



Downtown and the Lifestyle Mall: Lessons Learned

By Michael Stumpf, December 2008

Suburban shopping malls first began to appear in the 1950's, and by the end of the 1970's had successfully captured a majority of the retail that once lined downtown streets. It has taken about the same length of time for shoppers to grow weary of the suburban enclosed mall format. As the last several years have seen fewer customers making trips to the mall, retail developers have sought alternative formats, including the lifestyle center.

The International Council of Shopping Centers (ICSC) describes lifestyle centers as "upscale specialty stores, dining and entertainment in an outdoor setting that is typically unanchored, 150,000 to 500,000 square feet, and has a primary trade area of 5 to 8 miles." Increasingly, though, these centers are anchored by traditional department stores and may exceed one million square feet. Other characteristics of lifestyle centers are an open-air configuration, presence of restaurants and entertainment uses, and an emphasis placed on the quality of the physical design and amenities of the center.

Lifestyle shoppers shop more often and spend more than visitors to traditional malls. According to the ICSC, the average number of stores shoppers entered was 2.9 at the lifestyle centers versus 2.3 at

conventional malls. The average retail expenditure per visit was \$75.70 at the lifestyle centers versus \$73.30 at the malls. Lifestyle shoppers made 3.8 visits to their centers in a 30 day period, while mall shoppers paid 3.4 visits to their centers in the same period. These statistics speak volumes to why so many new centers wear the "lifestyle" label.

The lifestyle center is inspired by traditional downtowns, and in its highest form is a mixed-use environment much like a real downtown. While these malls do not need to have a mix of uses to fit the technical definition, the ones that do are the focus of this article. These are the centers that offer the most competition for downtowns, and the ones from which downtowns may learn the most.

There is perhaps some irony involved in the ascendancy of the lifestyle format. As downtowns struggled in the 1970's and 80's they were often admonished to learn from the mall. Some even took this to an extreme, building downtown malls and enclosing streets, or creating pedestrian malls. More often than not, these were spectacular failures. Now as the malls struggle their owners have looked to downtowns for the answer to their problems, and may have found it.

The elements are really not much different, whether an enclosed mall with an open-air wing, a pedestrian mall, or a mixed-use town center. Seemingly against the odds, the developers are making the formula work. There are several key differences, though, and understanding these can help a community plan for similar advantages.

Location. If we are talking real estate we have to begin with location, right? Any new retail or mixed-use center will be built only where it can be supported by suitable demographics. This may seem to put existing downtowns at a disadvantage. But communities can do much to make or break any location. Investments in infrastructure, transportation, government facilities, redevelopment, and neighborhoods can improve the outlook for existing center. Similarly, restrictions on where new development can occur may also preserve and even enhance the viability of existing locations.



to encourage cross-shopping with other stores in the center. As a condition of their lease, the owner can also establish common hours or other operating conditions, such as contributions to a center marketing budget.

Private ownership may provide another benefit in that the mall owners are less restricted in their ability to control conditions within the center. They may prohibit activities such as panhandling, soliciting, or demonstrations from occurring on mall property, and may impose curfews or other rules that contribute to making an environment that is perceived as safe.

While communities have made some progress in these areas through mechanisms such as Main Street programs and business improvement districts, this remains the one area in which malls may always have a distinct advantage.

Design. Most lifestyle centers are built to resemble a traditional business district, even when the buildings are a single story tall. The results have been mixed. In some places it is easy to tell that there is a single building with multiple facades tacked on. In other cases the buildings are each distinct, or at least the facades have an appearance of realism. Even then, it is hard to approach the authenticity of a true downtown setting, where buildings have been constructed incrementally, represent many styles, and bear the marks of time and evolving use.

What the lifestyle center does very well is provide a uniform approach to the basic elements of the storefront, such as ingress and display windows,



Traffic. Do not look for lifestyle centers on lightly traveled roads. By the same token, do not look for heavy traffic through the middle of the center. This may be the hardest issue for a downtown to deal with. A bypass that diverts traffic from downtown can be just as damaging as traffic so heavy that customers do not feel comfortable crossing the street.

Central Management. Ownership of the center by a single private entity is advantageous in many ways. First among these is the ability to determine what tenants are acceptable and where they may be located. This eliminates the potential for tenants that can detract from the center and also positions them



signage, and lighting. Furthermore, because the center is designed ahead of time with specific uses in mind, it can design the best approach to specific uses such as outdoor dining areas.

Downtowns have some tools to encourage good design, but they are also constrained by what currently exists, whether that may be buildings or the underlying platting and ownership of lots. Regulations such as zoning and design guidelines should require that renovation or new construction adhere to a set of overlying principles, but should not be so rigid as to suppress the uniqueness that is downtown's design asset.

It is certainly possible to list many other lifestyle mall attributes that can be studied and modified to be relevant to downtown revitalization. Each case, of course will be different. The important thing is for us to understand that the opportunity for success can still lie in a traditional downtown format. We just need a better understanding of the dynamics to find the right approach. Observing lifestyle centers may give us some clues.

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