

Revitalisation of Alexa shows a blueprint for the future of the shopping centre industry



Alexa



179 shops & restaurants



Berlin, Germany



Architecture and Engineering, Property Management, Leasing & Speciality Leasing

KEY HIGHLIGHTS

- Alexa has established itself as one of Berlin's leading retail destinations since its inauguration in 2007.
- The centre has delivered strong operational results, excellent feedback and international recognition for its design and performance.
- Committed to maintain Alexa's market-leading reputation, Sonae Sierra worked with owners Union Investment to strengthen Alexa's offer further by creating a compelling retail environment that meets the needs of today's consumers.

SOLUTION

- In 2017, Union Investment and Sonae Sierra embarked on an ambitious modernisation programme to reinforce Alexa's leadership position. Sonae Sierra implemented Alexa's new refurbishment, providing the centre a new concept design and several forward-thinking solutions, including:
 - Zoned retail clusters that boost footfall and sales
 - A next generation food hall that offers new culinary experiences
 - An enhanced tenant mix including 20 new brands
 - New store concepts incorporating technology and providing a platform for start-ups and entrepreneurs

KEY NUMBERS (2017)

16 million
visits per year

179
shops and restaurants

99.6%
average occupancy index

56,561m²
GLA

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Abstract

Alexa has performed consistently well since its inauguration in 2007. Through a combination of its prime location, tenant mix, leisure facilities and Sonae Sierra's skilful property management, the shopping centre has delivered excellent operational results and international recognition for its majority owner, Union Investment.

Driven by its commitment to deliver value for clients, Sonae Sierra embarked on an ambitious renovation programme to ensure the shopping centre maintains its leadership position.

Completed in September 2018, the renovated shopping centre features a themed retail offer set around different zones, a new generation food hall, an enhanced tenant mix and new shop concepts that lead the way for the industry.

The changes illustrate how Sonae Sierra is helping clients to meet the expectations of today's consumers, while defining the shopping experiences of tomorrow. For Union Investment, they promise to sustain Alexa's success for the next decade and beyond.

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Introduction

Located in the historic centre of Berlin, Alexa shopping centre offers a vibrant retail and leisure destination boasting almost 200 shops and restaurants set across a total Gross Lettable Area (GLA) of more than 56,000 m².

Developed as a joint venture between Sonae Sierra and Foncière Euris, Alexa opened in 2007 and immediately established itself as one of Berlin's premier shopping destinations.

In 2010, Union Investment acquired a majority stake in the shopping centre, with Sonae Sierra retaining a minority stake and responsibility for the centre's management.

Alexa has performed consistently well, aided by its prime location and proactive property management team. In 2017, it recorded an occupancy rate of 99.6% and above average tenant sales and a rental income compared to other shopping centres under Sonae Sierra's management.

Background

Named after its location on Alexanderplatz, the iconic square at the heart of Berlin, Alexa benefits from its central location in this dynamic and fast-growing city. Situated adjacent to Berlin's busiest transport interchange, the location is a magnet for national and international tourists and serves a catchment area of tens of thousands of people living within walking distance.

Alexa offers a compelling shopping experience that combines an attractive mix of major brands and smaller retailers and leisure facilities including a food hall, bowling alley and fitness centre. Its reputation and success means the centre is a well-known destination for promotional events having hosted stars including Leona Lewis, Ed Sheeran, 50cent and Rihanna, along with German singer Helene Fischer and fashion designer Guido Maria Kretschmer.

Since its inauguration in 2007, Alexa has received consistently high feedback from visitors and earned international recognition. In 2014, Alexa received a commendation for the best shopping centre in the

"Established Centres" category of the ICSC European Shopping Centre Awards.

These prestigious international awards, organized by the International Council of Shopping Centres (ICSC), distinguish Europe's most outstanding shopping centres. The jury praised Alexa's successful development and design, as well as its operational achievements including visitor numbers and sales.

The commendation also highlighted the shopping centre's numerous innovative services such as digital solutions for tenants and visitors, a blind visitor system and the availability of fashion consultants. Further aspects included the quality of Alexa's management and marketing strategy, which includes the numerous successful promotions and crowd-pulling events.

"Alexa is one of the most successful shopping centres in our retail real estate portfolio. Its unique location at the heart of the German capital, its unparalleled shopping experience, appealing ambience, and high visitor numbers all continue to reflect its excellent operational performance."

**– Member of the Management Board of
Union Investment Real Estate GmbH**

Alexa's excellent operational performance is supported by its strong sustainability credentials. Improvements to the centre's eco-efficiency performance have reduced operating costs and cut electricity consumption (measured in kWh/m² GLA) by 24% since 2008, and reduced greenhouse gas emissions by 85% over the same period. Furthermore, the property management team have anticipated emerging sustainability trends by installing electric car charging points cars in the centre's parking areas.

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Challenge

Eager to maintain Alexa's prominent position and operational results, Sonae Sierra refused to rest on their laurels.

New competition means Berlin is a fiercely competitive market, and changing shopping habits have forced the team to continually innovate to ensure Alexa retains its position as one of the city's prime shopping and leisure destinations.

Against the backdrop of a challenging retail environment, shopping centres must not only compete with online sales but tap into consumers' demand for new experiences. According to market research, millennials would rather spend money on an experience or event than buying a specific object. Capitalising on these trends is therefore critical to the future success of shopping centre developers, owners and investors alike.

With its location, size, tenant mix and leisure components, Alexa already possesses many of the ingredients necessary for success. The challenge was to leverage these core attributes and enhance Alexa's reputation as a place to meet friends, spend time, experience new lifestyle concepts and take part in unique events.

Solution

In 2017 - ten years since Alexa's inauguration - owners Union Investment and Sonae Sierra began an ambitious modernisation programme. The project was the one of the largest of its kind in recent years in Germany's shopping centre sector.

Noticing a gap in the market, Sonae Sierra used this as an opportunity to strengthen Alexa's offer further and introduce a number of innovations that had already been successfully rolled out to other clients across Europe.

Bringing back the Golden Twenties look and feel to Alexanderplatz

Inspired by the Golden Twenties architecture, design and art deco, Sonae Sierra's Architecture and Engineering team provided to Alexa a fresh look and concept design, full signage and wayfinding, also coordinating the new food hall

expansion and carrying out the shopping centre's refurbishment. The team was responsible for exquisitely designed and differentiated areas such as:

SPORTS ZONE



YOUNG FASHION MALL



FASHION À LA CARTE



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New retail clusters ensure an immersive shopping experience

Guided by the intelligent use of design and lighting, visitor traffic is directed through four retail clusters: Fashion à la Carte, Sports Zone, Decoration & More and the food hall. The new arrangement, which is designed to increase footfall and tenant sales, required the modernisation of relocation of around 110 shops within the centre.

Modernised and diversified food hall offers new culinary experiences

Food is now a key part of the modern shopping experience. Building on the successful rollout of new generation food halls for clients across Europe, the food hall at Alexa has been transformed into an appealing destination featuring 19 gastronomic units occupying an area of 1,300 m² with 720 seats. Like other food halls developed by Sonae Sierra, the revitalised area offers more than just a place to eat; visitors can eat, work, relax and socialise, and therefore spend more time in the shopping centre.



Leasing campaign attracts 20 new tenants to create unique retail mix

A central element of the revitalised centre was a major leasing campaign that attracted 20 new shops. The introduction of brands including Onygo, Def Shop, Yargici and O Bag means that Alexa provides one of the widest selections of young fashion stores in Germany. Other new stores - including Intimissimi, Ecco, Søstre Grene, Blue Tomato, Snipes, Miniso, Wellensteyn, Marc O'Polo and Kusmi Tea - have expanded the retail offer further and ensures that Alexa continues to offer a vibrant tenant mix.

Smart new store concepts offer attractive shopping experiences and target new consumer groups

Building on Sonae Sierra's experience, the Property Management team provided a new platform for start-ups and entrepreneurs that has successfully been trialled across Portugal and Spain. In September 2018, the online fashion brand Lesara opened its first offline store at Alexa after winning the "First Store by Alexa Vol. II" competition.

'First Store' is based on Sonae Sierra's 'Rising Store' initiative and features a retail contest that helps creative people bring new products to market by providing business coaching and rent-free space in shopping centres.

Continuing this focus on innovation, Alexa is also home to sports retailer Intersport's 'Future Store' with numerous digital features and a total floorspace of 1,300 m². The new Zara store which occupies more than 2,500 m² is the fashion retailer's largest store in Berlin, and the first to offer self-checkouts in Germany.

Closure

By leveraging its international experience, Sonae Sierra reinforced Alexa's reputation as a benchmark for excellence within the shopping centre sector in Europe.

While the renovation meant that some stores had to provisionally close to accommodate the works, the shopping centre nonetheless remained open and continued to deliver solid operational results.

The new features build on Alexa's strengths and position the shopping centre strongly for the future, generating value for Union Investment and tenants alike.

Moreover, they have created positive headlines among the wider industry, contributing further to Alexa's standing. Most recently, Sonae Sierra, Union Investment and 21Media were awarded with the Property Marketing Award 2017 in the retail category at Expo Real for First Store.