

Abbreviated

What's Next?: Retail development after the crunch

Karl Kalcher, Managing Director,
MindFolio Ltd.

BAFTA

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So What Now, Shopping Centres?

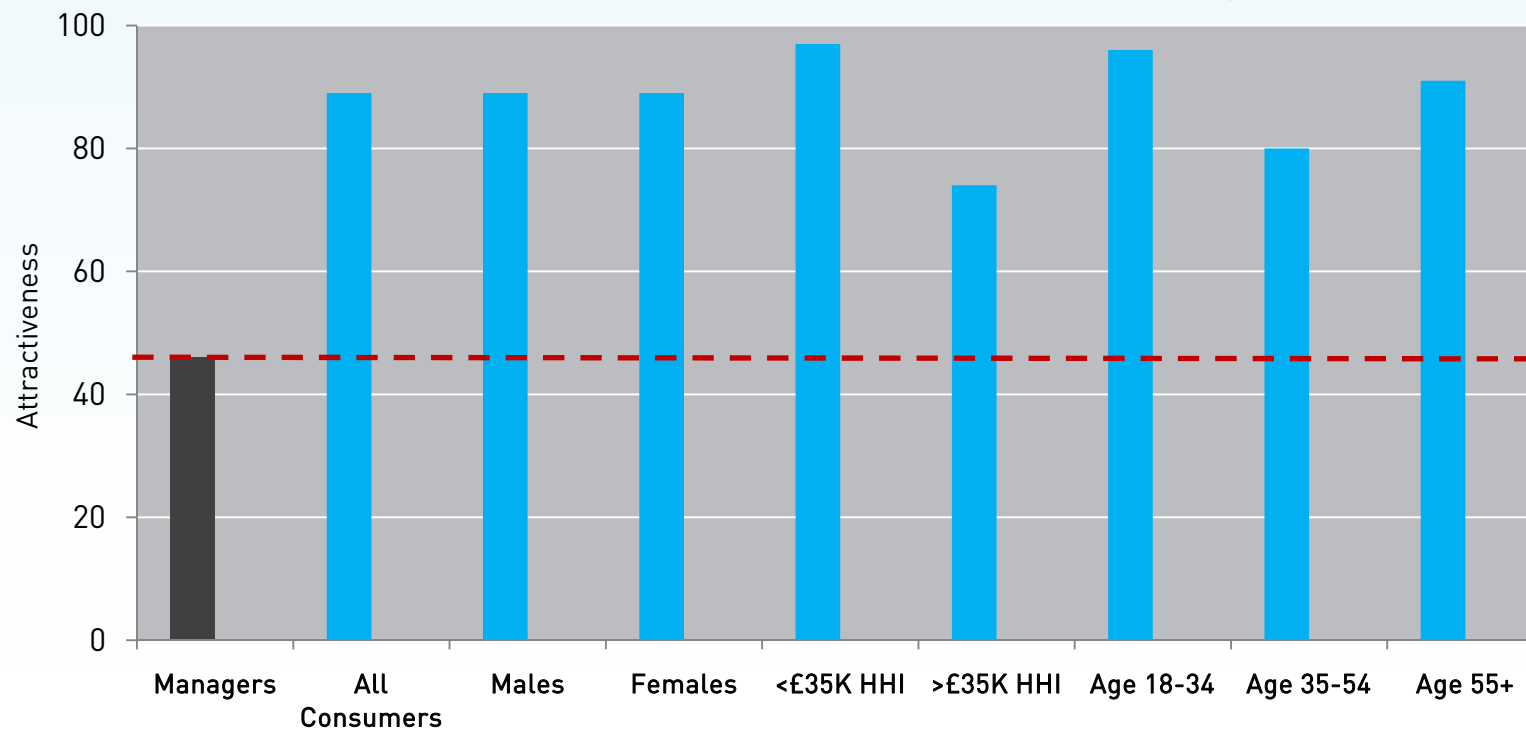


- **Check: Enough Value there?**
- **Seek flexibility: Transforming Retail Changes ahead**
- **Be bold: Embrace Entrepreneurial Leasing**
- **Invent. Re-Invent: And let's learn some lessons too**
- **Explore: There is a BIG IDEA out there for quite a few...**



We seriously underestimate the consumer demand for Value-Price retailers

Lower-price retailers in favourite shopping centre



Is there a lesson to be learnt from the success of Outlet Centres?

S.C. Type	% Premium Retailers	% Mid-Market Retailers	% Value Retailers
Super Regional Centre	41	53	7
Major City Centre	19	61	19
Major Out-of-Town Centre	24	64	15
Outlet Centre	25	50	25



Source: CBRE, CACI, Grosvenor, Duncan Jones Consulting, BCSC Research, 2007

So What Now?

- **Check: Enough Value there?**

- **Tip: Analyse your current Value Proposition**

- **Tip: Be led by Consumer Insights**



So What Now?

- Check: Enough Value there?
- **Seek flexibility: Transforming Retail Changes ahead**



Web 2.0 is not the only force to transform retailing

Probably more change than we can comprehend today...

- 1. The on-going migration of Chain Store business to Supermarkets will continue, releasing much space**
- 2. Ever more targeted retail formats**
 - Smaller but more efficient shops;
 - Less duplication?
 - New Players: P&G, Microsoft, National Geographic, ...
- 3. Retail Innovation more about 'how to sell', less 'what to sell'**
 - Watch for the 'Apple Factor' spreading
 - Therefore: providing a 'sense of branded place' will remain key for us
- 4. Growth in 'Co-Tenant' formats, leisure choices, service merchants, ...**



So What Now?

- **Check: Enough Value there?**
- **Seek flexibility: Transforming Retail Changes ahead**
 - **Tip: Think 2012+ :**
Helping retailers to down-size or up-size quickly might be very profitable for both parties. Try to quantify it.
 - **Tip: Now is a good time to negotiate smart options**



So What Now?

- **Check: Enough Value there?**
- **Seek flexibility: Transforming Retail Changes ahead**
- **Be bold: Embrace Entrepreneurial Leasing**
 - **A mindset that doesn't replace, but should add to what we do**
 - **An extra 'oomph' of energy**



So What Now?

- **Check: Enough Value there?**
- **Seek flexibility: Transforming Retail Changes ahead**
- **Be bold: Embrace Entrepreneurial Leasing**
- **Invent. Re-Invent: And let's learn some lessons too**
 - **Some developers leave millions on the table – go and capture 'Vision Yield'**
 - **Embrace the Innovators amongst us...**



Too often we put the cart before the horse...

Let's develop a holistic experience strategy before starting to design for CABA, XYZ council and ABC Fund Managers.

- **We talk about 'Mixed Use'; Consumers pay for 'Multiple Experiences'**
 - Don't let anyone fool you that this is about adding costs!
- **We talk about Leasing; Consumers delight in aligned adjacencies and memorable destinations**
 - 'One mind' about shops, restaurants, hotels, offices, attractions, housing, amenities,...
- **We build 'celebrity' buildings; Consumers, given the choice, tend to prefer 'celebration' squares, streets, commons, ...**
- **The finest amongst us also break rules well; Consumers, by and large, follow those rebels...**



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Inspiration to leave the retail 'comfort-zone'

Why bother with Leisure & Entertainment concepts?

- 1. When it comes to having a 'good time', the internet is 'second best'**
- 2. Safe & controlled environment is a powerful advantage**
- 3. Diversity: Footfall and New Tenants**
- 4. Asset Utilisation: There are 168 hours in every week.**
 - Most centres: 40%, Smart restaurants: 50%, Cinema: 56%
- 5. Income**



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