

Lifestyle Retail Centers

A decline in the traditional mall or strip-mall over the past two decades has been followed by an increase in the popularity of new retail centers called "Lifestyle Retail" centers. These centers represent a departure from previous retail development that was often focused more on attracting and maintaining the relationship with the retail tenant than with the customer. Unlike previous retail development, a lifestyle retail center is meant to customize its environment to the changing lifestyle of the consumer in order to make it a stimulating and social place to gather.

The following summarizes an article titled "Lifestyle Retail" from the February 2004 issue of Urban Land. While many of the examples are from new projects in large cities, many existing main streets and business districts have an opportunity to reposition themselves as lifestyle centers.

Features of a Lifestyle Center

In most cases, lifestyle retail centers are open-air, main street-like developments with higher-quality architecture that focus on certain retail sectors and blend mixed-uses typical of a traditional main street. These are pedestrian-friendly centers where consumers can gather in public spaces and feel part of a community. The centers are vibrant places where people can live, work, play and shop.

A mixture of uses is typically included such as residential, office space, hotels, churches, theaters and municipal facilities such as libraries. A residential component is especially important as it adds density to the project (helping to justify land costs) and extends its hours of operation (unlike the defined hours of a shopping mall). In many ways, these new centers are attempting to recreate the traditional city center environment within the shopping center. As a result of the added amenities found in a lifestyle center, there are more reasons for consumers to visit and stay longer. The longer people stay, the more they spend.

The Market for Lifestyle Centers

Lifestyle retail centers are a result of "changing demographics, urban revitalization, a lack of traditional mall development, heightened competition, and bored

consumers." As a result, retail developers have had to come up with unique developments that offer consumers something that other shopping centers cannot. A popular way to do this is to bundle shops next to each other in the same retail segment drawing a specific targeted consumer to the development. While many lifestyle centers are being created in suburban areas, there are other infill opportunities for creating a lifestyle center from an abandoned mall or a deteriorating downtown.

Examples of Market-Specific Lifestyle Retail Centers

Many successful lifestyle centers specialize on a certain retail segment to draw in a certain target market. Many of these lifestyle segments are based on culture or interests, not demographic or socioeconomic factors. Examples of market-specific lifestyle retail centers are presented below.

Teenage Lifestyle Market The Lab in Costa Mesa, California was created to target the teenage consumer market because teenagers have substantial disposable income. To reach this market, the developers needed to create an atmosphere where teenagers would feel comfortable. The result was 50,000 sq. ft. of next-generation retailers targeted specifically at the teenage consumer. In addition, manufacturers were able to use many of these stores to test new products directly on the teenage market.



Greenway Station, Middleton, WI (www.greenwaycenter.com)

Outdoor Enthusiast Lifestyle Market The Camp in Costa Mesa California was developed to focus on outdoor sporting goods and apparel. Over 65,000 sq. ft. of retail space is devoted to surfing, skating, skiing, and other outdoor sports. Additionally, this center allows consumers to get expert advice and try out new products before making a purchase.

African-American Lifestyle Market Located in suburban Washington D.C., Bowie Town Center is unique because it caters to a racially diverse market. It is anchored by a grocery store, Sears, and Hecht's. It includes many national retailers as well a number of African-American owned businesses focusing on culturally specific lifestyle retailing.

Home Furnishings Lifestyle Market Cady's Alley in Washington D.C. (Georgetown) is a massive upscale home furnishings lifestyle center that has over 150,000 square feet of retail space. Its main anchor is a 23,000 square foot Baker's Furniture store, which is surrounded by 17 smaller stores. The developer also added a café, a fashion retailer and a hotel to balance the retail mix and attract additional customers. Housing units were created nearby to help increase traffic.

Blue-Collar Lifestyle Market CityCenter in Englewood, Colorado is a late 1960's mall that has been redeveloped into an open air lifestyle center. Much of CityCenter consists of discount/value-oriented big-box stores that can offer prices that appeal to the blue-collar population of Englewood. The development also includes a significant number of restaurants.

There are many more lifestyle centers whose target markets are not easily recognizable. For example, Greenway Station in Middleton, WI features apparel and home furnishing stores, but the target market of the stores is not easily apparent. In addition, many deteriorated malls are being redeveloped into lifestyle centers. One example is Capitol Court on Milwaukee's north side where a vacated mall was redeveloped into new retail and housing. These developments are a combination of strip malls and pedestrian-friendly design standards, but do not specifically cater to a single market (i.e. outdoor enthusiasts).

Lessons for Downtowns and Neighborhood Business Districts

While the development of a new lifestyle retail center may not be feasible for a small town, there are still important lessons that can be learned from their success:

- Many consumers are bored with the traditional mall and are searching for new shopping experiences that are better customized to their needs.
- Consumers like to feel a sense of community where they shop.
- Being able to park once and shop in a pedestrian-friendly area is increasingly valued by consumers.
- Mixed-use developments that combine retail, offices, housing, restaurants, and entertainment are becoming more successful and expected by the consumer.
- Finding a retail niche, targeting stores that fit that niche, and creating activities or events around that niche can create an identity for a small town.
- Downtowns and existing neighborhood business districts should be prepared to deal with competition from the emerging popularity of lifestyle retail centers.

* ULI. "Lifestyle Retail". Beth Mattson-Teig.
http://research.uli.org/content/ul/2004/02/UL_0402_MattsonTeig.cfm

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