by America Live! in Circle Centre, Indianapolis, and "Intenery" in Australia and Asia); megascreen theaters (putting box offices at grade level immediately creates a new merchandising opportunity; Museum Company and a lingerie shop are situated on either side of the box office in Phipps Plaza, Atlanta); virtual reality game stores (with 3-D technology, simulated attractions are becoming mini-anchors—for example, Lincoln Square, New York, and Square One, Toronto, family entertainment centers (perfected by Mall of America—Camp Snoopy—which is being cloned around the world, particularly in Asia and South America); bookstores with coffee bars, art galleries; kiosks; and public promenades and plazas to generate a critical mass.

Introducing Mini-Anchor Tenants. Rather than fighting the big-box category-killer stores, which have hurt traditional malls, many mall operators are now including them in their tenant mix offerings. As the ground rules change, so do consumer-buying patterns: today, even people with high incomes buy at discount stores. Often, with the demise of some traditional department stores, the deep spaces they occupied have been recycled for new minia nchor offerings, such as at Horton Plaza in San Diego, where mall operators attracted Planet Hollywood, Sam Goody, The Limited, Warner Bros., and United Artists.

Adding More Reasons to Visit. Regional malls traditionally were internally focused with little regard for their external appearance. The need to create more curb appeal with uplifting, stimulating, sense-of-arrival design elements has in some cases resulted in more impulse buying with convenience stores located on the outside. Instead of going to the mall solely for fashion merchandise, buyers now can shop at drugstores, video stores, banks, hair salons, pet supplies, and liquor stores. Examples of such externalized malls include Park Royal in Vancouver, Canada, and Lenox Square in Atlanta. In addition, design concepts that expose internal architecture exteriorly through glass are particularly effective at night as beacons to lure customers.

A Fresh Approach to New Centers

Because the formulaic approach to regional mall planning no longer is a prescription for success, developers (particularly internationally) are rethinking the process.

Regional malls traditionally were internally focused but with little effort made on external appearance, but the need to create more curb appeal has resulted in conversions to externalized malls like the one shown here, Park Royal in Vancouver, Canada, before and after conversion.

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Globalizing Trends

Around the world, the continued merchant dominance affecting the retail industry, the super regional mall is rising best. Driving the change is the consumer who wants value—the catchword of the 1990s. Starting with category-killer big-box stores and developing into power centers, super regional malls created such a force that they quickly ate into the space typically generated by standard regional malls.

For regional malls to survive, they too must add the value equation. Both full-line and discount department stores have been doing this successfully. Mall specialty stores must now do the same. They must get back in touch with a customer base that wants value equation—selection, quality service, and everyday low pricing—unabridged.

Certain mall owners are recognizing that instead of permitting power centers to locate half a mile away and then split the market, it is better to “control the devil you know” and put them on an outer mall pad. Accordingly, they are giving the appearance of one-stop shopping.

Given that they were tested as dinosaurs just a few years ago, the havenard of U.S. department stores has been memorable. This is welcome news to mall owners as long as they can reconceptualize their specialty stores with a more complementary tenant mix.

Developers have come to realize that the problems facing regional malls are not属于 but more fundamental. How to create the WOW factor—or inherent points of difference—becomes mandatory.

The shopping center world also is globalizing both retail design and retailers themselves.

While Ike, Hugo Boss, Body Shop, and Yoshan continue to expand in the United States, American retailers are going overseas. JCPenny into Chile and Ireland; Prada Centre into the United Arab Emirates; and W. H. Smith into Indonesia. From a design standpoint, the recent “Galleria” look is personified in Chadstone, Melbourne. West Edmonton Mall is being closed in Kuala Lumpur. And the “Galleria” entertainment concept has been replicated successfully in Jakarta and is making its way to North America and Germany.

Coffee shops perfected by Starbucks are reflecting Westside trends and are getting people to linger longer in malls.

Video Walls are enjoying a second life with their huge screens in malls in Chile and Japan. Properly marketed, they can become profit centers in their own right.

Following the trend of more interaction with high-tech, high-touch facilities, the Swiss restaurant chain, Milongas, is developing its crowd-generating “world” concept into a supermarket in Toronto.

Electronic shopping is increasingly being studied and while no one expects it to replace mall shopping because of its convenience, it definitely will take a market share from mail sales.

Around the world, malls are recognizing the benefits of direct connections to public transportation. Though North America has tended to be slow in recognizing this benefit, one vivid example is in suburban Vancouver where West Coast Centre at Metrotown attributes some 37 percent of its business to the adjoining rapid transit rail and bus loop interchange.

A mixed-use development, or any part of it, has to consider itself a 360-degree neighbor.

Zoning becomes critical in planning the mall—there is no longer a single environment.

Developers need to look outward rather than inward. The development must draw the surrounding activities in by reaching out. Local government commitment in terms of civic expenditure and transportation infrastructure is critical.

The “new” mall must follow through operationally on the above; otherwise it simply becomes a new set for an old show. As a consequence, developers are realizing that a regional mall is not a town center and by itself can never be made into one. Therefore, much larger sites are being assembled.

Robina Town Centre

Conceived in an interactive workshop and drawing on a wide array of skills and disciplines, including Robert Lamb Hart of New York as master planner and The Jerde Partnership from Los Angeles as concept architect, the Robina Town Centre, a $136 million, 1.3 million-square-foot regional shopping center that opened late last month near Brisbane in Queensland on the Gold Coast of Australia, has been designed as a multilevel integrated environment.

Drawing on the best examples of American and European city planning and design, Robina Town Centre incorporates a new generation of design concepts and tenant mix that could set standards for retailing in the 1990s and beyond. Although the developers, The Robina Land Corporation, never had developed a mall before, they carried out extensive research and concluded that the old ground rules were no longer working and that new thinking was therefore required.

Some observations they made about malls included:

Regional malls were in a state of decline, the consensus being that a new direction was needed, but there was no agreement on that direction.

The new regional malls often called themselves town centers but remained single-purpose regional malls with an almost exclusive fashion orientation.

• The retail marketplace had become highly segmented, requiring several visits to different centers to satisfy consumer needs.

• People had less time to shop.

• Entertainment was seen as a potential savior but there was no agreement as to what entertainment was.

• Regional malls were putting back more elements from CBIDS that initially they had excluded, that is, movie theaters, cinemas, restaurants, libraries, art galleries, and professional offices. Some malls also were successfully urbanizing by integrating hotels, offices, and residential complexes into the centers—

• All of which are the original elements of a town that attracts a 24-hour activity cycle and the inherent synergy that creates.

• There was a belief that the developer only provided a framework and the actualization was up to the tenant.

• Towns had evolved from developing certain precents to tying them together to create a critical mass—for example, a high-fashion district, a dis-
to 180 square feet per person. But each worker gains access to additional space, in the form of collaborative areas, activity-based settings, and assembly space.

Building Height
In coming years, new office buildings (outside of the downtowns and edge cities with high land costs) are more likely to be low- to mid-rise buildings rather than high-rise buildings. These buildings usually require smaller, less expensive foundations than do high-rise buildings, and their building costs do not have to be so high. Their core-to-rentable-space ratio, or loss factor, is smaller because they do not lose as much space to systems on lower floors.

Finally, life safety systems such as automatic sprinklers, fire alarms, and elevator lobbies, fire-rated public corridors and stairwells, the relatively new ESFR (Early Suppression Fast Response) sprinkler systems, and rooftop helipads for emergency evacuations are less costly in low-rise buildings. The taller the building, the greater the need for these systems and the greater their impact on construction cost and rentable space.

Low-rise buildings are better suited to the large 30,000- to 60,000-sq-foot floor plates preferred by the companies that should experience the most growth in the coming decades and that will require the greatest organizational flexibility.

For example, the new Allen Bradley offices in Mayfield Heights, Ohio, are located in Cleveland, are located in three linked but separate buildings. If Allen Bradley ever wants to downsize its workforce at this facility, it can easily separate one building from the others and lease the space to another user.

Comfort and Security
As many employees work longer hours and on weekends, the office has become a home away from home. These employees want an enhanced workplace lifestyle. They need to save time. They don't want to get into their cars and run errands in between the workday. Developers, therefore, must provide new retail and service amenities in their buildings. Tenants are looking for convenience stores, drug stores, dry cleaners, technology and graphics services, and even daycare facilities.

Buildings also offer greater privacy, particularly as more and more women enter the workplace, and as more employees work into the night. Security means more than a low-paid guard or TV camera that may or may not be monitored. Good design can enhance security. Security means that visitors cannot reach the elevators without passing a staffed concierge/security desk. New buildings could be pre-wired to accommodate key card access systems for each floor.

Anticipating the Future
How can developers plan buildings for the future when they don't know exactly what that future will be? And how can they lessen the risk that their building will become obsolete in 10 or 20 years—or require a costly retro-fit to serve its corporate or institutional tenants in the competitive rental marketplace?

How America works seems to change with every new decade, so system developers have built-in flexibility. One popular approach is a "universal grid" that incorporates the expansion of power/data/water/nutrition. A universal grid is accessible and easily changed, enabling the infrastructure to be upgraded or improved with only minimal disruption to the physical environment.

This approach, also known as a "universal plan," maximizes organizational flexibility by basing all space planning on a standardized module of, for example, eight-by-eight feet. With a universal grid, companies can rearrange work areas by moving people instead of furniture. Relocated workers simply move to the new area and plug into the infrastructure without expensive recaulking or rewiring, and without impacting surrounding office areas.

Southern California Edison adopted a universal grid, based on an eight-by-eight-foot module, for its recently redesigned general offices in Rosemead, California, near Los Angeles. Under this plan, workstations can be "unplugged" to form open team areas and, when necessary, be returned to individual cubicule use. Alternatively, the same mod- ule can be set aside to make room for office equipment or reference materials without requiring the costly construction of new space layouts.

Designing from the Inside Out
Design, of course, is a vital part of all these development issues. In particular, attention must be paid to building function, which will affect the property's long-term desirability and profitability.

Whether the building is being constructed speculatively or for a specific corporate tenant, the developer must design it from the inside out. As the old space-oriented approach would, from the inside out.

Developers must know their market thoroughly and be able to anticipate competitive tenants' needs. As a first step in the design process, the architect must work with the owner or tenant to determine physical requirements and how they mass into spatial clusters that meet current and future work-flow patterns, affect circulation and traffic flow, and provide access to common support areas. Other program issues include ceiling height, lighting, proportioning of space to open space, the most space- and energy-efficient distances from perimeter to core, the use of daylighting, HVAC technology and power distribution systems.

Site constraints and budget considerations also affect program requirements. In both corporate facilities and speculative buildings, developers, owners, and anchor tenants generally do not have to decide that program tradeoffs to meet market budget.

Another key component of the design process is "scenario modeling," which considers users' business objectives, potential organizational and market shifts. For example, if a company doubles in size, can the HVAC and electrical systems be quickly and economically expanded? If the company can plan a potential facility, can it be sold or leased? If the company decides to relocate its operations, how will the existing scenario change?

More than ever before, developers and companies must merge strategic planning with design. In the past, strategic planning and real estate design usually were separate disciplines. Today, more and more companies are used to own or real estate to meet their short- and long-term objectives.

Maximizing the Future
In the 1990s and beyond, building for suc- cess in commercial development means cost-effective, flexible architectural design with an emphasis on efficient, "classic," and sophisticated buildings that can adapt to future technology and workplace needs, take on new life and function without the increased comfort needs of workers. Such items cost more but offer the value-added features that many tenants are looking for. If developers build bare-bones buildings, they will find themselves waging a losing battle with the increasingly obese product of the 1960s, 1970s, and 1980s that can offer lower lease rates.

Tenants will have a wide array of choices in the marketplace. They are paying more at- tention to how buildings support their workplaces, rather than how impres- sive the real estate looks in a leasing brochure. Companies have a business strategy; let's build accordingly.

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Robin's patterned after a European hill town consisting of streets, plazas, and icon towers. Instead of adding levels on a common two-story or three-story configuration, the planners—recapturing that grade-level retailing works best—maximized shopping on a single level and placed nonshipping functions on other levels.

Capitalizing on changeable conditions, a series of open-air streets step down to the lake, which is the project's visual focus. The wa- terfront promenade links the mall with the rest of the city.

There is a linkage between convenience and circulation that is based on the waterfront shopping level (see illustration). The library and financial and office uses are on the upper levels overlooking the town square. The only multi- level retailing is at "High Street," which links the middle levels of the department store.

Other components of Robin's includes:

- A food market contains 100,000 square feet of supermarkets with fresh produce spe- cialty stores, all serviced by 1,300 parking stalls—at grade and at the door.
- Discount department stores (Kmart and Target) are anchors for themed streets—Kmart anchors Bassett Square, which is value driven and includes big-box stores for home improve- ment, sports and leisure, and electronics.
- A Semitofish food court allows customers to get away from "closed" estuaries. Terrace cafe will build the Olive Queen and the Aquarium with seating in an open veranda-covered environment overlooking the town square.
- The town square is the focal point of the mall and includes a 12-story tower, the land- mark icon for the center, as well as a his- torical reference point for shoppers.
- Full-line department stores link the center's three levels. At their lowest level, they connect to waterways on all sides. The upper levels are clustered restaurants and entertainment. In this role, the department stores once more be- come the heart of the city's retail activity.
- A 24-hour environment is created with all night supermarkets and diners, and cinemas and bookstores operating until midnight.

In creating the streetscape/pedestrian environment, the importance of the auto- mobile was no longer considered a de- ciding factor and parking garages are not included in the mall. The through, its design, reaches out to the great- er development that Robin's is undertaking: 4 million square feet of office (some con- nected), residential, and hotel space, togeth- er with a hospital, a library, a high school (already open), and a new Anglican church, which will include an electronic game library, seminar and counseling rooms, a religious bookstore, a music shop, and a coffee shop.

Robin's Town Centre is located in an intensively competitive retail and commercial mar- ketspace where it is necessary to create distinc- tive points of difference that attract anchor stores as well as meet its trade area demands and aspirations, and, at the same time, to remain aware of future trends. Two distinct philosophies for each commercial function are: one more at- tention focused on retail functions or anchor stores. Robin's close to accommodate them. By assembling a much larger staff, rather than a diverse array of offerings, including a fashion court, a dis- count row, a food emporium anchored by two supermarkets, an entertainment destina- tion, and a community town square set around a lake, Robin's Town Centre gives people a multi-dimensional approach to visit. The func- tionality of the original urban town form, combined with the integrated office, hotel, and retail components, makes Robin's a true town mall.

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