

WWD ICSC

Stats And Facts



▲ 25: Percentage increase in retail rents at Sydney's Pitt Street Mall in the 12 months leading to September 2014.

2.4%: Rise in prime retail rents across the globe in the 12 months leading to September 2014.

77: Percentage of consumers who want to shop for local products at airport retail spaces.

17,700 square meters, or 190,500 square feet: Average size of U.S. and Canada centers, the smallest in the world.

75: Percentage of global consumers who look for specific items online.



▲ \$3,500: Rent per square foot on New York's upper Fifth Avenue.

758: Number of shopping centers to be built in the U.S. through 2016, with **31 percent** of this construction in California, Texas and Florida.

\$37.9 billion: Global retail transactions in the first quarter of 2014, up **42 percent** year-over-year.

\$20.6 billion: Total retail investment volume for the U.S. in the first quarter of 2014, a **153 percent** increase year-over-year.

39.6 billion euros, or \$48.7 billion: Value of retail assets traded across Europe in 2013.

52,700 square meters, or 567,300 square feet: Average size of Asia's shopping centers, the largest in the world. ▶

42: Percentage of consumers worldwide who use social networking sites for product feedback.

17.6 million square meters, or 189.4 million square feet: Shopping-center space in France, Europe's largest market.

17.5 million square meters, or 188.4 million square feet: Shopping-center space in Russia, Europe's second-largest market.

924.5 million square meters, or 9.95 billion square feet: Global shopping-center gross leasable area in 2014.

35,590: Number of shopping centers in the U.S.

7,178: Number of shopping centers in Europe.

1,591: Number of shopping centers currently in Asia.

1,831: Number of new shopping centers to be built through 2016 around the globe.



Shanghai IFC Mall

▶ 30: Percentage of consumers around the world who use their mobile phones to compare prices and product details.



Shopping with a mobile device.

▲ Every 16 days: Frequency that consumers use shopping-center apps.

54: Percentage of consumers worldwide who travel to shopping destinations by car.

855 million square feet: Gross leasable area to be added through 2016 around the world.

53.2 million square meters, or 572.6 million square feet: Gross leasable area to be added through 2016 in Asia alone.

230,000 square meters, or 2.5 million square feet: Size of Moscow's Avia Park, Europe's largest mall.

100: Number of new shopping centers developed in Russia in the past two years.

— COMPILED BY PAULINA SZMYDKE

QUICK CHANGE

THE LIGHTS ARE BACK ON IN Downtown Los Angeles' Broadway district.

After decades of being one of the most neglected, underdeveloped thoroughfares in the city's historic core, peppered with discount electronic stores, check-cashing services and jewelry marts, Broadway — specifically between 7th Street and Olympic Boulevard — has in the past year become one of L.A.'s most sought-after retail corridors.

Its swift transformation is largely a result of the retail strategy of New York-based brokerage firm Tungsten Property and its parent, Tungsten Partners, part owner of the Ace Hotel Group. After the United Artists Building was purchased for \$11 million in 2011 as the site of Ace Hotel DTLA, Tungsten tapped its director of retail development, Jonathan Schley, to source on-brand retailers and restaurants, many of which were keen to pioneer the area.

"Being somewhat undefined, Downtown L.A. provided an opportunity for brands to make a statement that's not defined by preconceptions surrounding an existing submarket," Schley told WWD.

By the time the Ace Hotel opened last January, savvy retailers were already exploiting the neighborhood's potential, utilizing Broadway's vacant historic theaters and lofts. In December 2013, Urban Outfitters converted the Rialto Theatre into a two-story, 9,830-square-foot store, and Swedish brand Acne Studios opened its first outpost in the city — a 5,000-square-foot boutique in the Art Deco Eastern Columbia Building.

"The opportunity to help elevate a neighborhood that has seen its share of neglect, and to be part of its next wave, was too exciting for us to pass up," said Michael O. Andersen, marketing manager at Tanner Goods, a Portland, Ore.-based leather goods brand that opened a

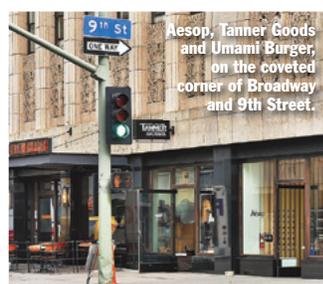
1,000-square-foot store on Broadway last February. Tanner Goods shares the block with Australian skin-care brand Aesop and cult burger joint Umami Burger.

For decades, most of Broadway's storefronts were vacant or inhabited by month-to-month tenants, so the recent retail boom has created a speculative environment.

Justin Weiss, senior associate at Kennedy Wilson Brokerage Group and former associate director of economic development for the Downtown Center Business Improvement District and Central City Association, has been recruiting retailers to the downtown area for more than five years. Weiss said deals around the desirable Broadway and 9th Street intersection average between \$5 and \$6 a square foot, but spaces a few blocks north, close to L.A.'s newly hip Grand Central Market, are renting for \$2.50 to \$3 a square foot.

"Before the Ace Hotel opened, rents would have been around \$2," Weiss said, "So we've seen rents just explode along Broadway, especially along that southern section by The Ace, Urban Outfitters and Acne. You have certain deals in the works that are \$8 to \$9."

Retailers aiming for a localized, off-



the-beaten-path feel are opening on side streets off Broadway. In October, Skingraft designer Jonny Cota relocated his downtown store to the corner of 8th and Spring, a 2,000-square-foot space on the ground floor of the Great Republic Lofts building.

Next door, Jennifer Althouse, former head buyer for American Rag, opened the multibrand AltHouse boutique. AltHouse pays \$3 a foot for the 1,650-square-foot space, located between Broadway and downtown's Fashion District.

Also on 8th Street, Swedish denim label Nudie Jeans is converting its ex-

isting showroom into a retail space for early 2015. The brand moved into the 1,100-square-foot location in February 2013, and Ruari Mahon, Nudie Jeans' global head of public relations and communications, said the neighborhood has become more cosmopolitan, more cohesive and much safer. "Our feeling was to get that foot traffic from Broadway, but also to get a local audience that is more residential and neighborhood-y."

Broadway's retail development will continue through 2015 and 2016. Schley said within that period, roughly 250,000 square feet of new retail space will come to market in the four square blocks of Broadway and 9th Street.

Gap recently revealed plans for an 8,500-square-foot factory store on Broadway just north of 8th Street, and French label A.P.C. is slated to open its second Los Angeles location on 9th and Broadway in January.

Directly across Broadway from the Ace Hotel, L.A. designer Tarina Tarantino's seven-story retail development, dubbed The Sparkle Factory, will also bring some high-profile names. Purchased in 2007 for around \$4 million, the 23,800-square-foot space houses design and production offices, and Tarantino's flagship will open on the second floor in March.

New York-based Oak leases the ground level for more than \$5 a square foot, and according to Alfonso Campos, Tarina Tarantino's cofounder and husband, The Sparkle Factory's spare floors are being scouted for showroom and retail purposes by "super-high-end New York stores and big, cool brands." He said, "There are quite a few stores that are looking for [retail] spaces not on the ground floor — they want that exclusivity."

Campos added that downtown's historic buildings are finally getting the recognition and tenants they deserve: "We have these gems that are finally being polished," he said. "This was the Fifth Avenue of the west."

— ALLYSON REES

BROADWAY FACTS

Median age of Broadway-area residents: 34*

Median income: \$98,000*

Roughly **250,000 square feet** of new retail space is coming to market at Broadway and 9th Street.

Rents: Around **\$5 a square foot.**

Real estate: There's approximately **1 million square feet** of above-ground vacant space, including **700 apartment units** planned across from the Ace Hotel.

Creative office space: Broadway Trade

Center, the 1.1-million-square-foot department store built in 1908, will reopen as a creative campus in summer 2016. Apple is said to be the lessee for both office and retail space.

Pedestrian-friendly: The Broadway corridor has been narrowed from four to three driving lanes, expanding sidewalks to 20 feet. Umbrella-topped tables and giant planters were also added.

Tourist-friendly: Projected for late 2019 and slated to cost about \$270 million, a proposed streetcar would run down Broadway from 1st to 11th streets.

*SOURCE: DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT

PITT ST MALL PHOTO BY ADAM J. C.; BERGDORF BY CHRISTOPHER PETERSON; IFC SHANGHAI BY HAO WU; SHOPPER BY GETTY IMAGES/STOCKPHOTO