

> ICSC shopping center **DEFINITIONS**

BASIC CONFIGURATIONS & TYPES FOR THE UNITED STATES

The term “shopping center” has been evolving since the early 1950s. Industry nomenclature originally offered four basic terms: neighborhood, community, regional, and super-regional centers. However, as the industry has matured, these four classifications are no longer adequate. To remove some of the ambiguity and accommodate new shopping center formats, the International Council of Shopping Centers (ICSC) has defined eight principal shopping center types, shown in the accompanying table.

The definitions, and in particular the table, are meant to be guidelines for understanding major differences between the basic types of shopping centers. Several categories shown in the table, such as size, number of anchors, and trade area, should be interpreted as “typical” for each center type. They are not meant to encompass the operating characteristics of every center. As a general rule, the main determinants in classifying a center are its merchandise orientation (types of goods/services sold) and its size.

It is not always possible to precisely classify every center. Some centers are hybrids, combining elements from two or more basic classifications. Alternatively, a center’s concept may be sufficiently unusual as to preclude it from fitting into one of the eight generalized definitions presented here, and may ultimately lead to a new category as the industry continues to evolve.

Some types of centers are not separately defined here but nonetheless are a part of the industry. These can be considered subsegments of one of the larger, defined groups, perhaps created to satisfy a particular niche market. One example would be the **convenience center**, among the smallest of centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area. A typical anchor would be a convenience store like 7-Eleven or other mini-mart. At the other end of the size spectrum are **super off-price malls** that consist of a large variety of value-oriented retailers, including factory outlet stores, department store close-out outlets, and category killers in an enclosed megamall (up to 2 million square feet) complex.

Another type of shopping format that is receiving significant attention and warrants special discussion is the broad class of **mixed-use developments**. In the strict sense, mixed-use is not necessarily a type of shopping center. However, where retail comprises one of at least three significant revenue-producing uses, this type of development is common to the shopping center industry. Successful mixed-

use projects that are developed as a single unit – sometimes referred to as **mixed-use centers** – may consist of well-integrated entertainment, office, hotel, residential, recreation, sports stadiums, cultural venues, and/or other uses that mutually support a substantial retail component. Often, such properties feature residential units or office suites above street-level retail stores, although they can also be malls integrated with office buildings and hotels. Sometimes, lifestyle centers may form the retail component of mixed-use projects.

Other small subsegments of the industry include vertical, downtown, off-price, home improvement, and car care centers. The trend toward differentiation and segmentation will continue to add new terminology as the industry matures.

SHOPPING CENTER

A group of retail and other commercial establishments that is planned, developed, owned and managed as a single property, with on-site parking provided. The center’s size and orientation are generally determined by the market characteristics of the trade area served by the center. The three main physical configurations of shopping centers are malls, open-air centers, and hybrid centers.

BASIC DESIGN CONFIGURATIONS

Mall: The most common design mode for regional and superregional centers is often referred to as a “shopping mall.” The walkway or “mall” is typically enclosed, climate-controlled and lighted, flanked on one or both sides by storefronts and entrances. On-site parking, usually provided around the perimeter of the center, may be surface or structured.

Open-Air Center: An attached row of stores or service outlets managed as a unit, with on-site parking usually located in front of the stores with common areas that are not enclosed, is often referred to as an “open-air center.” Open canopies may connect the storefronts, but an open-air center does not have enclosed walkways linking the stores. The most common variations of this configuration are linear, L-shaped, U-shaped, Z-shaped, or cluster. The linear form is often used in neighborhood and community centers. The cluster form and its variations have lent themselves to the emergence of new classes of centers such as the lifestyle center, in which the physical layout and open feel are differentiating features. Historically, the open-air configuration has been referred to as a “strip center,” though the strip center got its name from the linear form, where stores sit side-by-side in a long and narrow row of stores.

Hybrid Center: A center that combines elements from two or more of the main shopping center types. Common hybrids include value-oriented mega-malls (combining mall, power center, and outlet elements), power-lifestyle centers (combining power center and lifestyle center elements), and entertainment-retail centers (combining retail uses with megaplex movie theaters, theme restaurants, and other entertainment uses).

SHOPPING CENTER TYPES

MALLS

Regional Center: This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attraction is the combination of anchors, which may be traditional, mass merchant, discount, or fashion department stores, with numerous fashion-oriented specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway. Parking surrounds the outside perimeter.

Superregional Center: Similar to a regional center, but because of its larger size, a superregional center has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional centers, the typical configuration is an enclosed mall, frequently with multilevels. Parking may also be structured to accommodate the sheer size of the center.

OPEN-AIR CENTERS

Neighborhood Center: This center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. According to ICSC's *SCORE* publication, roughly half of these centers are anchored by a supermarket, while about a third have a drugstore anchor. These anchors are supported by stores offering drugs, sundries, snacks and personal services. A neighborhood center is usually configured as a straight-line strip with no enclosed walkway or mall area and parking in the front. Centers may have a canopy or other façade treatment to provide shade and protection from inclement weather, or to tie the center together.

Community Center: A community center typically offers a wider range of apparel and other soft goods than the neighborhood center. Among the more common anchors are supermarkets, super drugstores, and discount department stores. Community center tenants sometimes contain value-oriented big-box category-dominant retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured in a straight

line as a strip, or may be laid out in an L or U shape, depending on the site and design. Of the eight center types, community centers encompass the widest range of formats. For example, certain centers that are anchored by a large discount department store often have a discount focus. Others with a high percentage of square footage allocated to off-price retailers can be termed off-price centers.

Power Center: A center dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers," i.e., stores that offer a vast selection in related merchandise categories at very competitive retail prices. The center typically consists of several anchors, some of which may be freestanding (unconnected) and only a minimum amount of small specialty tenants.

Theme/Festival Center: These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Entertainment is often a common element of such centers, although it may come in the shopping experience as much as in the tenants themselves. These centers are often targeted to tourists, but may also attract local customers who might be drawn by the center's unique nature. Theme/festival centers may be anchored by restaurants and entertainment facilities. Generally located in urban areas, they are often adapted from older, sometimes historic, buildings, and can be part of mixed-use projects.

Outlet Center: This center type consists of manufacturers' and retailers' outlet stores selling brand-name goods at a discount. These centers are typically not anchored, although certain brand-name stores may serve as "magnet" tenants. The majority of outlet centers are open-air, configured either in a strip or as a village cluster, although some are enclosed.

Lifestyle Center: Most often located near affluent residential neighborhoods, this center type caters to the retail needs and "lifestyle" pursuits of consumers in its trading area. It has an open-air configuration and typically includes at least 50,000 square feet of retail space occupied by upscale national chain specialty stores. Other elements differentiate the lifestyle center in its role as a multi-purpose leisure-time destination, including restaurants, entertainment, and design ambience and amenities such as fountains and street furniture that are conducive to casual browsing. These centers may be anchored by one or more conventional or fashion specialty department stores.

ICSC shopping center **DEFINITIONS** for the U.S.

TYPE OF SHOPPING CENTER	CONCEPT	SQUARE FEET (Including Anchors)	ACREAGE	TYPICAL ANCHOR(S)		ANCHOR RATIO*	PRIMARY TRADE AREA**
				Number	Type		
MALLS							
Regional Center	General merchandise; fashion (mall, typically enclosed)	400,000-800,000	40-100	2 or more	Full-line department store; jr. department store; mass merchant; discount department store; fashion apparel	50-70%	5-15 miles
Superregional Center	Similar to regional center but has more variety and assortment	800,000+	60-120	3 or more	Full-line department store; jr. department store; mass merchant; fashion apparel	50-70%	5-25 miles
OPEN-AIR CENTERS							
Neighborhood Center	Convenience	30,000-150,000	3-15	1 or more	Supermarket	30-50%	3 miles
Community Center	General merchandise; convenience	100,000-350,000	10-40	2 or more	Discount department store; supermarket; drug; home improvement; large specialty/ discount apparel	40-60%	3-6 miles
Lifestyle Center	Upscale national chain specialty stores; dining and entertainment in outdoor setting	Typically 150,000-500,000 but can be smaller or larger	10-40	0-2	Not usually anchored in the traditional sense but may include book store; other large-format specialty retailers; multi-plex cinema; small department store.	0-50%	8-12 miles
Power Center	Category-dominant anchors; few small tenants	250,000-600,000	25-80	3 or more	Category killer; home improvement; discount department store; warehouse club; off-price	75-90%	5-10 miles
Theme/Festival Center	Leisure; tourist-oriented; retail and service	80,000-250,000	5-20	N/A	Restaurants; entertainment	N/A	N/A
Outlet Center	Manufacturers' outlet stores	50,000-400,000	10-50	N/A	Manufacturers' outlet stores	N/A	25-75 miles

*The share of a center's total square footage that is attributable to its anchors, **The area from which 60-80% of the center's sales originate.

For questions about these definitions, please contact Michael Tubridy of ICSC's Albert Sussman Library: (646) 728-3671, or at mtubridy@icsc.org.

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