

# Retail blossoms into a new era



Hongkong Land's Yorkville – The Ring draws shoppers with its vertical garden

WHILE shoppers around the world drove e-commerce gains throughout the pandemic, China maintained its global lead. The world's biggest online sales marketplace since 2013, China's digital sales grew 34-fold in the decade to 2020 — versus an average nine-fold growth worldwide. With over 90% of sales now taking place on mobile devices in China — compared to just 43% in the US — plus the rise of payment innovations, including Alipay, it would be easy to question if physical retail has a future in East Asia.

However, the ongoing success of a range of bricks-and-mortar segments — from neighbourhood stores to luxury boutiques and destination shopping centres — demonstrates that there is still plenty to be hopeful about across Asia Pacific (APAC). Research from CBRE identifies a “K-shaped recovery” for retail real estate throughout the region, with resilient neighbourhood centres and essential retail among the concepts holding up well. “Luxury and big-

ticket items remain the bright spots, while consumers' evolving lifestyles will continue to fuel sporting goods and activewear sales,” says Henry Chin, head of research, APAC, at CBRE.

And while dine-in food and beverage (F&B) outlets, beauty salons and indoor-entertainment venues have been vulnerable to lockdowns and social distancing mechanisms, the future is also bright for experience-led real estate.

At the start of November, Ingka Centres, part of the Ingka Group which also includes IKEA, unveiled its sixth retail-anchored project in China, dubbed Livat Nanning. As across other territories, Ingka sees the experiential dimension as crucial to success in China, according to Cindy Andersen, Ingka Centres managing director. “There are certain things that catch your eye immediately in the Chinese market. Although much of the space allocated to retail is similar to Europe, F&B tends to be

The latest shopping centre and high street concepts ensure the sector's future growth, with unique F&B ideas fertilising the most successful developments. **Isobel Lee** reports

far more extensive. Entertainment and leisure activities are also an important component, especially for children — from toddlers to teens,” Andersen says.

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*Cindy Andersen*

“In many ways, F&B is the new anchor,” says Terence Seah, head of Hong Kong, Singapore and Shenzhen for architectural firm Benoy. “But the tricky bit is always the curation of the experience and types.” Seah cites as a successful example Sook-Siam, a marketplace styled to recall



Cindy Andersen, managing director, Ingka Centres

regional Thai bazaars, which Benoy designed for the mixed-use Iconsiam development in Bangkok. “It was a bold move to curate all the great street food, and food retail and crafts of Thailand into a locality in Bangkok... its authentic execution created a one-of-a-kind experience,” he says.

Making retail a “destination”, is important, too, for Hong Kong developer Sino Land. Its iconic urban redevelopment scheme, Lee Tung Avenue in Hong Kong, has proved a clear pioneer for offering a tree-lined boulevard and a liveable experience in Wan Chai. “The design was inspired by the traditional streetscapes of the 1950s to celebrate the rich heritage of Wan Chai. Staggered building heights, with a mix of finishes and paints and antique-style Town-gas lamp posts lining the boulevard make for a pleasant walk and interesting feast for the eye,” says Daryl Ng, deputy chairman of Sino Group. But it's also intensely modern in its concern for the environment, incorporating hydraulic turbines, rainwater recycling and solar photovoltaic panels.



Sino Land's Lee Tung Avenue in Hong Kong

The heritage theme is notable too in Seazen Suzhou Wuyue Plaza, in Suzhou, a retail scheme which has been singled out for a MIPIM Asia Award this year. Designed by Benoy, the project brings the spirit of the city's old town into the mall with a unique, indoor high street. Seah says that the secret of the project was incorporating “community spaces for events as well as promoting social interaction”.

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Another of this year's award winners, the Grand Central complex in Hong Kong developed by Urban Renewal Authority, Sino Land and Chinese Estates, meets the challenge for providing green spaces in the city while representing a landmark mixed-use concept incorporating the YM<sup>2</sup> Shopping Mall. According to Sino Group's Ng, “by breathing new life into one of the most established neighbourhoods and combining multiple functions, the project plays an important role in revitalising the neighbourhood.”

Ping Xu, founder and design director of China-headquartered architects PH Alpha (PHA), says that her firm is always trying to push the boundaries of innovation with its retail designs. “The competition between shopping malls in China is fierce,” she says. “You often find two or three big developments within a few kilometres of space.” PHA's latest projects have explored bringing the natural world into retail environments, with the striking scheme Yorkville – The Ring in Chongqing winning a MIPIM Asia Award this year for its outstanding concept. While some 170,000 sq m of the scheme is dedicated to a shopping mall and retail streets, and



Terence Seah, head of Hong Kong, Singapore and Shenzhen, Benoy

110,000 sq m to grade-A office space, there is also a 70,000 sq m full-height indoor-outdoor botanical garden which Xu calls “a response to biophilia, which reduces the tension of the artificial environment”.

Combining nature with retail is a theme which Xu has also explored across other projects, including Hangzhou's Aoti InCity which features an extensive roof garden, while the Genzon Binhaiwan Industrial Park, an office and F&B-led scheme, is rooted in a natural world at ground level.

Finally, while brand-new projects offer exciting prospects for the sector, careful refurbishments are also part of the fightback. Notes Terence Tang, managing director Asia, Colliers capital markets & investment services: “Looking at retail across APAC, we are seeing a lot of large-scale conversion opportunities for retail assets. We are seeing some residential being built on top of retail centres in Australia. There is also a trend for converting centres to mixed-use, where the lower floors of retail are retained and different elements are introduced above that, from co-working to medical suites.”

Benoy Architects and retailer David Jones have won a MIPIM Asia Award this year for the transformation of the 180-year-old David Jones Elizabeth Street flagship in Sydney, Australia, a project which Seah describes as “unpeeling some layers of





the decades of additions and alterations”. But there is also place for a very contemporary experience and an equitable approach to the brand concessions within the store. Striking details include the store’s penultimate level, which used to function as a grand ballroom and welcomed Queen Elizabeth in 1954. Enthuses Seah: “We created a homage to the beautiful heels that graced the dance

floor with a shoe hall that could also flex into an events space.”

**The shoe hall at David Jones Elizabeth Street Flagship Store**



## **CONFERENCES & EVENTS AT MIPIM ASIA**

**RETAIL – TUESDAY, DECEMBER 7**

**16.45-17.30**

### **F&B: THE SAVIOUR OF RETAIL**

In Asian markets such as Hong Kong and China, where there are limited local COVID cases, many people are choosing not to travel due to the quarantine measures at the moment. This has meant that people with strong consumption power are dining out much more than they did in the past with restaurants being full. This session will explore this recent trend and how landlords are working with their tenants to regain foot traffic and consumer confidence.

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