First Steps Toward a Shopping Center Typology for Southeast Asia, Asia-Pacific and Beyond

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Formal shopping center typologies have either been developed or are under consideration by industry associations in the U.S, Australia and a number of other countries. In Asia, DTZ Debenham Tie Leung (Malaysia) has recently compiled draft definitions of various shopping center types in Malaysia, Singapore, Indonesia and Thailand. These can be found in Appendix A on page 5 of this document. DTZ is currently in the process of refining these definitions and compiling them for other countries in the region, such as the Philippines.

Although DTZ's efforts are still a work in progress, the results obtained so far suggest a large degree of compatibility with typologies already in place or under development in Australia, the U.S. and Europe. Thus, the idea of a uniform typology for Asia, Asia-Pacific and the world as a whole is not at all difficult to envisage.

The benefits to the investment and development community of a global set of definitions have been discussed in detail elsewhere and need not be repeated here.[1]

Rather, the objectives of this short paper are as follows:

1. to comment to ICSC's Asia Research Council on the comparability of DTZ's draft definitions across the four southeast Asian countries
2. to take the additional step of introducing a comparison between the definitions of the four southeast Asia countries and those of two other countries in the Asia-Pacific region, namely the U.S and Australia
3. to offer some thoughts on what these comparisons say about the feasibility of an Asia-Pacific and even global typology

COMPARABILITY OF DEFINITIONS

It should first be observed from the outset that the internationalization of the "modern" shopping center industry, with global adoption of practices relating to development, design and retail mix, has led inevitably to significant convergence of shopping center types across countries. Shopping center business models that work in one place should, with appropriate allowances for cultural and climatic differences, ultimately work elsewhere so long as enough people have enough spending power.

There will, of course, always be adjustments to the basic model. For example, higher land costs in Hong Kong and Singapore compared with suburban Orlando mean that Hong Kong and Singapore centers will go upward while Orlando centers will go outward. Nonetheless, the same basic principles apply with regard to what makes a shopping center work from the consumer, developer and retailer standpoints.

[1] One of the most detailed expositions is contained in a paper by James Delisle of the University of Washington commissioned by ICSC, entitled "Toward Global Classification of Shopping Centers", revised February 10, 2009.

Thus, it is immediately apparent when examining DTZ's shopping center definitions for southeast Asia that there is not a lot of difference between the center types in these countries and those in the U.S. or Australia. Certainly, there are instances where certain types of centers that are very prevalent in the U.S. but rare in Asia—e.g. factory outlet centers are still very few in number and restricted mainly to Thailand at this stage. Moreover, although some examples of lifestyle centers exist, this genre is in no way as far along in the development cycle in Asia (or, for that matter, Australia) as it is in the U.S., where there are hundreds.

Another clear difference across countries is that the typical size range of fairly comparable center types is slightly different. For example, DTZ's research suggests that regional centers in southeast Asia start at about 600,000 sf of GLA, while in the U.S. and Australia regional centers are generally sized 400,000 sf and above. This is due to a number of factors, including—

- Smaller regional shopping centers have given way over time to larger ones with more specialty tenants and a larger number and variety of anchors. Since development of regional centers in Asia generally came later than in the U.S., developers there caught the evolutionary cycle at a later phase, i.e. when centers were being built larger.
- There are differences across countries with regard to the prevalence of various anchor types, the size of specialty stores, the number of junior anchors, the anchor-specialty store ratio and so on.

In our opinion, these differences should not stand in the way of providing interested parties with a shopping center typology that spans the Asia-Pacific region and beyond. In the table below, we provide an illustration of what such a typology might look like.

Before getting to that, it is useful to discuss briefly the various shopping concepts extant in southeast Asia. This will demonstrate the "internationalization" mentioned above.

THE COMMON THREADS

The typologies compiled by DTZ for four countries in southeast Asia suggest that the following concepts are common to all four:

1. Neighborhood center (referred to as a "suburban mall" in Singapore)
   A supermarket or hypermarket-anchored concept that has a fairly local trade area draw and is focused on delivery of essential retail merchandise and services. It is typically anchored by a supermarket and specialty stores are preponderantly local and independent, rather than national chains.
2. Community center
   A larger neighborhood center, still focused on necessity goods but usually with at least one additional anchor and more discretionary-oriented specialty stores
3. Regional center
   A much larger shopping center type with a much more extensive trade area that offers a wide variety of discretionary merchandise in addition to food

and food service. The anchor-specialty store ratio is typically about 50-50 but can be weighted more heavily toward anchor space.

4. Super regional center

   A larger regional center with more anchors, more specialty stores and typically also with a stronger lineup of international retail chains

5. Lifestyle center

   An open-air concept that adopts the specialty component of an upscale regional center. The concept is heavily focused on delivering an ambience and product consistent with a relatively affluent and discerning clientele. There are few of these centers in Asia and also few in Australia, but many in the U.S. where their evolution is well advanced. The favorable attitude of urban planners, designers and consumers toward new urbanist-type shopping centers is likely to encourage the development of more of these centers over time.

6. Power center

   Big box development covering a wide variety of discretionary merchandise categories.

7. Retail podium/plaza

   Small retail center that only exists because of a non-retail commercial development such as an office building.

8. Hypermarket center

   Hypermarket-owned and anchored center wherein the hypermarket leases space to complementary specialty tenants. In a sense this is really a variety of neighborhood center.

9. Niche/destination retail center

   A highly specialized center that targets a particular merchandise category or ethnic group.

10. CBD center (referred to as a "Central Area shopping center" in Singapore)

    A shopping center in an urban core, such as those in Singapore's Orchard Road and in Australian capital city CBDs.

It is not hard to see that in the case of neighborhood, regional, lifestyle, power, CBD and retail podium centers, fairly direct analogs exist in the U.S. and to some extent Australia. These common threads could provide the basis for a typology that covers the Asia-Pacific region.

AN ASIA-PACIFIC TYPOLOGY

The table below in Appendix B on page 14 finesses the southeast Asia, U.S. and Australia definitions to provide an illustrative uniform Asia-Pacific typology. In most cases, it simply uses the outer limits of the range of values for each characteristic (e.g. size, number of anchors) as the defining range for the Asia-Pacific as a whole. This is really just a "least common denominator" approach.

Consultation among the various countries should be able to further refine the definitions and create a uniform Asia-Pacific typology without unduly compromising the integrity of any one country.

APPENDIX A

DTZ's Draft Typologies for Four Southeast Asia Countries: Malaysia, Singapore, Thailand and Indonesia

Shopping Centre Definition - Malaysia

The terminology shopping centre and mall may be used interchangeably, both are broadly accepted and understood to denote a purpose built retail centre with a number of specialty retail lots, shared amenities and services eg air-conditioning in common areas, car parking, etc. The retail centre is usually owned by one Landlord / owner. Retail lots may also be sold to individual owners on a strata basis.

Shopping centre	**Description**	**Retail Proposition**
Neighborhood centre	Up to 200,000sf NLA Located in residential areas. Conveniences retail, services, F&B, basic fashion eg. Bangsar Village 1, Bangsar Shopping Centre, Great Eastern Mall	One anchor (supermarket)
Community Centre	200,000 – 400,000sf NLA Located in larger residential suburb. Conveniences retail, services, F&B, casual fashion Eg. Jusco neighborhood malls eg Jusco Cheras Selatan	One anchor (supermarket) Department store – 80,000 – 100,000sf
Regional centre	600,000sf to 800,000sf NLA Located in established residential suburb. eg. 1 Utama, IOI Mall, Mines Note: trend in Klang Valley – mall expansion One Utama – due to size and extent of retail offer. They grow to the size of Super Regional Centres but howver, still maintaining the regional draw.	Anchors: Supermarket – 25,000sf Department store – 120,000sf Mini anchors: Entertainment anchor (cinema, bowling, games arcade, etc) Fashion Homes Books
Super-regional centre / Megamall	> 1mil sf NLA Located in prime commercial areas, in city centre or near to city Excellent accessibility. Part of a mixed-use development Eg. Suria KLCC, Pavilion KL, Midvalley Megamall, Sunway Pyramid	Anchors: Supermarket – 30,000sf or Hypermarket - 60,000 – 80,000sf Department store – 150,000sf (can house up to 2 dept stores) Entertainment (cinema) Fashion mini anchors (young, sports, value) Homes (electrical, furniture, DIY/hardware Children's (books, drop-off, enrichment) Tourist are one of key customer segments

Lifestyle centre	No typical size. Guided by design – use of open concept, landscape, outdoor retail, especially F&B Located in upper income residential suburb Eg the Curve 600,000sf.	No typical guide for anchors F&B is main feature Supported by Fashion, fashion accessories.
Power centre	About 200,000 to 300,000 sf NLA Concept of clustering several large format retailers in one location Eg. Mutiara Damansara, consisting of :- - Ikea - Ikano Power Center - Tesco - Courts Mammoth - Cineleisure mall	No single major anchor Several mini anchors ranging from 10,000 sf to 25,000sf each Homes (eg Harvey Norman, Macy, Ace Hardware) Books (eg Popular) Petshop Fashion (eg Padini Concept Store) Value fashion
Big box	Large format retailer, but stand alone format, with parking facilities Eg Ikea, Courts Mammoth, SSF	Retail offer is category specific. Eg homes. Fully owned and operated by retailer
Retail podium / Plaza	Not more than 300,000sf NLA Part of a commercial building, usually office or residential towers Eg Jaya 33 , Menara Hap Seng, The Weld	Retail offer is usually limited to F&B, services, general retail, office supplies
Hypermarket	150,000 – 500,000sf NLA Stand alone – with car parking. Usually 1 to 2-storey Located in residential areas Eg. Tesco, Carrefour, Giant	Anchored by hypermarket Number and range of specialty shops vary. Specialty retail – F&B, conveniences, value / local fashion, local merchandise
Niche / destination retail	About 300,000sf NLA Targeted at a specific segment of market or a specific product range Eg Starhill Gallery Plaza Low Yat & PJ Digital Mall,	No anchor

Shopping Centre Definition – Singapore

Introduction

The terminology shopping centre and mall may be used interchangeably, both are broadly accepted and understood to denote a purpose built retail centre with a number of specialty retail lots, common amenities and services e.g. air-con, car parking, etc. The retail centre is usually owned by one Landlord / owner. Retail lots may also be sold individually on strata basis.

Shopping centre	**Description**	**Retail proposition**
Neighborhood centre	Up to 200,000sf NLA	Supermarket as anchor
Community centre / Suburban Centre	200,000 – 400,000sf NLA Located outside the central area, in HDB estates & residential suburb eg. Tampines Mall, Jurong Point, Parkway Parade	Supermarket as anchor, may have several smaller mini anchors eg foodcourt, cineplex, etc Conveniences retail, services, F&B, basic / casual fashion
Regional Mall	400,000 sf to 800,000sf NLA Located in established residential suburb e.g. Serangoon Central Mall (expected completion 2010)	Anchors: Hypermarket – 60,000 sf Department store – 50,000 – 60,000 sf Supermarket, food court Entertainment anchor (cineplex,) Fashion (international / regional) Homes Books F & B
Central area shopping centre	300,00 - > 1mil sf NLA Located in central area, usually in main shopping belt Excellent accessibility May be part of a mixed-use development Eg. Ngee Ann City, Ion Orchard, Paragon, Raffles City, Suntec City	Anchors: Supermarket – 30,000sf or Hypermarket - 60,000 – 80,000sf Department store – 150,000sf (can house up to 2 dept stores) Entertainment (cinema) Fashion mini anchors (young, sports, value) Homes (electrical, furniture, DIY/hardware) Children's (books, drop-off, enrichment)

Lifestyle centre	No typical size. Guided by design – use of open concept, landscape, outdoor retail, especially F&B Located in upper income residential suburb Eg Rail Mall	F&B is main feature Supported by supermarket, wellness & beauty
Big box	Large format retailer, but stand alone format, with parking facilities Eg Ikea, Courts Mammoth	Retail offer is category specific. Eg homes. Fully owned and operated by retailer
Retail podium / Plaza	Not more than 300,000sf NLA Part of a commercial building, usually office Eg OUB Centre	Retail offer is usually limited to F&B, services, general retail, office supplies
Hypermarket	100,000 to 200,000 sf NLA Generally as anchor in shopping centre Usually 1 to 2-storey Eg. Carrefour, Giant	Anchored by hypermarket Number and range of specialty shops vary. Specialty retail – F&B, conveniences, value / local fashion, local merchandise
Niche / destination retail	About 200,000 sf NLA Eg Park Mall and Funan Centre	No anchor Retail is targeted at a certain segment of market or a certain product range – ie like homes or ICT

Shopping Centre Definition - Thailand

Introduction
The terminology shopping centre and mall may be used interchangeably, both are broadly accepted and understood to denote a purpose built retail centre with a number of specialty retail lots, common amenities and services eg air-con, car parking, etc. The retail centre is usually owned by one Landlord / owner. Retail lots may also be sold individually on strata basis.

Shopping centre	**Description**	**Retail proposition**
Neighborhood centre	Up to 50,000 – 100,000 sq ft NLA Located in residential and commercial areas such as Sukhumvit, Thonglor, Phaholyothin, Ratchadapisek eg.	One anchor (supermarket) Conveniences retail, services, F&B, basic / casual fashion
Community Centre	400,000 to 500,000 sf	Typically older formats & department stores, managing the centres, located in suburbs.
Regional centre	500,000 to 800,000 sq ft NLA Located in established commercial district. Eg. MBK, Seacon Square, Central developments such as Central Ladprao, Central Bangna.	Anchors: Supermarket – at least 2,000 sq m Department store – about 25,000 sq m Entertainment anchor (cinema, bowling, games arcade, etc) Fashion Homes Books
Super Regional Centre	> 1 mil sf NLA Eg. Siam Paragon (2.1 mil sq ft), Central World (1 mil sq ft)	
Lifestyle centre	100,000 to 450,000 sq ft The development's concept is inspired to serve shopper's lifestyle and emphasis on design, landscape and speciality stores. Eg. J Avenue & Esplanade	F&B and leisure focus
Power centre	About 200,000-400,000 sq ft NLA Concept of clustering several large format retailers in one location Eg. SF Petchkasem, SF Ekamai	More than one anchor Anchors are Supermarket and Home.
Big box	Large format retailer, but stand alone	Retail offer is category specific.

	format, with parking facilities Eg Index Living Mall, SB Furniture	Eg homes. Fully owned and operated by retailer
Retail Plaza	Not more than 50,000 – 200,000 sq ft NLA Part of a commercial building, usually office or residential towers, hotel Eg. 8Thonglor, Erawan Bangkok	Retail offer is usually limited to F&B, services
Hypermarket	At least 100,000 sq ft. Stand alone – with car parking. Usually 1 to 2-storey Eg. Tesco, Carrefour	Anchored by hypermarket Number and range of specialty shops vary. Specialty retail – F&B, conveniences, value / local fashion, local merchandise
Niche / destination retail	Eg. Platinum Mall (540,000 sf)	No anchor Retail is targeted at a certain segment of market or a certain product range.eg Wholesale / retail.

Shopping Centre Definition - Indonesia

Introduction

The terminology shopping centre and mall may be used interchangeably, both are broadly accepted and understood to denote a purpose built retail centre with a number of specialty retail lots, common amenities and services eg air-con, car parking, etc. The retail centre is usually owned by one Landlord / owner. Retail lots may also be sold individually on strata basis.

Shopping centre	**Description**	**Retail proposition**
Neighborhood centre	Up to 200,000 to 300,000 sf NLA Located in residential suburb eg. Puri Indah Mall, Cibubur Junction, Summarecon Mall Serpong, Pejaten Village.	One anchor (supermarket) Conveniences retail, services, F&B, basic / casual fashion
Regional centre	600,000sf to 800,000sf NLA Located in established residential suburb eg. Supermall Karawaci, Mall Metropolitan, Emporium Pluit Mall, Mall of Indonesia, Pondok Indah Mall.	Anchors: Supermarket – 25,000sf Department store – 120,000sf Entertainment anchor (cinema, , games arcade, etc) Fashion Homes Books
Super-regional centre / Megamall	> 1mil sf NLA Located in prime commercial areas, in city centre or near to city Excellent accessibility Part of a mixed-use development Eg. Plaza Indonesia, Grand Indonesia, , Tunjungan Plaza Surabaya, Mall Kelapa Gading.	Anchors: Supermarket – 30,000sf or Hypermarket - 60,000 – 80,000sf Department store – 150,000sf (can house up to 2 dept stores) Entertainment (cinema) Fashion mini anchors (young, sports, value) Homes (electrical, furniture, DIY/hardware) Children's (books, drop-off, enrichment)
Lifestyle centre	200,000 to 300,000 sq ft NLA Guided by design – use of open concept, landscape, outdoor retail, especially F&B Located in upper income residential suburb Eg the Cilandak Town Square (Citos – 270,000 sf), FX Lifestyle Center, Pluit Junction, Surabaya Town Square	F&B is main feature Supported by Fashion, fashion accessories.

Big box	Large format retailer, but stand alone format, with parking facilities Eg Makro Grocery Center (taken over by Lotte), Ace Hardware	Retail offer is category specific. Eg homes. Fully owned and operated by retailer
Retail podium / Plaza	Not more than 300,000sf NLA Part of a commercial building, usually office or residential towers, or hotel Eg , Oakwood, Skyline Building, Formule 1 Hotel	Retail offer is usually limited to F&B, services, office supplies
Hypermarket	150,000 – 300,000sf NLA Stand alone – with car parking. Usually 1 to 2-storey Located in residential areas Eg. Carrefour Lebak Bulus, Giant in Central City Semarang, Hypermart in Puri Indah	Anchored by hypermarket Number and range of specialty shops vary. Specialty retail – F&B, conveniences, value / local fashion, local merchandise
Niche / destination retail	About 300,000sf NLA Eg. ITC Roxy Mas, Sports Mall Kelapa Gading, Mangga Dua	No anchor • Retail is targeted at a certain segment of market or a certain product range; • Wholesale / retail; • Sports

APPENDIX B

SUMMARY TABLE

Definitions Matrix

	Malaysia	Thailand	Singapore	Indonesia	Australia	US	Asia Pacific (hypothetical)
Neighborhood							
Size (sf)	up to 200,000	50,000-100,000	up to 200,000	up to 300,000	up to 100,000	30,000–150,000	<200,000
No. of anchors	1	1	1	1	1		1-2
Type of anchors	supermarket, (delete dept store	supermarket	supermarket	supermarket	supermarket	supermarket	mainly supermarket
Primary trade area	10 mins drive time				<5 kms	3-5 miles	<5 miles
Community (or sub regional)		(normally department store operator)		not defined			
Size (sf)	200,000-400,000	400,000-500,000	200,000-400,000		100,000-400,000	100,000-350,000	200,000-400,000
No. of anchors	1+				2+	2+	2-3
Type of anchors	supermarket,small department store / junior anchor	supermarket,cineplex			supermarket, discount dept store	supermarket, drug store, discount dept store	supermarket, drug store, discount dept store
Primary trade area	15-20 mins drive time				up to 10 kms	3-6 miles	<10 miles
Regional							
Size (sf)	600,000-800,000	500,000-800,000	400,000-800,000	600,000-800,000	400,000-800,000	400,000–800,000	400,000-800,000
No. of anchors	2+	2+	2+	2+	2+	2+	2+
Type of anchors	supermarket, dept store,cineplex	supermarket, dept store,cineplex	hypermarket, dept store, supermarket	supermarket, dept store,cineplex	dept store, discount dept store	dept store	discretionary (e.g. dept store)
Primary trade area	20 mins drive time				up to 15 kms	5-15 miles	<15 miles

	Malaysia	Thailand	Singapore	Indonesia	Australia	US	Asia Pacific (hypothetical)
Super regional							
Size (sf)	1,000,000+	1,000,000+	800,000	1,000,000+	800,000+	800,000+	800,000+
No. of anchors	3 to 4+	4+	3+	4+	4+	4+	4+
Type of anchors	hypermarket, dept store, supermarket, cineplex	supermarket, dept store,cineplex	supermarket, dept store	hypermarket, dept store, supermarket, cineplex	supermarket, dept store, discount dept store	dept store	mainly discretionary (e.g. dept store)
Primary trade area	30 mins drive time				up to 20 kms	5-25 miles	<25 miles
Lifestyle			not defined	not defined	not defined		
Size (sf)	600,000	100,000-450,000		200,000-300,000		150,000-500,000	<500,000
No. of anchors	none necessary but strongly F&B driven	entertainment &F&B driven		entertainment ,F&B		0-4	0-4
Type of anchors							discretionary (e.g. dept store)
Primary trade area	30 mins drive time						<15 miles
Power							
Size (sf)	300,000	200,000-400,000	not defined	not defined	30,000-500,000	250,000–600,000	<600,000
No. of anchors							0-multiple
Type of anchors		homes,hardware , IT			Home goods	entire range of discretionary	mainly discretionary
Primary trade area	up to 30 mins drive time				up to 15 kms	5-10 miles	<10 miles

	Malaysia	Thailand	Singapore	Indonesia	Australia	US	Asia Pacific (hypothetical)
Retail podium/plaza					not defined	not defined	not defined
Size (sf)	up to 300,000	50,000-250,000	up to 300,000	up to 300,000			
No. of anchors	none necessary	none necessary	none necessary	none necessary			
Type of anchors							
Primary trade area	immediate						
Hypermarket					not defined	not defined	
Size (sf)	150,000-500,000	100,000+	100,000-200,000	150,000-300,000			<300,000
No. of anchors	1	1	1	1			1
Type of anchors	hypermarket	hypermarket	hypermarket	hypermarket			hypermarket
Primary trade area	up to 30 mins drive time						<5 miles
Niche/destination retail					not defined	not defined	not defined
Size (sf)	300,000	300,000	200,000	300,000			
No. of anchors	none	none	none	none			
Product classifiation	IT	unique-wholesale/retail mall	IT,homes	unique-wholesale /retail mall			
Primary trade area	> 30 mins	> 30 mins	> 30 mins	> 30 mins			
CBD center	not defined, not typical			not defined		not defined	
Size (sf)		150,000-400,000	300,000-1,000,000		10,000-600,000		<1,000,000
No. of anchors		1	3+		0-2		0-3
Type of anchors		supermarket, department store	supermarket, dept store		varies		discretionary (e.g. dept
Primary trade area					CBD		CBD

	Malaysia	Thailand	Singapore	Indonesia	Australia	US	Asia Pacific (hypothetical)
Factory outlet center							
Size (sf)		300,000-400,000			50,000-250,000	50,000-400,000	<400,000
No. of anchors		none			none	none	0-2
Type of anchors					none	none	dept store clearance
Primary trade area		> than 30 mins & tourist			up to 20 kms	25-75 miles	<60 miles