



PRAGMA BENYOY

# Mixed-use Developments

*Meeting Consumers' Evolving Needs*

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# Introduction

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The causes of the failure of single-use assets are both varied and plentiful. In retail, the rise of online has shown consumers the true nature of convenience, rendering many retail-only schemes obsolete. In offices, improved IT and connectivity and the rise of flexible working means office assets need to offer more than can be found at home to remain relevant, while in residential, people increasingly want amenities on their doorstep, rather than having to travel.

**“Demand is therefore increasing for physical space to deliver a mix of uses within a single asset, providing a combined offer that cannot be replicated online and meets consumers’ evolving preferences.”**

Mixed-use developments, which combine retail, residential, and/or office space, have become increasingly popular because they offer a more comprehensive and diverse range of experiences, making them more attractive to consumers and businesses.

The hotel industry has in many ways been a forerunner of this trend. Hotels have for many years catered to the wider needs of guests beyond just a bed for the night. The addition of bars and restaurants, workplaces, gyms, and flexible spaces – a new feature in many recent and planned developments outside the hotel sphere – have been the cornerstone of hotel strategy for years. As provision evolves, current trends in hotel strategy include the creation of



**Andrew McVicker**  
Director, Pragma Consulting

standout environments that encourage visits and dwell time in their own right. Furthermore, as the world continues to open up again to travel, it is likely that this industry will remain at the cutting edge in its response to emerging consumer trends.

Globally, both consumer preferences and response to provision don't evolve at the same rate. Consumers by region and country are on different journeys and may not all reach the same destination. In Saudi, the pace of change is phenomenal, with the desire to invest in new assets matched by accelerated cultural shifts driving new behaviours, meaning the country now sits at the forefront of new mixed-use development.

Elsewhere in the Middle East, mixed-use has increased as a means of diversifying local economies and generating new investment opportunities. Traditional souks are being combined with commercial and residential spaces, while larger projects often feature





Madinat Jumeirah resort, Dubai

offices, hotels and residential units alongside retail and entertainment. Many cities in the region are pursuing mixed-use projects to provide a diverse range of amenities to residents and visitors. Dubai, for example, has numerous mixed-use developments that integrate high-end hotels with other amenities, such as the Madinat Jumeirah resort.

In the US, there has been a growing recognition of the benefits of mixed-use developments, which include the creation of vibrant and diverse communities that attract businesses and residents and have a positive economic impact on the surrounding community. The US has one of the highest proportions of online retail sales and food is providing a key tool for making a wide range of assets relevant to consumers. Be it via food markets, farmers' markets or high-end restaurants, food is one of the key elements that provides a 'hook' to attract visitors. While the rise in delivery services has been significant, we are increasingly seeing this complementing, rather than replacing eating out. And with the universal nature of food appeal and the fast pace of discovery and change, food remains a key element across all types of mixed-use developments.

Mixed-use has for a long time been a key facet in Asian countries' response to high demand in densely populated urban areas, with proximity to retail, office and leisure reducing the reliance on transport infrastructure and subsequent emissions. Countries like India have used mixed-use to address the challenges of urban density, creating self-contained communities that offer a mix of residential, commercial, and retail space in a single location. A good example is The Jio World Centre, located within Bandra Kurla Complex (BKC) in Mumbai, including commercial office space, a convention centre, a retail mall, a hotel, and a performing arts theatre. In China, the role of architecture and design is driving the development of present and future mixed-use schemes, with a strong focus on the creation of spaces that encourage and enliven social engagement.

With commercial environments providing one of the key opportunities for social interaction, architects and developers are recognising the need for developments to be places that people actively desire to visit and spend time in, which in turn provides a commercial opportunity, rather than the commercial offer being the main driver of footfall. This fundamental paradigm shift generates the need for investment in facilities that do not immediately provide a direct return, something that investors and developers worldwide have often struggled to justify.

Europe has a long history of mixed-use, with many central cities being mixed-use 'by default', due to the historical co-location of commercial and residential activities. Most European cities also have more flexible planning regulations, which makes it easier to develop and fund for mixed-use projects. In the UK, with the majority of the UK's high streets and town centres in crisis, asset managers, developers and owners are increasingly needing to expand their skillsets in response to this challenging environment. With an excess of retail space, conversion to office or residential would seem a natural response – something the government is looking to facilitate with the relaxation of planning laws. But with many people still opting to work from home (despite government encouragement to return to the office), and with material and labour costs often prohibitively high, the rehabilitation of many of Britain's town centres is yet to happen. Where interventions have taken place, often with the support of public sector finance, the mixture of workplace, retail, residential and leisure offers a promising solution to Britain's decade-long over-reliance on London.

A key response to evolving consumer demand for ease and convenience is to put assets where people already are, rather than trying to draw people to a destination they have no need to visit. Train stations and airports are a good example of this, with the range of facilities found at some major hubs eliminating the need for further onward travel.



Fourth Mile, Chiswick, UK

Finally, throughout all the changes we are seeing globally, the role of the consumer remains critical. Successful operators are constantly predicting, testing and reacting to consumer tastes, trends, perceptions and behaviours in order to remain relevant and profitable, and developers must in turn react to this ever-evolving demand for space. With ways to engage, question and learn from consumers developing day by day (from cutting-edge mobile technology to tried-and-tested conversations), there has never been a better time to underpin commercial strategy and developments with data and insight.

If you would like to explore any of the points raised in this paper, or discuss our experience in helping developers and investors create mixed-use developments, or if you simply want to get in touch, please contact me at:

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## Benefits and challenges for mixed-use development

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A major benefit of mixed-use development is the enhancement of the sustainability and resilience of urban areas. With the growth in acceptance of working from home leading to a reduction in economic activity in city centres, mixed-use development offers a way to keep the city active and vibrant even with a work from home policy in place. Creating a variety of uses in a single development, including residential, commercial, and retail, can attract people to an area throughout the day, not just during traditional work hours. By bringing together different space typologies, a mixed-use development can also reduce the need for long-distance commuting and associated carbon emissions. For example, Canary Wharf has outlined its future strategy to transform the area from a mainly office-led business district into a mixed-use, low-carbon, commercial and residential zone that meets the UK's net-zero carbon emissions target by 2050.

The more diverse mix of amenities that mixed-use developments provide can also promote social cohesion and strengthen community resilience. The Industry City development in Brooklyn, New York, is an example of such a development that promotes social cohesion and community resilience. During the COVID-19 pandemic,



Industry City quickly adapted to provide a range of services to the local community, including setting up a COVID-19 testing site, offering a drive-through farmers' market, and partnering with local restaurants to provide food to essential workers. In addition, the development is designed to be resilient in the face of natural disasters, with features such as flood-resistant design and backup power systems.

Implementing mixed-use development presents challenges. The complex mix of uses and tenants can create major operational issues for developers and property managers. There may be issues linked to parking, noise and other externalities that arise from mixing residential and commercial uses. Additionally, the regulatory frameworks for mixed-use can be complex and difficult to navigate, especially in areas with outdated or inconsistent zoning codes.





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Another significant challenge for mixed-use development is financing. Finding the right investor or group of investors who are willing to take on such complex projects is not easy. Mixed-use development requires a large amount of upfront capital, and investors need to be comfortable with the long-term nature of these investments and the unique financing structures and requirements involved. In addition, there is a significant amount of ongoing cost associated with managing and maintaining mixed-use projects and properties. With multiple uses and tenants, there is often a higher level of maintenance required and a need for more sophisticated management systems. This can result in higher ongoing costs compared to other types of real estate investments.

Overall, these challenges can make it more difficult to find investors and secure financing for mixed-use projects. However, as the benefits of mixed-use development become more apparent, more investors are becoming interested. New financing models are also emerging to help address some of the challenges and complexities involved.

In the following sections, we provide some real-life examples of successful mixed-use development projects from around the world – projects Pragma and Benoy have been involved in and from which we have gained valuable insights and experience.

## Mixed-use in the UK

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Over the last twenty years there has been a huge evolution of retail in the UK.

Before the financial crisis and the rise of online retail, physical retail was king, and the owners of retail assets were able to fill them with stable long-term leases. Strong demand led to the development of huge destination shopping centres. But this in turn resulted in city and town centre retail quarters with 'lights-on' and 'lights-off' periods, creating desolate and deserted areas outside of shop opening hours.

As online spending increased, and physical retail demand declined, it impacted the desirability of regional town centres. Even larger towns struggled to retain the retail anchors necessary to attract line units. For a while, supermarkets, leisure and cinemas helped to fill the retail anchor void, but eventually their market was satisfied. In many locations, this process left a reduced retail offer, developed out as much as it could be, with rising costs and falling demand.



**Rob Bentley, Director, Benoy**

Clearly, an alternative strategy to retail and leisure dominance is required to breathe life back into our urban centres.

To address the pockets of dead activity retail has left behind, we need a strategic overview as to how the town centre can realign itself. Should the focus shift to big-box retail units? Or should we prioritise the protection of the marketplace? And what happens with the space that's left over? With these questions in mind, local authorities are grappling with the concept of buying underperforming shopping centres and generating value from them.



A mix of uses to surround a retail core is an attractive proposition; as is the '15-minute city', which is often talked about. City and town centres sites have the potential to bring back central living as well as other uses, whether vertically or horizontally mixed. The residential and complimentary uses then create an immediate audience for shops and F&B, strengthening footfall and ownership and providing activation throughout the day and evening.

It is a difficult challenge for a retail developer to suddenly move into residential. To deliver that magic 18-hour economy, a mix of uses is required, whether via a vertical or horizontal stack.

As a single operating block or leasing strategy, the process is very complex. Before the advent of Build To Rent in 2012, it was rare to see residential units being built above new retail units. This was partly due to intricate tenancy and access rights issues. However, Build To Rent (purpose-built housing designed for rent rather than sale) made it easier for the developer to own and control the top and bottom of a building. It also therefore made it more realistic to start thinking about stacking different uses, although due to delivery cost and demand this model only really works in and around the UK's major centres.







## Mixed-use development in action

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### Victoria Place, Woking

In recent years, Woking has gained a reputation as an economic and cultural hub, with an expanding business area, burgeoning arts scene and busy retail centre. Under the visionary leadership of the local authority, the town has been the focus of a major regeneration programme which is set to help realise its commercial potential.

A joint venture between Woking Borough Council and Moyallen, with Benoy as design consultant, this

extensive intervention comprises a town centre masterplan and phased redevelopment scheme. Benoy's work includes a retail podium supporting two residential towers, 29 and 33 storeys high, which together will provide 429 one- and two-bedroom apartments for the build-to-rent market. Meanwhile, a third 22-story tower will accommodate an international four-star hotel.

Encompassing an area of approximately 76,000m<sup>2</sup>, Victoria Square will also be



home to a new flagship M&S store, which is a significant achievement in today's retail market. In addition, positive landscaping and greenspace have been key elements of the regeneration scheme, with the Benoy team enhancing the public space in and around Victoria Square. All three towers will provide access to rooftop gardens and amenity areas, while new public realm will be applied to all pedestrian routes into nearby Jubilee Square.



The regeneration of Woking is all about improving local infrastructure and the public realm to create a vibrant town centre where people want to be. It is also about attracting third-party investment while ensuring that Woking, far from being just a gateway to other areas, becomes a destination in its own right

Woking has shown how a clear vision, together with ownership of space, can transform a regional town centre.

### **Wokingham Town Centre regeneration**

While Woking is a dense urban town centre, Wokingham is a smaller market town. At Wokingham, Benoy worked across two sites as part of a wider regeneration project. The regeneration was instigated by Wokingham Borough Council in the face of a failing retail and leisure offer, lack of town centre living, and competition from nearby competing centres such as Bracknell and Reading.

Closely following Wokingham Borough Council's vision, Benoy reimagined the town centre as a thriving destination for commerce and urban living; with modern retail formats, F&B, leisure and a significant quantum of residential across two mixed-use developments at Peach Place and Elms Field.





# North America: The reinvention of the mall

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In North America, many retail assets have recently lost their anchor or big-box retailer. Filling this space has resulted in a search for diverse schemes to successfully re-position these assets. Such repositioning could include the addition of a larger destination retail tenant, a multi-use entertainment venue or a larger, more compelling F&B offering.

Many of these schemes involve a comprehensive reimagining of both the reclaimed space and its adjacent land through transformation and densification, for example by adding residential, office and hotel



**Paola Marques, Head of North America, Benoy**

components. These schemes are also adjusting the tenant mix to include more leisure and entertainment ventures, with experiential retail and strong F&B concepts like Time Out Market in the Center Eaton in Montreal (pictured).

Low or high-rise residential, office or hotel components are also being brought into developments through the activation and engagement of the façade. This process creates a direct link to the external environment via new entry systems, café patios or open volume terraces. Examples include Cadillac Fairview Pointe Claire in Montreal, Square One in Toronto, and Oakridge in Vancouver – developments which have all become communities in their own right.





## The demand for mixed-use

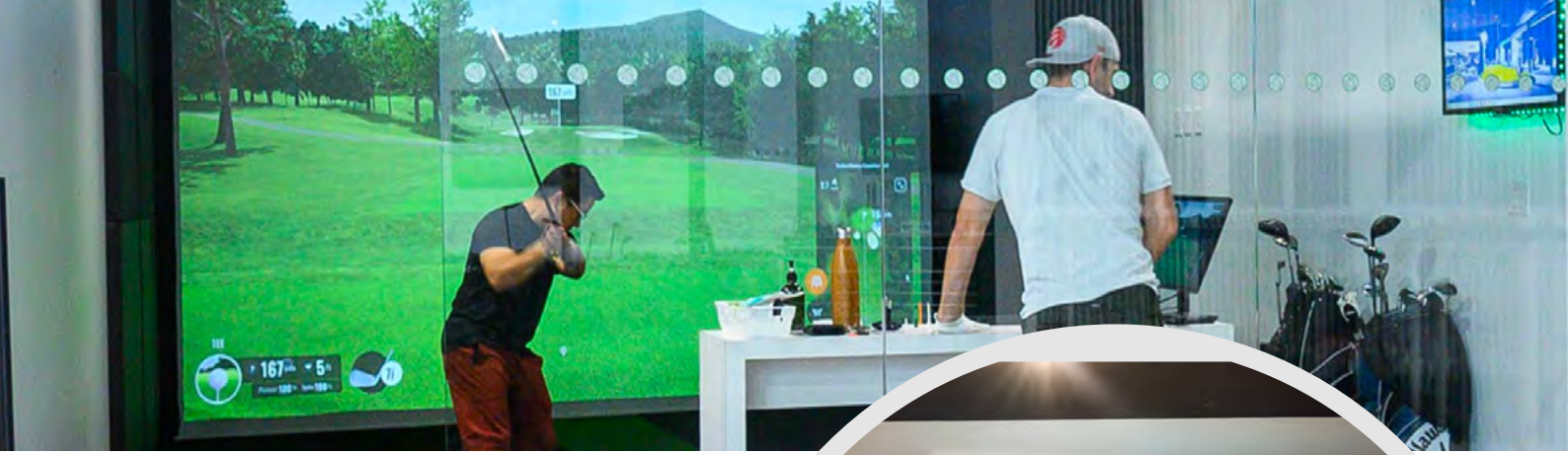
Recently, mixed-use developments have evolved through the enhancement of retail centres and the full redevelopment of existing sites. The concept of creating a property that is used by more people for more things has been at the forefront of developers' minds for some time, but even more so since the covid pandemic changed people's behaviours and needs. With people working from home more and commuting less, places to meet friends and socialise have become crucial. At the same time, convenience, service and flexibility have become essential components of the post-covid shopping experience.

So, how do these shifts impact mixed-use property? Essentially, the immediate result is an increased demand for assets where people can work, play, hang out, shop, dine and be entertained close to where they live, which is driving the positioning and repositioning of mixed-use properties across North America.

At Benoy, we are working on several properties that are under full redevelopment. In one case, a mall is being demolished and replaced with a new mixed-use property that will include residential, workspace and a limited commercial component. In another, an existing power centre is being reimagined as a community space with a focus on local events and activities. The tenant mix will include workspace as well as F&B offerings that will feed off the event programme. The retail mix will also shift to incorporate more leisure, health and wellness operators as part of the community fabric.

Furthermore, both types of repositioning provide opportunities for developers to integrate sustainability initiatives. Through increased landscaping, parking, biophilia and greenspace, these projects will help to improve the public realm and create more meaningful and sustainable urban experiences.





## Latest trends

We are also seeing an increase in the number of shopping centres being repurposed as community hubs. Adding residential and office buildings to an existing centre means the retail programme can pivot to focus on immediate community needs, rather than simply being a commercial destination. As part of this shift, indoor and outdoor gathering places, event spaces, landscaping, F&B, grocery, pharmacy and health and wellness are beginning to replace fashion tenants. Entertainment and leisure offerings are also being integrated. Complementing this trend is the repositioning of available space into outdoor 'family' areas, which has gone from nice idea to absolute necessity. Indeed, the North American family structure has become tighter as a result of the pandemic, increasing the need for authentic neighbourhood activity. Dog parks, yoga platforms, flex space, outdoor theatre, family markets and transient F&B events are common features of the post-covid landscape.



Elsewhere, there has been a move towards strategic diversification in tenant mixes, opening up opportunities for DTC (direct-to-consumer) and new-to-market brands that offer fresh concepts and customer journeys. This allows for the creation of unique community based and regionally based solutions for mixed-use schemes. Simultaneously, new experiential retail models are also on the rise, such as Eataly in Manulife Centre Toronto, and Modern Golf Downtown in First Canadian Place, also in Toronto. These developments offer guests more than just a commodity or product, with strong food concepts and experiential brands that are helping to create vibrant destinations.





## Mixed-use development in action

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The Benoy North America team is currently working on the retail component of the redevelopment of Brea Mall in Orange County, California. The project aims to transform Brea Mall into a mixed-use centre, which will feature 380 residential units, a sport and leisure tenant, restaurant row and outdoor activation space with curated scheduled events.

We are also presently working with Shape Properties. Using a skytrain station and an existing suburban shopping mall as a start point, Shape has been developing two mixed-use destinations in the greater Vancouver area. The Amazing Brentwood and Lougheed Town Centres developments have become neighbourhoods unto themselves, with residents able to access all the services, amenities, and activities of a downtown location just minutes from home.

Adding thousands of residential units to each site, these developments are meeting the needs of local residents, while also providing retail, leisure and entertainment, urban parks, and well-programmed

events. In addition, as part of the transit system they provide great commuter experiences, with easy skytrain access helping people maintain a positive work-life-balance.

In conclusion, although retail is not going away it is increasingly adapting to the behaviours and needs of the consumer. Developers want to ensure they are not just creating shopping or office destinations, which have been severely impacted due to their dependency on singular occupancy type. The priority now is to cater to a multitude of audiences through multiple uses and amenities. Flexibility to adapt to shifting demand, and the need to create a compelling urban narrative around healthy and sustainable living, are essential components of mixed-use development. And looking ahead, we expect to see an increase in holistic thinking, indoor and outdoor placemaking, experiential offerings, social places, convenience and variety, as developers seek to attract, engage and retain end-users and consumers.

## Mixed-use development in transportation hubs

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Mass transit interchanges, including airports, train and metro stations, provide a great opportunity for mixed-use development. They attract a large footfall and serve different customer types, including local residents and office workers, holidaymakers, business travellers and those that work at the hub, all of whom can benefit from the variety of uses and activities within a mixed-use environment.

Compared to airports, train stations have taken quite a while to commercialise, and many remain undeveloped. This is in part due to the ownership models that exist in many countries, where the real estate developer isn't focused on maximising the value of the asset. Many stations are and were government owned, so the focus has been on running trains rather than leveraging the potential of the land around the station. A further consideration is minimal dwell time, as passengers arrive at train stations much closer to their departure time, which reduces the opportunity for spending.



**Alex Avery, CEO,** Pragma Consulting

**“In Asia, there is greater awareness of the link between commercialising the space around a station and generating footfall. Developers in Asia are also more alive to opportunities for utilising space above stations for retail, offices and hotels, as seen in Tokyo Station City and Gambir Station in Jakarta.”**

Westfield World Trade Center in New York is now Manhattan's largest shopping centre. Located at a huge public transport interchange within the financial district, its shopping mall extends to almost 365,000 square feet and is home to around 60 shops. Similarly, St Pancras in London has a five-star hotel and retail built into it, and was the catalyst for major new developments in the Kings Cross area.



Many airports, meanwhile, have been very commercially successful, but to date few have fully explored adjacent landside opportunities. Many airports underutilise their landside space (which is generally accessible to everyone, not just passengers) and have struggled to develop on-airport businesses not linked to passenger traffic. Such businesses could include infrastructure-related cargo services or energy farms, office and conference facilities, social infrastructure (healthcare, education), or consumer services like retail, leisure, entertainment and attractions. Whatever the specific nature of business development, the potential is enormous.

Those airports that have embraced landside opportunities have enjoyed huge rewards. The Circle at Zurich Airport, for example, is a separate landside office development of 180,00 square metres that benefits from its proximity to the city centre and easy access to the train station and airport. It provides an example of a business-led proposition, complemented by retail, services and restaurants, to cater to the local, national and international

worker population. The Circle is ideally positioned to provide an alternative to the city centre for businesses, particularly those that require connectivity beyond Switzerland. The airport has also capitalised on its location by creating an attractive office proposition complete with all the amenities expected by modern workers. On-site healthcare, day care centres and hairdressers are available, as well as coworking spaces and conference centres.

At Schiphol Airport in Amsterdam, there is a larger-than-usual amount of commercial landside, which was developed because of its location above the train station interchange. Schiphol Airport takes advantage of the high-volume of non-airline footfall generated by intermodal transport facilities, catering to time-poor repeat visitors and offering a range of F&B and retail options. The space benefits from Schiphol having good transport links and being one of the main interchanges for the city. The commercial positioning and placement is also ideally located for travellers, meeting the needs of both commuters and airport passengers.



## Mixed-use development in action

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### Tokyo Station City, Tokyo

Tokyo Station City is a major mixed-use development located in the heart of Tokyo. It surrounds the historic Tokyo Station and covers an area of approximately 290,000 square metres. The development consists of multiple high-rise buildings, including the GranTokyo North Tower, GranTokyo South Tower and the JP Tower. The station offers a wide range of F&B options, including restaurants, cafés and bars. It also features a large shopping

complex called GranRoof, which includes over 150 stores retailers. Tokyo Station City is directly connected to Tokyo Station, which serves the Shinkansen (bullet train), local trains and subway lines. This makes it incredibly convenient for travellers to access other parts of Tokyo and beyond. The site also includes office spaces, hotels, and other amenities. For example, the JP Tower contains office spaces and a hotel, while the GranTokyo North Tower is home to a luxury hotel and spa.





## Westfield World Trade Center in New York

With 33,900 square metres of retail space, Westfield World Trade Center (WTC) is the largest mall in Manhattan. It features more than 100 stores, including high-end fashion retailers, restaurants, and entertainment venues. Otherwise known as the Oculus, it is a major lower-Manhattan transport hub, connecting to multiple subway lines, the PATH train and the World Trade Center Transportation Hub. This hub provides direct access to

New Jersey and the surrounding area, as well as other parts of New York City. These convenient transport connections, along with their proximity to major attractions such as the Memorial Museum and One World Observatory, facilitate an annual footfall of around 12 million people to Westfield WTC. In addition to shopping and dining options, WTC boasts co-working spaces, a 12-screen cinema, a gym and an exhibition venue.



## Mixed-use in China

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Twenty years ago, commercial spaces in China were dominated by large shopping malls which were developed to improve urban areas. Since then, the commercial logic has progressed, and commercial spaces are now being tailored to different types of consumers. Gradually, commercial space is being designed as public space to promote social interaction.

At Benoy, we determine the maximum value of commercial space according to local conditions, including the characteristics of the project, location, scale, and the surrounding urban texture. We then visualise these abstract analyses.

**With the gradual rise of the consumer market in second and third-tier cities on the mainland, commercial space is becoming more differentiated, with more choices in architectural design, business format and customer group positioning.**

Online shopping does pose many challenges to physical space in China, so we need to consider how we give spaces a unique charm to ensure they continue to attract large numbers



**Qin Pang, Head of Benoy, Shanghai**

of people. Today, commercial space focuses much more on the experience. Everyone is doing a lot of so-called 'space highlights' and investing in IPs, but often to little effect. In fact, the leading teams on many projects are the business management and operation teams. And sometimes they pay insufficient attention to the physical nature of the product. In addition, younger people today have grown up in an era of relative affluence. They have a natural affinity with quality and a sharp eye for inauthentic or crude manufacturing; inconsistency in product quality therefore fails to meet their expectations.

As architects, we need to pay attention to the psychological needs of people in physical spaces, and appropriately break the morphological characteristics of past projects. Some guidelines have adapted to the needs of rapid replication, but they can no longer meet the increasing demand for differentiation. It is also clear that some commercial 'hot spaces' do not conform to the design logic and principles adhered to by a large number of developers.

We also need to be aware that commercial space cannot be 'forever young'. We cannot use a fixed quantitative (physical space) to adapt to a variable (market changes) at any time; the only thing we can do is reduce or extend the time of elimination. Commercial design is



changing and the parameters have shifted, so the equations we use must change. From top to bottom, the whole city management mode, planning mode, developer positioning mode, naming mode, investment mode, use mode and architect design mode need to change. Of course, new equations require more creativity and courage to break the rules. They require determination and optimism. Only in this way can permanent youth and vitality be achieved.



# Mixed-use development in action

## Suzhou Joy Breeze

Suzhou Joy Breeze reflects an ‘ideal Gusu lifestyle’ and is targeted at the urban middle classes, specifically the young (25–45 years) and older middle-class residents in first and second-tier cities.

With a total construction area of roughly 330,000 square metres, the project includes a shopping mall, commercial street, P+R public transit hub and an independent building with 3,000 parking spaces. The project is recognisable for its vast public squares, diverse activities and recreational areas. These various sections are linked up by a multi-level thoroughfare that connects the under- and above-ground levels, allowing users to weave through the shopping streets between the different floors.



During the design process, the Benoy team decorated the spatial blocks and façades with Joy City’s branding while also paying meticulous attention to the control of spatial scale. This helped to create more cohesive interfaces for visitors by utilising pleasant small-scale spaces, in contrast to the conventional commercial ‘big box’ approach. The reinterpreted pavilions, platforms, buildings and towers provide recreational spaces and add vibrancy to the overall spatial experience.

Suzhou Joy Breeze officially opened in September 2021. The development has attracted nearly 400 domestic and foreign premium brands, more than 40% of which are first stores or flagship stores, and over 50% of which are lifestyle brands targeted at middle-class shoppers.

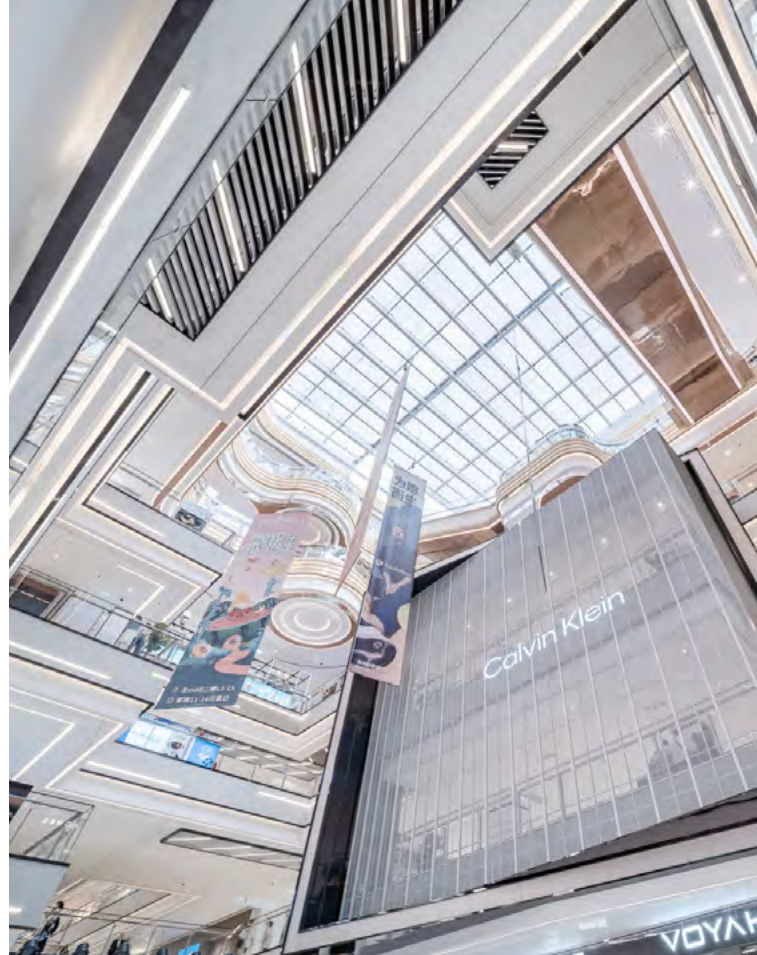




## Wenzhou INCITY Mega

The Wenzhou INCITY MEGA, which occupies a 250,000 square metre site, will be the first commercial complex in SCPG's new 'MEGA' development product line. The vision for the project is to deliver a 'three-dimensional urban space', creating an interconnected destination which blurs the boundaries between commercial and public realms.

For the design of the INCITY MEGA Mall, Benoy pushed the boundaries of the development outwards, creating an impressive, multi-functional inner courtyard and open-space at the heart of the retail-led scheme. The mall is seamlessly connected to the waterfront boutique district, also within Benoy's remit, which brings a strong commercial offering to this dynamic mixed-use development.



Wenzhou InCity MEGA is set to reshape the city's business landscape and bring new vitality and liveability to the Central Green Axis sector. Furthermore, in recognition of its innovative and bold design, the project won the LEED-CS Award (Gold).





## Saudi Arabia: The desire for mixed-use

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Mixed-use developments are relatively new in Saudi Arabia. In the past, developments were very compartmentalised with standalone elements (particularly retail). But now developers are thinking more like Asian developers, creating buildings with different elements catering for different users.

The anchor for these developments in Saudi has often been convenience retailing, or destination retail or F&B. But as Saudi culture evolves, becoming more inclusive and socially oriented, cinemas, restaurants and leisure brands are increasingly in demand. Even where retail is the focus for a scheme, the retail element has a specific emphasis, whether that is entertainment, destination retailing, convenience retailing or F&B.

**At Benoy, the new developments we are working on in Saudi are more focused on leisure and entertainment. At the same time, food, sports, eGaming cinemas, arts and culture are also popular.**



**Jamie Webb, Head of EMEA, Benoy**

Generally speaking, the thriving mixed-use developments in the Kingdom all include a large proportion of residential, with apartment living being a key element. Demand in part comes from younger Saudis, who want to move out of multi-generation family homes into their own new urban apartments. Demand for housing is also coming from the overseas workers the Saudi government is keen to attract.

There are other specific aspects of Saudi Arabia that are facilitating the demand for Mixed-use. For example, the Saudi Government has launched ROSHN, a national community developer and Public Investment Fund project, which is focused

on contributing to the demands for increased homeownership across the Kingdom. It is common in Saudi to have one landowner who owns all the land and property linked to a particular development, and who keeps their property over the long term. This means they are not looking to sell off parts of a development, but to invest and improve the building and ensure all the different elements complement one another. It is very different to the European model, where the landowner often looks to sell in parts.

In the next few years, additional new lifestyle trends will emerge in Saudi Arabia. And this presents a huge opportunity for mixed-use developments, which will move from urban centres such as Riyadh to more suburban areas.





# Mixed-use development in action

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## Solitaire

Solitaire is a luxury mixed-use development in the heart of Riyadh, overlooking the King Abdullah Financial District. It covers an area of approximately 65,000 square metres and features a unique combination of residential units, office spaces and retail. For those looking for a home, residents can choose from luxury apartments or penthouses, which include a range of amenities such as fitness centres and swimming pools. The retail spaces at Solitaire include high-end fashion and lifestyle brands, as well as restaurants and cafés. The immediate surrounding area is home to both middle-aged high-earning professionals and high net-worth expats, making Solitaire an ideal destination for discerning residents and businesses.





## Diriyah

Diriyah Gate is a mixed-use development located in the historic district of Diriyah, on the outskirts of Riyadh. Designed to be a sustainable and culturally sensitive development celebrating the heritage of the region, the development covers an area of approximately seven square kilometres. It features a combination of residential units, retail spaces, cultural venues and hospitality offerings.

The residential units in Diriyah Gate are designed to reflect traditional architecture and culture. They include a mix of villas, townhouses and apartments, surrounded by landscaped gardens and open spaces. The retail spaces in Diriyah Gate are designed to showcase local artisans and designers, offering a range of traditional and contemporary products.

The development also includes a variety of cultural venues, including museums, galleries and performance spaces. Hospitality offerings in Diriyah Gate comprise hotels and resorts, which are designed to cater to different types of traveller. The hotels are designed to blend seamlessly into the surrounding landscape and offer multiple amenities and services.





## Hospitality within mixed-use

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Traditionally, hotels offered guest room accommodation only. But today, hotels have evolved into ecosystems, connecting people, and creating communities.

Hotels are often a key component of mixed-use developments because they bring in tourists and business travellers, provide amenities and services for residents, and contribute to a project's overall economic viability.

**At Benoy, we are seeing more hybrid offers that include luxury hotels together with lifestyle and hospitality. These offers also include a micro residential component, which is part hotel and short-stay accommodation, combined with service departments and a strong wellness offer. There is particularly high demand from guests for this type of concept.**

Within mixed-use developments, the hotel offer enjoys even greater flexibility. This can take the form of branded residencies, service departments and short- and long-stay accommodation sitting alongside retail, residential and leisure. The important point is that there are several accommodation types which creates the ecosystem, and a lifestyle destination.



**Zaynib Khan, Head of Hospitality, Benoy**

The hospitality industry has always been very innovative, and we are seeing a number of brands evolving their ethos and offer to keep up with guests' expectations. There may also be a dual-branded hospitality proposition (two different brands from the same operator) within the mixed-use development. These brands often appeal to different market classes (i.e. upscale and midscale) to widen the reach, usually with shared public spaces.

Hotels have also in themselves evolved into mixed-use and frequently partner with local business. A hotel may now include retail and services from the local community, such as florists and laundries. The fact that a hotel operates 24/7 means the community remains activated outside

of normal working hours and provides additional revenue. Furthermore, hotel lobbies are becoming increasingly fluid in their use, changing from quiet spaces in the morning, to places to eat in the afternoon, to event venues in the evening. And the boundaries between these different uses are starting to blur.

Within a mixed-use development, the public areas of the hotel need to be flexible and have the resilience to adapt to changes in economy and market demands. They need to have longevity and sustained appeal, as public spaces provide additional and essential revenue streams outside of guest



room sales. Such opportunities include co-working spaces, health and wellbeing facilities, or spaces for cookery classes with world-class chefs.

It is also important that the hotel offers something different, exclusive and unique to what else is being offered within the mixed-used development. For example, hotels often want to draw on local cultures and landscapes. By encouraging guests to discover the surrounding area, they can help to celebrate and strengthen local communities and sense of identity.



## Mixed-use development in action

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### Hilton Hotel, Victoria Square, Woking, UK

The 22 storey Hilton Hotel tower in Woking plays a vital part in the town centre regeneration.

The hotel acts as catalyst to help energise and re-connect the local community and works in synergy with all other uses on the site – providing vibrant 24 hour activity. The bar on 21th floor has stunning views – creating a place and experience in its own right. The hotel has a mixture of uses including event space dining experiences for non-staying guests. The building is vertically located and integrates with the other assets at different levels above grade.





## The Hoxton Southwark

The Hoxton Southwark is a mixed-use development located in Southwark, London. It features a hotel, co-working space, event venue and several food and beverage outlets.

The co-working space is designed to offer a flexible and inspiring environment for freelancers, entrepreneurs and businesses of all sizes. It includes a mix of private offices, dedicated desks and shared workspaces, as well as meeting rooms and event spaces. The event venue is designed to host a variety of activities, from small meetings to large conferences and wedding parties. The space includes several rooms and areas, each with unique design features and state-of-the-art technology.

The F&B outlets at the hotel include a restaurant, bar and rooftop terrace.



The restaurant features a menu of British and Mediterranean-inspired dishes, while the bar has a range of craft cocktails and local beers. The rooftop terrace offers stunning views of the London skyline and is a popular spot for drinks.

The Hoxton Southwark is designed to be a destination for travellers, freelancers, entrepreneurs and locals alike. Its services are designed to provide a comfortable and inspiring environment for working, socialising and relaxing.





# Data-driven insights to drive creative commercial solutions:

Pragma's data-driven insights provide unique value to investors and developers:

## **1. Stakeholder insights**

Expertise in conducting and analysing primary research

Developing insightful analytics, robust modelling, and new thinking

## **2. Global experience and local understanding**

Tracking and analysing global and local trends and market developments

Understanding local and global best practice

## **3. Mixed-use capability**

Understanding the successful components of mixed-use developments and their differing stakeholder requirements across the full spectrum of asset typologies: retail, leisure, workplace, residential, travel and tourism

## **4. Commercial revenue analytics**

Developing a balanced view of current impact and future opportunities, across commercial, social, and environmental components

Tracking and reporting of an asset's ESG performance through Pragma's unique Pulse platform

## **5. Group capabilities**

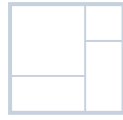
The Handley House group of companies bring creative design led solutions by combining data analysis, workplace strategy, master-planning and architecture, urban and landscape design, interior design and wayfinding

For a discussion on how Pragma and the Handley House group of companies could assist you and your business, please contact:

**Andrew McVicker, Director, Pragma**

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## HANDLEY HOUSE

Handley House is the parent company overseeing four international businesses. Bringing together commercial advice and strategic research, technical knowledge and design expertise, the company delivers a holistic approach from data analysis, workplace strategy, master-planning and architecture, to urban and landscape design, interior design and wayfinding.

Our companies:

## BENOY

Benoy is an international firm of architects, master planners, interior architects and graphic designers working from design studios in the United Kingdom, Abu Dhabi, Singapore, Hong Kong, Shanghai and Beijing.

## P R A G M A

Pragma is a commercial advisor for investors and operators in mixed-use, travel and retail and its expertise includes customer insight & segmentation, catchment analysis, trading & performance analysis, tenant mix guidelines and rent sustainability & leasing.

## UNCOMMON LAND

Uncommon Land is a landscape practice, balancing creative vision with commercial viability, shaping memorable landscapes that deliver lasting social, environmental and economic value.

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