Top Mall Consultants

Qualifications:
Marine Engineer

Experience in Advisory/ Consultant role: Since 2010

Major Clients:

1. CMR Central, Visakhapatnam - Mall Management Advisory
2. DB City, Bhopal - Lease planning and Mall Management Advisory
3. City Centre, Mangalore - Mall Management Advisory
4. Urban Oasis, Hubli - Lease planning, Leasing and Mall Management

Mr Neeraj Duggal

Managing Director & CEO, Lighthouse Mall Management Company Pvt Limited

On-going Projects:

- Chitralayaa Cinemall, Visakhapatnam - Lease Planning, Leasing & Mall Management
- Market Square (Total) Sarjapur, Bangalore - Restructuring of the mall - Lease planning, Leasing & Mall Management
- Market Square (Total), Madivala, Bangalore - Restructuring of the mall - Lease planning, Leasing & Mall Management
- Brookefield Mall (Cosmos), Brookefield, Bangalore Restructuring of the mall - Lease planning & Leasing Mall Management
- Golden Height, Rajajinagar, Bangalore - Restructuring of the mall - Lease planning & Mall Management
- Bharath Mall, Mangalore - Restructuring of the mall - Lease planning & Mall Management
- Mall (yet to be named) @ Manayata Tech Park, Bangalore - Concept, Design brief, Asset Planning, Lease planning, Leasing & Mall Management
- Namma ETA Mall, Binnypet, Bangalore - Lease planning, Leasing & Mall Management
- Mall (yet to be named) @ Madurai by Indus developers, Chennai - Concept, Design brief, Asset Planning, Lease planning, Leasing & Mall Management
- Mall (yet to be named) @ Yeshvanthpur, Bangalore by Golden Gate Developers - Concept, Design brief, Asset Planning, Lease planning, Leasing
- Sobha City Mall, Thrissur - Lease planning & Mall Management

Lighthouse Mall Management Company Pvt Limited
Lighthouse MMC is a retail-real estate focused company. They are experts in shopping centres and believe that any location is workable for a mall. However, content of the mall in terms of the experience mix, trade categorization, tenancy mix, price points, etc must be relevant to catchment, and most importantly, demographics of the catchment must be addressed.

LMMC has a team of professionals who have the knowledge, exposure and expertise to provide mall management services to-

- Green field development of retail-real estate properties
- Repositioning of existing shopping centres
- Space planning and retail mix planning
- Operation management with best international practices

Mr Sanjay Dutt

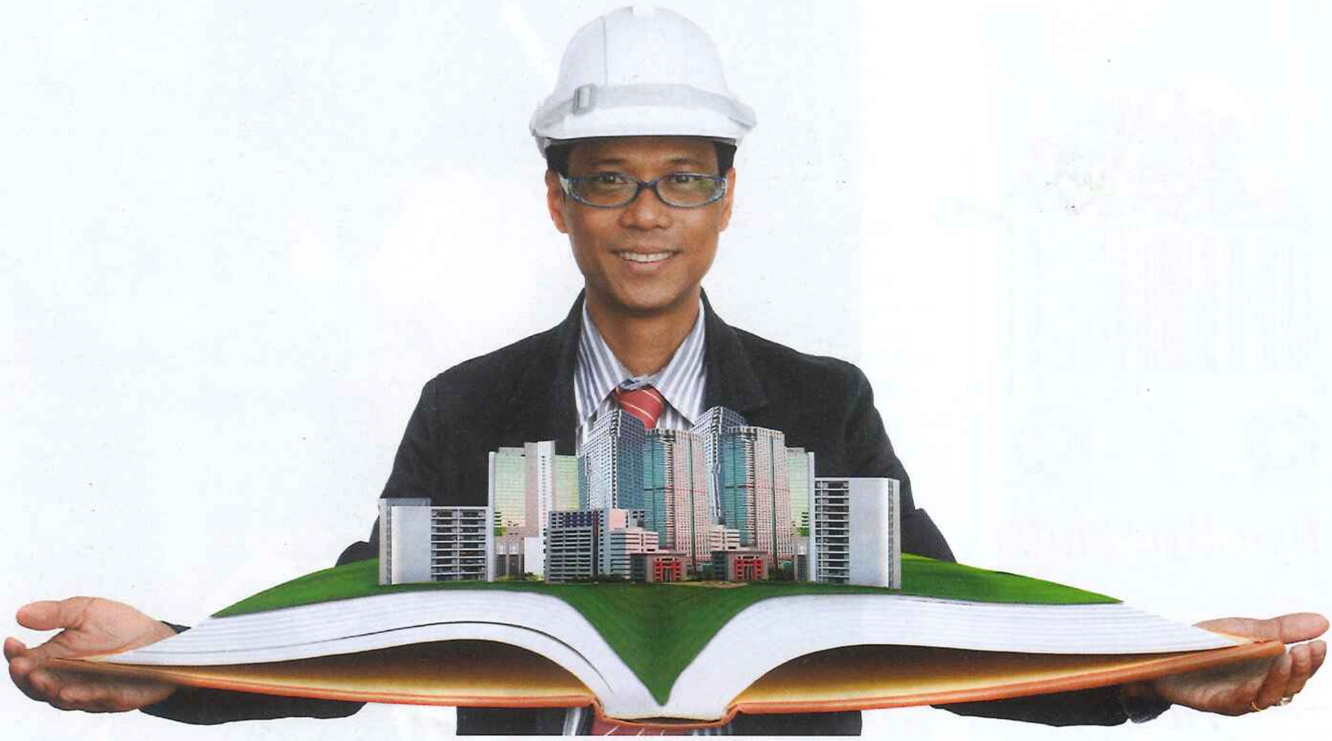
Executive Managing Director-South Asia, Cushman & Wakefield

Qualifications: Masters of Business Administration.He is also a member of the CoreNet Global.

Brief Career Profile: Sanjay Dutt, with over 20 years of experience as a real estate professional and entrepreneur, is a well respected business leader in the Indian market. His experience encompasses Land Acquisitions/ Dispositions & JV's and JD's, Capital Market, Office, Retail, Residential services besides and Acquisition & Disposition.

Major Clients & range of services being offered:
At the core of Cushman & Wakefield Retail Services is their thorough understanding of the retailing processes, logistic needs and the dynamics of the retail industry in India. They have over 100 dedicated retail professionals across Asia, who advice on every stage of the project life cycle: from initial research and development consultancy to leasing, management as well as investment. The firm represents clients in buying, selling, financing, leasing, managing and valuing assets, and provides strategic planning and research, portfolio analysis, site selection and space location services.

Cushman & Wakefield: Cushman & Wakefield is the largest fully-integrated real estate services firm in the world. Founded in 1917, it has 251offices in 60 countries around the globe and 15,000+ talented professionals. C&W commenced its India operations in 1997 and today has over 2,000 employees across its offices in NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Ahmedabad and Kolkata. C&W is involved in every stage of the real estate process, from strategy to execution.



Revitalizing the under-performing or struggling shopping centres entails creating value for the stakeholders and offering quality services to the consumer. There can be no denying the fact that: (a) Malls are in a continuous state of flux to stay relevant; and (b) During the life cycle of a Shopping Centre, the underlying market dynamics are continually evolving. Presented below is a case study of the successful re-positioning Total Mall, Sarjapur, Bangalore.

Repositioning of Shopping Centres

Rate of population growth, demographic characteristics, economic forces, and competitive factors all influence the relevance of a retail shopping destination and the geographic reach of its trade area. These variables largely influence the tenant mix and define the target market for a shopping mall. The strategic challenge is to remain aligned with the optimal target market and customer base.

Even a performing mall needs to be refreshed after 6-9 years of operation to ensure continued identification by the catchment and therefore sustained business. Repositioning is critical at a particular point in a retail centre's life cycle to keep it competitive from a design and tenant-mix point of view. This is particularly true if newer properties surround the centre, retailers' space configuration needs change or to bring in new-to-market brands. You need to work at the ever-changing expectations of the contemporary consumer.

Yet, the decision to reposition a retail centre is not always easy or the path leading to it is not always clear. It involves thorough analysis, planning and clear vision beginning with a close examination of the property and trade area. Many shopping centres and malls are distressed, in serious trouble and searching for a solution to turnaround and workout strategies to become viable again.

A number of factors including overbuilding, economy slow down, internet sales, new competition, the alternate experience factor and a changing consumer value equation and culture have all come together in what might be termed as 'storm in the tea cup' for shopping malls. Retail and restaurant sales have declined, store vacancies are accelerating, existing tenants are demanding rent concessions and new tenants want the world to commit to a lease.

By Neeraj Duggal
MD & CEO, Lighthouse Mall Management Company Pvt Ltd

It is time to consider repositioning of the mall.

This typically requires a thorough analysis of the shopping centre including its tenant mix, its trade area and capture rates, its physical facility, its competition and other factors impacting its performance. Root causes rather than just symptoms need to determined and then addressed in order to cure the ills. Fixes are never simple or easy. An overall strategy, often requiring repositioning and some redevelopment of the shopping centre, must be formulated. Such an analysis and strategy is often best accomplished by an outsider who has no prior biases about the centre. This is where mall management companies step in, as they are committed to deliver the mall promise.

For Determining a New Strategy

- Identify all factors contributing to property under-performance
- Catchment & demographic analysis
- Competitive analysis
- Asset planning and design inputs
- Create a SWOT analysis
- Decide on the positioning & develop comprehensive leasing plan
- Execute leasing & marketing strategy
- Project feasibility and due diligence based

Performing Malls

In about 9 years, a performing mall has gone through one stage of its life cycle. The demographics and psychographics of the catchment have undergone a shift. The catchment itself may have grown or reduced. A new generation of consumer has arrived. This needs a refreshing of the mall. But this restructuring may be limited to accommodating new-to-market brands, trade mix (weaning off non-performing brands) and cosmetic changes. It may even require a new positioning to remain relevant to the catchment. In some cases the category re-allocation may also be considered. In special cases, if there is a possibility of increasing the size (subject to availability of land) which could be an opportunity for the promoter to capture the catchment share.

Non-Performing Malls

Due to various reasons mentioned above but more likely due to inherent deficiencies in the design, mix, positioning or mainly due to lack of better options, the malls which may have seen some success have deteriorated into non-performing, struggling, distressed assets. These assets are in need of immediate resuscitation and are a ready candidate for repositioning. They are typically malls, which were developed, especially in emerging markets, without much insight into special nuances required for shopping malls. Developers, continuing with their strategy and expectations in residential, commercial (office) space, sell or lease spaces in the shopping mall without a plan to get immediate rental returns. Treating shopping malls as a real estate asset and leasing it on the first come first serve or to the highest bidder, without any thought to the mix, positioning or catchment requirement resulted in the malls underperforming in the face of better and bigger options.

Repositioning

Almost any location is good / workable for a mall. However, content of the mall in terms of the experience mix, trade categorization, tenancy mix, price points, etc. must be relevant to the catchment. And most importantly, the demographics of the catchment must be addressed.

As long as there is potential and interest to buy, a context can be created.

The Road to Profitability.....

Total mall Sarjapur, as it had become known on the basis of the Total hypermarket being the anchor, was one of the early shopping centres in fast growing Sarjapur, a suburb of Bangalore. A case of un-planned mix, lease determined on the ability to pay rent and poor management, quickly deteriorated after Central, a seamless mall with cinema opened up within 3 km distance. Unable to address the needs of the catchment despite the hypermarket continuing to do good business resulted in high vacancy levels; poor performing

Before

After

existing brands had no meaningful future in sight. As in all cases the management was desperately scouting the market for the retail brands to fill up the vacant spaces.

At this stage a clear strategy to reposition the mall was presented to the promoters and it was accepted as a solution to the long-term sustainability.

Total superstore was operating successfully on the 2nd and the 3rd floors of the mall. Indicating there was a potential to buy, a strong growing catchment to leverage and a reason for consumer to come to the mall for their daily needs existed. More over Total Mall, as it had become popular, was an existing landmark (being there for few years) and a place associated with shopping needs. Sarjapur as a catchment had grown exponentially in last few years with young urban immigrant demography, predominantly associated with booming IT industry. Also, the social infrastructure in the form of shopping malls, had not kept up with the growth potential in the geographical trade area. Only a large seamless mall with a multiplex had come up about a year ago and had taken over the consumer needs of the catchment and was performing well. High street retail lead by services, groceries and F&B outlets were cropping up indicating the potential for consumption.

While making the repositioning decision several revitalization plans were considered. Being a lease property where the landlord was not willing for any major changes in the structure and not having the resources for a long process of modification in the building plans, it was decided to work on need to basics changes - cosmetic makeover for a fresh look and re-aligning the store layout to the new asset plan. Changes required for accommodating modern retail and to provide a fresh look, keeping in line with the new positioning.

A concept of neighbourhood mall - serving the needs rather than the experience, was decided and the lease plan - category mix, tenant mix and wish list was drawn out and the process of marketing the property to the retailers was started.

Overcoming the limitation of scale, lack of entertainment option (no multiplex) and a lack of confidence in the retail community to the commitment and the ability to deliver what was being conceptualized made the process even more challenging. To tide over the limitation and to deliver a well-planned mix; true to the concept of best-in-class brands in each category was the only solution. Pursuing the brands on top of the wish list and convincing them on the commitment and ability was a herculean task, which took more time than expected. Knowing that we were playing the field on the back foot and the condition the mall was in, the promoters were willing to consider a revenue-share model which would cover the tenant from the fixed liability and provide the promoter with the up side, provided the mall management company was able to deliver the mall promise.

The architect prepared the budget for the makeover and the essential changes required to accommodate the new tenants and it was approved by the promoters. Since not much work could be initiated till the leasing was underway, it had become a chicken and the egg situation where one was dependent on the other. Relocating the existing tenants whose lease were in-force and who wanted to continue had to be worked out again, based on the new asset plan. Long negotiations to convince the existing tenants to the new plan, new location, rent restructuring and the relocation expense started.

Long period of zero success, de-motivated staff and questioning look in the eyes of the promoters could only be overcome by the belief in the need of the repositioning as a solution to the struggling mall. The confidence in the process came from the belief that as long as there is a potential and interest to buy, a planned mix of winning brands, relevant to the catchment brought together would lead us to the success.

Finally the breakthrough came, and then the second and the third stage of success showed up and we knew that we were on our way to the final goal. With these achievements the resolve and the commitment to our plan and the wish-list grew and the conviction to wait for the best so that we can realize the yield, which we had promised to the promoter. It took us over 18 months from the start to the time we could achieve 100% occupancy of the mix we had started off with and to stabilize the revenue which we had projected.

Before

After

Today it gives us great satisfaction on the repositioning of Total mall and to our bonding with brands like Croma, Max, Trends, Soch, Mochi and others who shared our vision and believed in our commitment and ability to bring about the change. This would not have been possible without the foresight and the patience of the promoters and the senior management of Jubilant Group, which believed in the concept and supported us in our endeavour to achieve the best retail-mix for the mall. Lastly, we would not have been able to achieve the success without he hard work and unrelenting effort of our team. Shopping malls are not as easy as a asset class because it needs to be created for ever-changing needs and aspirations of the consumer; sustaining them is often more important than creating one. Repositioning a failed or struggling mall is altogether a different ball game. EA

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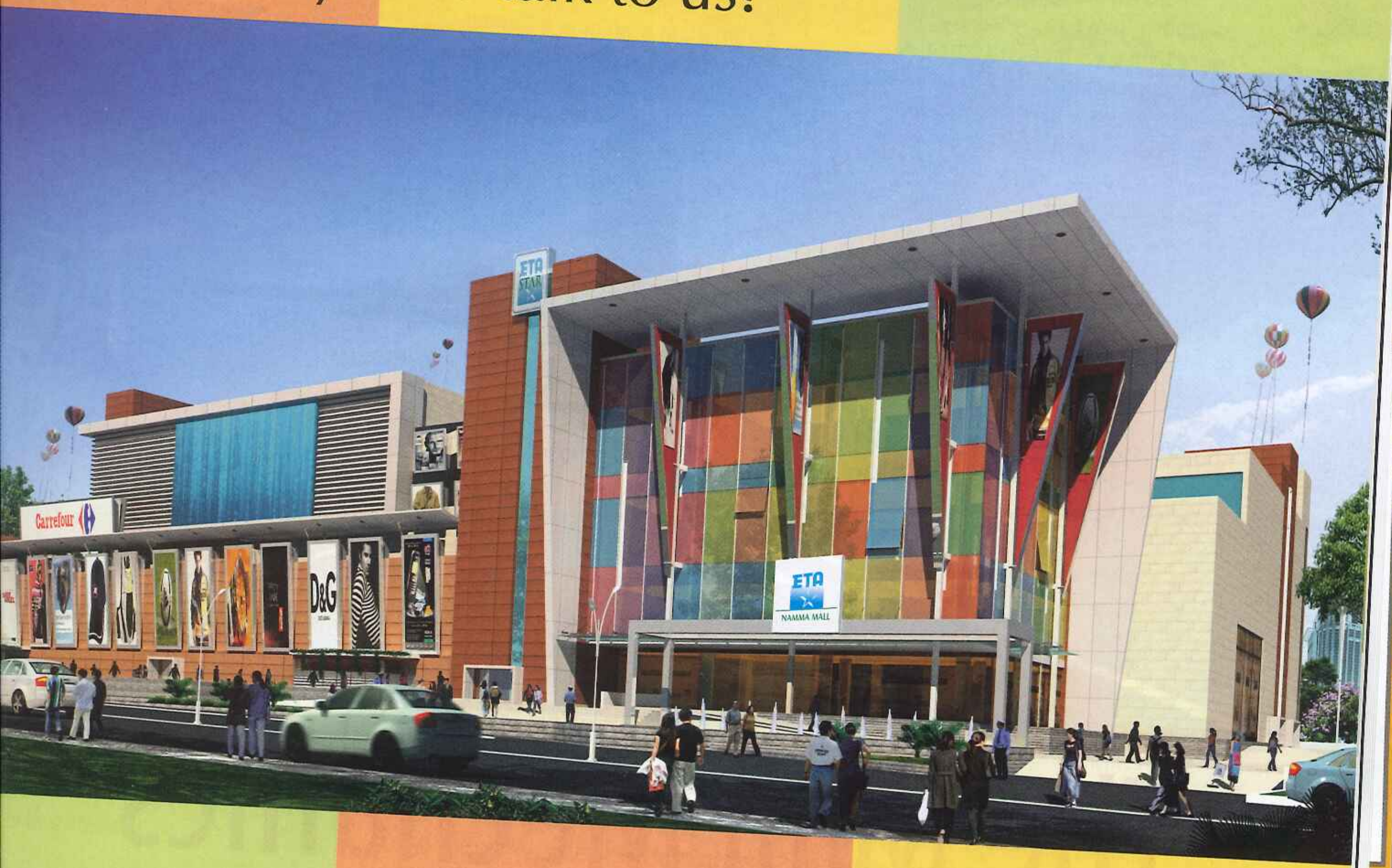

nma Mall

on sq ft of space

r Hypermarket

Cinepolis

brands for shopping.

Now on
Magadi Road
Bangalore.

- Over 500,000 potential customers within a 4 km radius
- Perfect destination for residents of Cottonpet, Chamarajpet, Hanumanth Nagar, Bhanashankari, Vijay Nagar, Chord Road
- Specially ETA Gardens, and the upcoming projects from Shapoorji Pallonji, Sobha and Prestige.

ETA
NAMMA MALL
MAGADI ROAD BANGALORE

na Mall by ETA Star:

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Leasing and Mall Management by :

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