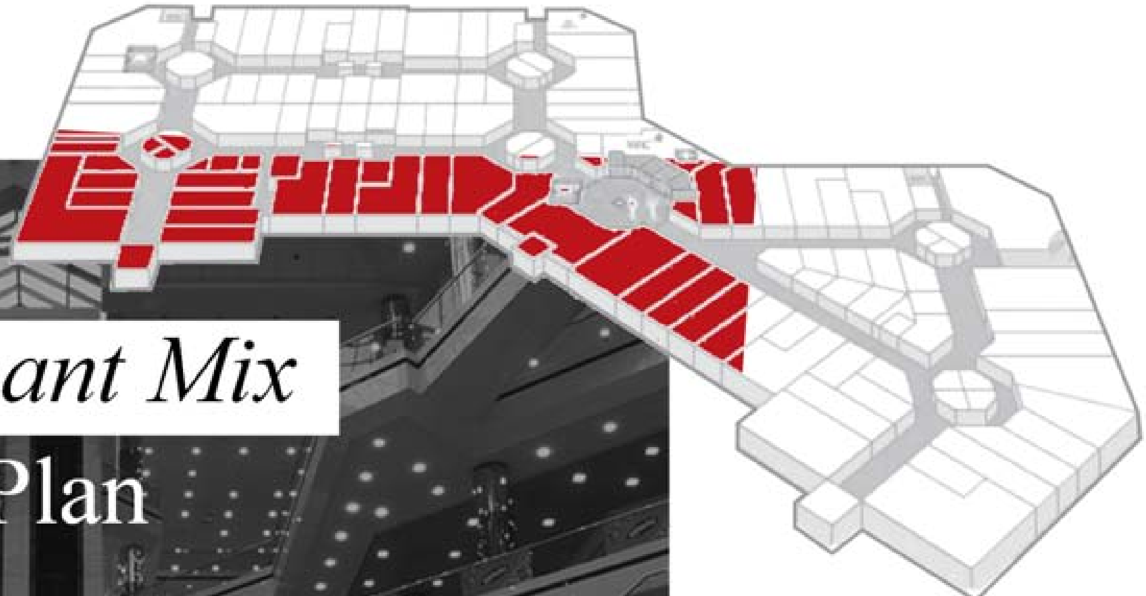
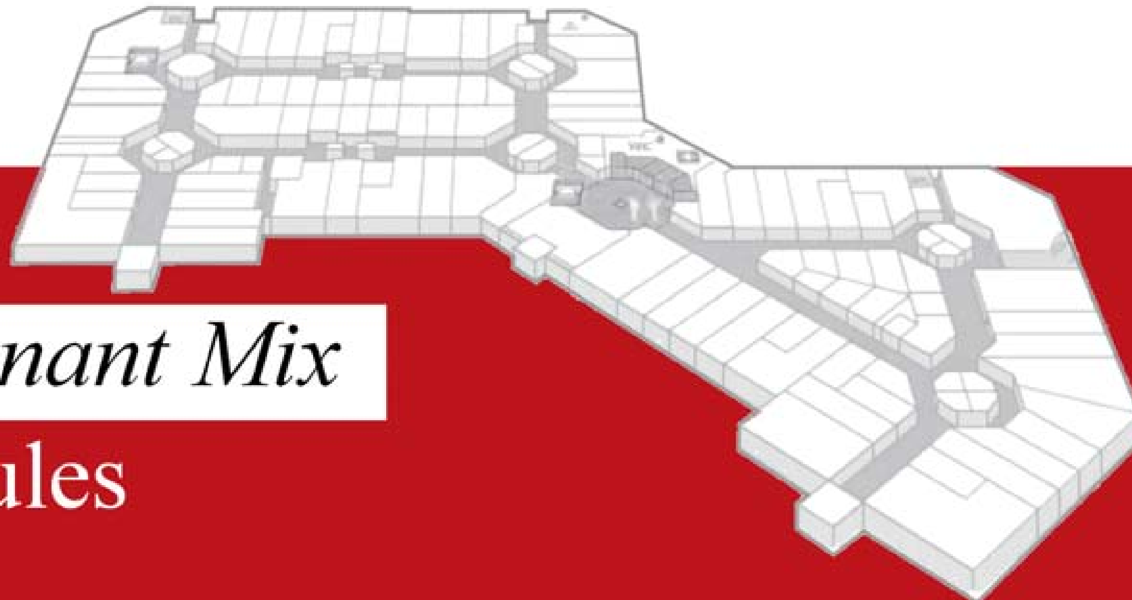


Creating a *Tenant Mix* and a Leasing Plan

Beatrice Mouton
Regional Director, JLL
July 2014

ICSC Agenda

1. Creating a tenant mix – the golden rules
2. The leasing process
3. Financials – key components
4. Different approaches to tenant mixes
5. Regional specifics of tenant mixes
6. Examples of successful refurbishments and repositioning's
7. New trends on the market
8. Major challenges and mistakes to avoid
9. Trends and impact of e-commerce on the tenant mix



Creating a *Tenant Mix* - the golden rules

Creating a Tenant Mix - How?

Golden Rules for a Successful Tenant Mix

- Understand profile of your Catchment Area
- Consider Competitive Situation in your market
- Identify your potential Market
- Identify Shopping Behaviour of Customers

Feasibility study

- Consider Critical Mass of the planned product (as the critical mass will differ whether it is a Shopping Centre, Retail Park, Factory Outlet, Convenience, etc.)
- Determine your Competitive Advantages
- Create Unique Selling Points

Tenant mix

ICSC Importance of a Feasibility Study – New developments

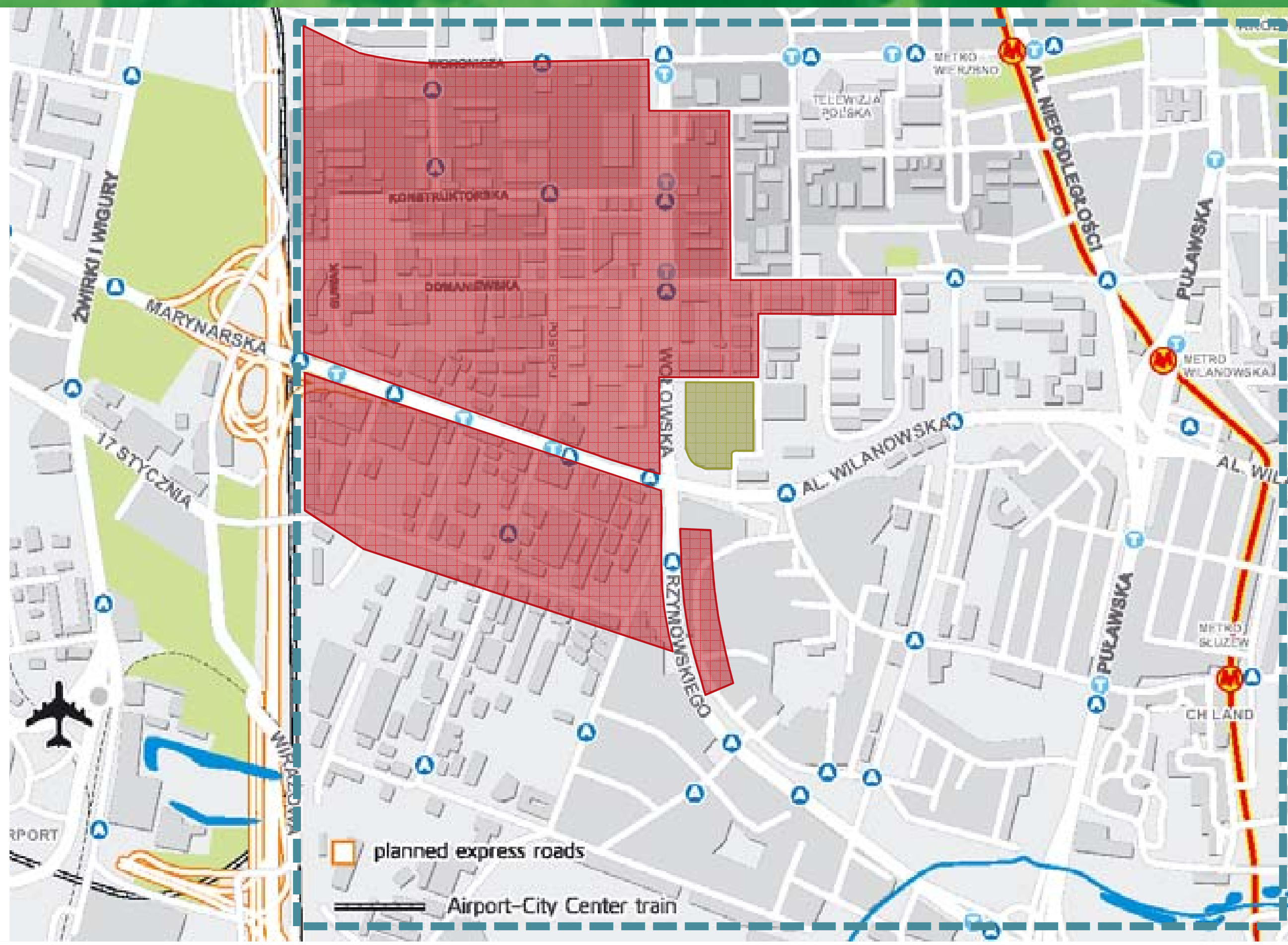
Indepth market research is key to successfully develop a new retail project

- Market overview
- Socio-demographic data
- Competition analysis
- Project Description
- Location & SWOT Analysis
- Catchment area analysis
- Supportable floorspace
- Retail Demand Survey
- Concept / Lay out
- Tenant Mix
- ERV

Creating a Tenant Mix – New development

Environment *external & internal* in terms of location of the future project:

- urban versus out of town location (pedestrian catchment versus car destination),
- Visibility
- access by car & public transport,
- future infrastructure improvements
- parking (underground/ surface car par/ deck park),
- vertical communication (where to place the escalators / travelators / lifts)



Office Area Residential Area Shopping Centre

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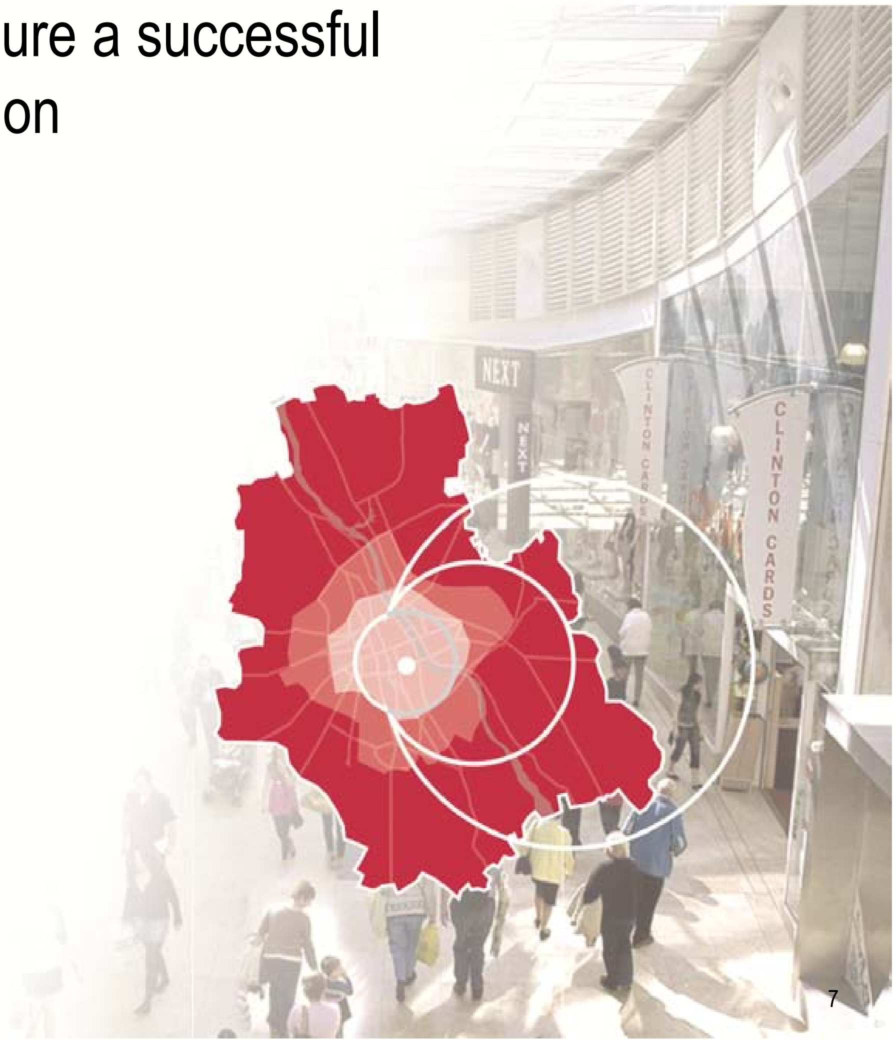
Market Study – Standing Assets

Indepth review of the Asset is key to ensure a successful redevelopment, refurbishment or extension

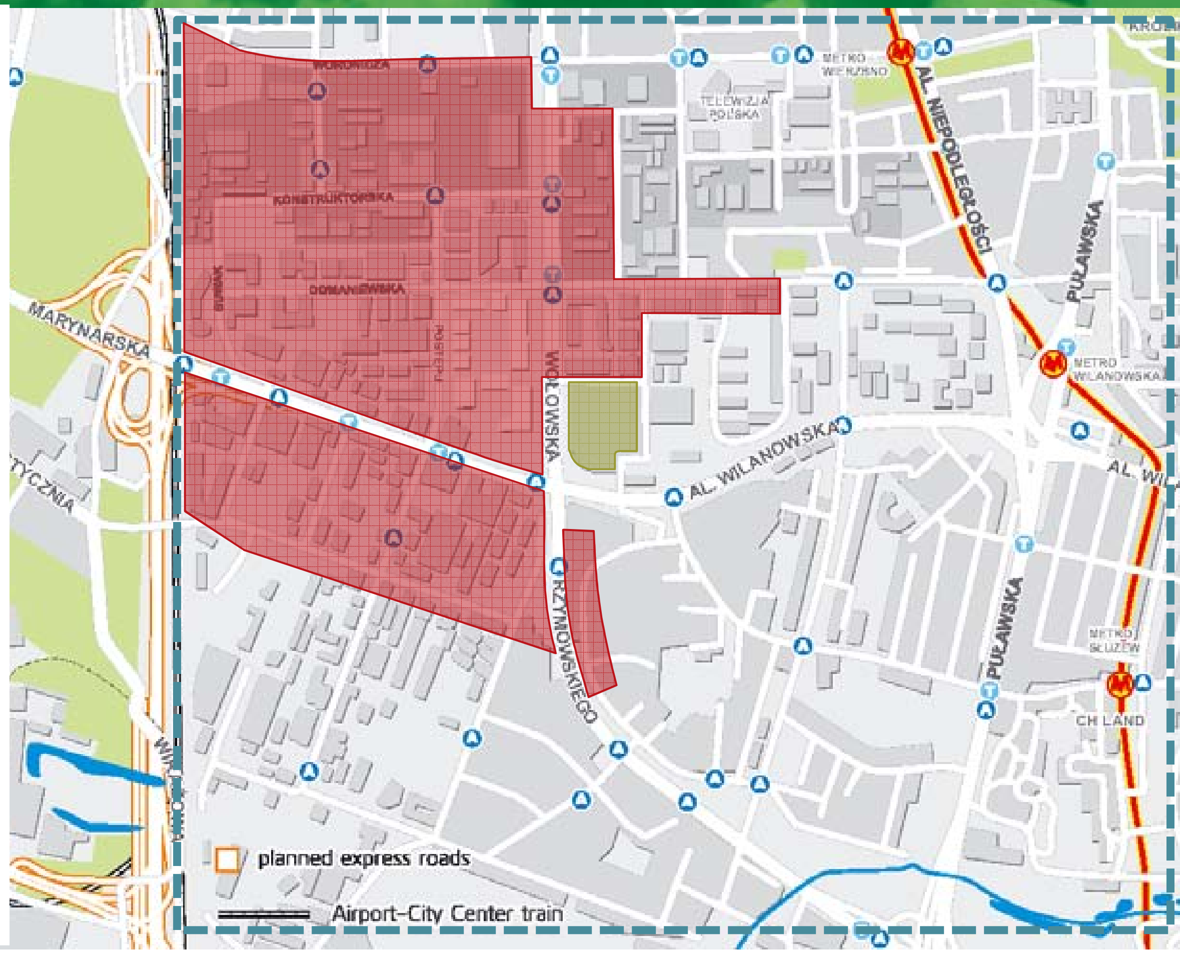
- Market overview
- Competition analysis
- SWOT Analysis
- Customer Profile
- Tenant Mix & Positioning Review
- Inventory of vacancies & lease expiries
- Tenant performance review (Affordability Ratio)
- Define short term to long term strategy
- Retail Demand Survey
- Lay out Review
- Revised Tenant Mix & Positioning
- Financial conditions (ERV/Fit out contribution)
- Leasing Strategy



Standing Asset – Redevolpment/Repositioning/Extension

Changes in the environment *external & internal* in terms of location of the existing centre :

- Socio-demographic changes (Population)
- Spending Power
- Access by car & public transport,
- Impact on parking
- Vacancy occupancy
- Remodeling (under used area/match retail demand)
- Vertical communication review
- Any future Infrastructure improvements
- Tenant Performance review (In or out/ST versus LT strategy)
- Repositioning

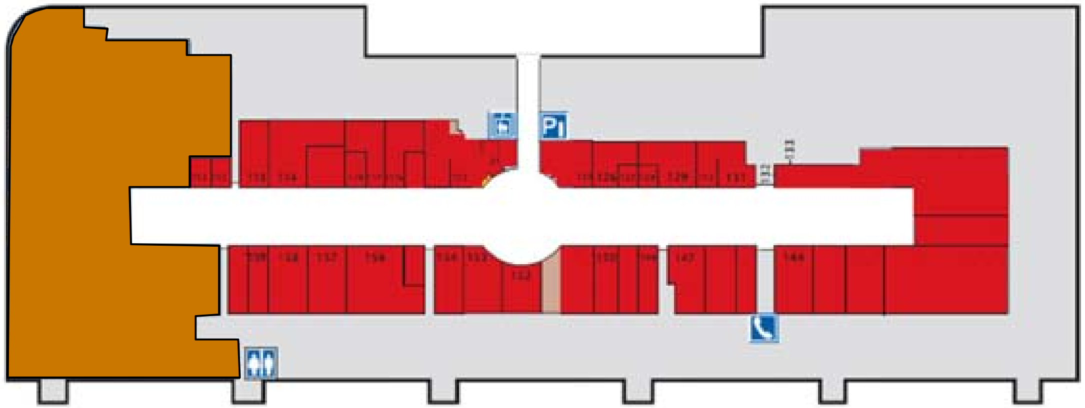


Office Area   Residential Area   Shopping Centre

Creating a Tenant Mix – What & Where?

Issues to be Considered

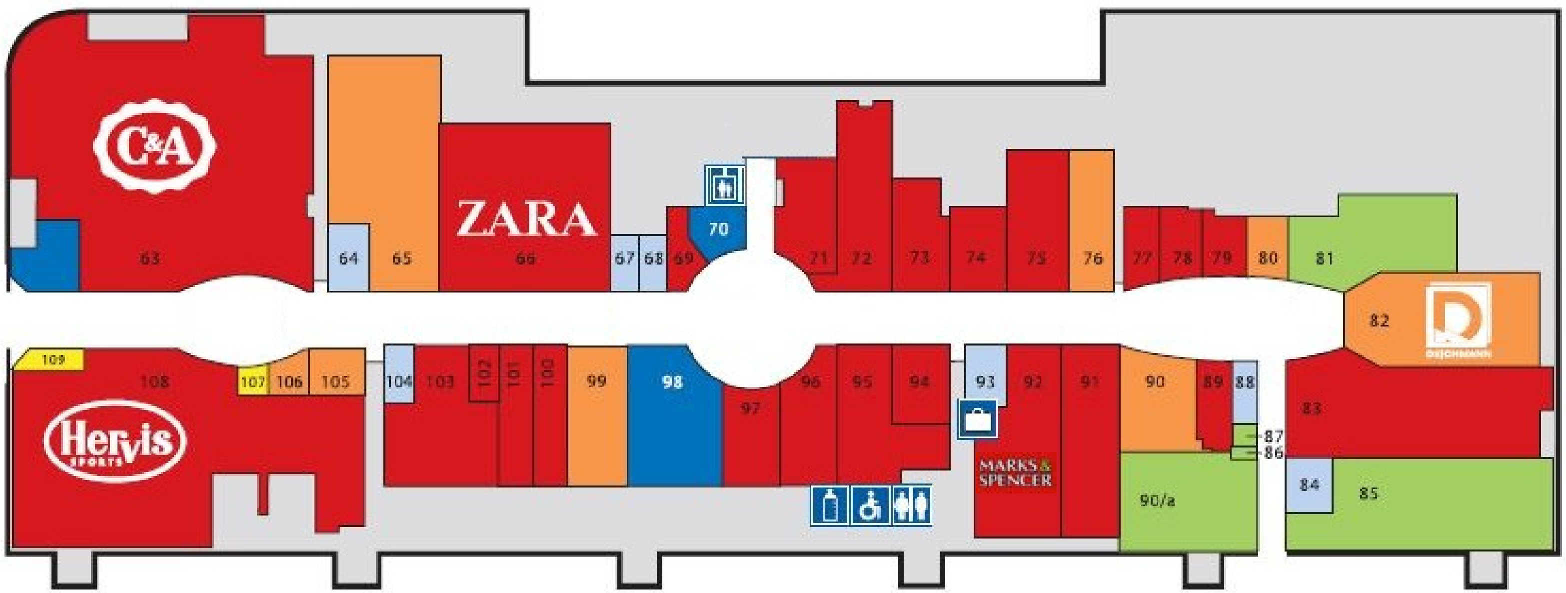
- Where to locate key anchors – food store, DIY, sport, leisure element (such as cinema), an electronic operator – ensure effective communication and delivery zone



Creating a Tenant Mix – What & Where?

Issues to be Considered

- Fashion anchors – even distribution across the centre; create balanced flow of customers; activate dead-ends; Department stores vs. large fashion anchors (H&M, C&A, Zara, M&S, TK Maxx, New Yorker, etc.) – different perception of brands subject to region / country; cultural differences and availability of anchors should be taken into account



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Creating a Tenant Mix – What & Where?

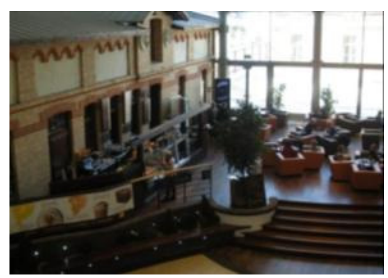
Issues to be Considered

- Other anchors such as multimedia/ bookstore (depending on the country i.e. FNAC, Empik, Matra, Dum Knihy, Pantha Rhei etc.) are tending to downsize their stores due to the impact of e-commerce in their sectors.

Creating a Tenant Mix – What & Where?

Issues to be Considered

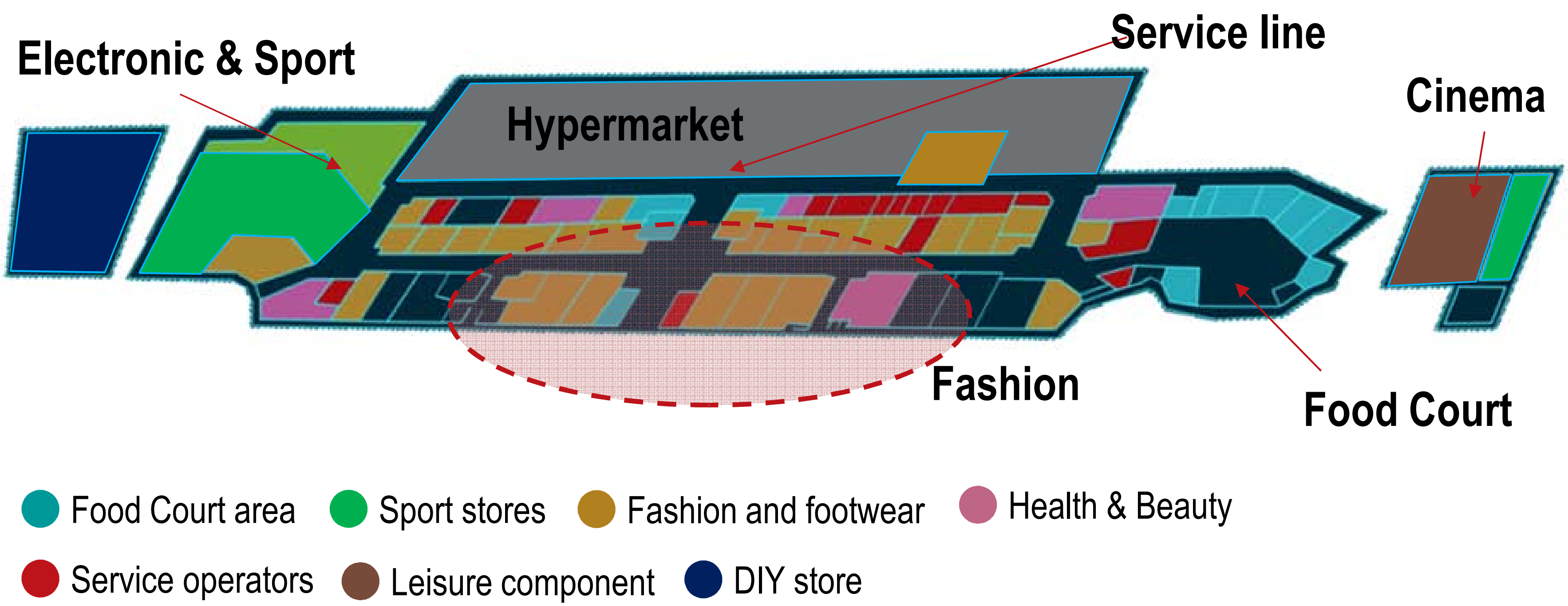
- Location of restaurants, cafes, foodcourt - Important issues: delivery, specific utilities, seating area, food courts need to anchored by strong brands i.e. McDonald’s, Burger King, KFC & proper seat-down restaurants i.e. Pizzeria; local culture & habits need to be taken into account (size & type of kitchen as well as eating habits vary from country to country); Identify special concepts to help differentiate the centre.



Creating a Tenant Mix

Issues to be Considered

- Location of theme-oriented zones (clustering) – e.g. kids area, young fashion, family fashion, formal clothing, sport accessories, premium segment, household goods, services, leisure, jewellery & accessories.



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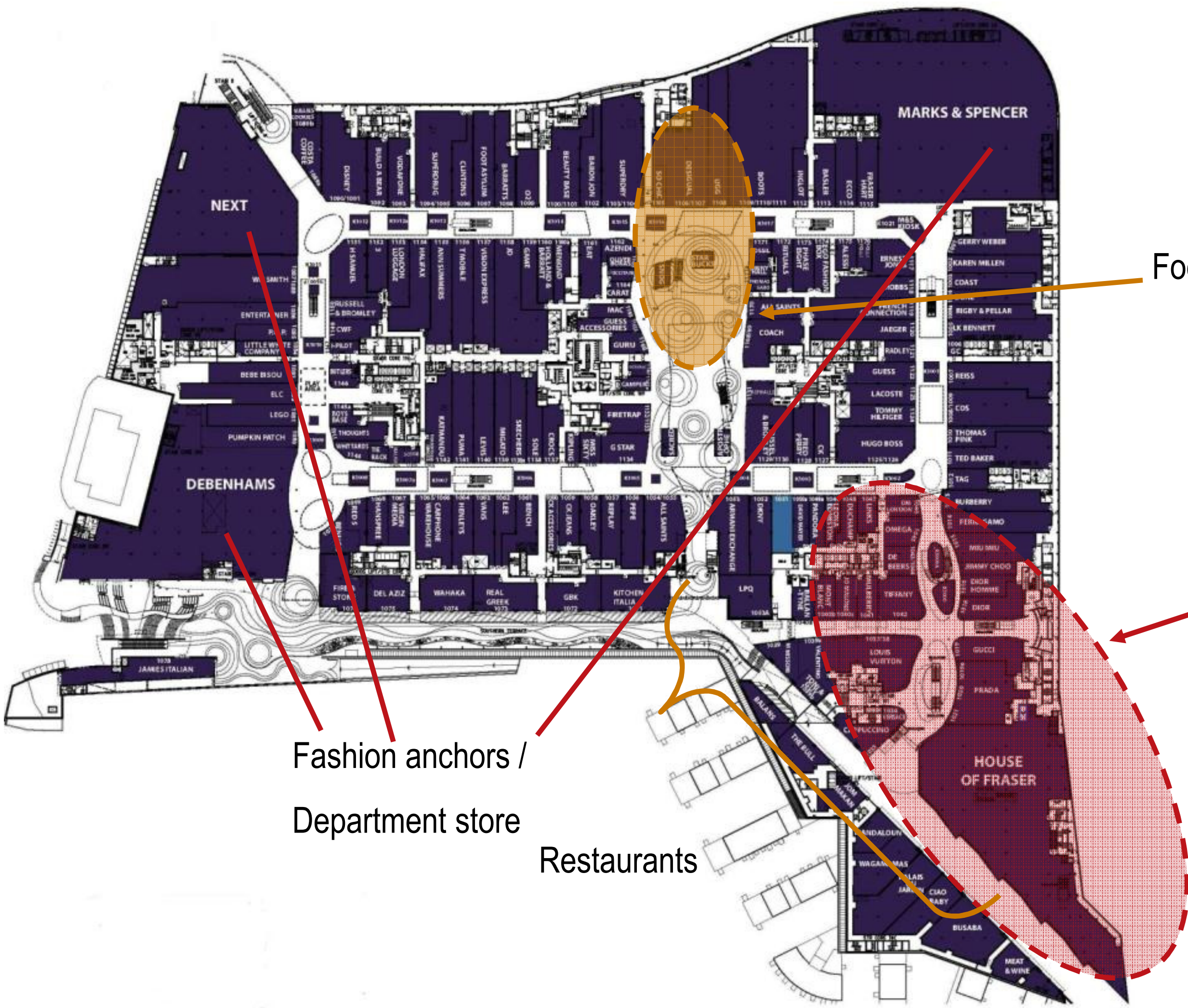
Location of *theme-oriented zones* – What & Where?

Example 1 in Western Europe

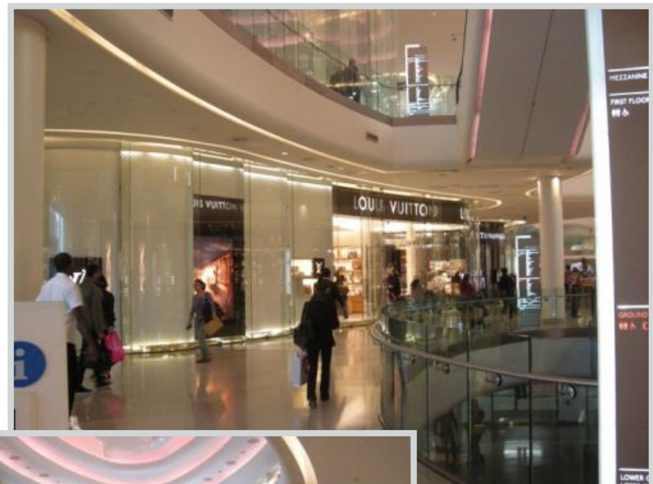


A special area devoted to *luxury brands*; a unique atmosphere was created due to the use of fancy decoration and finishings

Location of *theme-oriented zones*

Example 1 in Western Europe

Luxury Village



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Location of *theme-oriented zones*

Example 2 in Turkey

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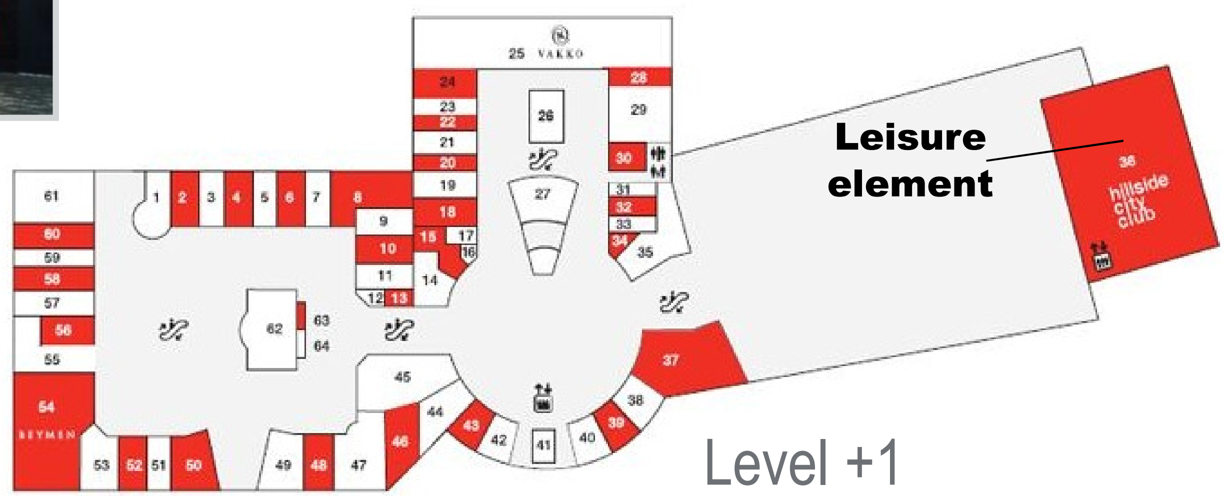
Location of *theme-oriented zones*

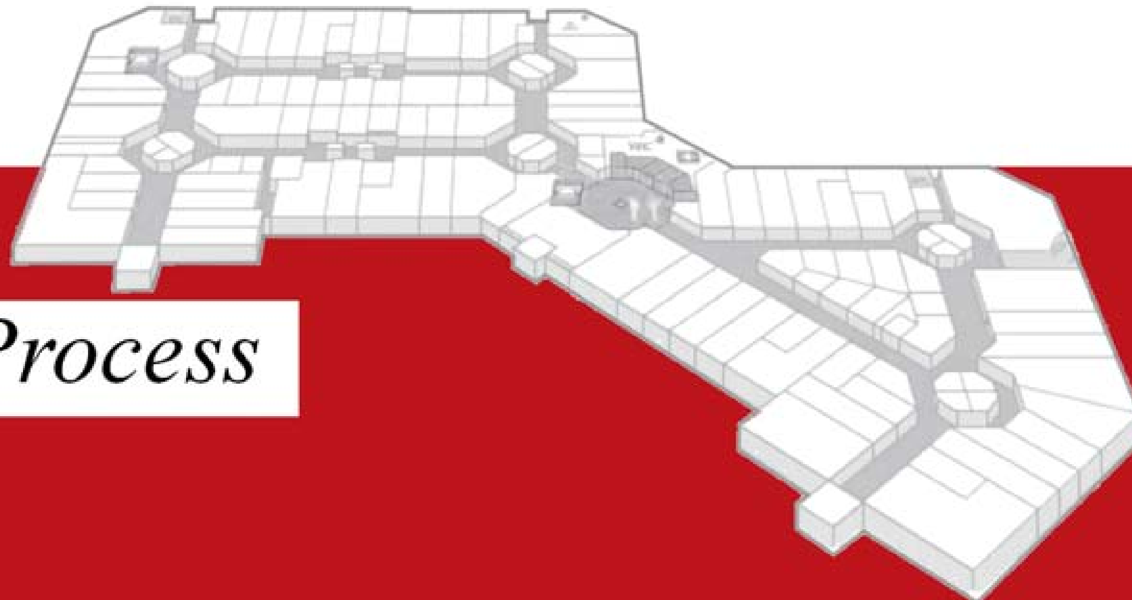
Example 2 in Turkey

- 4-level scheme – 2 level in the basement and 2 level above ground (GF & FF)
- Each floor has a specific positioning (from mass to luxury)
- Luxury brands located on the first floor in a shopping village

Luxury Village

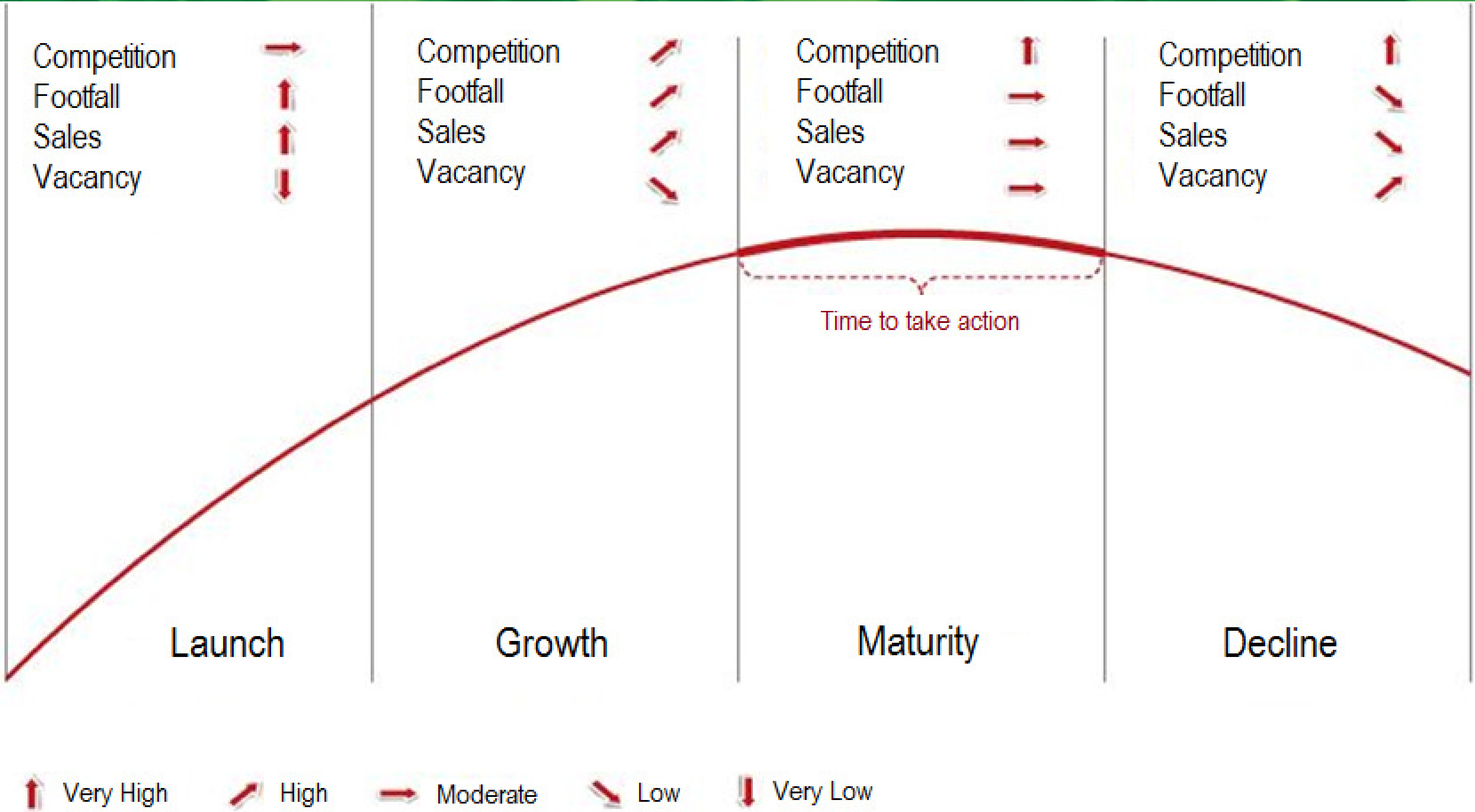


Level +1



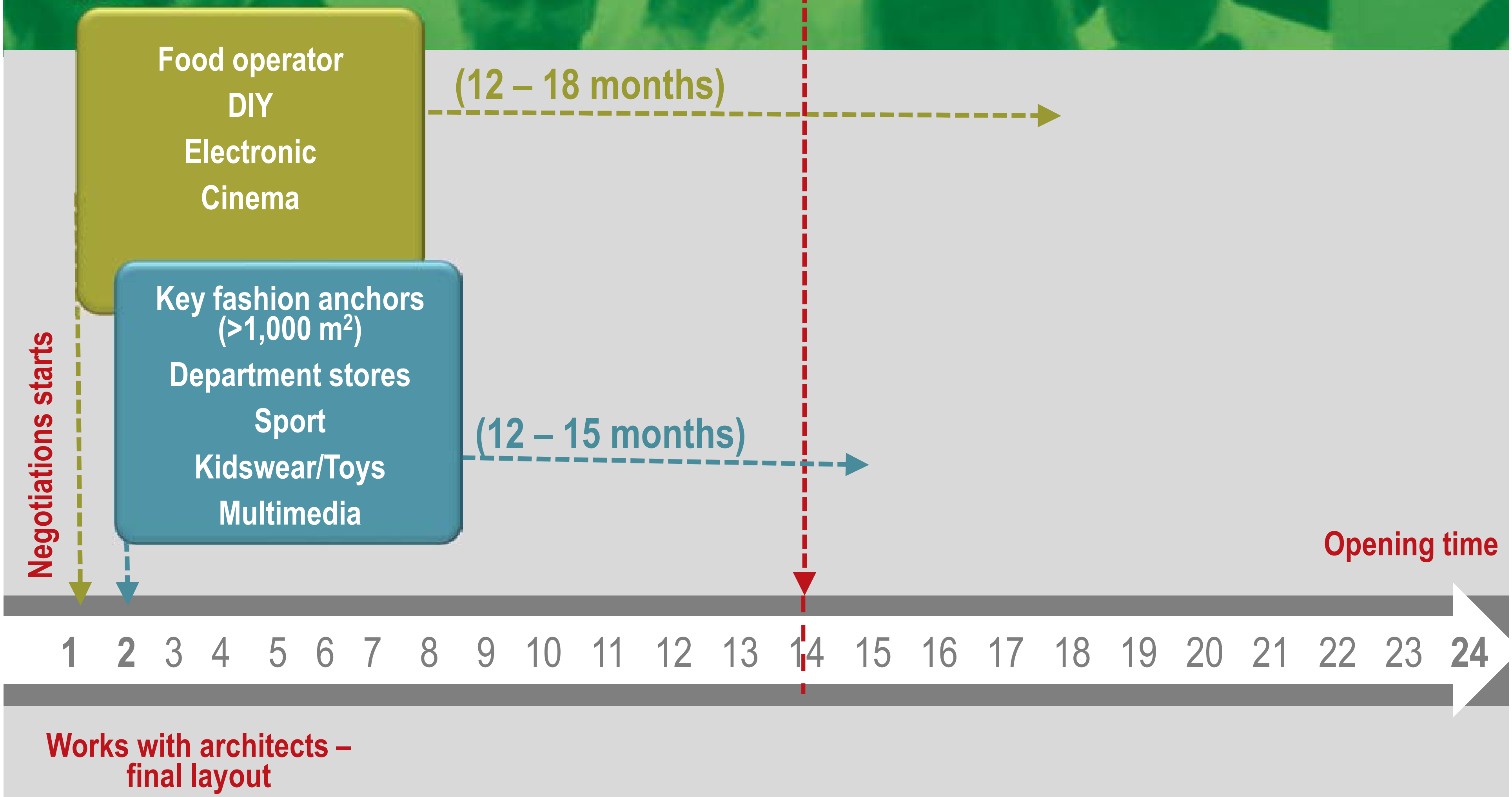
The leasing *Process*

Life cycle of a shopping centre

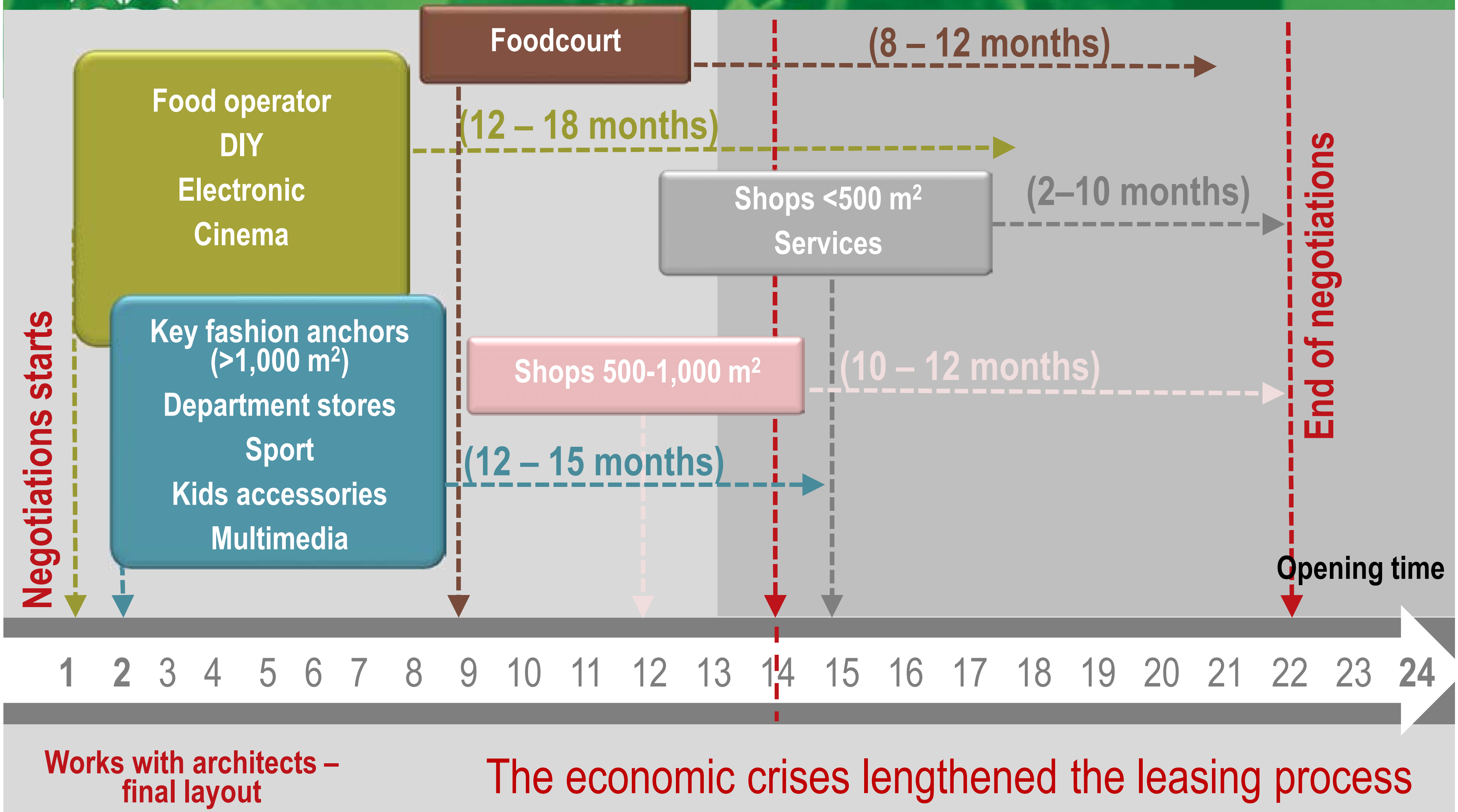


Source: JLL, based on Lowry, J.R., The Life Cycle of Shopping Centres, Business Horizons, 1997

Leasing Process: Timescale – Phase I



Leasing Process: Timescale – Phase II

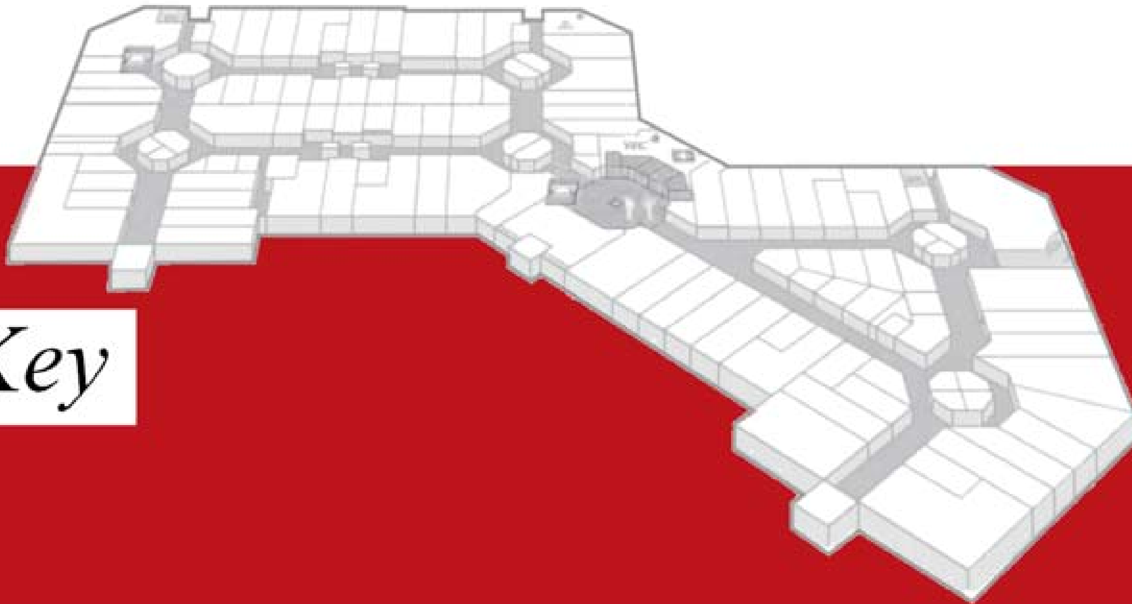


The economic crises lengthened the leasing process

ICSC Leasing – The Tool Kit – The essentials

- ✓Research in place
- ✓Leasing strategy
- ✓Approved Rental Income
- ✓Service Charge & Marketing budget in place
- ✓Standard HOT document
- ✓Standard Lease Contract in place
- ✓Technical Specifications / Tenant Manual
- ✓Marketing tools
  - Floor Plans
  - Presentation
  - Brochure
  - Marketing budget to attend specialized fairs i.e. MAPIC, Retail Connect, etc.
  - Model

Keep an open mind, remain flexible!



Financials - *Key* Components

ICSC Financials – Key Components

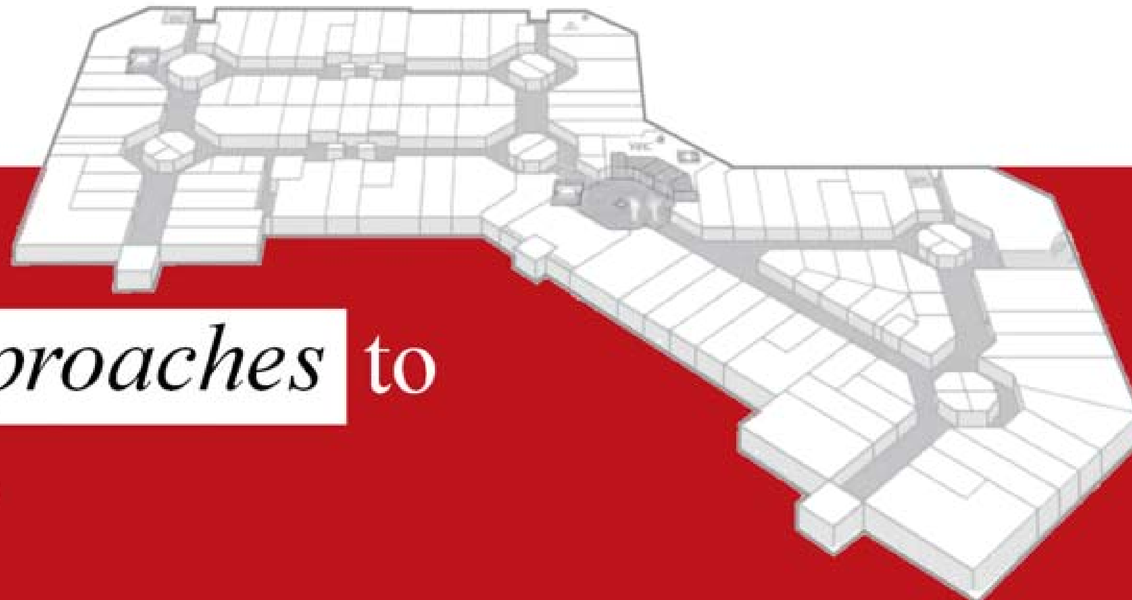
Understanding the product, the environment & the retailers key to achieve a sustainable rental income

- Budget setting - ERV influenced by 4 key factors
  - ✓ Size – Anchors Rental levels tend to be lower, In line boutiques higher
  - ✓Activity
    - ✓Fashion/Footwear/H&B/Accessories/Services/Food Courts –tend to pay better rents
    - ✓Food/Multi media/Sports/Household goods/Toys/Discounters rent sensitive low margins
    - ✓Leisure – Costs sensitive, significant upfront investment
  - ✓Turnover & Margins – Direct correlation between turnover & rent
    - ✓Fashion/Footwear operator rent should not exceed a certain % of T/O i.e. 8%
    - ✓Department store: Rent not to exceed i.e. 4% to 5%
    - ✓Food operator – Rent not to exceed i.e. 1.5% / 2.5% of T/O, Volume / Margins
    - ✓Multimedia - Rent not to exceed i.e. 3% to 4% etc..
  - ✓Location
    - ✓Floor
    - ✓Corner/Central location/Dead end
    - ✓Next to vertical circulation/Parking, main entrance ,Visibility etc

ICSC Financials – Key Components

Understanding the product, the environment & the retailers key to achieve a sustainable rental income

- Budget setting
  - Service charges
  - ✓Anchors - Discounted service charges
    - ✓Food & Leisure anchors: Lowest contributor
    - ✓Fashion/Department Stores/Sport/Multimedia/Toys/Household anchors:
  - ✓ In line boutiques: full service charges
  - Marketing fee
    - ✓Anchors discounted or in certain cases such as with Food or lesiure operators non existent or even symbolic
    - ✓ In line units contributing to the full amount
  - Fit Out budget
    - Apply to anchor tenants
    - In line units when market proves difficult or to attract specific local operators, units with basic fit out can be provided
  - Lease term: Subject to country legislation Central Europe tend to be 5 to 10 years.



Different *Approaches* to Tenant Mixes

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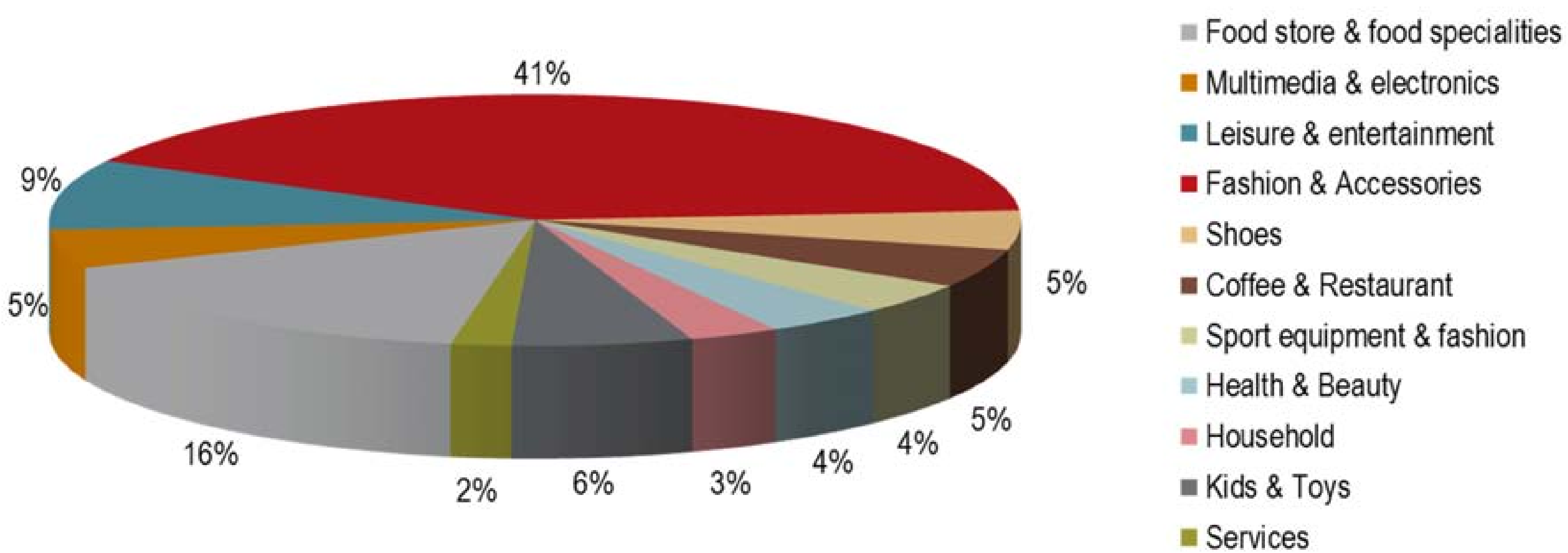
Merchandise Mix Breakdown: Urban Mall

Typical Space Distribution

- Focus on fashion & accessories
- Importance of food store & leisure component (Cinema, Kidsplay area, Bowling, etc.)
- Careful selection of the food component (type and size)
- DIY element not a priority



Source: JLL, June 2014

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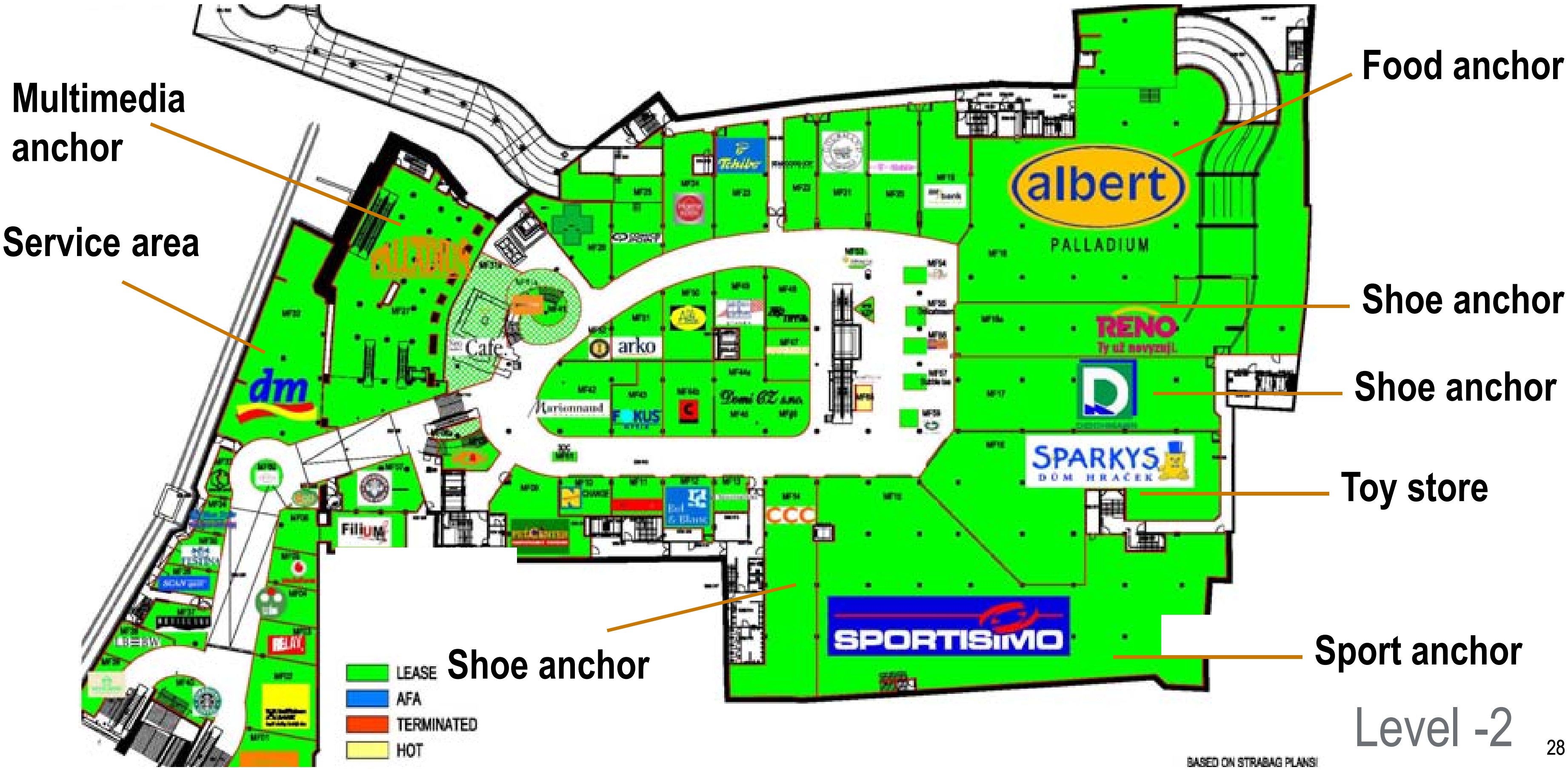
Merchandise Mix Breakdown: Urban Mall

Example

Traffic generators and less profitable tenants (i.e. food, sport, electronics, health&beauty, multimedia, fitness, services, etc.) to be located in the basement.



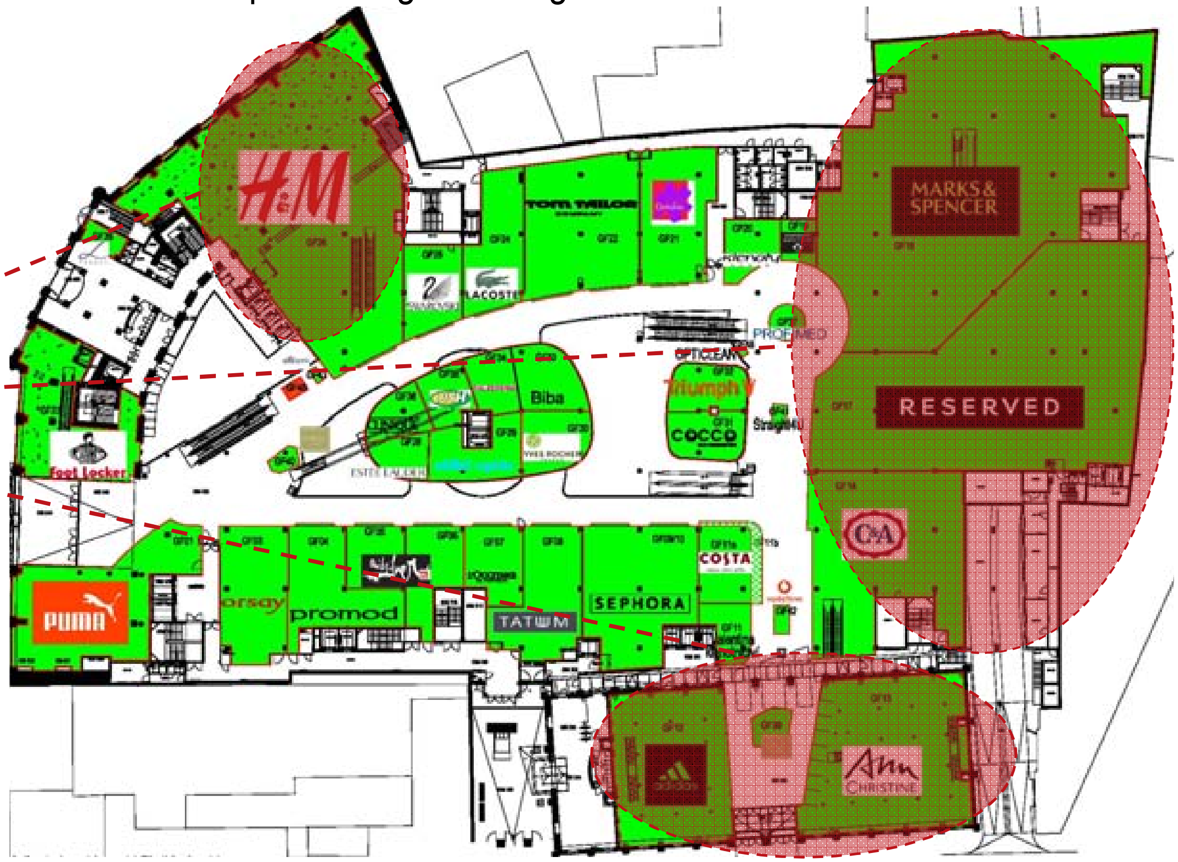
Merchandise Mix Breakdown: Urban Mall

Example

Ground floor – most valuable, most visible, most desirable, most expensive

GF sets the atmosphere of the shopping centre – tenant mix to be considered carefully to secure and attract high profile brands, which shall set the positioning and image of the whole centre

Fashion anchors evenly distributed over the centre

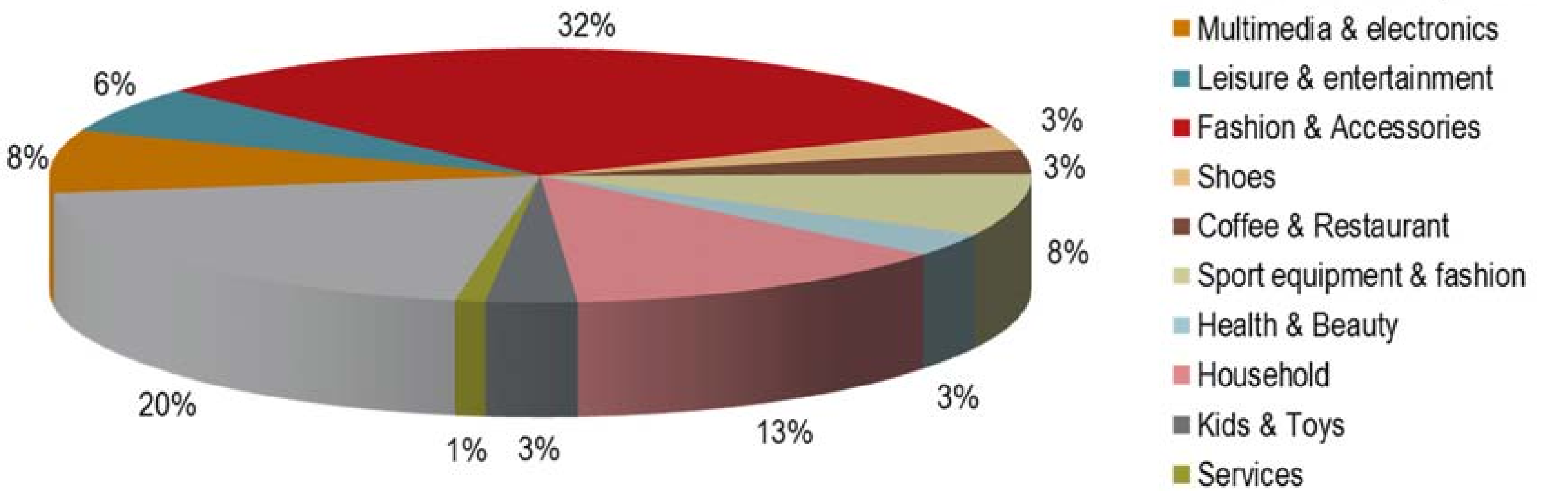


Level 0

Merchandise Mix Breakdown: Suburban Retail Complex

Typical Space Distribution

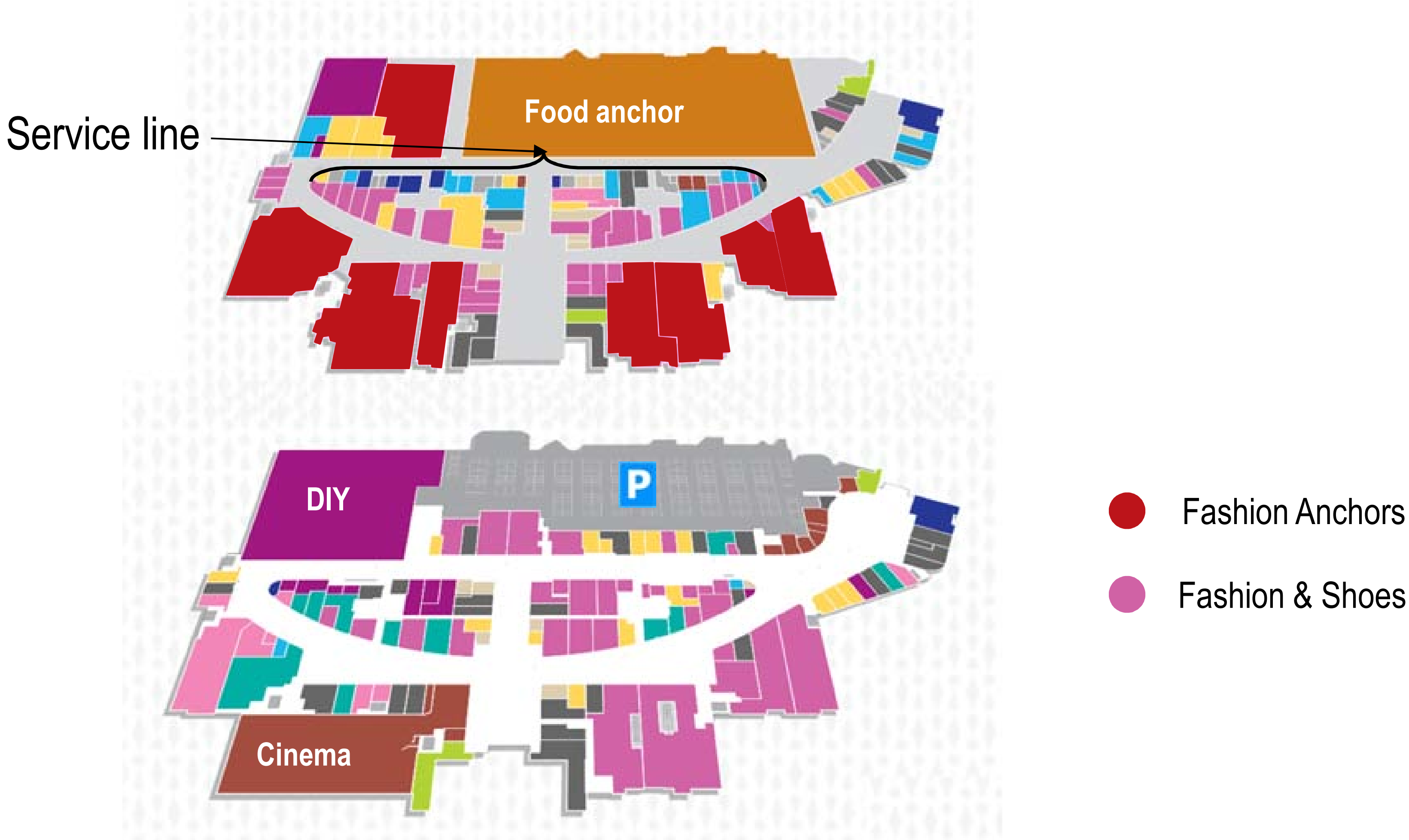
- Car destination mixed with public transport & in some cases pedestrian catchment
- Catchment area up to 30 minutes drive
- Critical mass is essential, wide offer with strong anchors to capture clients from further afield – a hypermarket, a DIY store, an electrical store, furniture store, a sport store
- Careful selection of unique anchors from the fashion & footwear sector
- Leisure component, restaurants and cafes shall be carefully analysed and selected



Source: JLL, June 2014

Merchandise Mix Breakdown: Suburban Retail Complex

Example



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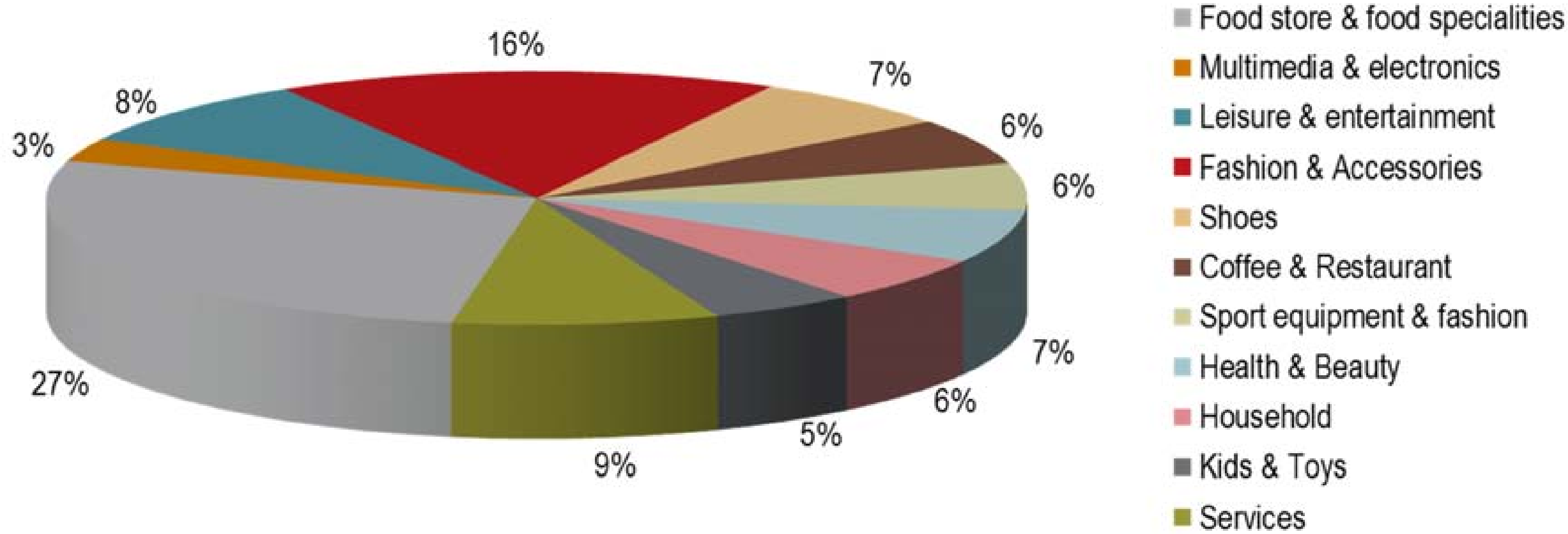
Merchandise Mix Breakdown: Convenience Centre

Typical Space Distribution

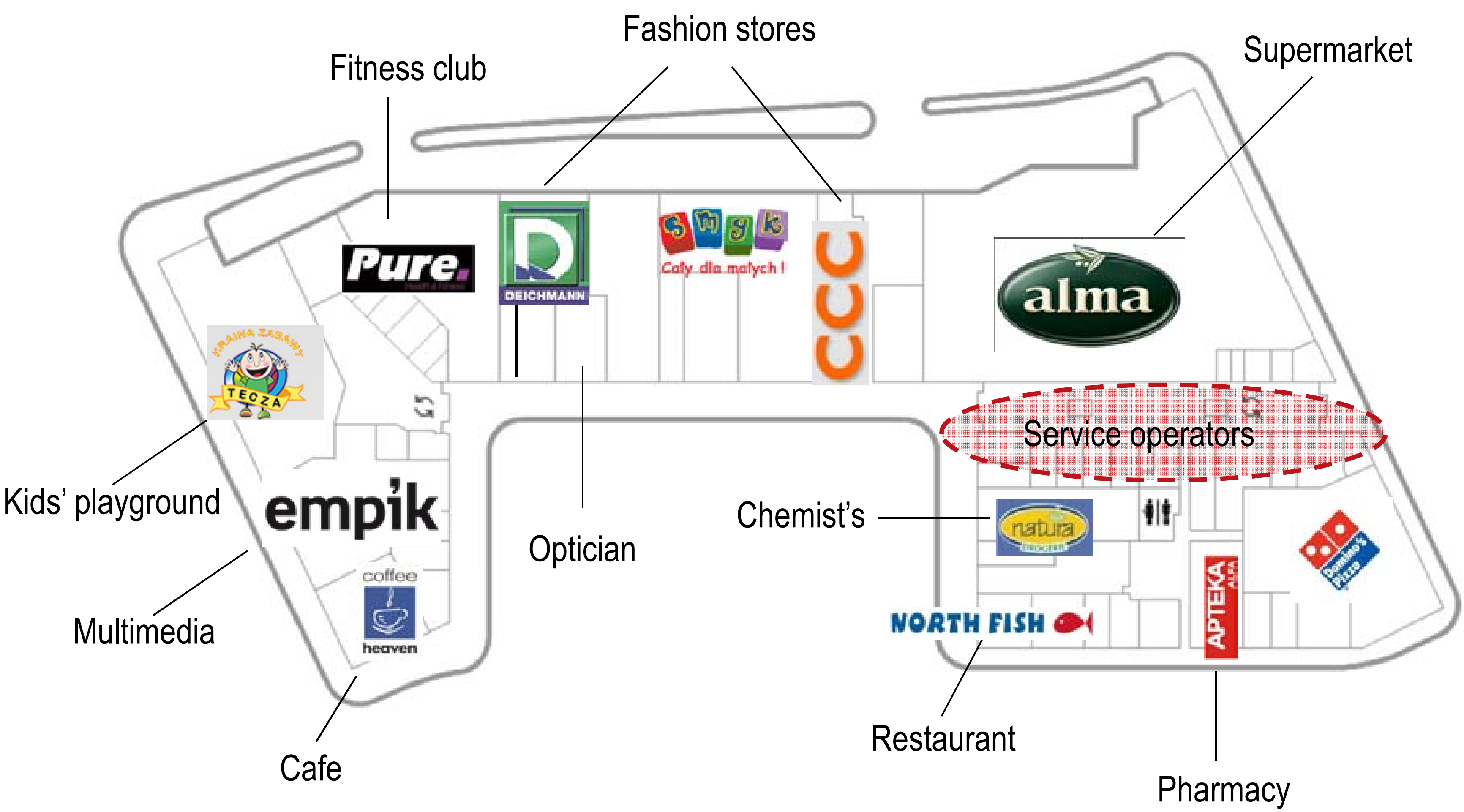
- Smaller catchment – max 5 to 10 minutes walk, 15 minutes by car,
- Requires a pedestrian catchment
- Smaller in size
- Main anchor – food operator, usually smaller format with a drugstore
- Potentially a fitness centre and/ or a kidsplay area
- High proportion dedicated to services



Source: JLL, June 2014

Merchandise Mix Breakdown: Convenience Centre

Example



ICSC Different Approaches to Tenant Mix: Retail Park

- Suburban / out of town location – usually no pedestrian catchment
- Need critical mass
- Wider catchment area
- Car destination – easy access by car – location at major roads / hubs
- Entrance to each unit directly from the car park
- Theme – oriented profile
- Very focused on food, DIY, Sport, Electronics and other HH Goods
- Size requirements for anchors: 8,000-15,000 m^2 for Hypermarket; 7,000-15,000 m^2 for DIY; 1,000-3,500 m^2 for Electronics; 1,200-4,000 m^2 for Sport
- Kidswear, multimedia and fashion subject to being able to attract enough brands to create an attractive tenant mix

Different Approaches to Tenant Mixes: Retail Park

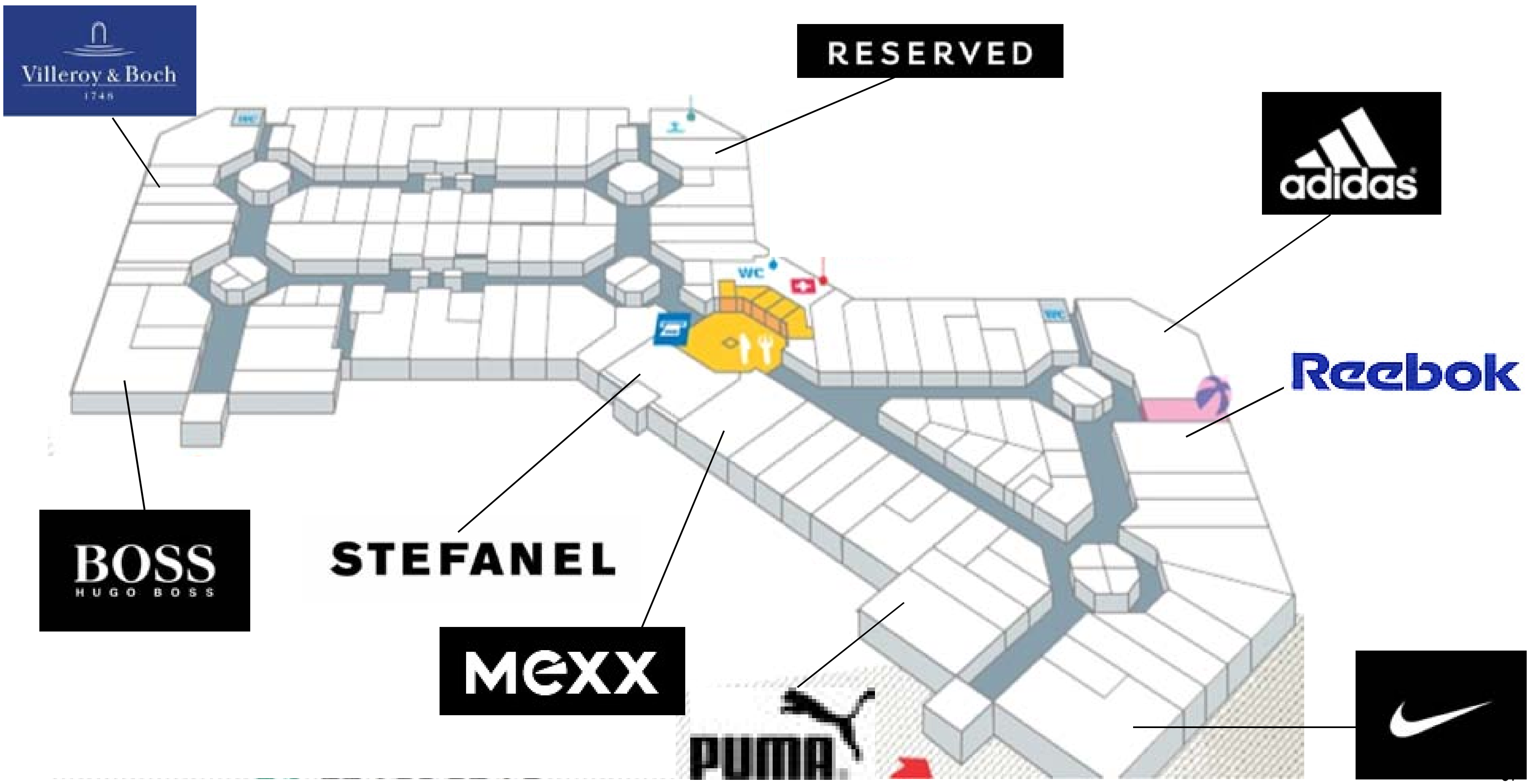
Example

ICSC Different Approaches to Tenant Mixes: Factory Outlet

- Edge or out of town location
- Car destination
- No pedestrian catchment
- Wider catchment area up to 1h 30 minutes
- Smaller size of anchors (approximately 500 m^2) as well as smaller unit size for the rest of the mall
- Typically anchored by Sport and Fashion brands i.e. Puma, Adidas, Nike, Mango, Benetton, etc. (Subject to positioning)
- Positioning differ according to the country
- No food anchor (can be nearby but not necessarily incorporated in the centre)
- Small food court
- Possibly leisure element – depending on the country and location (i.e. La Vallée Village near Euro Disneyland in Paris, Outlet Park in Szczecin in Poland)

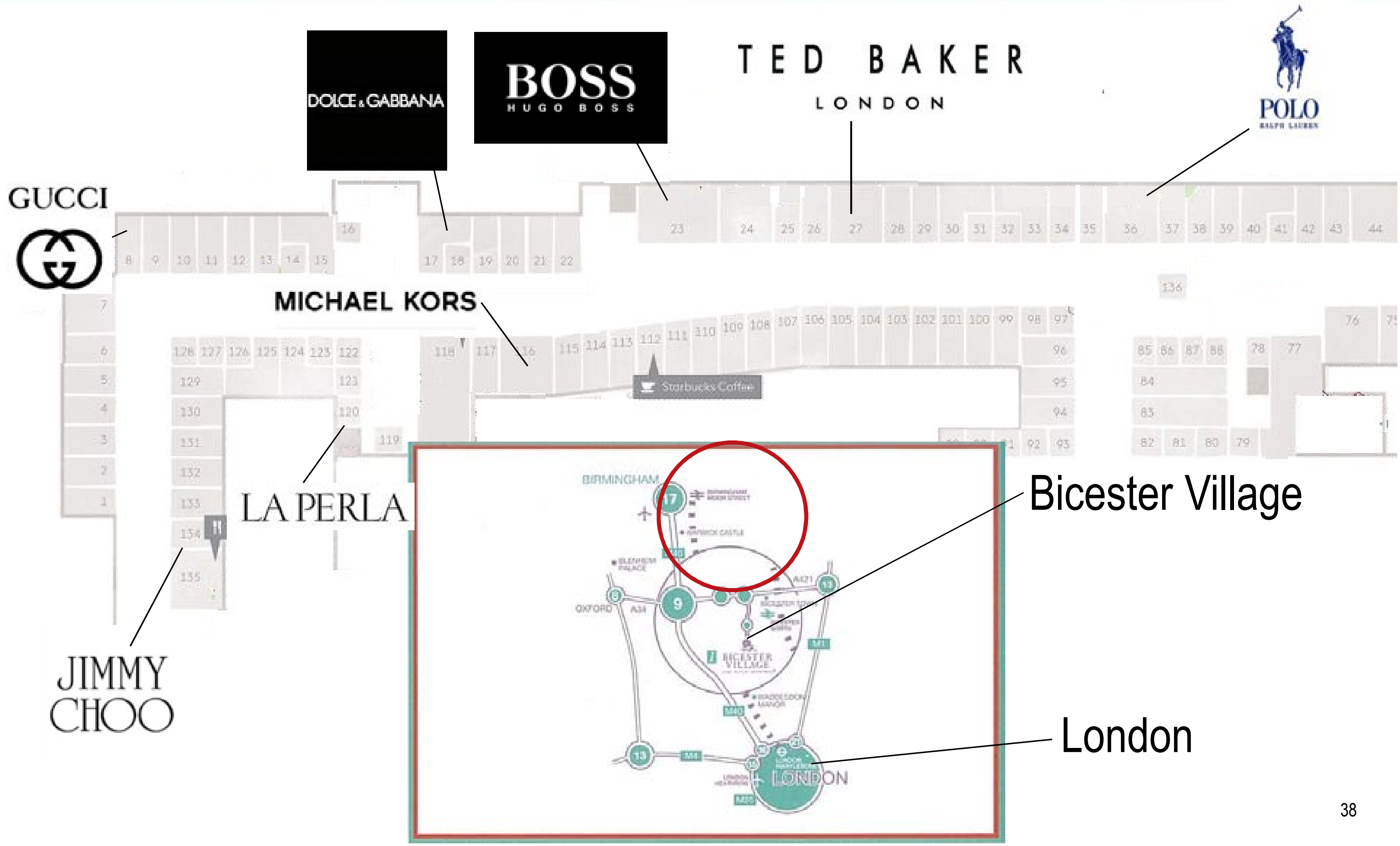
Different Approaches to Tenant Mixes: Factory Outlet

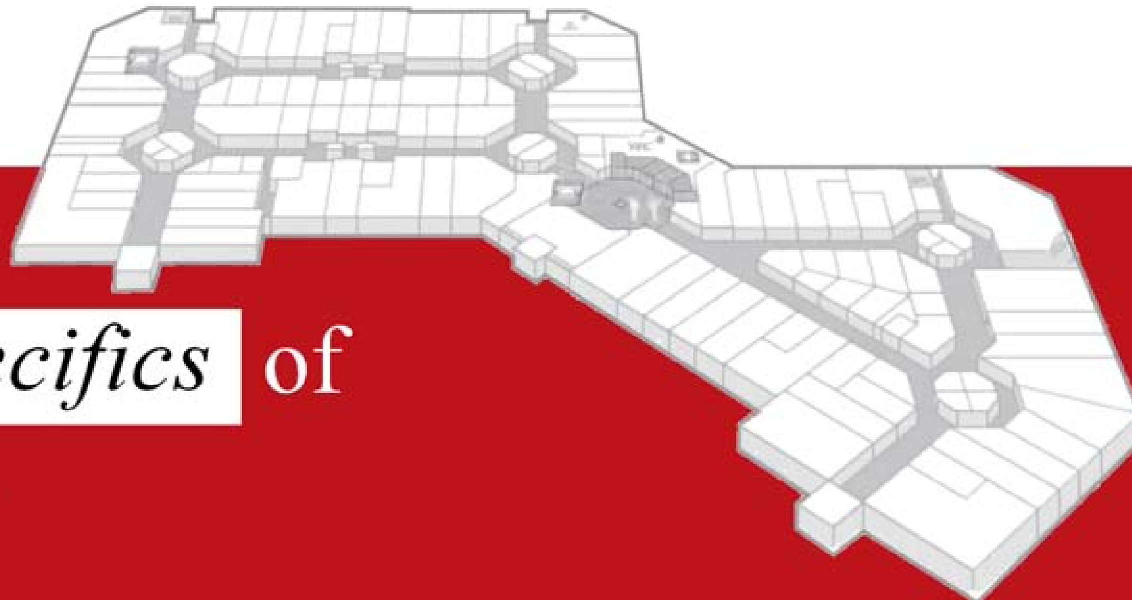
CEE Example



Different Approaches to Tenant Mixes: Factory Outlet

Example





Regional *Specifics* of Tenant Mixes

Tenant Mix Structure: Regional Differences

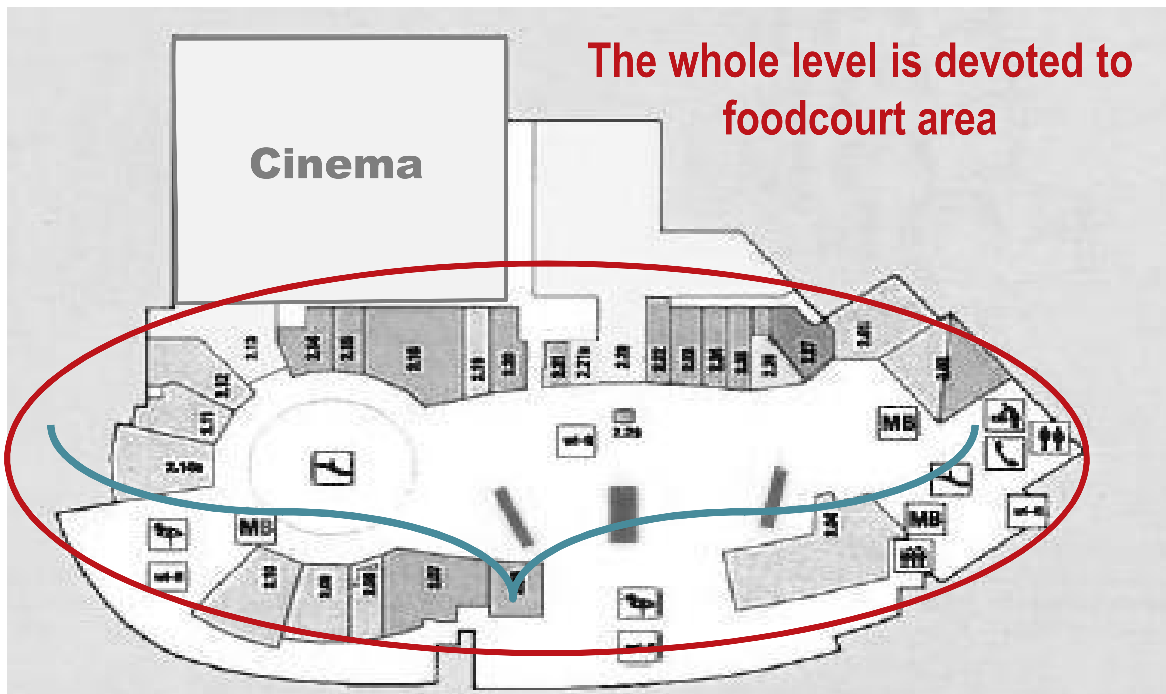
Key Drivers

Merchandising mix measured by GLA…

Tenant Mix – Geographical Aprroach: Catering Component

Catering component in some countries act as an anchor

- South of Europe – great importance of restaurants & cafes zone in the scheme (up to 50 – 60 operators)
- Seated restaurants as well as food court units with a common seating area
- Usually, all catering amenities concentrated in one part, close to a leisure component



Glass facade - Panoramic view

Tenant Mix – Geographical Approach: Catering Component

Glass facade - Panoramic view from the foodcourt area

Tenant Mix – Geographical Approach: Leisure Component

- Growing importance of leisure component, especially in Western Europe
- Act as traffic-generators
- Becoming a key differentiator for shopping centres – offering an attractive tenant mix is not enough any more
- Western & Southern Europe - up to 15,000 – 20,000 m^2 – multi-screen cinemas, bowling, playground for kids, food court, fitness c, games & gambling, etc.
- but also go-carts, covered snow tracks (e.g. Snow Zone in Madrid Xanadu), swimming pools, „edutainment" centres – Kidzania, etc.

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Tenant Mix – Geographical Approach:

Leisure Component

Geographical Approach to Tenant Mixes – Leisure Component

Example in Central Europe

Geographical Approach to Tenant Mixes – Leisure Component

Example in Central Europe

<u>Magic City</u>:

- Lucid Music Club
- Pure Fitness Club
- Inca Play – kidsplay area

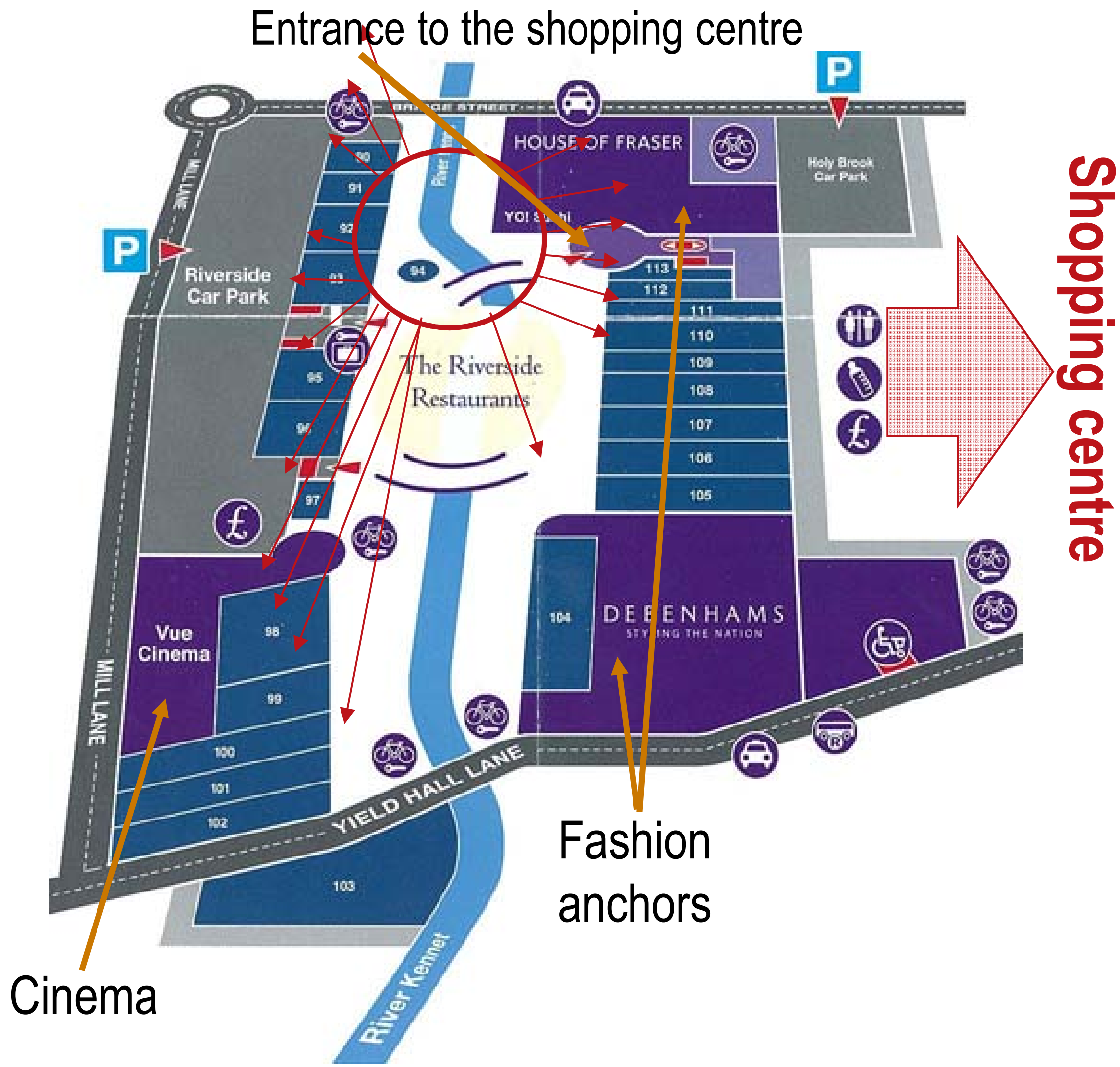
<u>Additionally in the scheme</u>:

- Level +3 – Go-cart area
- Level +2 – Dance school

Geographical Approach to Tenant Mixes – Leisure Component

Example in Western Europe

- A riverside setting (environmental feature)
- In town location
- Next to the local high street (pedestrianised)
- A shopping, restaurants & cafes, entertainment, and relaxation destination
- A beach at the riverside during the summer season



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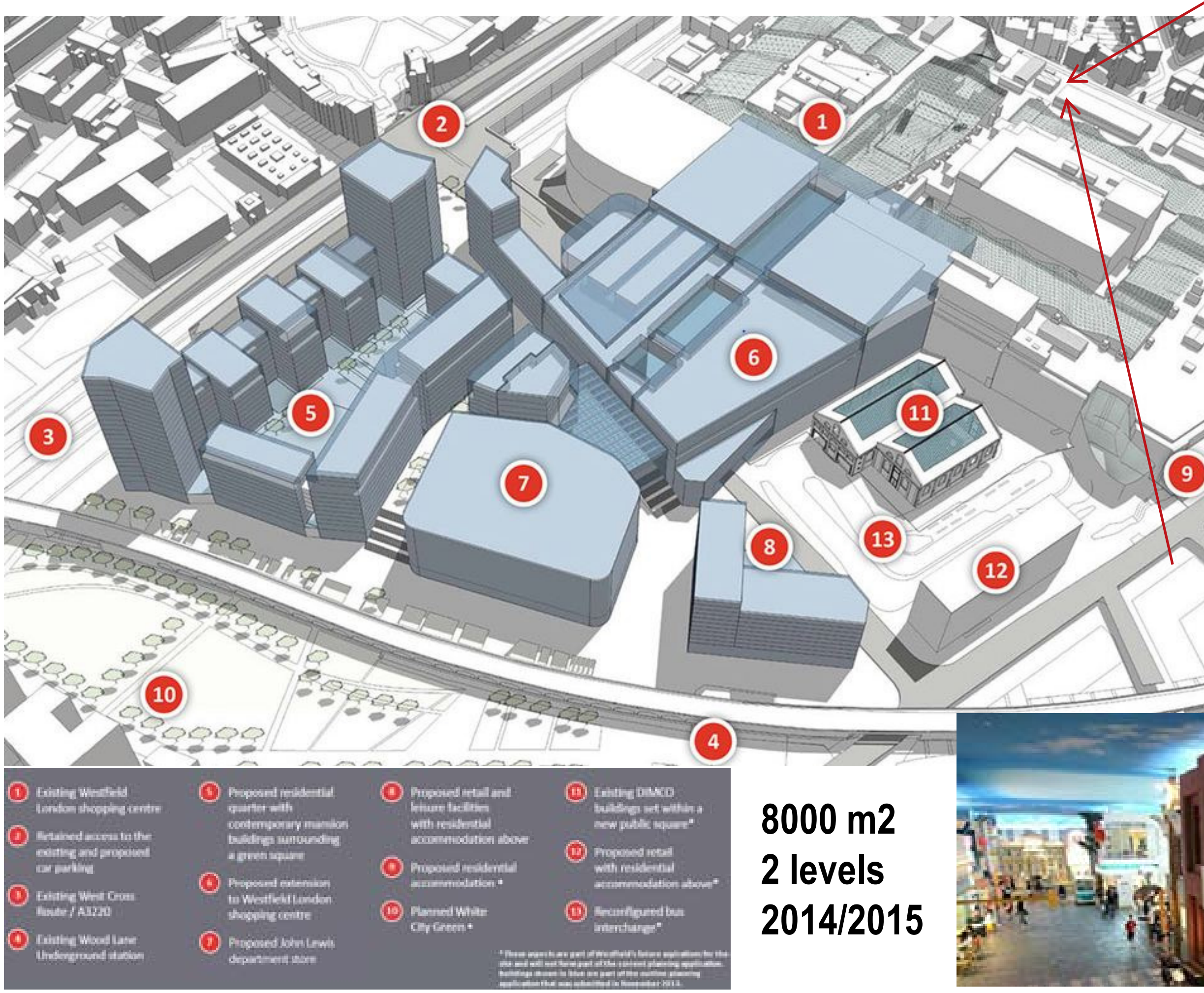
Geographical Approach to Tenant Mixes – Leisure Component

Example in Western Europe



KidZania London

8000 m2
2 levels
2014/2015

Geographical Approach to Tenant Mixes – Leisure Component

Example in Southern Europe

Significant portion of space devoted to leisure and restaurant components

Geographical Approach to Tenant Mixes – Food anchor

Example in Southern Europe

Hypermarket anchor

Traditional food market

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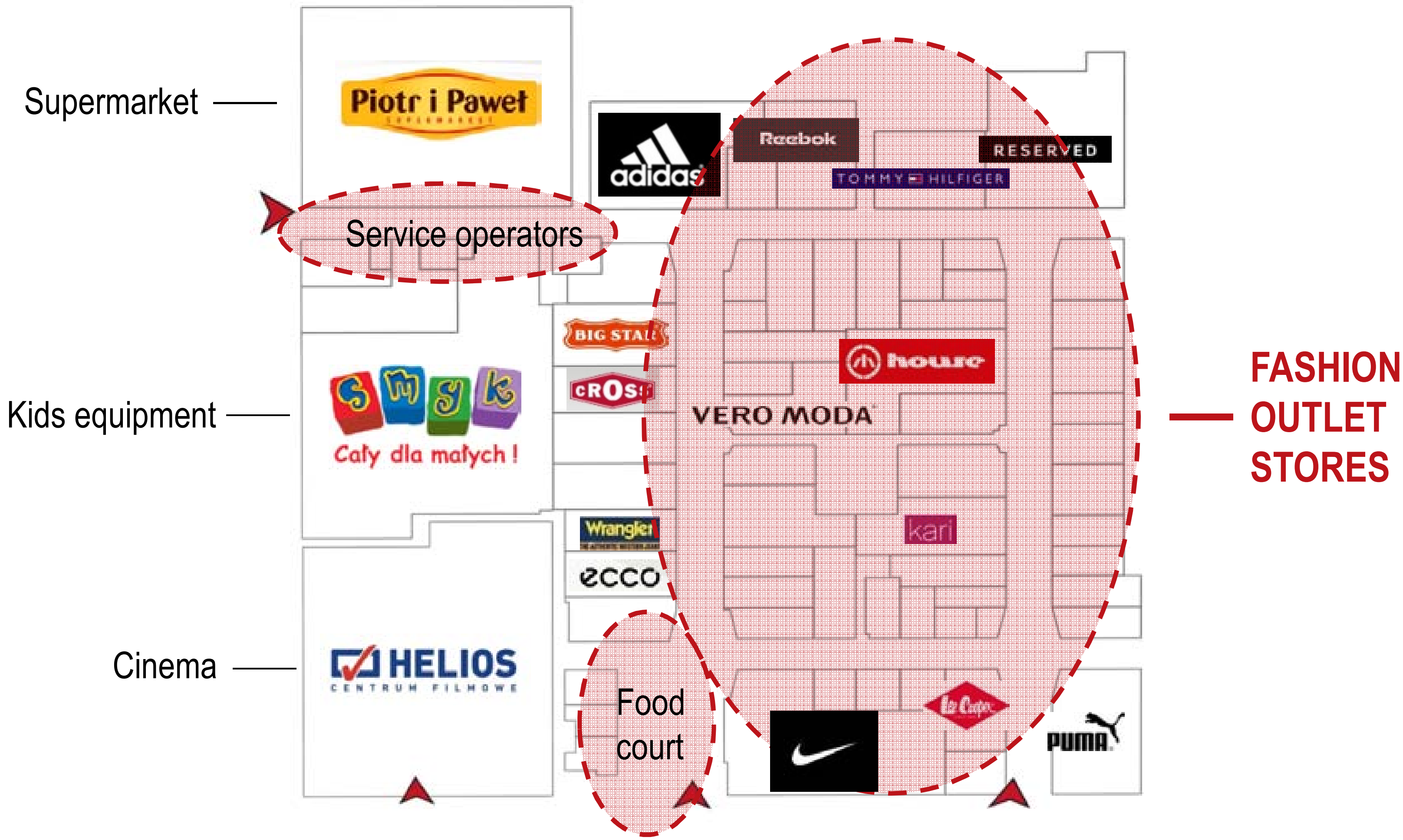
Different Approaches to Outlet Centre

Example in Western Europe

- High end tenant mix
- Open air concepts – shopping village

Different Approaches to Tenant Mixes: Factory Outlet

CEE Example



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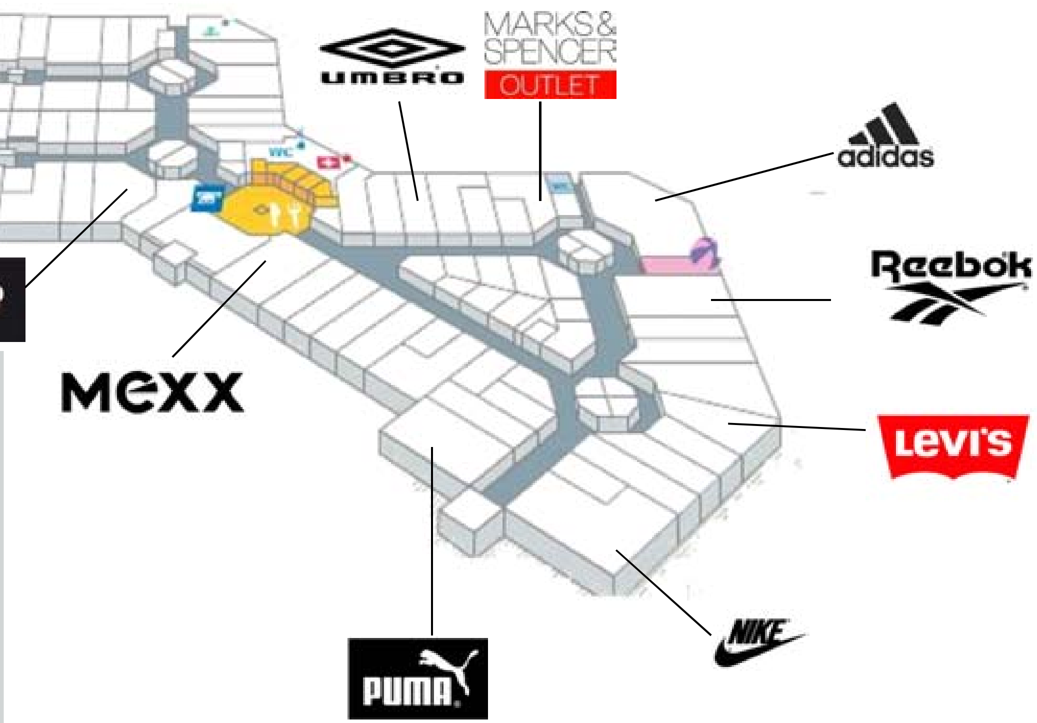
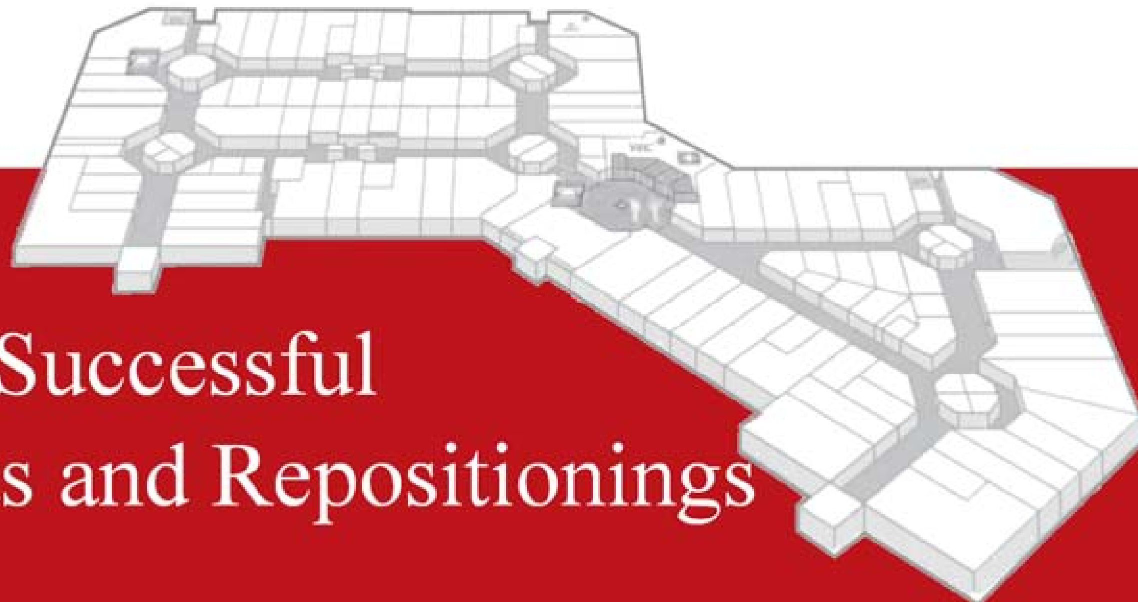
Different Approach to Outlet Centre

Example in Central Europe

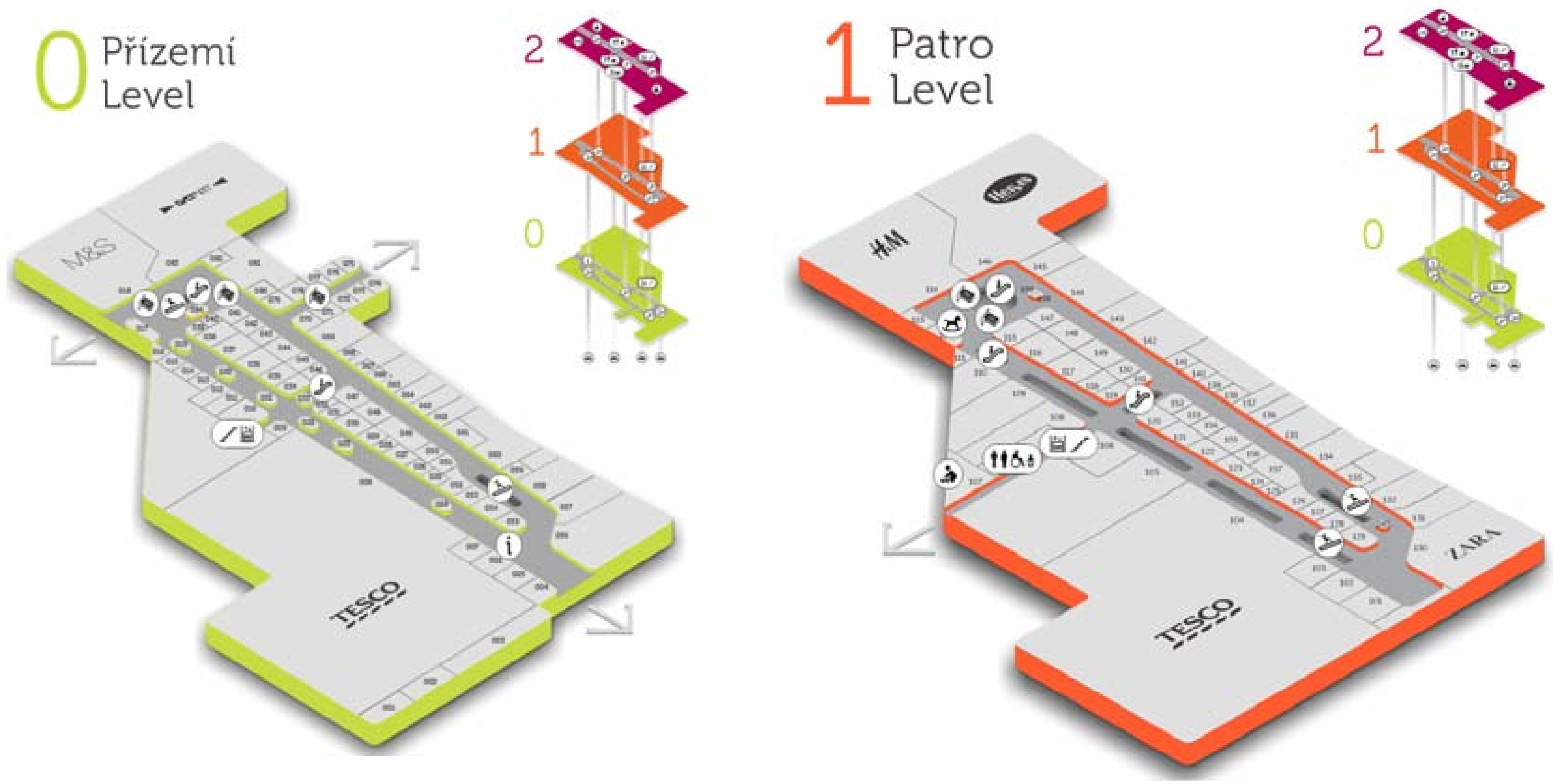
- Mid-market tenant mix, dominating casual and sport fashion
- Roofed buildings – resulting from weather conditions





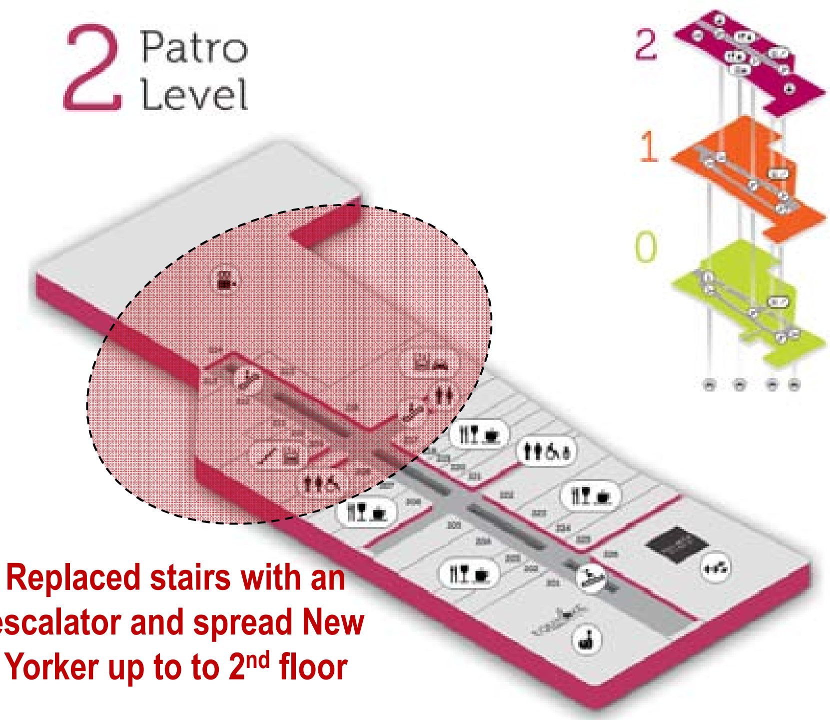
Examples of Successful Refurbishments and Repositionings

Case I: Refurbishment – Situation Before

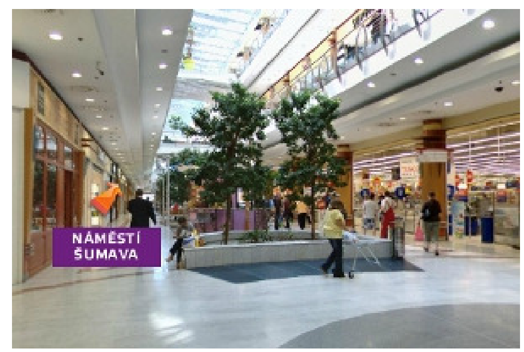


- **Ground and First floors were looking tired;**
- **Tenant mix was stagnant and not differentiating the centre;**
- **Poor communication to the second floor (Entertainment & Food Court);**

Case I: Refurbishment – Situation After



Replaced stairs with an escalator and spread New Yorker up to to 2nd floor



- Full repaint of centre, change of lighting, flooring and columns to create more light and a fresher look. Added a number of relax / rest zones;
- Tenant mix was refreshed with a number of new tenants (New Yorker over 2 levels) including tenants with a higher positioning, + free kids play area;
- Improved communication by replacing stairs with an escalator to 2nd floor;

ICSC Case Study II: Successful Extension & Refurbishment

Key facts:

Opening date:	October 1996
Original scheme size:	21,000 m^2 GLA
Current scheme size:	32,000 m^2 GLA (52% GLA increase)
No of units:	160
Anchor tenants:	Alma delicatessen, RTV Euro AGD, Marks & Spencer, Zara, Empik, Reserved, KappAhl, H&M, Cubus, New Look, Smyk, Pure Jatomi Fitness
Market situation:	located in affluent residential area, along main arterial road connecting Gdańsk, Gdynia and Sopot cities, with good visibility (300-meter road frontage**)**

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Case Study II: Successful Extension & Refurbishment

Actions taken

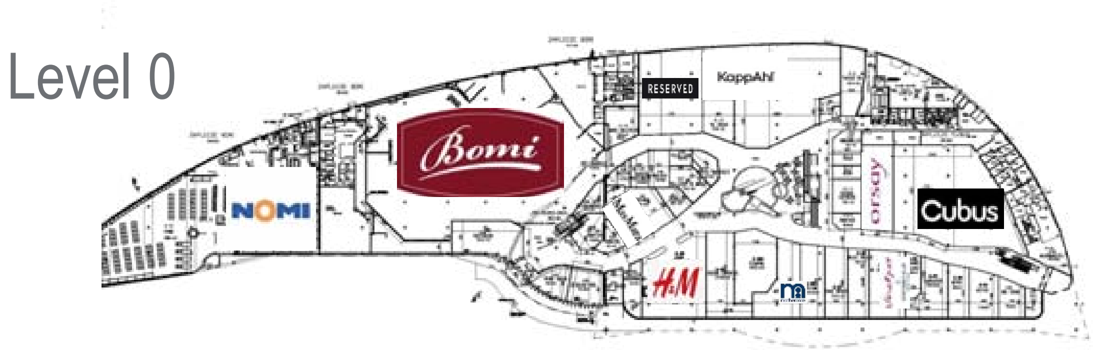
- Shopping centre extended by 11,000 sq m
- Car park extension by 400 additional parking spaces
- Refurbishment of the whole centre (shop fronts, toilets, etc.)

Results

- The retail offer and critical mass has been substantially strengthened by 70 new stores
- GLA increased by 52%
- New and attractive tenants were introduced, including Pure Jatomi Fitness and Michael Kors (first in the city).
    - The centre has improved its tenant mix and is now targeting a wider pool and more affluent customers
- Final look of the centre improved after the total makeover

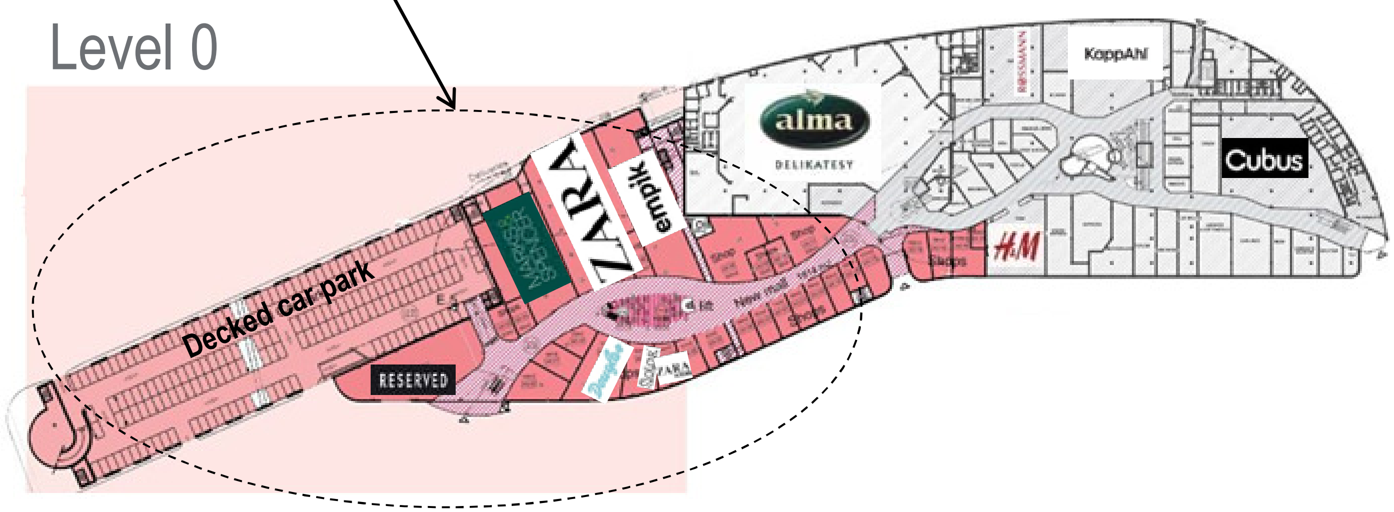
Case Study II: Successful Refurbishment & Repositioning

Before



After

Extended shopping area with new brands and new decked car park



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Case Study III: Successful Remodeling – Food Court

Before

Traditional food court

Looking tired, dark & old fashion

Case Study III: Successful Remodeling – Food Court

After

Enlarged & renovated food court
Looking fresh, modern, light & overall more inviting

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Case Study IV: Successful Refurbishment & Repositioning

Key facts:

Opening date:	April 2003
Scheme size:	30 000 m^2 GLA
No of units:	100
Anchor tenants:	Carrefour, RTV Euro AGD, H&M, Reserved, KappAhl, Cubus, Takko, Smyk, Empik, Delta Sport, CCC, Rossmann, Douglas
Market situation:	centre with established market position and loyal customer base, located along one of the major arterial roads in the city with strong competitor in the city centre

Case Study IV: Successful Refurbishment & Repositioning

Actions taken	Results
• The centre was repositioned from low & mid-market to strong mid-market • 30% of the tenants from fashion and shoes categories were exchanged • The food court was upgraded • The local bowling operator exchanged for a multiplex • The scheme was refurbished internally (including toilets, common areas, signage system, furniture, plants, etc.)	• The centre reinforced its position in a mid-market segment • The retail offer was enriched with new and attractive brands: Cubus, Mohito, Sizeer, etc. • The food court was upgraded and catering offer refreshed through introduction of new brands Nasz Naleśnik and awaited by the customers KFC restaurant • Leisure offer was improved after the opening of 7-screens Helios cinema replacing the local bowling operator • Image, quality, internal circulation and design of the centre improved after the refurbishment

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Case Study IV:
Successful Refurbishment & Repositioning

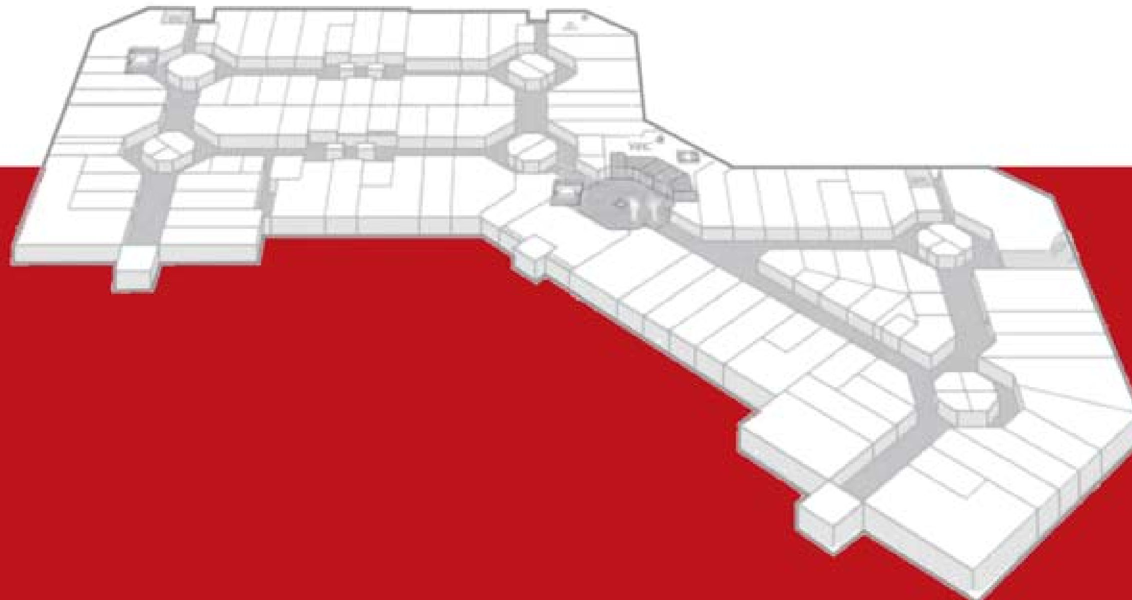
Case Study IV: Successful Refurbishment & Repositioning

Before

After

Case Study IV:
Successful Refurbishment & Repositioning

Planned extension by 10,000 sq m (additional 40 stores) – opening Q3 2015



New *Trends* on the Market

Case Study I: Communication interchanges

Before

Old, ruined railway station

Case Study I: Communication interchanges

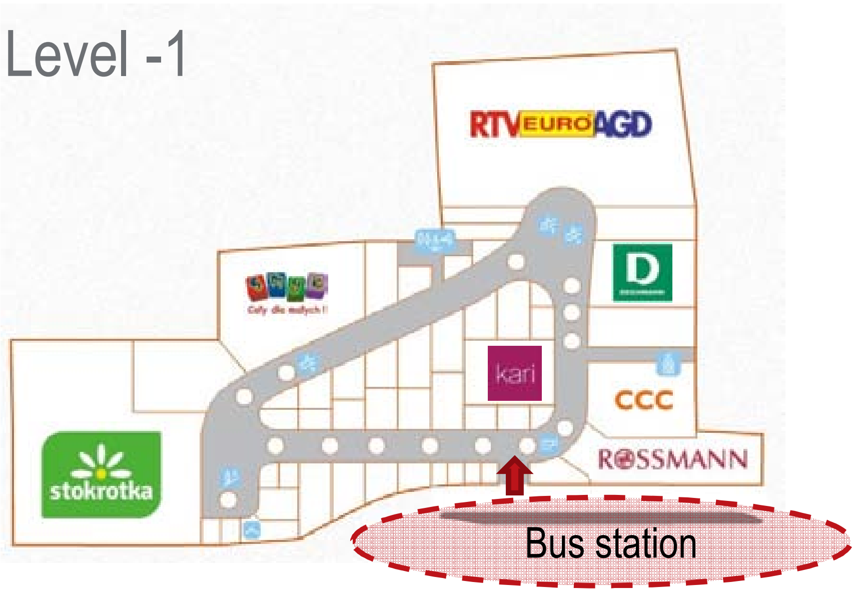
After

Modernized railway station connected to a new shopping centre

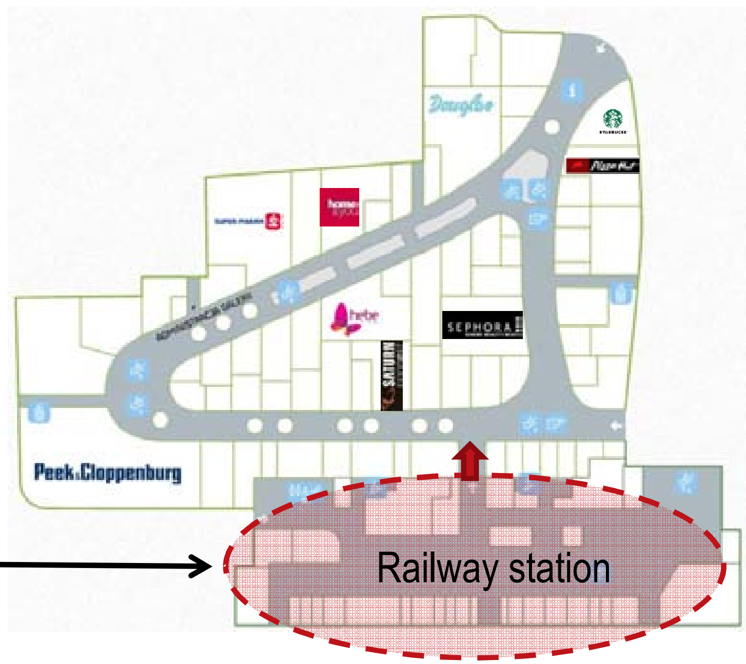
Case Study I: Communication interchanges

After

Level -1

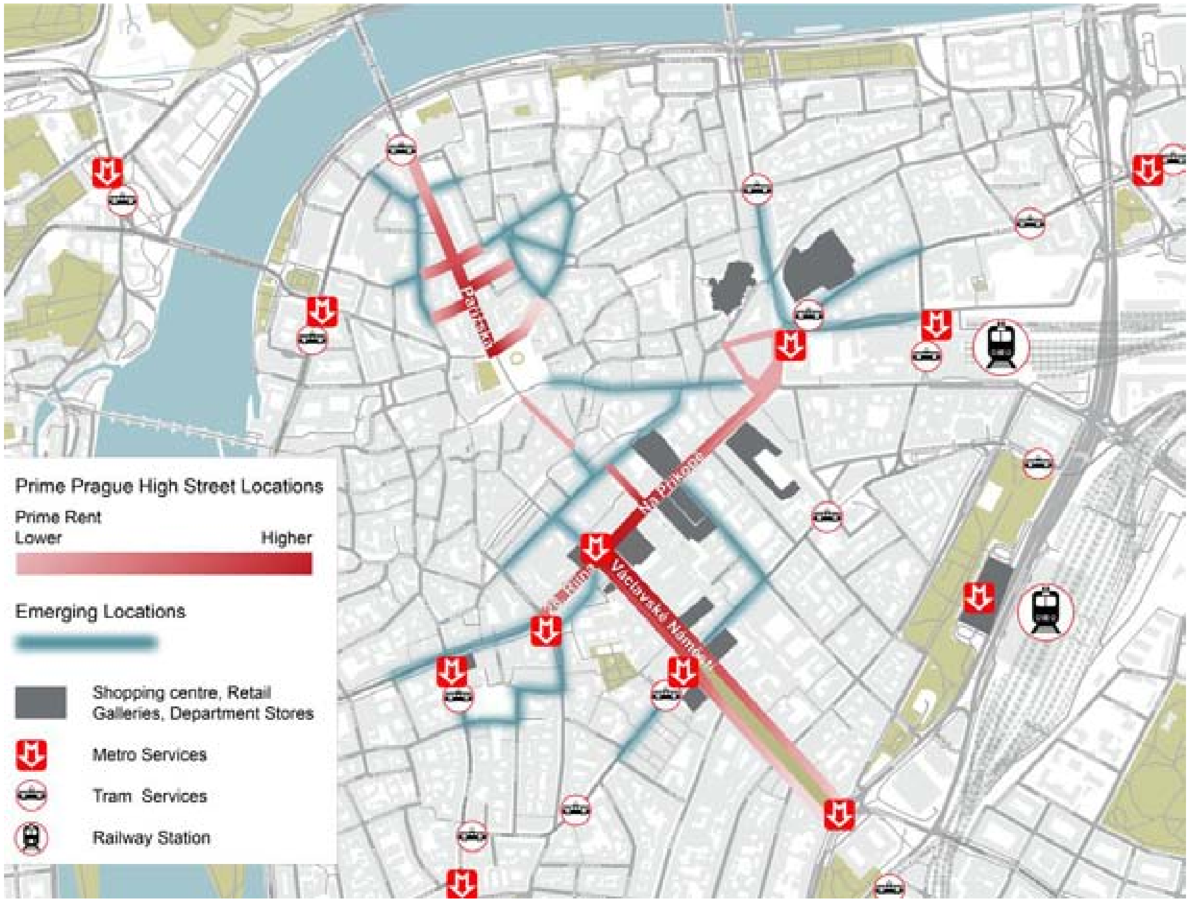


Level 0



Direct access to the shopping gallery from bus & railway stations

Case Study II: High Street



MANGO
THE BODY SHOP
ZARA
LOUIS VUITTON
UNITED COLORS OF BENETTON.
TOMMY HILFIGER
STARBUCKS
MaxMara
H&M
adidas
GANT U.S.A.

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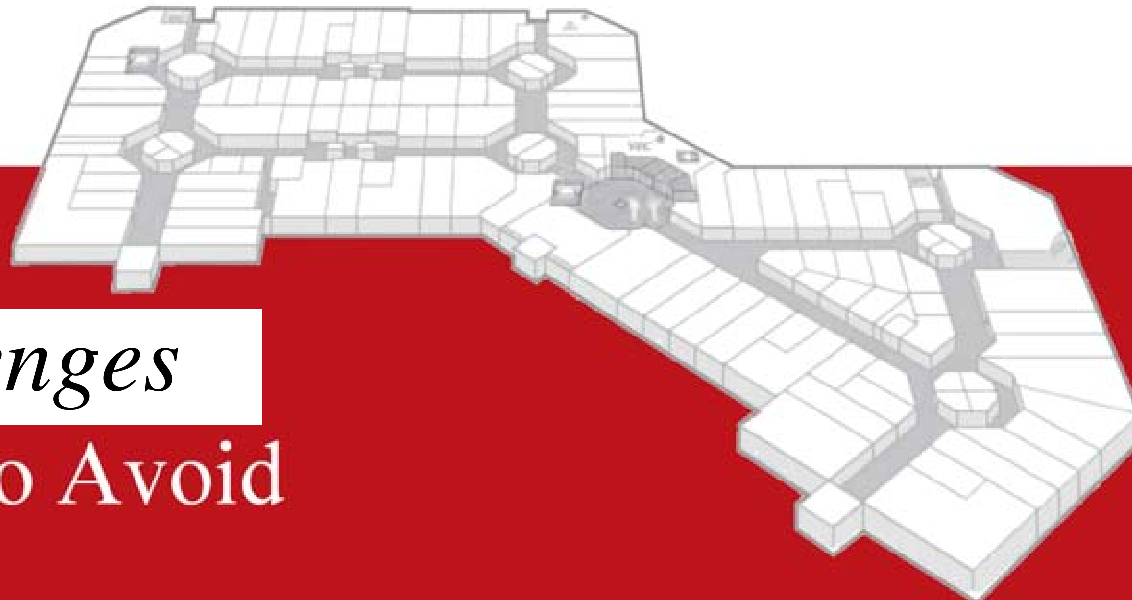
ICSC Case Study II: High Street

C&A
H&M
ZARA
CAMAÏEU
TKmaxx
MARKS & SPENCER
MOHITO
RESERVED

Case Study III: Retail in Residential

Retail areas are located on the ground floors of new housing to service the residents, focused on services



Major *Challenges* and Mistakes to Avoid

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Challenges – Verticality How?

- Focus on a compact lay out with limited verticality - 2 to 3 floors maximum potential combination Basement/GF/FF or GF/FF/SF
- Verticality may works in the case of a sloping site as it allows to create "street access" on 2 or 3 levels
- Another way to overcome verticality, deck car parks to feed the upper levels
- Lower floor usually dedicated to food & services
- Last floor tend to be dedicated to leisure & entertainment i.e. Cinema, Bowling, Fitness Centre etc..
- Leisure component acts as a complement to a retail scheme & strengthen the centre as a shopping & leisure destination
- With the rapid development of internet sales, the leisure component is growing in importance, another way to differentiate from competition & lure customers into shopping centres

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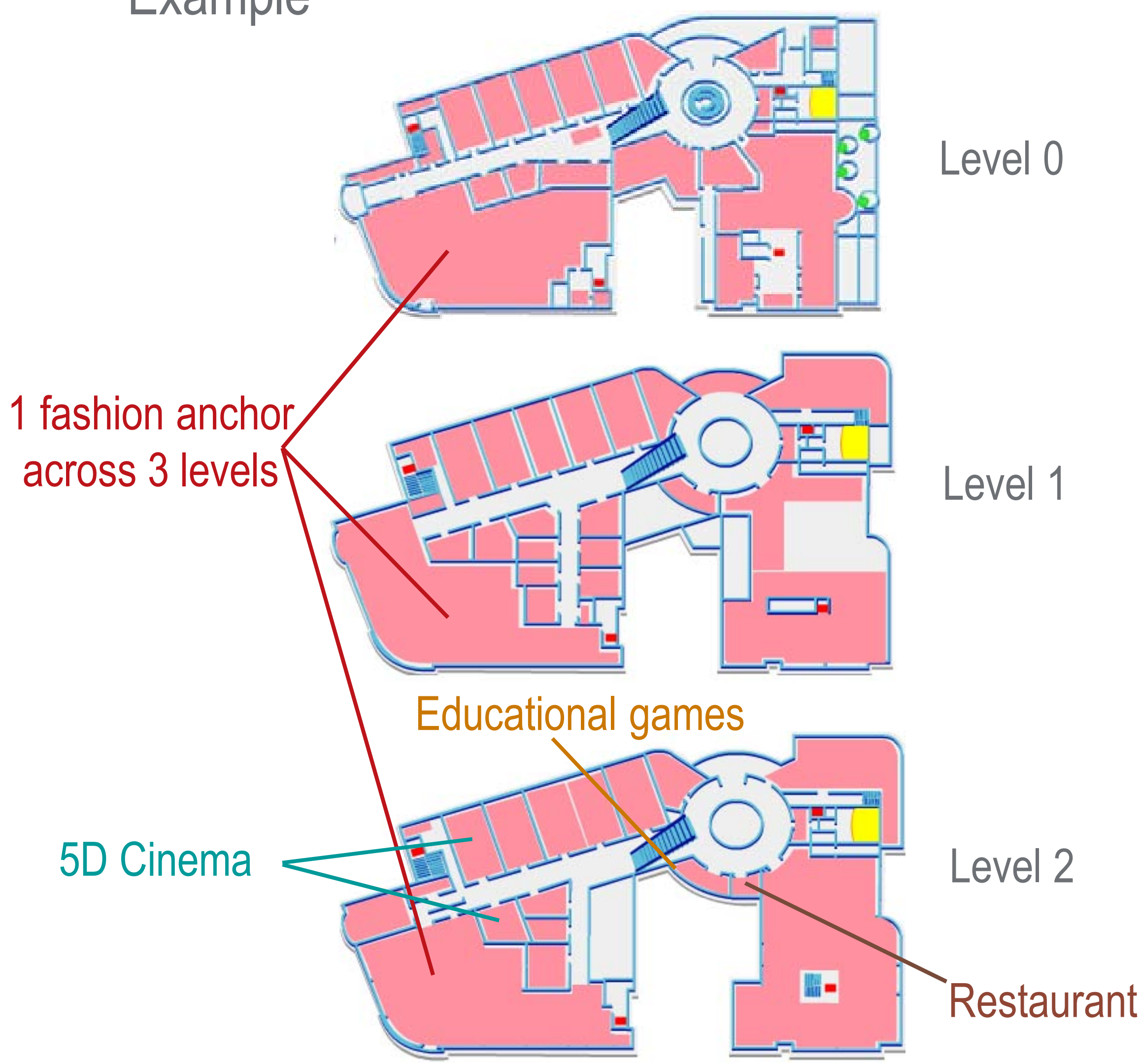
Multi-Level Centre

Major Challenges

- Distribution of anchor tenants across the levels in order to animate the upper floors
- Anchor tenants on 2 levels to circulate customer flow between levels
- Parking area – located in upper floors to ensure circulation of customers

Multi-Level Centre

Example



Situation:

- 3-level retail scheme suffering high vacancy rates, especially on the upper floors

Action taken:

- Leisure & entertainment were brought to the upper-floors (cinema, bowling, restaurants)

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Major Mistakes in Layouts

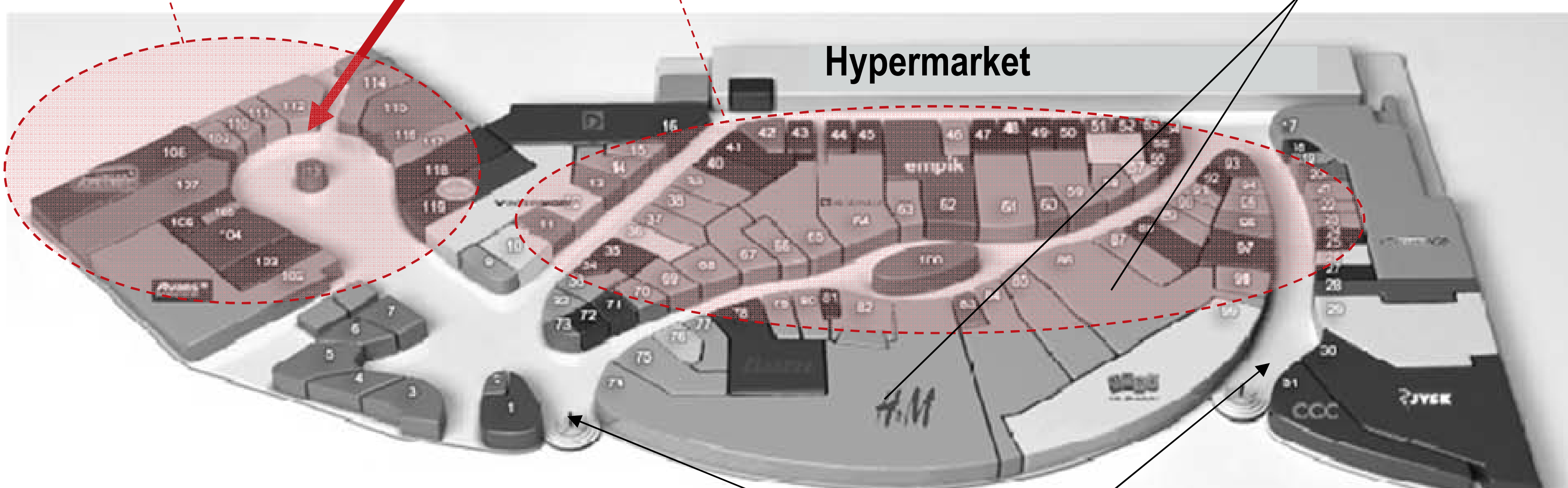
Dead Ends

Lack of anchor tenants to capture customer flow

Dead end

Too many small units

Limited number of fashion anchors



Entrances

Major Mistakes in Layouts – Wrong Food Operator

Discounter, Hypermarket, Supermarket or Delicatessen??

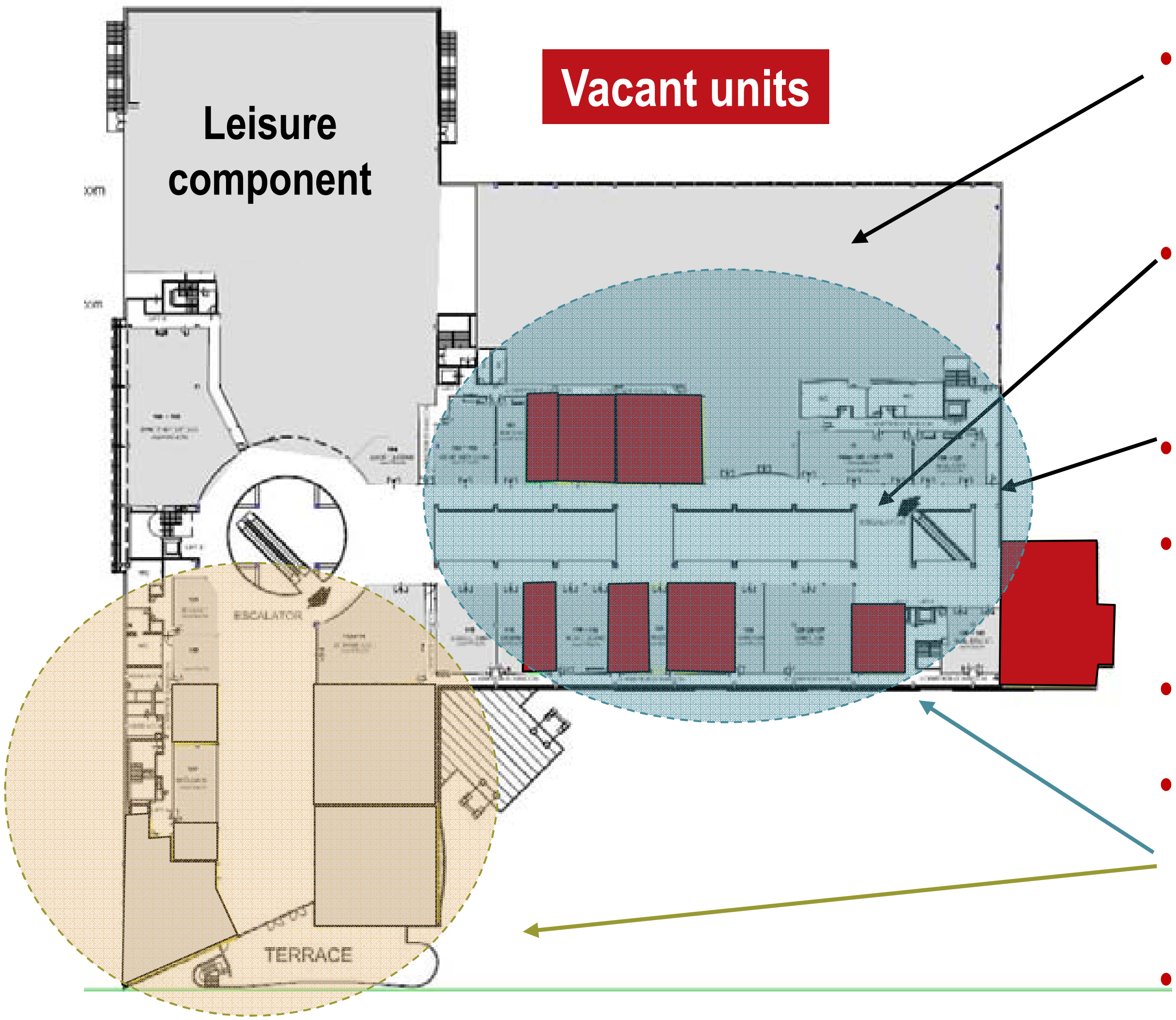
Mistake in layout resulting mostly from mistake in the positioning!

Delicatessen store better suits the clientele than formerly trading supermarket

Food operator too small with the wrong positioning to generate customer flow

Major Mistakes in Layouts

Anchor Tenants Distribution

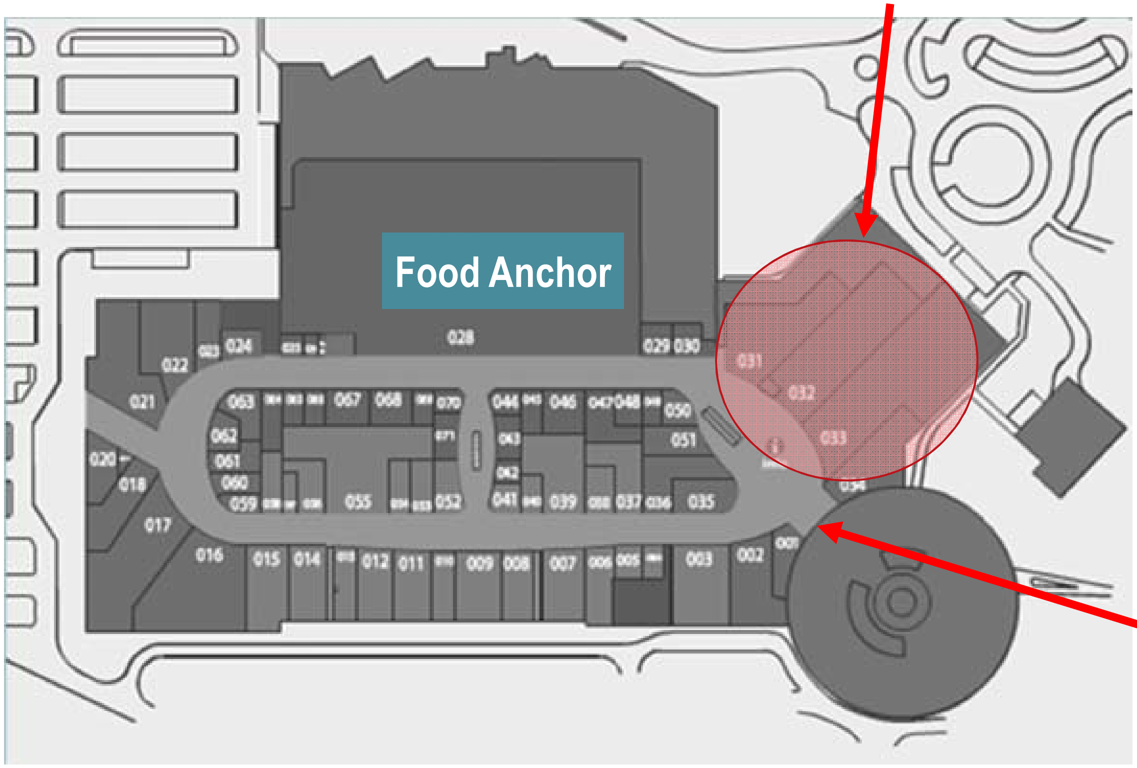


- Special interest destination – e.g. medical centre – not adequate for the area
- Upper level of the scheme – lack of anchor tenants to generat customer flow
- Blank wall
- Poor visibility, with units set back
- Poor vertical circulation
- Concentration of small units on one side vs. anchor tenants on the other
- Foodcourt too large

Major Mistakes in Layout

Uneven Distribution of Anchors

Concentration of anchors in one corner next to the main entrance



Piazza and main entrance

Major Mistakes in Layouts

Complex Layouts

- Two separate wings
- Lack of visibility from each wing (customers cannot see the other wing and all its temptations
- Poor central area breaking the customer flow

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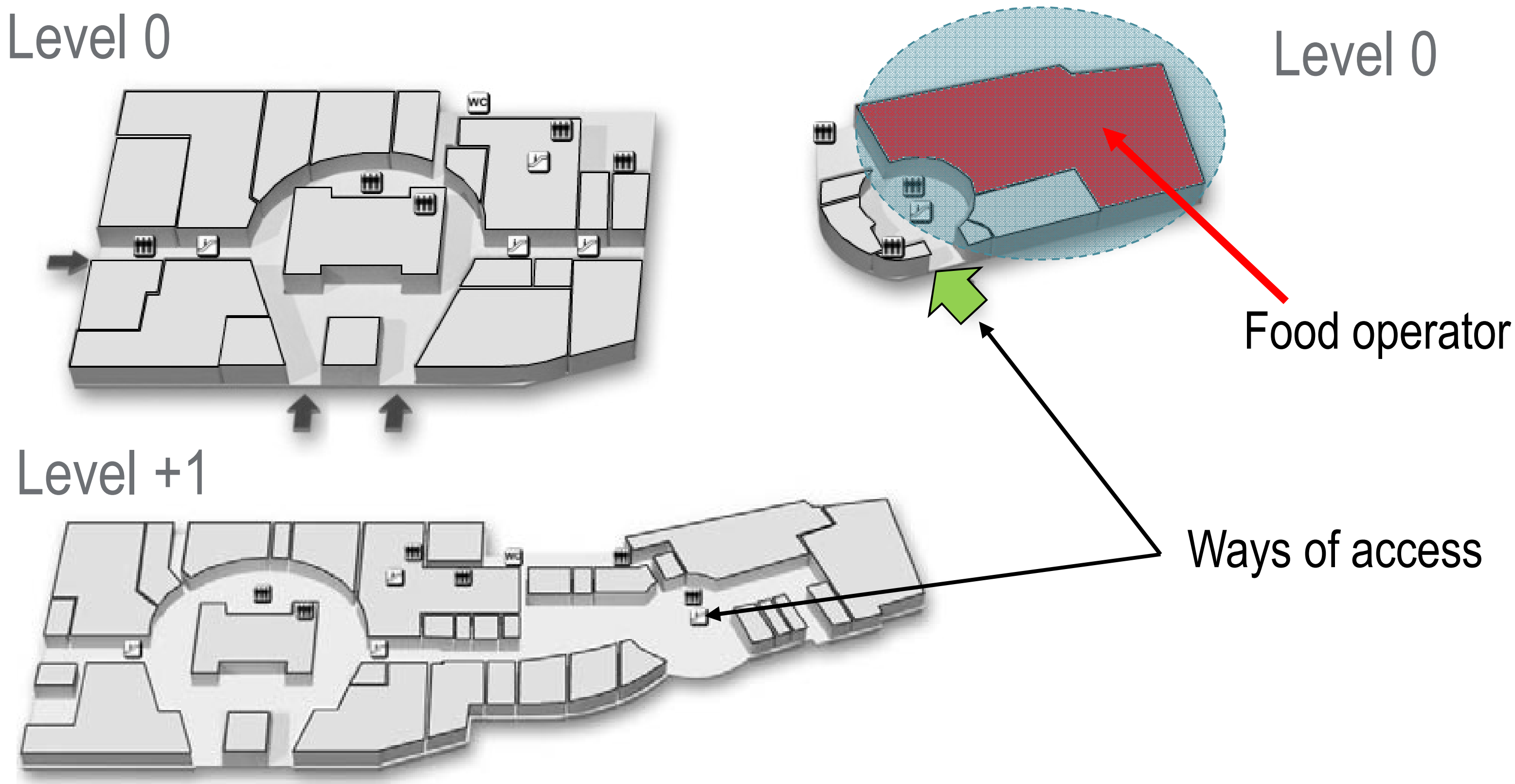
Major Mistakes in Layouts

Difficult access

- Ground floor split into 2 distinctive areas
- Limited access to food operator on GF floor or via the FF



Major Mistakes in Layouts - Summary

- Verticality
- Dead ends
- Poor distribution of anchors across the centre
- Wrong positioning
- Impeded communication
- Segregated areas particularly applicable to extensions
- Poor sight line i.e. columns hindering the visibility
- Poor vertical communication
- Lack or poor location of escalators not facilitating the circulation within the centre

The *Impact* of E-Commerce

- E-commerce vs. Traditional Retailing – Allies or Enemies?

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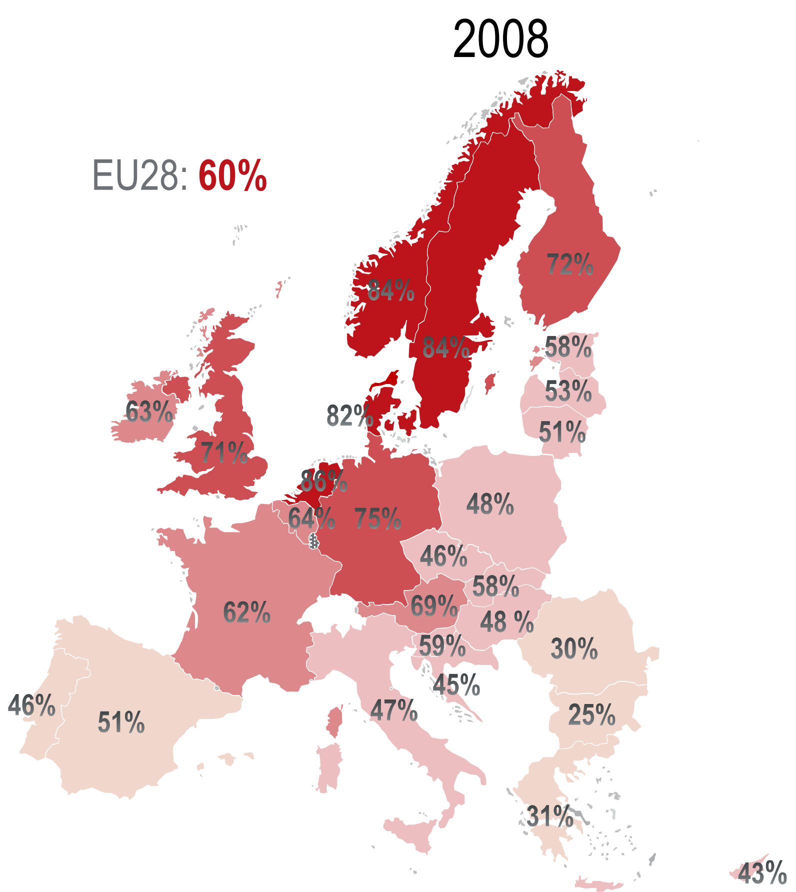
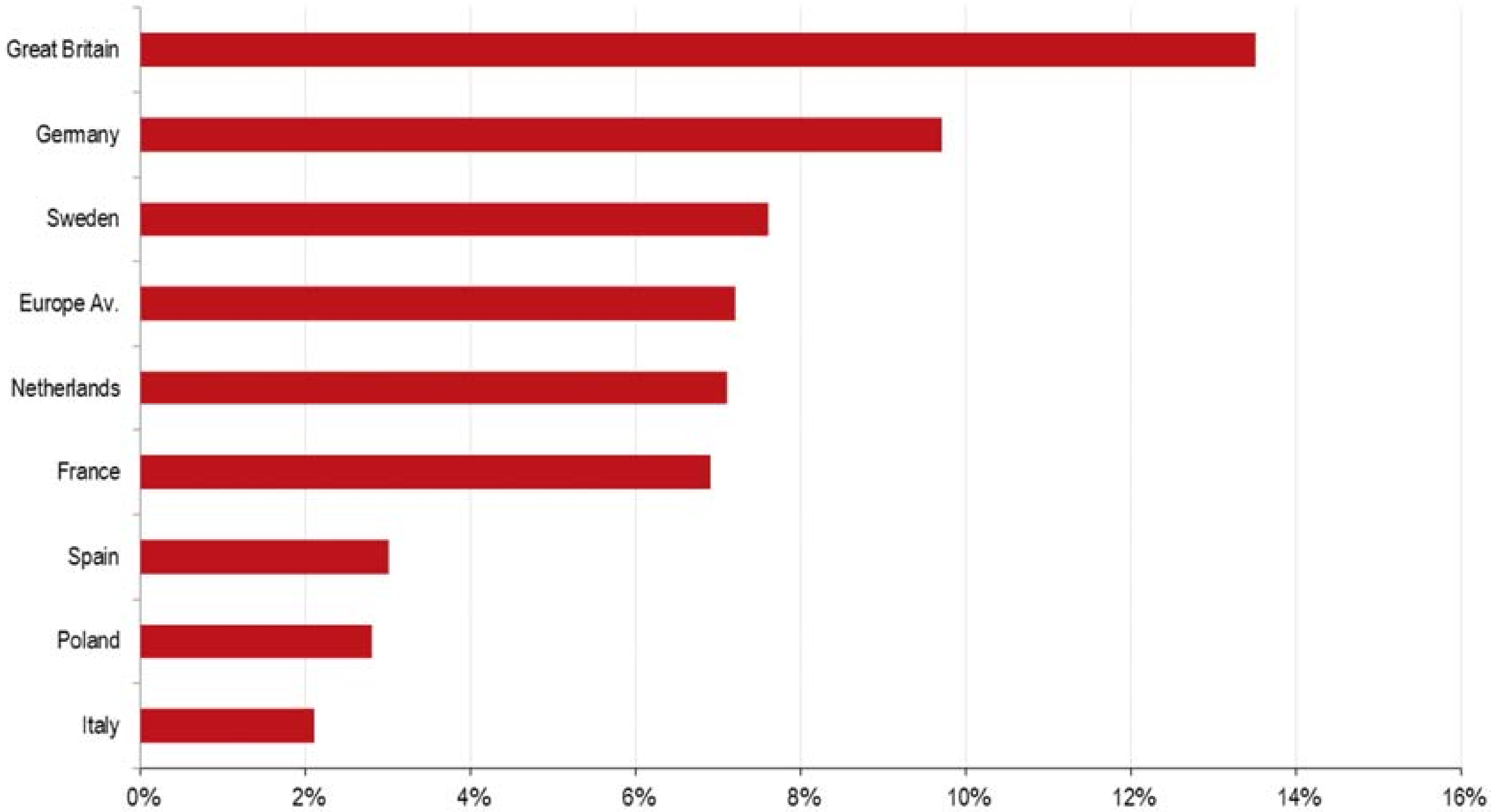
Access to Internet

Percentage of households with internet access have doubled within the last 5 years



Source: Eurostat, 2014

Share of e-commerce in retail sales



Source: Centre for Retail Research, 2014

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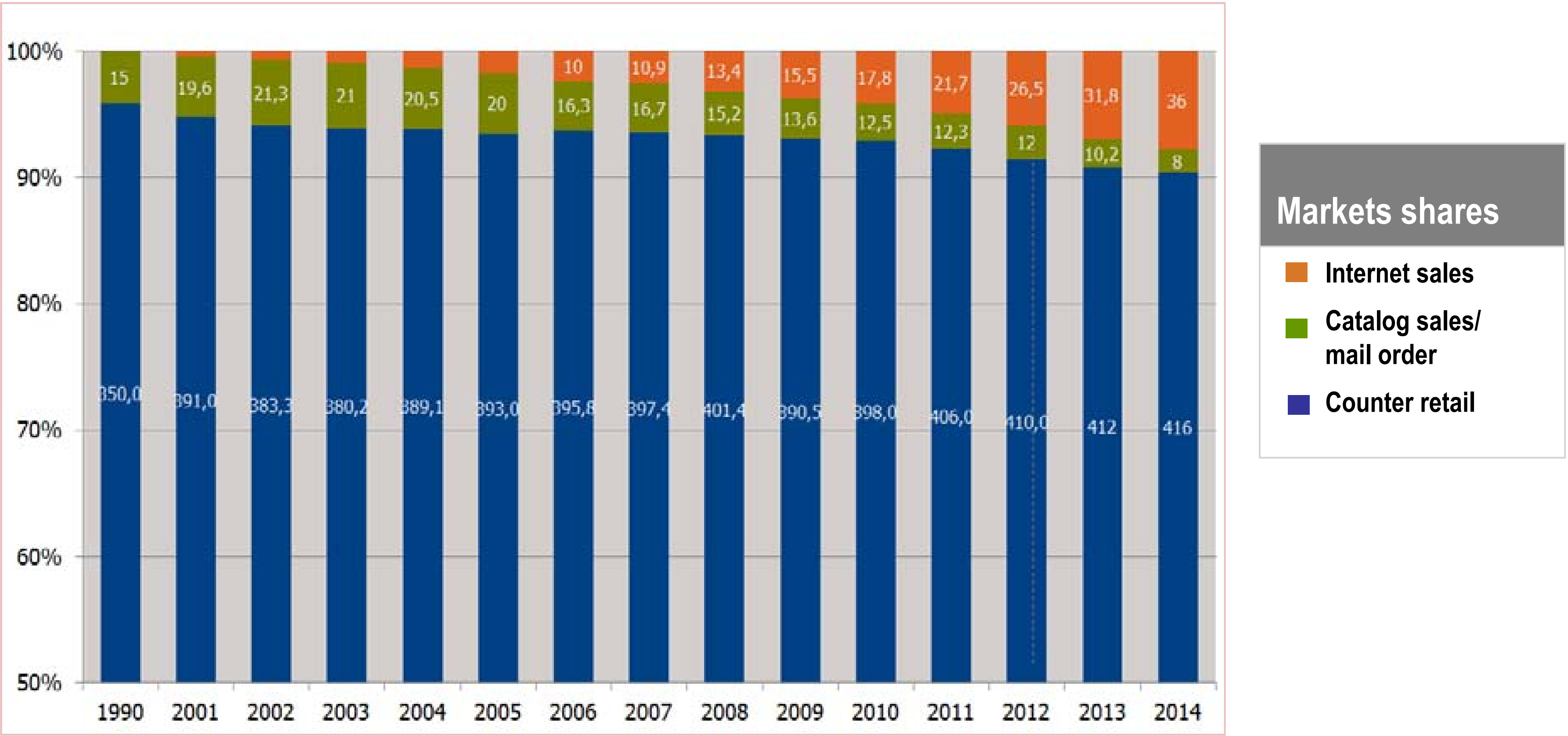
General challenge: Online-retail and its impacts

Example Germany: Current market shares: circa 8% in 2014

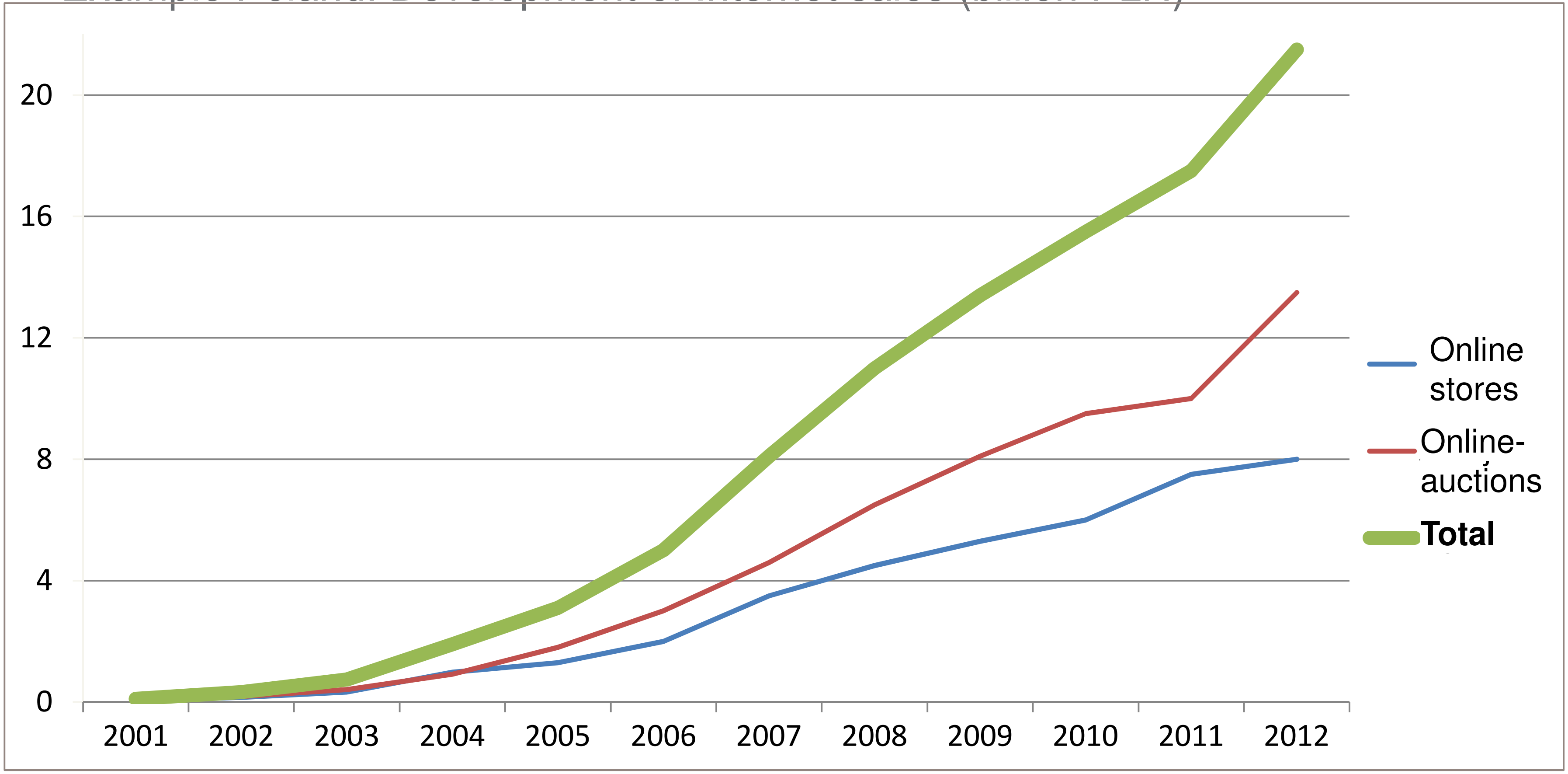


+) 2013/2014 Prognosis

Source: GfK GeoMarketing GmbH, June 2013

General challenge: Online-retail and its impacts

Example Poland: Development of Internet sales (billion PLN)



Source: GfK GeoMarketing GmbH, June 2013

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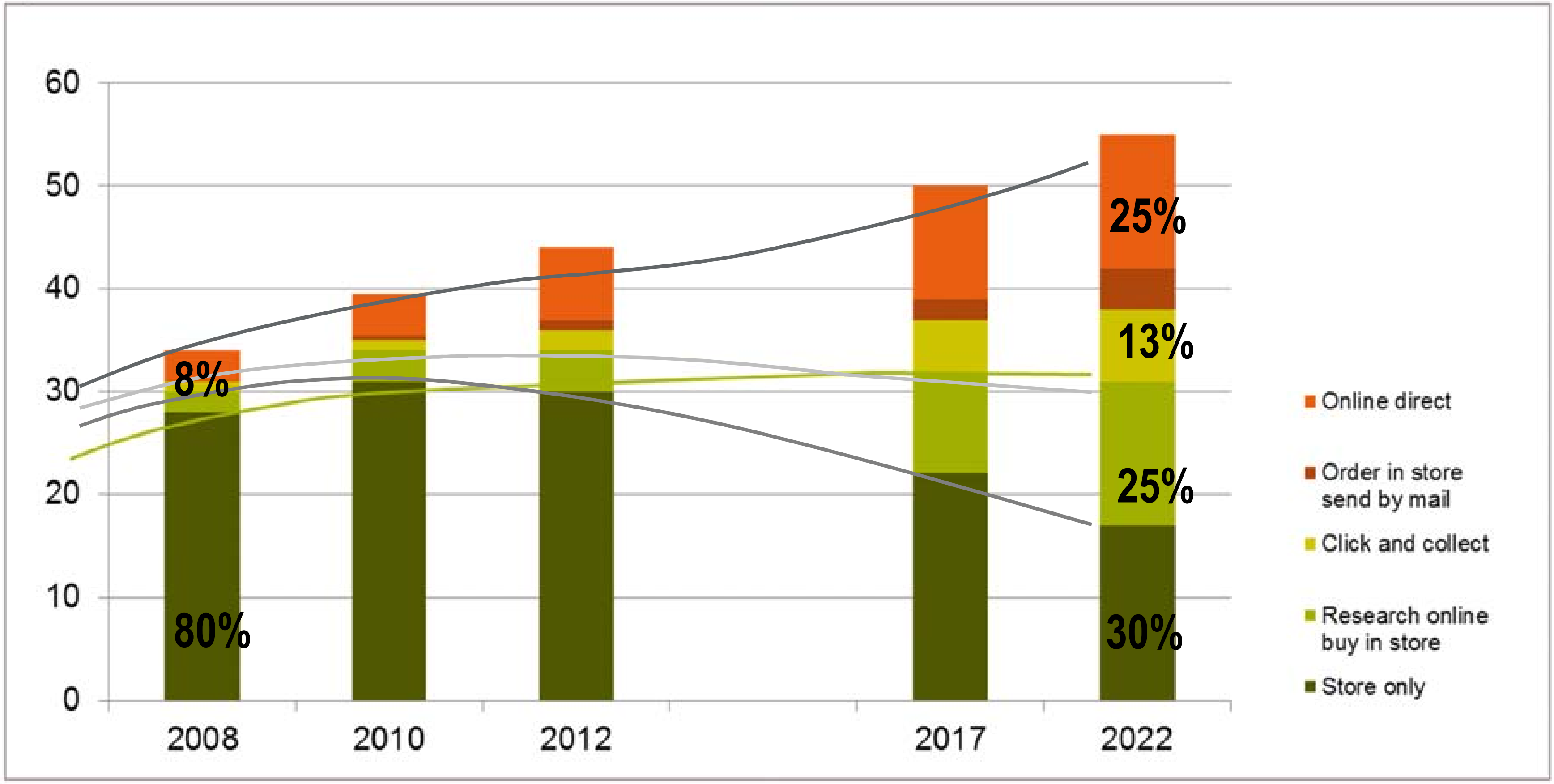
General challenge: Online-retail impact on the fashion sector

Future sales channels - Possible turnover shares for a Fashion-Retailer

By 2022 On line direct will amount to circa 25% of Fashion retailer‘s turnover



Source: GfK GeoMarketing GmbH, June 2013

Why online shopping?

- Comfortable
- Time saver
- Comparative Shopping
- Money saving
- Only access to merchandise
- Impuls Shopping

Source: Kangoo.pl, 2009; E-Handel Polska Report 2009 by sklepy24.pl

Main drivers of e-commerce in Poland

- Increasing number of households equipped with computers, broadband internet access and smartphones.
- Growing consumer confidence to internet and e-commerce: Improved delivery!
- Internet allows to reach everyone and everywhere, beyond traditional catchment areas.
- Dominance of two categories: furniture and household appliances, electronics.
- Large share of the auction sites in the volume of online trade
- Internet *allows* for price comparisons: consumers are more educated than ever before (ceneo.pl, skapiec.pl, tanio.pl, poile.pl).
- Web as a social shopping network: platforms for gathering groups of clients and buying products in bulk at discount prices (gruper.pl, fastdeal.pl, cuppon.pl, groupon.pl).

Major barriers to the development of e-commerce

- Lack of confidence in ordering goods from a distance
- Lack of trust to make payments online
- Costs of returning unwanted or damaged goods
- A small percentage of regular heavy internet users doing online shopping
- Fragmentation of the market
- Lack of adequate legislation

ICSC Innovations

Virtual reality stores

Metro station in Korea – e-supermarket

Polyvore.com

QR Code

Amazon inboxes

Innovations

Facebook applications

Supermarket crowdsources suggestions for local products

More mobile applications

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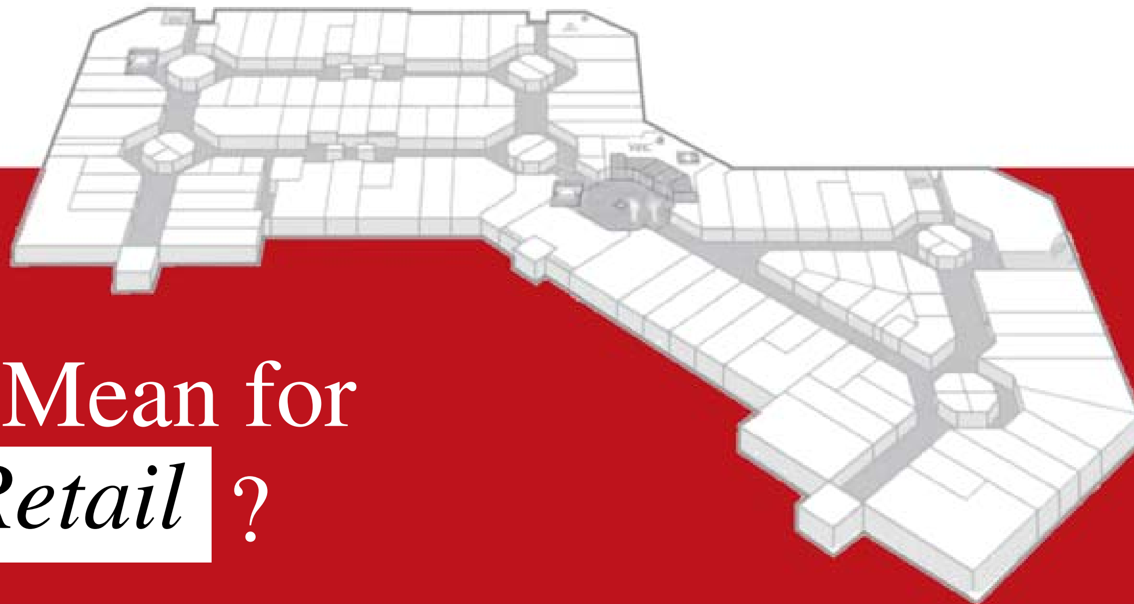
Dealing with High Vacancy Rates or Short Term Expansion

Pop up Stores

BoxPark

Short-Term Leases



What does it Mean for Traditional *Retail* ?

Examples of retail chains strategies

1. Traditional brands expands on the internet (brick & click).

   TESCO MANGO ZARA

2. Internet brands expands into traditional trade.

   answear.com UNLIMITED FASHION STORE, TOYS4BOYS.PL PREZENTY I GADŻETY, Militaria.pl Shooting & Outdoor, alza.cz

3. Brand withdrawals from traditional commerce to sell exclusively on the Internet.

   Dixons

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Impact on shopping centers

- Large shopping centers to remain popular, but need to be repositioned towards services that cannot be purchased online. Reduction of electronic stores and home furnishing area.
- The growing role of convenience centers.
- Conversion of stores into showrooms and pickup points of goods ordered online.
- New ways of spending free time - more socializing.
- The use of new technologies - social media, mobile devices.
- More sensation (smell, touch, taste **“the Latte factor”**).
- Increasing appeal of “Retail Therapy” (non shopping function)

Impact on shopping centers

- Flexible lay out required to adapt to the changing retail demand
- Higher vacancies in shopping centers
- Polarization between prime and secondary centers
- Centers in good locations will retain clients.
- Back to basics - location, accessibility, social responsibility, better tenant mix, customer profile, the environment.
- Boxparks – Pop-up stores, exclusive shopping opportunities, frequent changes in the collection - making „noise”
- Interactivity between shopping centre & client

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Online retailing

ZARA

VISTULA

DEICHMANN

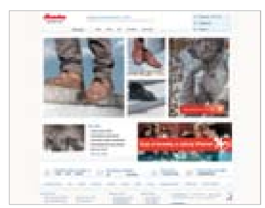
ecco

RTV EURO AGD

empik

Tchibo

Bata



C&A

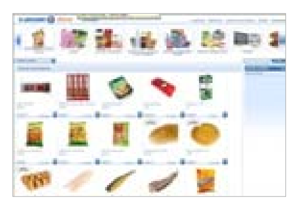
5.10.15.

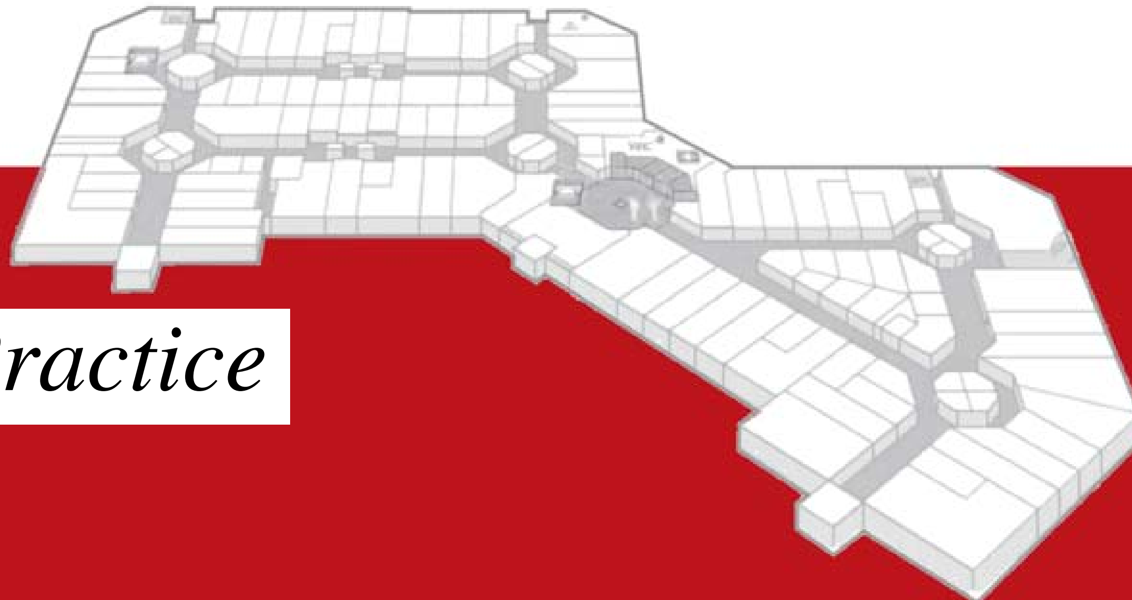
alma

DELIKATESY

Piotr i Paweł

E.LECLERC





Putting into *Practice*

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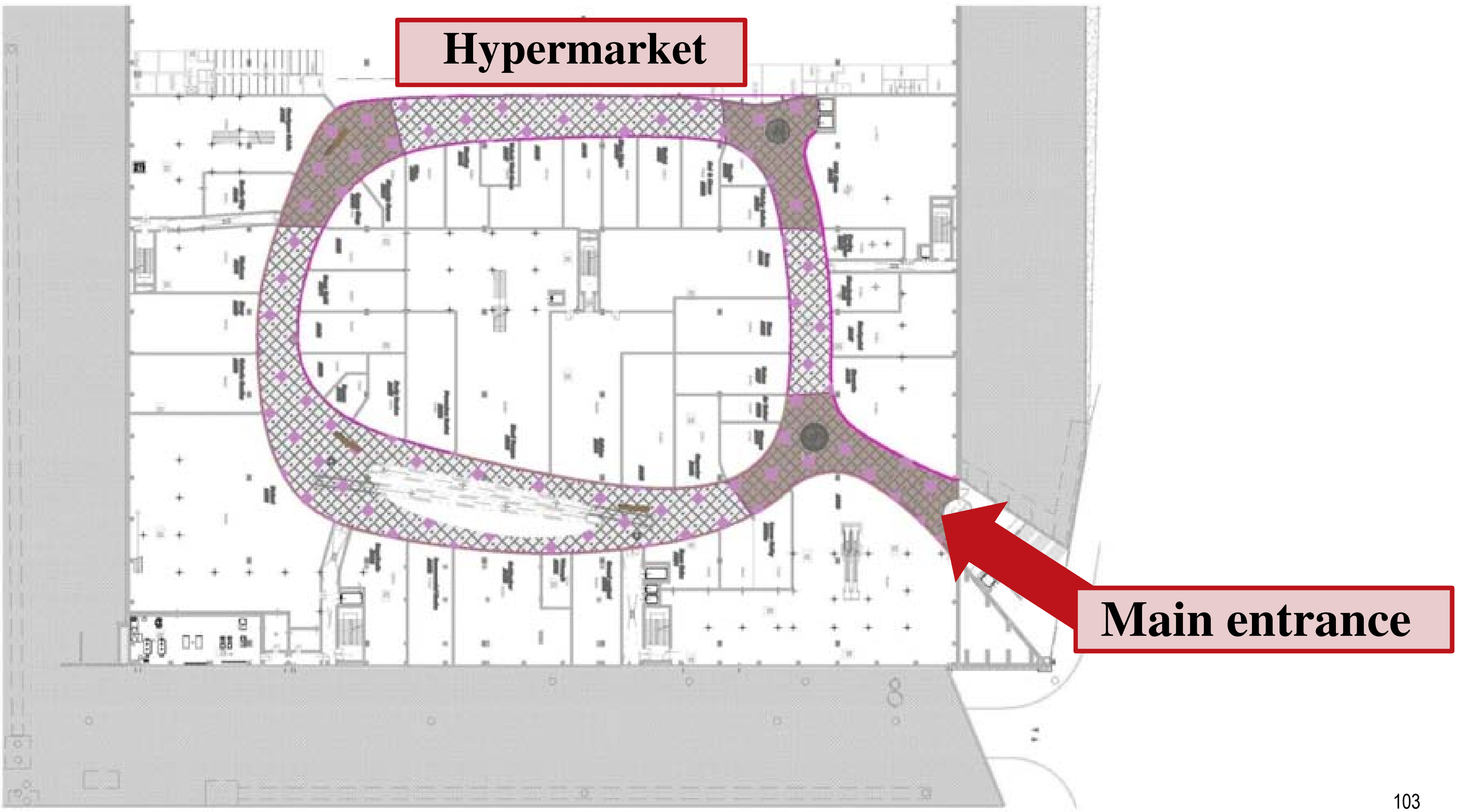
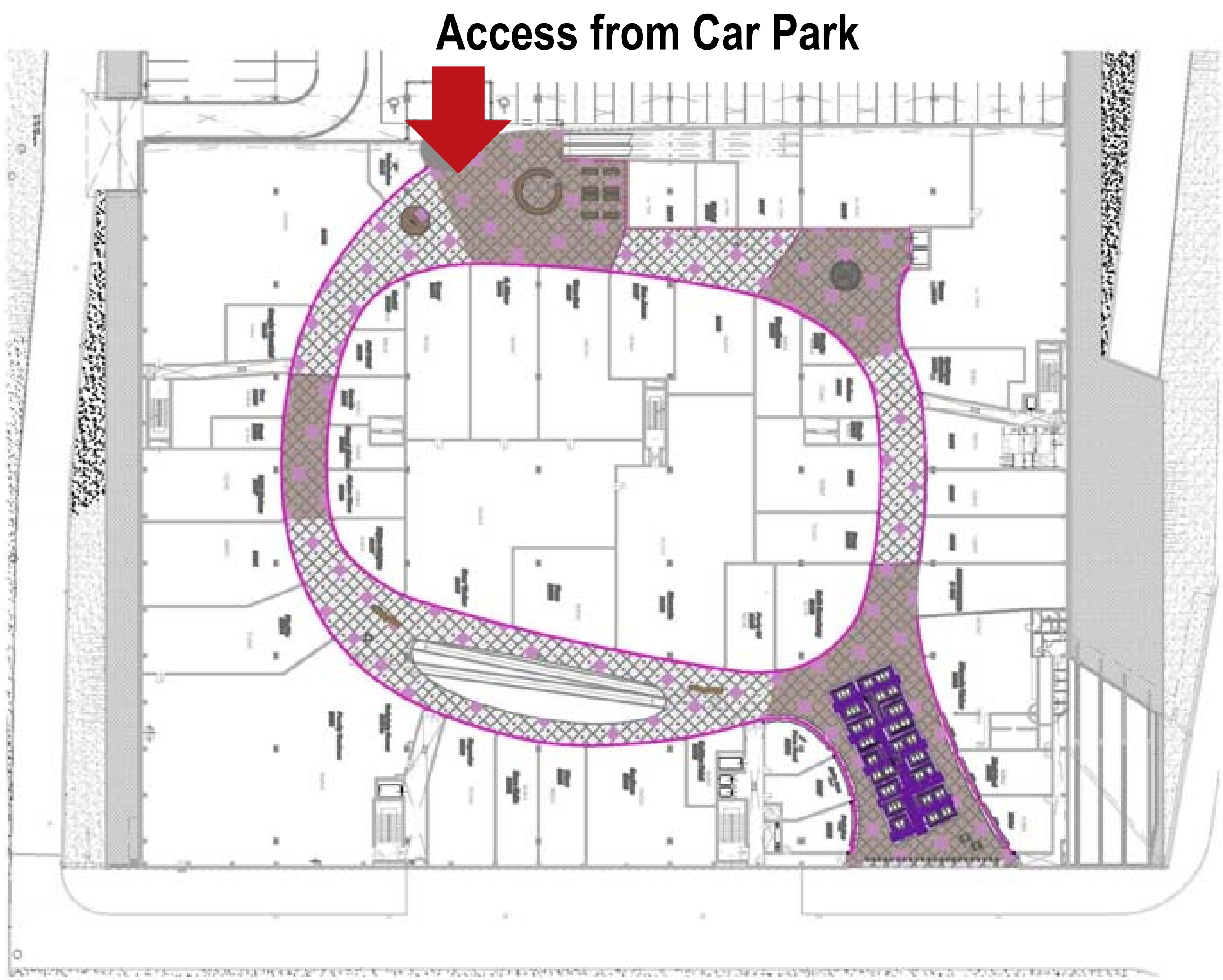
Case Study 1- Ground Floor



Case Study 1 – First Floor



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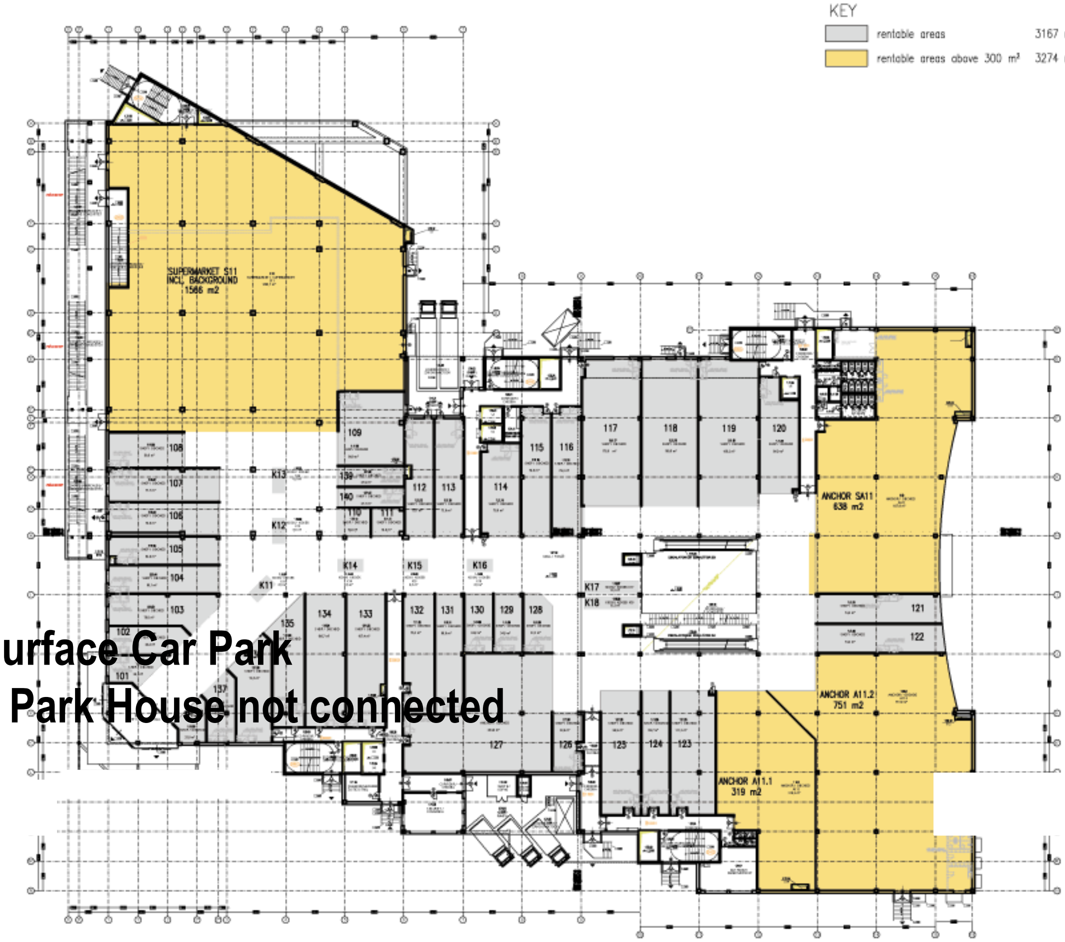
Case Study 2



Surface Car Park
+ Park House not connected

KEY

rentable areas		3167 m²
rentable areas above 300 m²		3274 m²

total ground floor rentable area 6441 m²

ROOM IDENTIFICATION

NUMBER OF UNIT	AREA [m²]	TENANTS
101	29,1	
102	44,2	
103	70,0	
104	65,1	
105	62,9	
106	78,0	
107	77,7	
108	56,0	
109	99,9	
110	19,9	
111	19,9	
112	70,1	
113	73,6	
114	75,6	
115	79,0	
116	79,2	
117	175,8	
118	169,0	
119	180,2	
120	86,0	
121	74,2	
122	74,2	
123	111,3	
124	69,7	
125	99,9	
126	38,9	
127	284,9	
128	33,3	
129	34,8	
130	34,8	
131	69,6	
132	76,3	
133	107,4	
134	108,7	
135	79,4	
136	73,5	
137	40,3	
138	23,5	
139	27,9	
140	27,7	
K11–K16	6x 6,5	
K17	13,3	
A11.1	319,2	
A11.2	751,0	

10 mm ≙ 5000 mm

PLZEŇ PLAZA
marketing plans
THE GROUND FLOOR PLAN

general investor: PILSEN PLAZA s.r.o., K Červenému Dvoru 24, Praha 3, ČR
general designer: Arch.Design, Stránského 39, Brno, ČR

09/2006

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Case Study 2

KEY

	rentable areas	1619 m²
	rentable areas above 300 m²	2334 m²
	food	361 m²
	multiplex cinema	2585 m²

total first floor rentable area 6899 m

ROOM IDENTIFICATION

NUMBER OF UNIT	AREA [m²]	TENANTS
201	123,94	
202	94,18	
203	81,55	
204	82,06	
205	61,53	
206	76,80	
207	73,51	
208	75,40	
209	79,18	
210	94,55	
211	115,93	
212	149,79	
213	143,38	
214	32,96	
215	36,52	
216	52,98	
217	50,07	
218	51,34	
219	74,21	
220	69,20	
SA21	522,01	
A21	1811,96	
E21	2584,98	
F21	70,20	
F22	42,33	
F23	42,04	
F24	48,15	
F25	64,73	
F26	69,23	
F27	24,50	

10 mm = 5000 mm

PLZEŇ PLAZA
marketing plans
THE FIRST FLOOR PLAN

general investor: PILSEN PLAZA s.r.o., K Červenému Dvoru 24, Praha 3, ČR
general designer: Arch.Design, Stránského 39, Brno, ČR

10/2006

Thank you!

Class Evaluation:

Please remember to complete the class evaluation by using your smartphone or tablet.

Class Evaluations Link:

survey.icsc.org/2014ERPS

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