

RETAIL

Malls spent \$8B in renovations over the last three years: JLL

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U.S. shopping malls are inspiring confidence from the luxury world. Image credit: JLL

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Shopping malls are not usually considered centers of luxury retail, but recent research shows that mall owners are pouring money into redesigns and renovations to be more accommodating to different types of consumers and communities.

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Over the last three years, malls in the United States have poured more than \$8 billion into renovations with an eye on turning the mall experience into something more upscale with options beyond the usual shopping mall fare. This research comes from real estate management and investment firm JLL in a report outlining the future of the new U.S. mall.

Renovations

Shopping malls are a U.S. tradition and while the focus has always been on shopping, the last few years have seen malls pouring more resources into providing other options for visitors.

According to JLL, 41 percent of malls have added more places to eat and 55 percent have added entertainment options over the last three years.

Forty-three percent of malls have also begun offering non-retail uses for the mall, including hotels among that list.



Malls are becoming community hubs. Image credit: JLL

These improvements also extend to general visual and dcor renovations. Ninety-four percent of malls observed by JLL have given themselves a makeover, prettying up the faade to make the mall more welcoming and aesthetically appealing to customers.

Finally, JLL has found that many malls are actually "demalling" or demolishing parts of the building in order to make the most out of a more limited space.

Retail confidence

While these renovations have their pros and cons, JLL stresses that they show an overarching confidence in the mall's ability to attract customers.

This can be seen in some of the recent expansions of luxury brands and retailers into the shopping mall space, something that is not typically considered in their wheelhouse.

For example, mall owner and operator Simon is bringing a number of luxury labels to Fort Worth, TX through the opening of a newly built shopping center.



Luxury is embracing the mall. Image credit: JLL

The Shops at Clearfork is a 500,000-square-foot open-air mixed-use development, celebrated its opening on Sept. 14. Retailers including Burberry, Tesla and Rimowa are among the tenants either open now or coming soon to what is designed as an upscale shopping center ([see story](#)).

Renovations can be seen in many of the country's most upscale malls at the behest of the developers and the brands that do business there.

Miami's Aventura Mall is creating space for more than shopping with a 315,000-square-foot addition.

Creating a social and cultural environment, the new three-floor wing will include areas for art installations and events in a design that intends to blend the indoors and outdoors. As malls struggle to attract foot traffic, developers are thinking beyond retail to differentiate themselves as a destination ([see story](#)).

Similarly, retail developer and operator Macerich is renovating the luxury wing of its Scottsdale Fashion Square shopping center in Arizona, responding to the Phoenix market's growing upscale appetite.

In the first phase of its remodeling and expansion, the luxury wing of the mall, anchored by Neiman Marcus, will be getting a new main entrance as well as new two-story shops and restaurants that complement the retailers. In a similar move to other developments, Macerich will also add other mixed-use features to boost mall traffic such as residences, office space and a hotel in future phases of its renovations ([see story](#)).

Luxury brands and retailers are clearly beginning to see the mall not just as an additional outlet for selling their products, but an area worthy of confidence and investment.

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