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Ireland Outlook

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This year's Revo conference and exhibition in Manchester may have been slightly down on numbers but it was a highly productive show nonetheless.

Housing the conference space within the exhibition hall worked well, allowing delegates

to dip into sessions without losing too much networking time. And the improved layout of the exhibition meant it was easier to navigate.

With development activity at a low ebb and the investment market stagnant, the focus was very much on driving performance from existing shopping centres. This means the show had more to offer management practitioners than in previous years when the focus has been very firmly on leasing.

Placemaking was one of the big buzzwords in Manchester

and in this issue we have a focus on one of the UK's most successful examples at Liverpool One as the scheme celebrates its 10th anniversary. It's now clear that the scheme was ahead of its time in the way it embraced mixed use, sustainability and permeability. Nothing on such a scale may ever come along again in the UK, but it has permanently changed the model for retail-led regeneration.

Graham Parker
Editor
Shopping Centre

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L&G wins Poole consent

Planning permission has been granted by the Borough of Poole to convert existing space at the Dolphin shopping centre in Poole into a new, nine-screen cinema plus four adjacent casual dining restaurants.

Empire Cinemas has signed a 25-year lease to operate what will be the first multiplex in the town centre, with one of the nine screens being open-air on the rooftop, giving a memorable experience for holidaymakers and locals alike. The new cinema will be created by redeveloping the former Argos store and adjoining units at the end of the high street, generating more vibrancy and appeal for the town centre as a whole.

Mark Russell, senior fund manager at LGIM Real Assets, said:

"The Dolphin centre has been significantly improved over the past year with a focus on an internal mall refresh, as well as improvements to

the external areas in Falkland Square and Kingland Crescent. We've also introduced new brands to appeal to our wide spectrum of customers,

with more to be announced."

Construction work will start this year. Joint leasing agents are Colliers International and Lunsdon Mitchenall.



Chester Northgate CPO approved

Despite growing local opposition to Cheshire West and Chester Council's Chester Northgate scheme, the Secretary of State has granted the CPO to complete site acquisition and the planned relocation of the city's market. The council will now make a decision in October on whether to take the scheme forward.

Prelettings have already been agreed with Picturehouse, Tapas Revolution, Zizzi's and Cosy Club, but the scheme has lost its anchor tenant, House of Fraser.

Cabinet Member for Economic De-

velopment and Infrastructure, Councillor Brian Clarke, said: "Our aim is to deliver a mixed-use scheme that's appropriate for the next generation rather than having to build something that's a legacy of the last 10 years' thinking. The positive decision shows a clear endorsement of the scheme by the planning inspector and the Secretaries of State who confirmed the order and applications.

"Having secured these orders we are now in a much stronger position to approach investors and potential development partners."



C&R starts on site in Hemel

Capital & Regional has started extensive refurbishments at the Marlowes shopping centre in Hemel Hempstead to improve its family facilities and invest in the local area.

Last year, Capital & Regional made a commitment to the local community to provide updated facilities at the Marlowes as part of a wider investment in the shopping centre and local area. The first development, due to open mid-September, includes tripling the size of the downstairs toilets to 2,500 sq ft. These include baby changing and changing places facilities.

C&R is also in the process of developing a new 9-screen cinema that gained planning approval in 2017. As part of the £13m project, the centre's North Mall entrance will be remodelled, and extensive roof works are due to be completed in late summer.

Centre manager Vince Williams said: "This is the start of a wider programme of investment and improvement, and we are working extremely hard to exceed expectations as we help revitalise the centre. The family area is being built to improve the visitor experience, attracting more families to the Marlowes."



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NewRiver appointed in Canterbury

Canterbury City Council has appointed NewRiver for the asset management of Whitefriars shopping centre which it bought from TH Real Estate earlier this year. The agreement is the first to be signed by NewRiver since it announced in May 2018 that it would be offering its market-leading asset management platform to manage third-party assets.

Whitefriars shopping centre is the dominant regional shopping centre for East Kent with a catchment of 270,000 people within a 30-minute drive and annual footfall of 13 million. It has 75 units across 474,000 sq ft and 530 car parking spaces, and is anchored by Fenwicks, Marks & Spencer, Next and Primark.



Under the terms of the deal, NewRiver will undertake full asset management responsibilities for the shopping centre in exchange for a management fee calculated as a proportion of net operational income received and a development fee calculated on third-party-tendered development costs. The agreement will initially be for two years, with the option of a roll on for a further two years.

Chief executive Allan Lockhart said: "NewRiver's selection by the council in a competitive tender process demonstrates that our strong relationships with retailers and track record of successful asset management makes us the clear choice for third-party retail asset owners."

Time for an upgrade at the Clocktower

Intu has announced plans to invest £1m to transform the dining experience for shoppers at Nottingham's intu Victoria centre. The work, which is due to be completed in November, will change the look and feel of the Clocktower dining area, creating a more natural, social space for shoppers to either grab food on the go or stop for a leisurely lunch or dinner.

As part of the transformation, the centre will welcome six new international food brands and local favourites, offering more choice for customers in terms of flexible dining options and price points. Joining the line-up are

pretzel specialist Auntie Anne's, Triple Two Coffee, Mr Frites, Muffin Break, McDonald's and Chopstix.

Plans have also been unveiled for the centre's first permanent entertainment offering in the form of virtual reality experience meetspaceVR offering virtual reality challenges including battling zombies, androids and drones.

"This is an exciting time for Clocktower dining," said Nigel Wheatley, general manager at intu Victoria Centre. With centre occupancy at an impressive 99 per cent, we're now able to make this investment and create a compelling space that offers our customers even more."



Silverburn strengthens leisure offer

Hammerson has signed new children's leisure concept, Fun Street, to make its debut at Silverburn, Glasgow. The new 12,000-sq ft site, adjacent to the Cineworld and new entrant PureGym, is due to open in Summer 2019.

Fun Street is a new children's play concept for ages 0-12 will include an indoor play area with soft play structures, innovative play equipment, party

rooms, a café, and a playground space.

Iain Mitchell, UK commercial director at Hammerson, said: "Fun Street is an exciting new brand for Silverburn, and one of the largest of its kind in Glasgow. These recent signings, openings and refurbishments are prime examples of brands investing in the centre, and is a key part of Hammerson's long term strategy to create a complementary leisure offer at the centre."



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Revo revamps management diploma

Retail property trade body Revo has revamped its management education programme, launching a new diploma in retail and leisure place management with Solent University Southampton which it hopes will become the industry standard qualification for centre managers.

The bespoke two-year part-time diploma – pitched academically at Level 4 which places it between A Levels and a foundation degree – will consist of distance learning modules worth 120 credits, allowing students to fit study around busy work and home lives.

Revo chief executive Ed Cooke said: “As an industry we are constantly being challenged to get the best out of our assets in driving performance and value. Equally as important, do we have the right practical skillset and knowledge to manage and operate these complex assets that sit at the heart of our communities.

“The competencies required to undertake the role of centre manager have turned the traditional manager role into a commercial manager who needs to present, interpret financial data into strategy, facilitate wider community partnerships....and much more.”



Lexicon maxxex out

The Lexicon, Bracknell, the joint venture between Legal & General and Schroder UK Real Estate Fund, has agreed 50,000 sq ft of new lettings as it celebrates a successful first year of trading.

TK Maxx, the international fashion chain, is to open a 27,351-sq ft store in the heart of the centre. In addition, Deichmann, the German shoe and sportswear retailer, will be opening a 5,648-sq ft store. And Gymfinity Kids will be taking over 15,000 sq ft of space in the Princess Square section of the centre. The Lexicon will be improving its food offer too, as McDonald's moves

from its existing unit to a new unit with the latest fit-out, increasing its take-up to 6,136 sq ft.

Richard Poyser, head of retail relationships & leasing for Legal & General, said: “The vision for the regeneration of Bracknell was to create a welcoming and engaging contemporary and timeless town centre with the residents and customers at the heart. A year on, we are proud to see the town continuing to thrive and attract great brand names ensuring there's something for everyone.”

Joint agents for the Lexicon Bracknell are CBRE and Lunsdon Mitchenall.

Council backs Coal Orchard

Plans for Coal Orchard, developed by Taunton Deane Borough Council with its project and development management partner, Mace Group, have been approved by the council's planning committee.

The plans include a mix of apartments, retail, workspace, restaurants and gym, and incorporate a riverfront plaza with a stepped terrace to make the most of its unique position on the River Tone. Coal Orchard will create the first link in a chain of develop-

ments connecting the station directly to the established town centre.

Joint letting agents HRH Retail and PHD Property Advisory are marketing the scheme which will provide 25,000 sq ft of retail and leisure, 42 apartments and 42 parking spaces. The commercial element will feature five restaurants, five retail units and a gym, ranging in size from 155 to 5,000 sq ft. A start on site is scheduled for early 2019 with completion in late spring 2020.



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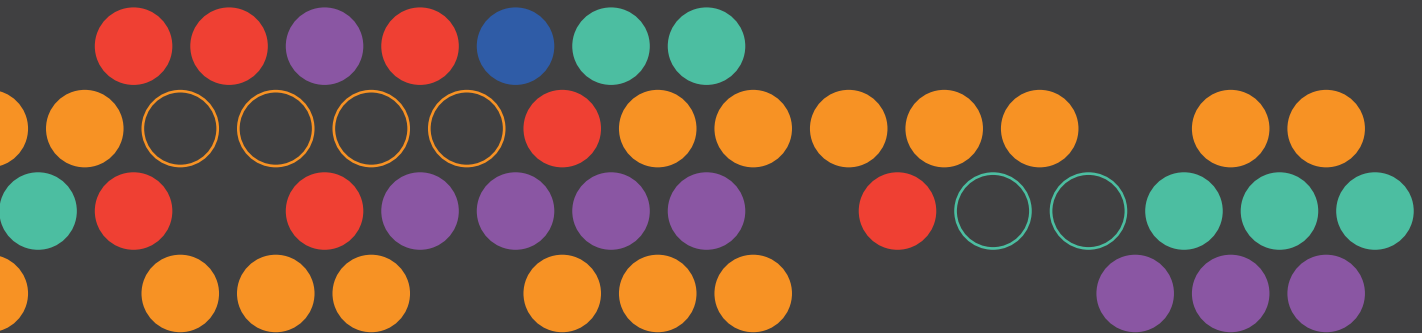
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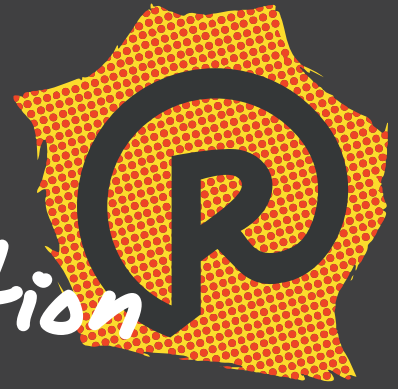
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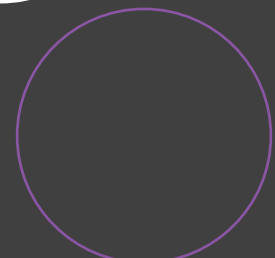




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October 2018 marks the 10th anniversary of Liverpool One, the biggest retail-led regeneration project the UK has ever seen. Is Grosvenor's 2.5m-sq ft project passing the test of time?

Placemaking is the buzzword for developers these days, but in 1999 when Grosvenor took on the challenge of revitalising the centre of Liverpool, it was hardly used. Now delegations from cities around the world visit Liverpool to learn how it's done.

Miles Dunnett, the head of asset management at Grosvenor, believes it's as much about intangible elements like corporate culture as it is about the design of buildings and the layout of the site. "Placemaking is easily said but it's hard to do," Dunnett says. "There are physical elements you can use but what is more testing is getting people to engage – It's about how you behave as a business. What you say has to be what you do if you're to be credible. If you don't stand for what you say people will see through that."

Liverpool One was ahead of its time in design terms. It embraced multi-use when investors preferred properties that could be pigeonholed into sectors and it was the first major retail destination for generations to be entirely open to the elements.

When Grosvenor responded to the Liverpool Vision drawn up by Liverpool City Council, English Partnerships, and the Northwest Regional Development Agency in June 1999, the vision was to create a true mixed-use development. Now, the 2.7m-sq ft development that Grosvenor Europe manages includes more than 200 shops, 700 apartments, two hotels, 25 restaurants, a 14-screen Odeon cinema, four office build-

ings, a unique five-acre public park, 2,000 car parking spaces and a public transport interchange.

The ambition was not just to improve the existing retail offer in Liverpool but to change the geography of the city, reconnecting the city centre with areas that had become cut off from the rest of the city, such as the Pier Head, its Three Graces, and the waterfront. To achieve this the scheme had to be permeable – another word that's come into fashion long after Grosvenor actually did it – so that it seamlessly linked the development to the city's existing grain and street pattern.

Dunnett explains: "Rather than build a single, monolithic block that followed the design of one master planner, we knew from the outset that it could only achieve genuine diversity by employing a mix of architects. We engaged 26 different firms to work on the 36 individual buildings that make up the estate, all working within the broad aspirational vision set out in the master plan."

With hindsight the early 2000s were precisely the wrong time to embark on a project of such scale and complexity. Grosvenor had committed to a deadline of opening in time for Liverpool's year as European Capital of Culture in 2008 but that coincided with the worst economic crisis for generations.

Dunnett says: "When other developers, with a less far-sighted approach, might have felt pressure to reduce the quality of the finishes or halt development altogether,



we pressed on during the Global Financial Crisis, valuing the longer-term objectives of the project over potential short-term commercial losses."

This approach paid off. The 10 years since opening have seen Liverpool One exceed the expectations of residents, shoppers, retailers and investors. It attracts 29 million visitors annually, and both footfall and sales have posted faster growth than the UK average every year since opening.

Liverpool One is designed around five unique retail zones each with their individual feel and tenant mix to attract varied groups of shoppers. This includes:

The cosmopolitan, pedestrian thoroughfare of Paradise Street, with big name brands such as Arket and JD Sports, as well as retailers appealing to a trend orientated younger market, such as Urban Outfitters, Footlocker, Jack Wolfskin and Guesst.

South John Street, a two-tier galleried shopping street anchored by the major department stores Debenhams and John Lewis, and home to world-famous brands such as Apple, Lego, Victoria's Secret and Zara.

The elegant Peter's Lane is home to exclusive brands including Hugo Boss, Reiss, Nespresso, The White Company and Cos, the latter housed in an historic building that matches the nearby Grade I-listed Bluecoat Arts Centre. Peter's Lane is also home to Beauty Bazaar Harvey Nichols, a mini-department store dedicated to health, beauty and wellbeing, and the only one of its kind in the world.

From the outset it embraced the sustainability agenda, installing solar panels on the roof, on-site vehicle fleets are fuelled by biodiesel created by restaurant oil waste, and all waste is diverted away from landfill with almost half recycled on site. Liverpool One also purchases sustainable products and materials and raises awareness of envi-



ronmental issues and sustainable best practices among retailers, suppliers, and customers.

Grosvenor was determined from the outset that Liverpool One would be judged not just by its commercial and financial success, but by whether it delivered positive social benefit to the wider community. So wherever possible local suppliers are used. "The GVA created in Liverpool should stay in Liverpool," insists Dunnett. "Instinctively it's a correct and sustainable way of doing things."

Grosvenor also took an early decision to incorporate Chavasse Park into the scheme, on an area of open ground created from a Second World War bombsite. It raised the park from ground level, creating a dramatically tiered green oasis that offered views towards the Albert Dock and the Mersey. Chavasse Park is a central space that is utilised to host a wide range of events throughout the year.

And Dunnett believes Liverpool One's success is a result of active management as much as it is to the quality of the original concept. "Retail is so challenging that you can't invest in a passive way," he says. "We have evidence that it's a sustained approach that delivers value over time."

This long-term approach is continuing, according to Dunnett. "In a time like this you can't be paralysed by uncertainty," he says. "We're doing 20 deals or so a year and three quarters of those are proactive."



BRIGHT OUTLOOK FOR OUTLETS

In a sector under increasing pressure, outlet malls stand out as the one retail format still enjoying sustained occupier and investor demand. What is it doing right when others are getting it so wrong?

New research has underlined the degree to which outlets are outperforming shopping centres, retail parks and the high street. Investor TH Real Estate describes it as the “star of the retail sector” while broker Savills says: “the best-performing centres are reaping success in terms of capturing visitors and investment values.”

According to TH Real Estate, it has been the strongest performing sector across Europe over the past decade and will remain one of the best value property sectors. The sector is underpinned by constrained supply and growing demand, offering some of the most attractive risk-adjusted returns in the real estate market.

TH Real Estate’s research highlights that 2017 saw the highest level of outlet mall transactions in Europe ever recorded at €1.7bn, with volumes three times the long-term average of €548m. Prime outlet yields are

now just 75 basis points higher than the highest-rated shopping centres.

And with economic uncertainty mounting, TH Real Estate believe the sector is well placed to outperform in periods of both strong and weak economic growth. As an example of outlets’ resilience TH notes that even during the Global Financial Crisis, outlet sales only fell by 0.5 per cent compared to the European average of -5.4 per cent.

Partly driven by a decade of austerity, and partly driven by the increased price transparency delivered by the internet, shoppers globally have become more value-conscious according to TH, concluding “The outlet mall model is well-positioned to grow its share of the rising value-conscious market.”

Angela Goodings, director of research at TH Real Estate, explains: “Outlets have proven to be a more defensive investment, with relatively low levels of volatility as seen



during the last economic cycle. They provide consumers with a shopping experience, with operators invested more in catering facilities to increase dwell time, alongside marketing events which improve footfall. Therefore, we believe the sector is also defensive to the ongoing diversion of retail sales to the internet. Where we have been able to analyse data, high-quality assets have outperformed in terms of sales and rental growth as well as investment returns."

TH Real Estate believes constrained supply, coupled with growing demand should see continued rental growth and long-term structural improvements in investment pricing of outlets.

And according to Savills the UK's outlet centre market is undergoing significant growth through a mix of new development and expansion of existing schemes.

There are currently at least three large outlet centres in the UK development pipeline; Lifestyle Outlets Glasgow

(Scotland), Scotch Corner (North Yorkshire) and Cannock (Staffordshire), all of which are over 250,000 sq ft and plan a strong F&B presence.

For example Peel's £150m Lifestyle Outlet Glasgow development will feature 125 retail units; a wide range of restaurants, cafés and bars; state of the art luxury cinema; family leisure attractions; health and fitness facilities; and a piazza for events and entertainment.

Investor Global Mutual has just underlined its commitment to the sector by creating a new unified brand for three of its UK schemes. Atlantic Village in Bideford, Freeport Fleetwood and Freeport Talke in Stoke-on-Trent now trade under the Affinity banner.

Director of retail John Gray says this is a measure of the firm's faith in the sector. He believes outlets have performed better than other retail formats because the interests of owners and occupiers are better aligned, with turnover-based rents and short leases. "Retailers see it as far more transparent," he says. "And as a landlord the beauty of it is if you understand sales you can have a far more straightforward negotiation: it gives both parties a greater degree of trust."

Gray says that outlets have now emerged as a channel in their own right for retailers, not merely a means of disposing of distressed stock. And consumers have embraced the format as well. "For shoppers it's a different mindset," he says. "They arrive ready to spend money and so the footfall:conversion ratio is much higher."

However Global Mutual is not resting on its laurels and it is aiming to broaden the offer at its schemes. Upgrading the catering is part of this process. "We're making it more experiential, bringing in craft food with local producers," Gray says. "For instance at Fleetwood we're working with a top quality patissier and we'll look to do the same at Staffordshire and Devon."

Another strand will be the introduction of more active leisure attractions. Already a themed play area at Fleetwood has led to increased dwell time in key demographics.

This approach chimes with Savills' research, which found F&B provision across UK outlet malls doubled since 2011 to an average of 8 per cent of units and accounting for up to 29 per cent of units in some cases.

Quintain's London Designer Outlet in Wembley and Landsec's Gunwharf Quays in Portsmouth both dedicate more than 25 per cent of units to F&B. And when it opens this Autumn AEG and Crosstree's Icon Outlet at the O2 in Greenwich will be one of the most leisure orientated outlet centres in the UK with 35,000 sq ft of new F&B space. Tom Whittington, retail & leisure research director at Savills, says: "Strong F&B provision is by no means limited to new outlet centres. Many landlords of existing schemes are also enhancing their F&B offer to meet evolving consumer demand and optimise the leisure experience. Research shows outlet centre trips often constitute a day out for consumers, with around 42 per cent of visitors taking advantage of the F&B offer while there."



IRELAND OUTLOOK

A look across the water at the Irish retail outlook

According to the most recent Ireland bi-monthly research report from CBRE, the Irish commercial property market is gearing up for what promises to be an extremely strong autumn season.

While few new properties were launched for sale formally during the summer months, CBRE reports there was significant activity underway behind the scenes during July and August, concluding various transactions as well as preparing assets that will be formally launched or sale over the coming months.

The report says that the Irish retail occupier market is bucking the current European trend with footfall, consumer sentiment and retail sales all continuing to perform well, supported by a strong economic backdrop and bumper tourist activity. Visa's most recent Irish Consumer Spending Index demonstrates a strong pace of growth in the year to July, with consumer spending in Ireland up 2.3 per cent and online sales up 4.9 per cent in the period.

Some sectors of the retail market are performing better than others, with good weather and a notable improvement in the volume of housebuilding across Ireland over recent months providing a notable boost for retail parks throughout the country. There is particularly strong local demand for well-located neighbourhood centres such as the new Lidl development in Castleknock in Dublin 15, which is due for completion later this year.

Other recent developments of note include: Curry's PC

World announced plans to open a new store at Waterford retail park; Maxi Zoo agreed to lease a new store at Deerpark retail park in Killarney, Co. Kerry; Intersport Elvery's opened a new store at Bridgewater shopping centre in Arklow, Co. Wicklow; and McDonald's and Five Guys have both commenced fit-out on new stores at the redeveloped Frascati centre in Blackrock in south Dublin.

Finally, the report says that although many UK retailers remain under pressure in their home market, this has had little or no impact on their Irish operations to date. However, Homebase recently announced plans to close its stores at Fonthill and the Naas Road in Dublin as well as the store in Limerick, which will release some supply to the market in due course.

Evidence of capital values for shopping centre is thin on the ground, but some solid guidance may emerge this autumn with the sale of the Wilton centre, Cork's second largest shopping centre, which has been put on the market for €86m.

Savills is marketing the property on behalf of York Capital, and the guide price reflects €76m for the shopping centre – producing a net initial yield of 6.75 per cent – and €10m for a mixed-use development site.

The 121,388-sq ft suburban scheme dates from 1979 and is almost fully let with Penney's and Tesco as anchors and Peter Mark, Euro Giant, Easons, KBC, EBS, Boots, New Look, Lifestyle Sports and Specsavers among key tenants.

Planning consent exists for an extension comprising a 190-bed hotel, a 14-screen cinema, a public plaza, a



two-storey 75,000 sq ft anchor unit along with other retail and office space, and a 874-space multi-storey car park.

Fergus O'Farrell of Savills says: "Wilton shopping centre is a dominant retail location with unrivalled footfall of over 5.5 million each year. The unique combination of accessibility from across the city and suburbs, proximity to the two largest third level institutes and Cork University Hospital, and home to Penney's only suburban Cork store ensure that Wilton is a sustainably strong retail location with a diverse consumer base supporting the range of retailers within the scheme."

THE BOULEVARD RELAUNCHES

In the most significant development in the Irish retail market, the relaunched Boulevard in Banbridge, previously known as 'the Outlet' has reported huge success since its rebranding in Spring this year. The Lotus Group-owned outlet centre saw a series of fashion events and onsite entertainment across two weekends in March, achieving a 26 per cent uplift in footfall, 33 per cent increase in sales and an 81 per cent conversion rate for the scheme. Since then it has gone from strength to strength.

Adidas, Kurt Geiger and Asics all opened outlet stores at the newly rebranded centre over the summer, with global sportswear brand Adidas taking a 7,433-sq ft unit, athletic apparel manufacturer Asics taking a 2,163-sq ft store, and fashion forward footwear and accessories brand Kurt Geiger taking a 1,287-sq ft unit. The Boulevard also signed Global footwear brand, Skechers, which opened a 2,465-sq ft store on 2 August.

The Boulevard has had a consistent increase in footfall since Lotus purchased the scheme in May 2016 with an increase of 22 per cent in footfall from May 2016 to May 2018, cementing its positioning as Northern Ireland's only premium outlet shopping destination.



Lotus Property managing director Alastair Coulson says: "Things are pretty exciting; we're in discussions with another three or four retailers at the moment and we're getting to the point where we're nearly fully let so then it'll be about reconfiguring the space and getting the mix of tenants right, so it's definitely moving in the right direction."

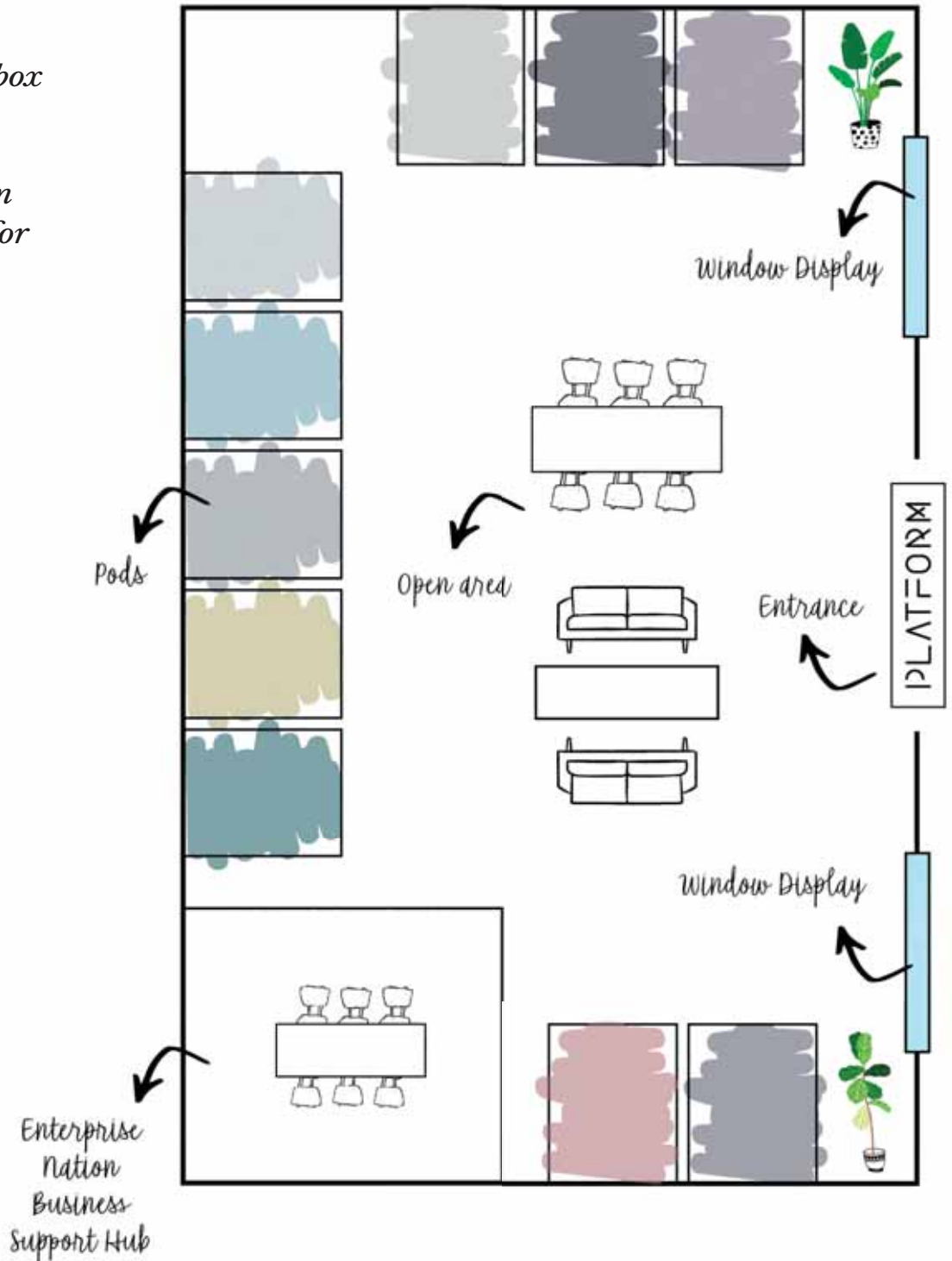
The other notable project from the Lotus group, due to come to fruition in 2019, is the development of the Junction retail park in Antrim. As part of the ongoing £30m redevelopment plan, the Junction signed Intersport, the world's largest sports retailer and innovator, with a 5,600-sq ft store due to open this October.

The new store opening is part of the Junction's multi-million-pound redevelopment, which began in April with the construction of a new McDonald's drive thru restaurant and recent opening of the Beauty Outlet. The park has recently been named the first dementia-friendly centre in Northern Ireland due to its work with the Alzheimer's Society to provide support with shoppers who live with the condition.

Coulson says: "We want to ensure that we create a retail and leisure park which will encourage customers to shop, eat and relax. The addition of the Beauty Outlet brand is a testament to the confidence we have in redeveloping the Junction as Northern Ireland's largest and most exciting retail and leisure destination, and we will continue to move quickly forward with further plans to build on our ever-growing success."

NEW INCUBATOR PLAN HATCHED

Marketing consultancy Toolbox Group and small business network Enterprise Nation launch platform for retail growth



Retail apocalypse or renaissance? Revolution or evolution? Whichever way you look at it middle ground brands are struggling and the prospect of further vacancies paints a grim picture for landlords. Many have still not recovered from the departure of BHS with more than 50 per cent of the stores still vacant two years after the department store chain closed its doors.

However, a new incubator retail concept, Platform, launched this month at Revo promises to turn today's challenge into tomorrow's opportunity. Platform brings together makers and creators of uniquely crafted products and experiences into a supported retail environment they can use as a springboard to take their businesses to the next level.

Platform works by filling a sizeable vacant space, typically 2,000 to 2,500 sq ft, with ten new and diverse sellers over a four-week or 42-day period. During that time they are supported with visual merchandising, retail equipment, business mentoring, marketing and other initiatives to give their new venture into bricks & mortar a great start. Landlords can then continue the initiative with a fresh group of promising retailers of the future.

The ultimate aim is to turn the Platform small businesses into permanent tenants in the future, generating income for the units or mall space they occupy, and with a long enough commitment to having Platform in a centre, it can become self-funding.

Platform is the brainchild of retail marketing and engagement experts Toolbox Group and the UK's most active small business network Enterprise Nation.

Toolbox Group provides insight-driven strategic and creative placemaking through the engagement with customers, retailers, the community and all stakeholders while delivering experience, loyalty, increased sales and measurable ROI.

Based near Cambridge in England but with business hubs in Poland, Sweden, Scotland, Denmark, Germany, Spain and Hungary, Toolbox Group operates in 16 countries globally engaging retail destination owners and managers with stakeholders in more than 350 retail destinations.

Enterprise Nation is the UK's most active small business network. It brings together the skills and experience in retail destination marketing with access to the promising brands of the future. Operating for a decade, supporting thousands of people to start and grow their own business. Enterprise Nation was the team behind PopUp Britain, the pioneering operators of PopUp shops. It also actively lobbies on behalf of small firms, campaigning for the opening up retail space for test trading.

Toolbox Group managing director Michelle Buxton explains: "Platform connects customers and their brands with today's shopper looking to discover something new and fresh, a unique attraction for shopping destinations. It is about bringing the retail experience back to the way it used to be, and the way today's customer demands: personal focus and the great feeling you get from supporting an independent local business and people with clear talent and passion for what they do"

And Emma Jones, founder of Enterprise Nation, adds: "For the last six years we have been working with some really exciting new brands who are just making their way into physical retail. The future looks bright for independent retail with many of the 5.5 million small firms in the UK looking to test trade with a view to taking on full time leases. They want a route to market, but don't know where to start.

"Furthermore we know that 72 per cent of small businesses actively look for further retail opportunities after a pop-up trading experience. There is a real confidence and optimism about growth and this presents a great opportunity for today's landlord."

The Platform team believe the benefits for retail space owners and managers are many. It is an opportunity to teach new retail talent the principle of great physical retail and successful business, boosting enterprise and retail growth. Community engagement and CSR is a large part of this initiative as many of these small businesses will be local to the area with great stories to tell.

Toolbox's Buxton adds: "This is about bringing new and different reasons for people to visit particular shopping centres or high streets. We see this very much as a partnership with existing tenants to drive footfall and sales."

From the landlord's perspective all that is required is a ready-to-go unit with suitable flooring and access, provision of lighting and access to power. The number of Platform sellers can be adapted to the size of the unit.

Buxton concludes: "We're really excited about this initiative as it's a win-win situation all round and we've had such an overwhelming response from the many owners and managers we spoke to at Revo in Manchester. A new journey for retail really could start on this Platform."





GAMING TOGETHER

ADI brings communal gaming to intu

Intu has been working with interactive gaming startup company, Rhythm, to bring a new communal gaming concept to its centres. The new technology lets any shopper in possession of a smartphone compete in giant video games broadcast on a massive 4k screens from big screen specialist ADI.

Hundreds of shoppers took part in the intu Merry Hill trial in July which sought to test how Rhythm's product Piing, which creates multiplayer games for up to 200 people at a time, could drive up footfall, attract and engage younger shoppers, and as a result benefit retailers.

One game, which trialled at the Revo retail property conference, involves 30 racing cars pitted against each other live on the big screen in a knockout race to see which player could make it the furthest before crashing. Players could log into the game on using their smart phones on a first-come-first-served basis through a dedicated website, entering the given code and controlling their car on the big screen with simple right and left directional buttons. A match lasts on average a maximum of 90 seconds, and winners at the Revo trial were given intu gift cards as a reward.

Another game on offer through Piing is a reimagining of classic table-tennis simulation arcade game, Pong. Players are able to select a side and are each given their individual icon on either the left or right hand side of the screen. They must work alongside their team to make sure they hit the virtual ball back to the opposing side in a first-to-three game. Each game has a winning team as well as a winning individual – the player who returns the most shots.

David Fischel, intu chief executive, says: "We're continu-

ing to explore how technology could offer our customers an even better experience and create new opportunities for our retailers to thrive. intu Accelerate is empowering our business to find more ways to innovate in partnership with some of the smartest start-up companies out there.

"Hundreds of shoppers can take part in any one of these games at a time and this created a real sense of excitement among shoppers when we trialled the technology at intu Merry Hill earlier this year. Retailers were also quick to get behind the initiative by providing plenty of prizes for those taking part so we think this is something we can build on with future trials."

Drew Burrow, business development manager at ADI, the screen technology company that provided the enormous screens to make the game possible, says: "Thriving retail destinations are focusing on creating a more immersive and interactive experience, and our LED screens and digital canvases are the ideal platform to deliver them. Further to the successful trial at intu Merry Hill on our Epoch screen, we're thrilled to work with Rhythm and intu in bringing multiplayer video gaming to REVO 2018 on a huge scale."

Rhythm's Piing product is one of seven new technologies to be trialled at intu shopping centres and online at intu.co.uk over the summer as part of start-up incubator programme, intu Accelerate.

Other companies to take part in intu Accelerate this year included Greendeck which uses AI to help fashion brands and retailers automatically classify products into categories and was crowned 'start-up of the year' in Retail Week's Tech. Awards 2018.



Commercialisation is one of the best ways to bring a centre to life.

One of the things that can really make a commercialisation campaign stand out is design. Whether it be creating dynamic and eye-catching kiosk units, putting on an exciting and engaging spectacle involving lights and music, or going all out on a product launch with one-day-only experiences, there are any number of ways to create excitement in the mall through commercialisation.

At centre:mk in Milton Keynes, kiosks from Meat Me Wrap Me and Mr Teapot have been visually delighting shoppers. Meat Me Wrap Me, the Mediterranean-inspired food operator, installed its first kiosk at the centre in 2015, relocating after three years to a larger site to meet increasing demand for its lunch offer. The kiosk came second in the Visual Victories Awards, an international award recognising best-in-class mall retail. The Mr Teapot kiosk was installed in June 2018 and is designed to look like a large red teapot. The brand chose centre:mk because of the mall's approach to kiosk design.

Incorporating events into the commercialisation strategy is an easy way to fill empty space on the mall and create excitement. As part of its partnership with The British Style collective, Liverpool One hosted a number of events over the course of a two-day festival in early July, with bookable pop-up experiences taking place in the mall from cocktail making, to makeup tutorials and styling workshops delivered by leading brands in the centre.

Creating small, exciting brand partnership pop-ups have proven a success at Bluewater in its team-ups with Benefit Cosmetics and Aardman. San Francisco-based make-up artist brand, Benefit Cosmetics, launched a silver space pod experience at Bluewater, celebrating the arrival of their new mascara product Badgal Bang! Bluewater's guests were greeted by

pink astronauts on the Lower Rose Gallery, and then taken into a silver space capsule. Inside the space capsule, guests could trial the much-anticipated new product and guests were invited to share the experience on social media.

The Kent shopping centre also hosted Aardman's Early Man augmented reality experience. To celebrate the release of the prehistoric comedy adventure film, Early Man, an augmented reality character trail was launched at Bluewater throughout the February half term. The experience allowed visitors to meet the characters and download content via a specially designed Aardman app. The centre also offered a film character modelling workshop and a branded backdrop installation for photography use.

Clare Andrews, managing director of Shoppertainment, says that when it comes to commercialisation, creating excitement and spectacle is important in engaging shoppers, and opening the door to art and design is becoming a new integral piece of the puzzle: "We recently developed a proposal for a centre to turn its empty units into activity-based or artistic spaces. Included in the proposal was the idea of showcasing local artists' work in a pop-up art gallery as well as a proposal to convert the unit into a giant colouring book, with all the walls of the unit being covered by white boards featuring bespoke drawings for the customers to colour in.

"The more varied an approach a centre is willing to take to commercialisation, the more they can offer, allowing them to attract more customers and drive footfall. By being adaptable and keeping an open-mind towards new trends landlords can begin to attract a more diverse tenant line up. And the more exciting and unique an experience they provide the more customers will engage with it and be more likely to return in the future."



MUSIC IN MALLS

Entering the consumer subconscious through music

It hardly bears repeating at this point, but shopping is all about creating a welcoming and memorable experience for shoppers. There are any number of contributing factors which centres can control to create this experience, and one of the least obtrusive, subtly effective ways of improving the mood of shoppers in the mall is the presence of music. The right music at the right time can tap into consumer subconscious and put them in the right mindset to make a purchase. It is a delicate science but, thanks to footfall data, it is entirely possible to capitalise on.

Research shows that more than half of us notice the presence of music playing in a shop. Making sure that the music fits the clientele of the store should take some consideration rather than just pressing play on a general playlist and leaving it to play out in the background as studies show that 40 per cent of shoppers will stay longer in a shop if they feel that the music fits the environment and is chosen

carefully to enhance the overall brand of a business.

If the right music is chosen and researched then it can help engage the shopper and ultimately lead to increased sales, but the opposite is also true and the wrong type of music can quickly alienate shoppers and cause them to leave without making a purchase, which is the last thing a retailer wants.

Grosvenor Europe recently partnered with Spotify-backed Soundtrack Your Brand (SYB), to create the music streaming service's first shopping centre playlist. SYB has previously created playlists for individual brands and retailers, but this marks the first time they have worked with an owner and manager of a shopping centre to look at the wider musical identity of a real estate asset.

During their trials, SYB worked with Skärholmen Centrum (SKHLM) in Stockholm to curate a series of playlists following analysis of the most popular music in the shopping centre's catchment area. It broke the information down



to create three playlists offering different tempos to be broadcast through the centre at different points throughout the day. The playlists are regularly updated to constantly mirror the tastes of the local catchment area with an aim to boost local loyalty to the centre.

Carl Strufve, director of Nordics at Grosvenor Europe, says that the endeavour has helped create a holistic flow to the consumer's shopping journey: "Until now, individual retailers have managed their own playlists designed to their target consumers' tastes, but there has been little cohesion between stores and the wider communal areas of a centre. By developing an audio identity, we can take visitors on a seamless journey through SKHLM, creating a more enjoyable shopping experience for our visitors.

"It demonstrates our commitment to innovate, to ensure our assets offer the most modern and vibrant experience possible, so that they become the destination of choice for

people to spend their time in."

The next phase of development with SYB will allow Grosvenor to adapt each playlist in different areas of SKHLM, to more accurately mirror the type of activity taking place, taking into consideration footfall data and activity in the mall. The partnership is also working on technology to adjust the playlist to mirror individual visitor tastes.

Alf Tumble, SYB's music curator, who developed the soundtrack, says that curating background music is as important to a centre's identity as anything else: "Soundtrack Your Brand built the SKHLM soundtrack to bring to life the musical identity of its visitors. We examined local listening data from Spotify and found the identity to be expressive, urban, and spanning multiple cultures. We used this information to ascertain the tracks that would most appeal to the different types of visitors, and at what times, based on their listening patterns. As a result, the soundtrack constitutes of a mix of genres, languages and tempos. It is not your usual background music."

REDUCING SALES STRESS

Last year, following research published in the Journal of Retailing that revealed the presence of music has a positive effect on pleasure, satisfaction and behavioural intention in a retail environment, the Liberty shopping centre in Romford commissioned local DJs to play live music to improve state of mind, reduce stress, and give shoppers a physical boost while hitting the sales.

The centre identified the key shopper stress points during the day and combined this with research on the psychological effects of music on the brain, using this information to create a 'perfect sales playlist'.

Based on footfall data and feedback from its shoppers, 9:23am was found to be the time when most shoppers lacked motivation and were most likely to be overwhelmed by the shopping task at hand, while 12:54pm was identified at the busiest time when stress levels peaked. Four o'clock in the afternoon was pinpointed as a major energy slump point, while 4:56pm was identified as a 'panic point' as shop closing times loomed.

The research found that easy listening music had been proven to enhance the duration and intensity of concentration in all age groups and ability levels, while listening to upbeat or euphoric music can reduce feelings of fatigue, improve motor co-ordination and motivate individuals, improving physical performance.

Recognising that shoppers are often forced to find products and make quick decisions based on appearance and prices, particularly later in the afternoon as shops begin to close, the centre found that rock music sped up people's ability to recognise letters and numbers, boosting productivity.

It also identified that when faced with a drawn-out, arduous task, which is the reality of shopping for a large number of consumers, upbeat pop or rock music can provide an extra energy boost to beat the 4pm lull.

Understanding how its shoppers work and how they act

at different points throughout the day, the centre found that using different types of music significantly improved the mood and helped increase the spend of its shoppers.

Jonathan Poole, centre manager at The Liberty, said: "The January sales should be an enjoyable experience for shoppers. However, more often than not it can get stressful.

"While looking into ways we could improve the sales shopping experience of our customers, we were overwhelmed by the amount of research that highlighted the effect of music on physical and mental state of mind.

"We analysed footfall into the centre and shopper feedback to identify potential stress points, then worked with Time 107.5 FM to create the perfect sales playlist, that countered any negative emotions at key times."

PROMOTIONAL BROADCASTING

It is no secret that advertising is everywhere. Consumers are becoming increasingly overwhelmed by the omnipresent visual salesmen plaguing their sight on billboards, browsers and smart phone apps, with many choosing paid-for versions of services to get rid of pesky ads altogether.

As a result, advertisers are searching for more effective ways to reach and influence their prospective customers. An Edison Media Research study sought to determine what level of recognition, retention, and response shoppers had to targeted advertising via centre radio broadcasting, and to examine the impact digitally-enhanced, custom-programmed music had on the shoppers' in-mall experience.

The results of the investigation found that mall shoppers are not only aware of messages delivered through a mall radio network, but that a more than half of shoppers demonstrated a high recall rate of regularly broadcast messages.

Joe Lenski, executive vice president of Edison Research, says: "Our research demonstrated that within mall properties, and over a demographically diverse sample, shoppers' recall rates of ads played over the mall radio network were more than 50 per cent, depending on the number of times they visited the mall.

"In advertising, repetition and frequency often drives results, but compared to other forms of advertising, specific promotions delivered via mall radio network had a greater recognition rate among consumers."

Some of the most effective advertising campaigns for retail shopping centres are made through multimedia channels. Shopping centre radio marketing can be used to target specific shoppers on different days of the week which is critical to success and overall footfall. Using footfall data and people-tracking technology, it is possible to recognise the different patterns of shopping that occur with different types of people, and this can be used to create targeted advertising campaigns at specific times.

Marketing agency OnBrand currently operates Onbrand Marketing Radio for a large number of UK shopping centres. The radio service provider regularly changes and updates its playlists to keep the background music current and seasonal and making sure that the mood among shoppers stays high.

OnBrand believes that, when it is done perfectly, a shop-



ping centre radio message is a one-to-one conversation with a single target prospect, written and produced so well that the music feels geared to them on a personal level, and so when an advert is played the shopper will hear the introduction and think 'It's talking to me'.

OnBrand Radio, which is broadcast to over 120 million ears per month, provides its clients with a music and messaging service to communicate directly with shoppers. It professionally scripts and records bespoke in-store messages with a wide selection of professional voice-over artists.

Research into the psychology behind PA/Tannoy announcements shows that, typically, our mentality and thoughts regarding radio broadcasted media, in places such as shopping centres or airports, is that our initial reaction is to tune into what is being said just in case the announcement affects us directly. Shoppers are predisposed to pay attention to audio advertising and therefore are more likely to absorb and respond to these messages without it feeling like it is a disruption from their shopping trip.

It is effective because shoppers do not have to stop to look at a screen or read a poster, they just absorb the information as they go along. Human ears are tuned to pick up words and phrases that are positive and appealing, and so are more likely to notice when a 'buy one get one free' offer is being advertised over the loudspeaker. Audio is a powerful medium because it reaches everyone without making them stop in their tracks. It is an easy and effective way to entice and influence shoppers of all kinds to go to stores they might not otherwise have visited, thus extending their dwell time.

Mall radio is an affordable medium that can reach a mass audience. It is a multi-use asset that can equally broadcast facility messages such as health & safety information and lost property; security messages such as reminders not to leave baggage unattended; while generating revenue with centre promotions such as seasonal store offers and advertising upcoming centre events. And most importantly, it can reach the entire centre without disrupting the shopping trip.

CREATIVELY GREEN

Shopping centres are thinking outside the sustainability box

There are any number of obvious ways to improve a shopping centre's eco footprint, from optimising recycling centres to reduce landfill to zero, to investing in sustainably conscious machinery such as food waste digesters, to replacing generic lighting with energy-saving LED bulbs. But many centres are using their position to go above and beyond with special initiatives, and educating their shoppers in all things sustainability.

This summer, Festival Place, Basingstoke, launched a major recycling initiative, Trash to Treasure, to encourage shoppers and retailers to donate plastic bottles and bottle

caps to be recycled. The centre partnered with Czech artist Veronika Richternova, working in a UK shopping centre for the first time, to turn the plastic bottles into eye-catching works of art, 'Recyclabots'.

The installations were designed to teach children visiting the centre about the importance of recycling and encourage shoppers to donate their recyclable items to the initiative. More than 500 participants attended a series of free plastic sculpture workshops, to learn how to make their own 'recycling robots'.

Neil Churchill, centre director at Festival Place, says that the initiative was a huge success in engaging young people: "Sustainability is increasingly moving to the forefront of peoples' minds, however at Festival Place we have long been committed to implementing sustainable initiatives and meaningful campaigns. Over the past decade, the centre has been awarded three Green Hero and six Green Apple awards for its commitment to recycling.

"We were thrilled to see so many young people taking part in the Trash to Treasure campaign this summer and it was really encouraging that the average age of those participating in workshops was between four and 12 years old. We would like to encourage these children to learn more about the importance of recycling and reducing our impact on the environment at each visit to the centre, through future initiatives."

Similarly, the Dolphin centre in Poole has launched several sustainability initiatives that increase efficiency and involve its local community. An Eco Hub was launched at the mall, occupying a retail unit in a prominent position in the heart of the centre, providing a creative space that supports community projects and aims to encourage sustainability activities.

The shopping centre has its own rooftop garden where vegetables and herbs are grown increasing biodiversity in the area. The garden was created with recyclable materials, including pallets and seven large wooden trugs. The area includes beehives so the centre can produce its very own 'Rooftop Honey'. Sales of the honey, which is rated 10+, plus the centre's other produce' raises money for a local charity that uses horticulture to help adults with severe mental illnesses.

Alex Mountford, asset manager with LGIM RA, says: "Creating an environmentally sustainable shopping centre is hugely important for us. Our work has helped shoppers upcycle and purchase previously owned furniture to further cut down on CO² emissions as well as reduce landfill."





THE COFFEE PROBLEM

Tackling the waste problems created by the coffee shop industry

Every single day, approximately seven million disposable coffee cups are used by consumers in the UK, which adds up to a truly staggering 2.5bn disposable coffee cups being thrown away every year, with a genuinely catastrophic proportion of those cups being sent to landfill. As much as coffee shops promote reusable cups with cost-lowering incentives, the majority of hot beverage drinkers still opt for these unrecyclable vessels.

Paper cups are notoriously problematic to recycle because they are made of two materials - paper and the polyethylene film which is bonded to it to prevent leakage. The bonding makes it difficult to separate the paper fibres from the film, and it is widely reported that less than 1 per cent of cups that are disposed of are currently recycled. The majority of paper cups currently go into general waste, which means they are either disposed of via an Energy from Waste (EfW) facility, which generates energy, or they go into landfill.

West One shopping centre in the heart of London's West End has launched an initiative to try and tackle the problem of single-use cups by signing up for a new paper cup recycling service operated by Grundon Waste Management.

The newly-refurbished centre is home to many well-known coffee-serving outlets including: Starbucks, Pret a Manger, Notes, Marks & Spencer Simply Food and McDonalds. In an effort to curb the high output of disposable coffee cups, the centre recently took a delivery of six new Grundon paper cup recycling bins.

"We are passionate about sustainability and take recycling very seriously," says Cyrus Annan, West One's centre manager. "We rely on Grundon for all our waste management and we are already zero waste to landfill. We segregate food waste and have a mixed recycling service, so the opportunity to step up a gear and introduce paper cup recycling by Grundon was a no-brainer.

"We have a significant number of outlets who serve coffee and other drinks in disposable paper cups so this move makes complete commercial sense for us and for our tenants.

"Most importantly though, this new service means we divert the thousands of cups that would have ended up in general waste, into recycling, so it really does tick all the boxes."

Grundon Waste Management recently launched its dedicated paper cup recycling service with the aim of helping

to tackle the of 2.5bn cups disposed of annually in the UK.

Rather than membership fees, the cost of the service is tailored around the frequency of customer collections and the number of cups to be recycled, with Grundon also guaranteeing that all its collections are certified carbon neutral.

The new service is available either as a standalone offering for organisations that are not existing Grundon customers, or as part of the recycling specialist's total waste management package.

Grundon director Bradley Smith, a member of the executive board of the Paper Cup Recycling & Recovery Group (PCRRG), says the move is an important one: "Finding the right solution for recycling paper cups has been high on Grundon's agenda for some time and we're confident this new service, which guarantees 100 per cent recycling, provides the most flexible and sustainable offering available today," he said.

"This is a win-win from both an environmental and financial perspective and we see this as appealing to a wide range of businesses and organisations who use disposable paper cups."

One difficulty when it comes to recycling paper cups is actually getting consumers to dispose of them correctly in the appropriate bins, as even with these specified units in place many cups still find their ways into general landfill bins instead.

To help encourage hot beverage drinkers to dispose of their cups responsibly, Grundon offers a number of new services including: expert advice and signage to encourage responsible disposal; delivery and installation of specially-designed colour-coded paper cup recycling bins with a central reservoir to contain excess liquid and a special side pod on each bin for the disposal of lids; a carbon neutral waste sack liner, which can be easily removed when the bin is full.

It also offers: a selection of different sized external cup recycling containers where cups can be stored to await collection; a comprehensive training package for employees and associates, such as cleaning and facilities management companies; support for waste awareness days to promote the benefits of the programme; and additional posters and marketing materials to create awareness of paper cup recycling.

Grundon can now recycle most polyethylene (PE) coated cups, coffee cups used by high street chains such as Costa and Starbucks, and cold cups, such as those used by McDonald's for serving soft drinks and milkshakes. To date, paper cup recycling facility James Cropper has recycled more than 20m coffee cups through its facility, and has the capacity to upcycle 500m each year.

SUSTAINABLE WASTE

Aside from cups, another problematic by-product of the coffee industry are coffee grounds, with half a million tonnes of waste coffee grounds being produced in the UK each year. In a bid to tackle its coffee-ground output, the St Enoch centre in Glasgow came up with a concept following a circle assessment and workshop with Circular Glasgow which explored ways the shopping centre could repurpose waste.

Coffee grounds, which have previously been regarded as waste, are now being collected from a number of retailers



in the centre by landscape specialist GP Plantscapes, which uses the waste grounds to enrich the compost that is then used within the plants throughout the mall.

The concept has seen retailers brought together in a bid to embrace the circular economy and already Starbucks, Costa, Muffin Break, Kimble's, Di Maggio's, McDonald's, KFC, Pizza Hut, Aulds and Burger King have signed up to the initiative which will reduce the amount of waste from the centre.

The new initiative expects to save the shopping centre £140 per tonne of recycled coffee and hopes to inspire other centres to think of innovative ways to reuse waste.

St Enoch general manager Anne Ledgerwood says that repurposing coffee ground waste on site has been a hugely positive and sustainability-conscious initiative: "We are pleased to have our coffee grounds initiative underway, not only is it making use of an item previously seen as waste, it will also benefit our plants. This is just the start of our circular economy journey.

"The coffee initiative is a great example of how small changes can make a real difference in helping to reduce waste and improve sustainability, something which we are continuously working towards in-centre. The workshop with Circular Glasgow was a great way to work with our retailers and get everybody thinking about how we can develop new uses for waste and there's already lots of constructive discussions taking place for the next stages."

EMBRACE EXPERIENTIAL

Shopping malls can still win using retail traffic data, believes
Steve Richardson

This year has marked a new landmark for the UK, as Westfield London became the largest shopping centre in Europe with the opening of a £600m extension in March.

Fully embracing experiential retailing, Westfield London's larger footprint has allowed it to become a place to do more than just shop. Entertainment elements are being added such as indoor golf, cinemas and climbing walls, while space is being created for a wider tenant mix that will draw the crowds. For instance, Westfield London can now boast additional fashion brands and a smart new John Lewis department store, while Westfield Square, a new public events space surrounded with shops, dining and leisure outlets, will open in the summer.

Extensions like this are being undertaken across the UK as the mature mall market responds to changing consumer needs and expectations. What do they all have in common? Traffic data is playing a vital role in the new age of experiential retailing and insight-driven decisions are shaping malls.

To remain relevant and competitive, most modern shopping centre portfolios in the UK acknowledge the vital role traffic data plays in ensuring leasing strategy and marketing campaigns are aligned to customer needs, and really delivering results. There is a current hunger for data to prove whether investments are paying off, with traffic counting technology and data analytics systems in place to measure and react to key data findings. This will ensure decisions are based on an accurate understanding of what is happening on the ground.

Malls are finding that collaborative mall events can lead to large surges in pedestrian traffic. However there's no need to be caught by surprise: shopping centre management and tenants can be fully prepared for known calendar peaks, and able to focus on boosting conversions on key dates by using traffic data. Tenants can be briefed on when to expect weekly or daily power hours, or traffic surges driven by collaborative mall events, with marketing initiatives becoming fine-tuned in line with measured traffic trends over time.

With the use of traffic data, experiential malls can be designed to maximise traffic hotspots and traffic flow, ensuring the layout and tenant mix are as profitable as possible.

Landlords can make the case for leasing charges based on traffic data and can prove to tenants that improvements to the mall are delivering results in the form of higher traffic. Decisions regarding upgrades, extensions and additions,



for example a new food court, can be made based on data analytics, and lease charges adapted accordingly.

Retailers that are provided with traffic and demographic data could be more likely to commit to longer leases if property owners can demonstrate the current and projected traffic numbers. For landlords, being able to demonstrate traffic projections is extremely powerful — both as a service to tenants, and as a tool in the lease negotiation process.

Looking to the future on the solid foundations of ongoing data analytics, it's possible to build a winning strategy to survive. It would seem the shaky ground of guesswork and gut feeling is becoming a thing of the past.



→ Steve Richardson is UK & MEA director at Shoppertrak

COMMUNICATION REVOLUTION

Landlords are missing out on new ways to capitalise on the mass of data that their centres generate

Retail technology is most productive when it breaks out of its silo and becomes more enmeshed in the wider marketing function, believes Enda McShane, CEO at Velocity Worldwide. "There's been a realisation that you have to offer strategic support around the software," McShane says.

With over 20 years' experience in the business of retail marketing software, operating globally across shopping malls, c-stores/forecourts, sports stadiums and events, tourism and hospitality, McShane believes

consumers now expect the level of personalisation they enjoy online in a bricks & mortar environment. "Amazon moving into bricks & mortar stores has done us a huge favour," he says. "They're all about managing the customer journey."

For example, Velocity is now working with Magi-Info, the content management system that drives content to Samsung digital screens, to drive tailored messaging on-screen. "We can change signage dynamically according to who's in front of the screen," explains McShane. "For instance, if the majority of people in the centre are female and over 40 we can deliver content for them."

He sees this as a way of unlocking the power of digital screens. "Shopping centres need to think about using digital display better – it can be very effective in delivering retailers' offers and promotions."

And he believes personalisation pays off for brands and mall owners too. "If you've got 100,000 people per week in your mall, you've got to sweat that customer base," he says. "Proximity-based marketing is about talking to people who you know are customers. It's much more effective than shotgun marketing." And he adds: "Generating sales for retailers is the most valuable thing a landlord can do nowadays, and it's all measurable."

However McShane's perception is that shopping centres are, in the main, lagging behind what brands are doing. "The biggest issue is infrastructure," he says, "Most centres do have wifi but in many cases the provider won't open up to third-party suppliers." The solution, he believes, is for malls to become owners of the data they're generating, and then to commercialise that data.

"With service charges under pressure we are exploring two options," he says. "The first is to put digital infrastructure into malls on an opex basis so it doesn't hit the service charge, and the second part of the equation is to use third-party revenue to offset those costs. If it could become a zero-cost option for the mall and for the retailers why wouldn't they do it?"

And he believes privacy concerns need not be a barrier. "Mall owners can become the data controller and they can invite third parties to add value. They're not actually selling the data but third parties want insights from real customers. Mall owners need to understand it shouldn't cost them money," he concludes.





Convenience brands drive out of town market

New research from Savills reveals that the pace of new openings in the UK out of town retail market has been running slightly above the long-term trend, driven largely by convenience brands. This highlights some positive news for a sector currently facing a number of challenges, including a spate of administrations and CVAs announced in 2018.

The seven-year average for annual out-of-town retail unit openings is 812, dipping to a low of 565 in 2014. Since then, unit openings have consistently been above average totalling 882 in 2015, 895 in 2016 and 977 in 2017, led by retailers including Lidl, Aldi, Food Warehouse, Smyths Toys, Home Bargains, The Range and B&M. With out-of-town unit openings reaching 484 in the first half of 2018, Savills says the market appears to be on track for another relatively robust year.

Sam Arrowsmith, associate director in the

commercial research team at Savills, said: "The out-of-town retail sector is certainly not immune to the structural changes affecting the UK retail market as a whole. However, these results are heartening and perhaps reflect the beginning of a change in the composition of out-of-town retail schemes towards a greater focus on convenience retail. Competition with online sales tends to have less of an adverse impact for convenience retailers and many do not have an online offer at all."

In terms of floorspace leased annual out-of-town store openings have also consistently been level with or above the seven-year average of 10.8m sq ft, reports Savills, reaching 11.2m sq ft in 2017. The first half of 2018 saw 5.2m sq ft of openings which, if repeated in the second half, would see a full year total roughly on par with the longer-term average.

Since 2015, Aldi, Lidl, B&M, Home Bargains and The Range have opened 479 new out-of-town

units in the UK, accounting for very nearly a quarter or more of total out-of-town unit openings each year. Beyond the convenience-led value market, Tapi, M&S Food, Next, Oak Furniture Land, Wren, Go Outdoors and Mountain Warehouse have all been acquiring space in 2018, collectively accounting for a further 10 per cent of total out-of-town unit openings.

Dominic Rodbourne, head of out of town retail at Savills, added: "The out-of-town retail market is in a period of consolidation and there is significant over-rent in some cases, but it is evident that the sector still appeals to retailers and consumers and will continue to do so. The message is very much that despite particularly challenging conditions, there are a number of retailers that are still highly acquisitive at the correct rent. Many of the units that have or will become available through administrations and CVAs will be re-let speedily," he predicted.

Leisure sector evolves

A new report from LGIM Real Assets makes the case for a continued investment in the leisure sector, thanks to persistent consumer demand, a dynamic tenant base and technological innovation. The structural change in household spending habits, towards 'experiences' and away from physical possessions, has driven a major transformation in the market, which is expected to gather speed over coming years. This is being underpinned by an increasing proportion of discretionary spend being channelled towards leisure activities.

Legal & General's 'The Future of Leisure' report looks at how the leisure sector continues to attract consumers now and will do into the future. Property owners that are willing to be flexible, optimise their stock selection and embrace changing dynamics will be rewarded with long-term, sustainable income and a dynamic tenant base. The report addresses the challenges and opportunities the sector will face, with key findings on how leisure services are evolving, who will be the tenant of the future and what will be their physical space requirements.

The report concludes that the leisure tenants of the future will optimise location, occasion and channels to connect to their customer. Already they have embraced changing lifestyle demands and technological advances, stepping up to meet today's challenges. While over 10% of the investable leisure stock is located in Greater London, Legal & General's report demonstrates that it is not just a London story. Regional markets have also adapted to provide a vibrant, interactive offering. The market has seen this development play out across all types of leisure property, whether that be an out-of-town park, a scheme in a city centre or a standalone unit.

According to L&G's research, creating a destination, not just a location, is paramount for future-proofed leisure property. Property owners need to provide services and activities that stand out from the crowd. Currently, the mid-market is being squeezed as consumers crave new experience. This report finds that this can be resolved through reformatting space and utilising advancing technology with stock selection that focuses on flexible space, visibility and accessibility.

And looking ahead consumers will want highly sociable, community-orientated spaces that are hyper connected and age inclusive. The consumer service model has changed: leisure activities are no

longer the preserve of special occasions. Our leisure time has evolved from a static, one-stop event to a journey involving multiple touch points and a variety of activities; a meal and a visit to the cinema, axe throwing with colleagues, or a trip to the gym followed by a coffee with friends. This reflects the widening of our social networks as the groups of people we spend our free time with expands to include not only family and friends, but also colleagues and casual acquaintances.

Andrew Ferguson, senior fund manager at LGIM Real Assets and head of the Leisure Fund, said: "This report shows there is a real long-term future for leisure. Our dedicated Leisure Fund has grown to over £600m but as owners of leisure we have had to be bold and ambitious to achieve growth and success is this sector. We believe that the real long-term future of leisure will focus on optimised options, connected spaces and fusion cinema."

Ellie Jukes, senior strategist at LGIM Real assets, added: "While the sector has made significant headway compared with other industries, owners of leisure property need to continue to be as responsive and forward-thinking as their occupiers, they need to dare to be different. What space will be required to realise the ambitions of their tenants? How can the wider physical environment help create a future-proofed location? Where will leisure interact best with other areas of the commercial property market to build the best destination? We think our Future of Leisure report provides some of the answers."



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Retail parks can be SUSTAINABLE



The future of retail parks is green, says Hannah Milne

If asked to consider the colour most associated with retail parks, I'm sure that grey would be on most people's lists, with 'green' being a less obvious suggestion. Large format stores, convenient locations and accessible free car parking; retail parks have many positive attributes, but often without much space dedicated to greenery, nature or the surrounding landscape.

Yet, across the UK, people are being encouraged to reconnect with their natural environment and are seeking opportunities to do so. It's a trend that transcends age groups, with Millennials prioritising time away from their screens and spending twice as much as boomers on self-care.

For us, as a responsible owner and manager of retail destinations, we recognise that we have to respond to these priority shifts. After all, the retail destinations of today are about so much more than just shopping – they are increasingly mixed-use with a multitude of reasons to visit and an experience you simply cannot get online. I believe that the key to creating a truly successful and resilient destination is being able to tap into these broader global trends, taking a comprehensive view of the experience on offer for visitors to our places and providing compelling reasons to visit which combine shopping, dining, leisure and entertainment in equal measure.

This view was a driving force when we came to launch Rushden Lakes in Northamptonshire. With over 40 retail and restaurant brands, alongside 200-acres of Nene Wetlands nature reserve and set beside stunning lakes, Rushden Lakes offers

a shopping experience combined with nature and the great outdoors. But, we haven't gone it alone, we recognise the power of partnership in delivering great experience and so this internationally important site for wildlife is managed in partnership with the Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire.

With Rushden Lakes having celebrated its first birthday just last month, which we worked in partnership with LXB to deliver, we see that shopping is just one aspect of the visitor experience, with outdoor discovery the real attraction. We've welcomed 4.5 million people in the last 12 months, far surpassing our expectations for this new destination. What's clear is that Rushden Lakes is celebrated as much for the nature trails and canoeing on offer as it is for the great line-up of retail and lakeside eateries and cafés. For our brands, there is a clear benefit too. It's this complementary mix which provides reasons to visit again and again, which lies at the heart of Rushden Lakes' popularity – both with local shoppers as well as people who travel from far further afield.

We are now applying the lessons we have learnt from Rushden Lakes and looking at how we can incorporate more opportunities to connect with nature across the portfolio.

But, we also know that being 'green' is much more than just about getting outdoors. Across our portfolio – from the materials we use and the infrastructure we provide, right through to our customer interaction – we are implementing a broad range of environmentally beneficial initiatives.

In the past 12 months we have also strengthened our relationships with our strategic partners, including the Wildlife Trusts. Together we have put nature at the heart of a number of our destinations; establishing bee friendly borders at Crowngate shopping centre in Worcester for example, and crafting the first biodiversity graffiti wall at The Gate in the heart of Newcastle city centre.

When I first began my career in retail, commercial space was viewed almost entirely in terms of the sq ft we could deliver. Now, by combining retail spaces with engaging experiences and sustainable spaces, we are delivering positive commercial, social and environment outcomes.

For me, that's a measure of real success, and also a reason to keep raising the bar of our ambitions.



→ Hannah Milne is director of regional portfolio at the Crown Estate

Meadowhall unveils giant Heart of Steel

Thousands of Meadowhall visitors are joining fellow fundraisers in engraving names onto a 2.4-metre high steel heart unveiled at the centre in aid of the British Heart Foundation.

Created by artist Steve Mehdi, the Heart of Steel is part of the wider Steel Man project, a much anticipated 32-metre high future landmark that will be situated at the gateway to the city, viable from the M1. Once the full structure is completed, the 1,138kg heart bearing 150,000 names will be placed inside the Steel Man. The University of Sheffield Advanced Manufacturing Research Centre has developed a touch screen app so Meadowhall visitors can locate names on the heart, make donations, and learn more about the project.

Donations to the Steel Man project will help to fund lifesaving research into heart and circulatory diseases.

Hosting the Heart of Steel and inviting people to take part in the project and donate to the British Heart Foundation forms part of British

Land's wider strategy at Meadowhall to support key initiatives in the local community. Other recent examples include contributing to Alex Chinneck's proposed Tinsley Viaduct sculpture trail, and illuminating Meadowhall's glazed roofs with the rainbow colours of the LGBT flag throughout July to celebrate the 10th anniversary of Sheffield Pride.



Hannigan hands over

After 35 years of service to Springburn shopping centre in Glasgow, centre manager Tom Hannigan has retired. Adrian Bryan, senior surveyor at managing agent Workman, said: "Tom's dedication and service to the shopping centre has been outstanding and we all wish him a happy and relaxing retirement."

Tom's replacement as centre manager is Harry Devine. Harry is no stranger to the world of shopping centres having been involved in various schemes across central Scotland and Fife. Harry was operations supervisor at Ocean Terminal in Edinburgh when it first opened, later becoming duty manager there, before being involved with brownfield regeneration facilities

at Edinburgh Waterfront. Harry has also spent time in building and facilities management in Edinburgh prior to managing up to three retail parks in the central belt and Fife.



This month's moves . . .



SAVILLS has expanded its retail team with the appointment of directors **STEPHEN PROUDLEY** and **JONATHAN NETLEY**, who will be based at the firm's Manchester office. Both Proudley and Netley join from Lambert Smith Hampton, where they held senior roles in the retail and leisure team since the firm's acquisition of Tushingham Moore in 2015. They were previously two of five equity partners at Tushingham Moore.



CBRE has appointed **TASOS VEZYRIDIS** as senior director of retail and logistics research for EMEA and the UK. He is currently group research director at Landsec. Prior to joining Landsec in 2013 he was assistant vice president in Barclays Capital's global corporate real estate division for five years.



DANUTA GRAY is to join the board of **ST MODWEN** as a non-executive director and chair designate, taking over from current chairman **BILL SHANNON** in March 2019. She is currently a non-executive director of Direct Line Insurance, Aldermore Group, Old Mutual and the Defence Board of the UK Ministry of Defence.



JLL has appointed **EMMA TATTERSALL** as an associate director in its EMEA retail capital markets team. She joins **JLL** after four years at Cushman & Wakefield where she was most recently an associate director in the EMEA retail capital markets team.



STUART YATES has been appointed by **EDINBURGH HOUSE** as senior asset manager. He has worked on acquisitions and asset management for Papa John's, Domino's and more recently, William Hill. Also new to the team is asset manager, **RICHARD DUNLING** who joins from JLL's retail management team. Prior to this Richard began his career at Network Rail.



SAFEGROUP, the specialist reactive soft services provider, has appointed **MARTIN GAMMON**, the former chief executive officer of ocs group, to be its non-executive chairman.



QUEENSBERRY has made three new hires as it opens a second office in Sheffield to support expansion of business in the North. **ANDREW DAVISON**, who has 10 years of redevelopment experience, will join the new office as project director from Turner Townsend. And **MICHAEL NORRIS** will join from Centre Parcs as project manager. In London Queensbury has recruited **CHARLIE HIBBERT** from Arcadis.



CBRE has appointed leisure specialist **MARK CALDER** as a director to its central London retail team. He joins from BNP Paribas Real Estate where he led the central London restaurant and leisure team, prior to this he worked for Restaurant Property.

Structure refurbishment specialist **CEMPHAS** has opened a new regional office in Coleshill, Warwickshire. The opening follows the appointment of **MIKE WOOD** as regional manager (northern).

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