

# 8. REVITALIZATION AND PLACEMAKING AS CORNERSTONES FOR THE FUTURE

For years, it has been said: The market for shopping centers in most European countries is saturated. The coronavirus has massively accelerated existing trends, and new economic risks are acutely threatening the retail sector. As a result, the call to action, "revitalization", has become more and more urgent.



Revitalization was a key issue for shopping centers even prior to the pandemic. Until a few years ago, retail space could never be big enough. In good locations, for example, three-level properties were quite normal. Today, creativity and, above all, proper analysis are needed to rethink and reuse space.

How can the changing needs of tenants be taken into account and how can new consumer needs be reconciled with them? That is the key question, the answer to which has not only become more urgent, but must also be constantly evaluated – especially during periods of difficulty.

Placemaking is the catchphrase of the industry. The term extends well beyond usage mix. When revitalizing a shopping mall, it is important to create a customized mix of uses for each location in order to inspire and excite visitors time and time again as well as to offer an emotional shopping experience. "When it comes to professional placemaking, refurbishment is not enough – shopping centers need to be revitalized, which requires both human resources as well as financial investment from owners and tenants," says Jan Tanner, Head Retail & Site Management Switzerland, Privera, Founder Shopping Center Forum Switzerland and Member of the ACROSS Advisory Board. "When it comes to professional placemaking, refurbishment is not enough – shopping centers need to be revitalized, which




IMAGE: SCSC

requires both human resources as well as financial investment from owners and tenants."

To illustrate the need for action, Tanner uses the Swiss market as an example for many European countries:

"Many shopping centers in Switzerland are getting on in years: Some have not been refurbished in nearly 50 years. There is a great need to catch up in order to reposition those centers in line with the market. Many have suffered huge losses in terms of footfall and sales in recent years. However, the timing is very good. While anchor tenants hope for more productivity in smaller spaces, spaces are being created for new uses, such as for medical centers, beauty, hospitality, etc., as well as for more quality of stay. That is where opportunities lie to increase rental income via new concepts in smaller spaces and, in doing so, justify the high investment costs."





# WHAT THE CONSUMER REALLY WANTS!

Whenever consumers face uncertainty, their behavior changes. While retailers have learned to be more innovative, guardrails are needed.