

# MIX AND MATCH

## TRADITIONAL MALLS ARE OUT MIXED-USE DEVELOPMENTS ARE IN

HERE'S HOW TO TURN OLD INVESTMENTS INTO NEW ONES.

BY KELSIE FOREMAN

If you've found yourself perusing the shops at a retail mall looking for a new pair of shoes or jeans, you've probably noticed that your shopping center is looking a little emptier these days. Due to the rise of ecommerce and Amazon, an increasing number of consumers choose to buy their goods online, rather than in-store, leaving the traditional shopping mall looking for new ways to innovate.

Consumers today are looking for convenience, a one-stop shop where they can purchase anything they could ever need. They're looking for more than your stereotypical retail mall. Based on consumer wants, today's retail malls are in need of massive redevelopments. Ones that transform a traditional retail space into an area that combines living and working with shopping, entertainment, and dining.

In fact, redevelopments like this are probably the only thing that can save retail malls. For if no redevelopments are made, business growth within the retail sector becomes stagnant. When asked what would happen to retail malls that chose to forego any redevelopment, Zach Beaudry, an executive vice president at Colliers International, "what would happen to retail malls that chose responds with a chuckle. "I'd wish them luck. I think they'd have a hard line to hold to stay fluid in the market." It goes without saying, but in this economy, you either adapt or die.

Tim Simonsen, a senior executive vice president at Colliers International also agrees that change is necessary for these societal staples and says that, "it is impossible not to redevelop and reinvent retail. The continuing evolution of retail space has seen its biggest changes in the last 20 years." However, he adds that retail real estate will always be an "integral part of people's lives."

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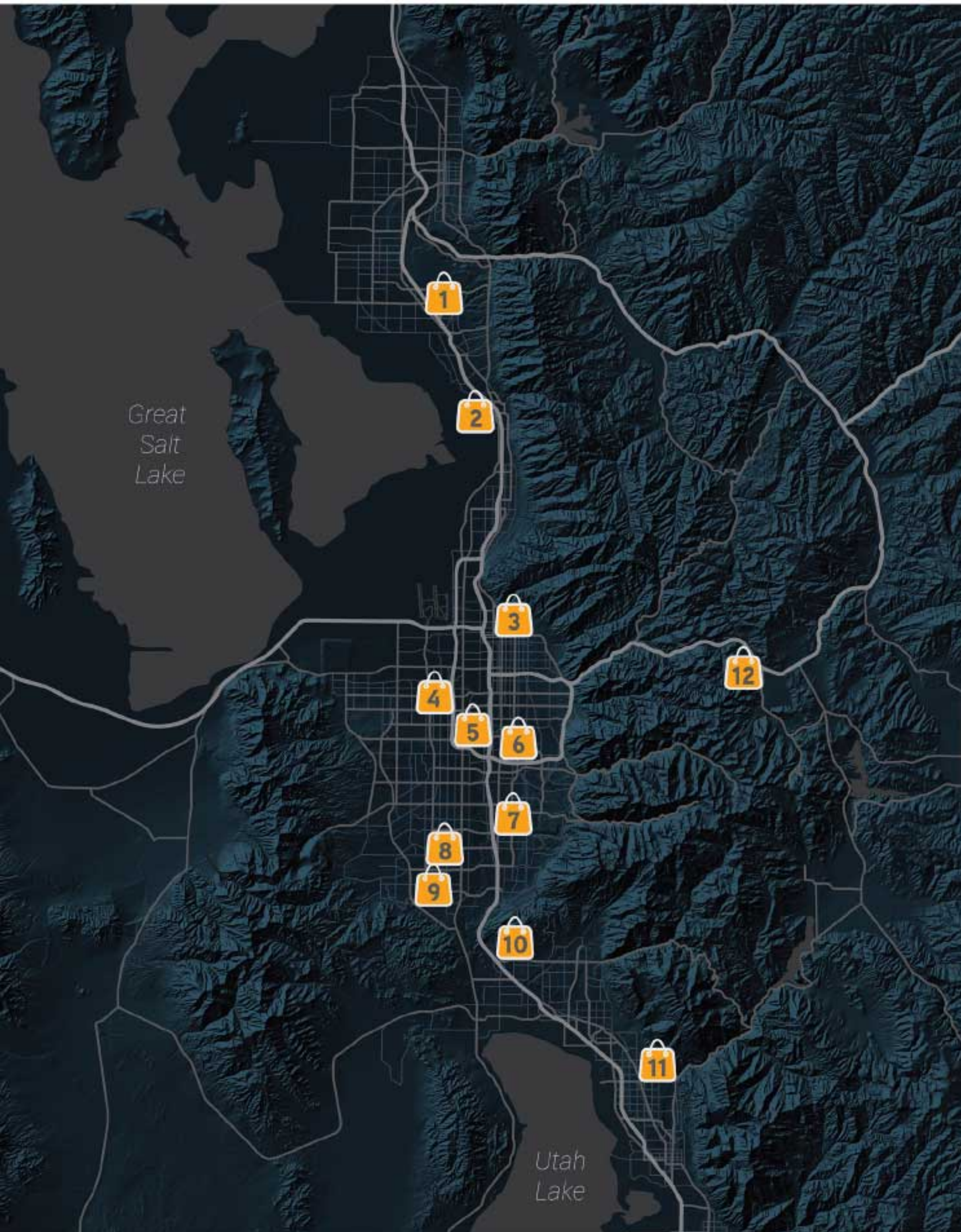
Tim Simonsen, Senior Executive Vice President and Partner, Colliers International



Photo courtesy of University Place

**IT'S ALL ABOUT GETTING**  
more people in the space and that's  
really what drives retail entertainment.

**Jeff Woodbury**, Senior Vice President,  
Woodbury Corporation



**KEY  
RETAIL  
CENTERS**

- |                        |                                  |
|------------------------|----------------------------------|
| 1. RIVERDALE CENTER    | 7. SOUTH TOWNE CENTER            |
| 2. FARMINGTON STATION  | 8. THE DISTRICT                  |
| 3. CITY CREEK CENTER   | 9. MOUNTAIN VIEW VILLAGE         |
| 4. VALLEY FAIR MALL    | 10. OUTLETS AT TRAVERSE MOUNTAIN |
| 5. TAYLORSVILLE CENTER | 11. UNIVERSITY PLACE             |
| 6. FASHION PLACE MALL  | 12. PARK CITY OUTLETS            |

**REDEVELOP MALLS INTO MIXED-USE BUILDINGS**

When it comes to redeveloping the retail real estate space, the solution, it seems, is to rebrand and redevelop these spaces as an environment suited for mixed-use. In other words, shoppers can expect the malls of tomorrow to house everything from movie theaters, restaurants, and health clubs, to office spaces and apartments. Mixed-use spaces are the perfect solution for the shopper looking for a convenient one-stop shop.

While discussing the future of retail malls, Simonsen says that the key to developing the ultimate mixed-use space is more than just leasing out retail spaces to health clubs and movie theaters. In fact, it requires a much more elaborate mix of gaming studios, food halls, water parks, golf driving ranges, concert venues, cooking classes, surf parks, and much more.

"Developers must create the full array of goods and services. Restaurants, restrooms, gathering places, easy transportation, drop off and pick up locations, and a safe and secure environment for families," says Simonsen. "These centers must be 'technologically smart.' Constant electronic contact between friends and family coupled with the right amount of instant ecommerce advertising to capture the dollars on site will be critical."

**CREATE THRIVING COMMERCIAL CENTERS**

It's no surprise that redeveloping a retail mall to house things such as water parks, golf driving ranges, and go-kart tracks is a daunting and costly project for developers, but it's one that Simonsen says is worth the investment. Both for the mall and the areas surrounding it, as well.

"Mixed-use developments are very beneficial to the thriving retail areas," says Simonsen. "By creating day-time jobs with office space; eating establishments which cater to customer needs morning, noon, and night; public transportation convenience; hospitality choices; and experiential retail venues, guests are able to create memories and feel-good times with friends and family."



Stuart Thain, executive vice president of retail, land and investment at Colliers International, explains that Utah's incredible growth has dictated a need for mixed-use space. Thain says, "With the greater Salt Lake City market adapting to a more urban environment as a result of escalated population growth, more multifamily is being incorporated into mixed-use development as projects look to build synergy through providing the right balance of hotels, recreation, parks, office, retail and multifamily."

For a great example of successful mall redevelopment, one only needs to look at University Place in Orem, owned and developed by the Woodbury Corporation. Originally named University Mall, over the last few years the shopping area has undergone a massive \$500 million transformation, complete, of course, with a new name and a little something for every shopper.

The mixed-use development now houses Costco, Trader Joe's, Big O Tires, Massage Envy, Tai Pan Trading, Cinemark movie theater, and a host of delicious restaurants. Jeffrey Woodbury, the senior vice president at the Woodbury Corporation highlights a brand-new apartment complex located on-site and mentions that there will be a hotel added to the property sometime in the next year.

At University Place, you can literally walk out the front door of your apartment and walk to a grocery store, a movie theater, and more. With everything a shopper could ever need found in one convenient location, you'll never have to leave.

**EMPHASIZE COMMUNITY SPACES**

While there are a host of new things happening at University Place, both the shoppers and the developers at Woodbury are most excited about the addition of The Orchard, a park-like space located outdoors, in the heart of the property. Complete with synchronized water shows; a plethora of covered seating; within close proximity to the apartment homes; and the ability to host year-round concerts, farmer's markets, and other activities. The weekly events held at The Orchard help bring even more people into the mixed-use space.

"It's all about getting more people in the space and that's really what drives the retail entertainment," says Woodbury. "So if we have a concert, or we have a yoga class, people will walk through the food court and pick something up on the way to the park."

Due to the success of the redevelopment of University Place and changes in shopping habits, several other retail malls throughout the valley are following suit. "In Utah and along the Wasatch Front, nearly every major retail tenant is looking to expand their footprint and market share with new locations. Utah's economy is one of the best in the country. That will not change. There are very few negative economic factors. If you want great return, Utah is a great place to invest. It is the best place to live and do business," says Thain.

Though mixed-use developments don't happen overnight, retail spaces throughout the valley such as The Gateway, Valley Fair Mall, and The Shops at South Town are making small changes to improve the success of the retail real estate space wherever possible.

"The mixed-use mall is not a quick and easy fix," says Mr. Simonsen. "South Town has been formulating their plan now for five years. They have been successful in fixing their transportation access with the addition of the northbound I-15 exit directly into the mall. They have repurposed the former Dillard's box into a new entertainment venue named Round One."

But South Town's redevelopment doesn't end there, Mr. Simonsen adds that the developers are looking at adding multi-family housing, several new restaurants and hotels, and a new "category killer" hard-goods store in the west end of the retail space. Some malls are even looking at adding a bit of office space, similar to the office spaces at City Creek Center. With additions like these, it isn't hard for shoppers to find everything they could ever need, all in one convenient location.

"We have all heard the adage live, work, and play," says Simonsen. "This is where mixed-use developments or combinations of developments create places to live, places to work, and places to recreate and entertain. All within the same development." ■