



A Dream come true

■ Triple Five is thinking big with its new mall. American Dream will be the largest in North America when it opens in 2017. **Rhiannon Bury** finds out from principal Don Ghermezian how that dream is being made a reality

Imagine a shopping centre where the average dwell time is not measured in hours, but in days; where you are as likely to see a sea-lion show or have a skiing lesson as pick up a new suit.

This is the dream - or more accurately American Dream - that Canadian shopping centre developer and owner Triple Five is trying to make a reality. When it opens in 2017, the mall in New Jersey will span a whopping 3m sq ft over a 200-acre site and boast parking for a cool 33,000 cars. It won't be so much a shopping mall

as a mini-break destination - complete with the requisite hotels and leisure offer that have already made Mall of America in Minnesota and Canada's West Edmonton Mall two of the largest malls in North America and indeed the world.

The scale of the project is truly mind-blowing, as the developer's principal Don Ghermezian attests in an exclusive interview with *Property Week* on a whistlestop market-testing trip to London. But as with all dreams, there have been moments when the project has veered towards nightmare territory.

We meet in famous Jewish restaurant Reubens, a request of Kosher-observant Ghermezian, who between mouthfuls of chicken schnitzel and matzo ball soup fires off details with such verve and enthusiasm you struggle to keep up - and there's a lot to keep up with.

When it is finished, the total project, which is located four miles from Manhattan, will have cost Triple Five an estimated \$5bn (£3.3bn), making it the most expensive retail project in the world and North America's largest mall. Not only that, with \$1bn of public funding



behind it, it is the largest taxpayer-backed commercial development project in the state of New Jersey's history.

"There just won't be anything else like it - not with the range of entertainment options," proclaims Ghermezian. "People will be able to come and spend a couple of days here. There will be so much to do."

The retail offer is impressive enough. In the more traditional shopping area, there will be six anchor retail tenants with 50,000 sq ft each, 12 major retailers with 20,000 sq ft to 50,000 sq ft each, and 339 shops of up to 20,000 sq ft each.

High-profile lettings

Although there are still two years to go before it opens, Triple Five has already pulled off a few

high-profile pre-lets, including FAO Schwarz, which is relocating from its Manhattan flagship, as well as US retailer Hudson's Bay Company, which last month agreed a deal to open three flagship stores: a 131,906 sq ft Saks Fifth Avenue store, a 119,605 sq ft Lord & Taylor store and a 30,000 sq ft Saks Fifth Avenue Off Fifth.

"For a lot of our retailers, these are their flagship stores," Ghermezian adds. "For example, our H&M is bigger than in any other shopping centre - it's 55,000 sq ft. We're also the first centre that has all the H&M family - H&M, Cos and And Other Stories."

The premium and luxury end of the spectrum will be amply represented too. Part of the mall will be branded the Collection and will house a number of upmarket brands, including

outlets for fashion designers Tom Ford and Dolce & Gabbana.

The mall will also feature 21 restaurants, 45 specialty food retailers and food courts, but the really jaw-dropping aspect is the entertainment offer. This alone will span 1m sq ft and include a Lego Discovery Centre, SeaWorld aquarium, observation wheel, indoor ski and snowboard park, indoor ice-skating rink, bowling lanes, miniature golf, luxury cinema, 800-room hotel and a \$100m theatre, which will be a permanent home for globally recognised performance troupe Cirque du Soleil. Oh, and there will also be a 600,000 sq ft theme park and water park, which is to be run by US film production company DreamWorks and is costing Triple Five \$1.1bn to create.

"The traditional elements are important, but what sets us apart is that for every one person the mall attracts, our theme park and water park will bring 10 times more," Ghermezian says.

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He expects 40 million people through the doors each year, driven by the almost 100 million vehicles that will drive past the centre annually. Of those, around 50% will be people who have already visited New York City and are looking for something to do once they've exhausted the city's tourist attractions.

The average time spent in the city is eight days, Ghermezian says, "but after two days, after you've seen the sights, what are you going to do? We're going to offer them everything in one place. We'll have a dedicated tourism centre in the mall."

Difficult journey

It's all a far cry from the situation in the early noughties when a mall - called Meadowlands Xanadu - was first mooted on the site. Suffice to say, the project has encountered its fair share of obstacles over the years. In 2003, the New Jersey Sports and Exposition Authority, which owns the land, selected Mills Corp as the developer and work began on the complex in 2005. However, the project ran into problems when Mills bailed and was replaced by Colony Capital.

Then in August 2010, Colony Capital was forced to surrender control of the development after one of its lenders, a subsidiary of Lehman Brothers, missed payments. Triple Five was chosen as the new developer in May 2011, but did not break ground at the site until 2013,

partly as a result of a lawsuit filed by the New York Giants and New York Jets over traffic concerns, financial issues and various construction delays.

"We priced up the project three years ago but it's taken us that long to really get started on it," says Ghermezian. "But it's under construction now, we've secured funding and we're going through the leasing process, so it's very positive."

He's not exaggerating on the leasing front. The scheme is already more than 50% let, which is pretty impressive for a scheme that doesn't open for another two years. Indeed, he says: "We've got more interest in space than we've got space."

That is not to say he doesn't want to generate more interest, which is why he is in London targeting well-known high-street retailers with less of a presence in the US, hoping to encourage them to open in American Dream. With help from Sheila King International, it has already signed up Ted Baker and shirt-maker Thomas Pink and he is keen to get more fashion brands through the doors.

One of the aspects he believes will appeal to retailers is the integrated nature of the scheme. The company is spending around \$1,000/sq ft building out the common areas of the shopping centre to encourage people to hang around and has also carefully linked the entertainment

elements to the shopping experience to encourage visitors to spend more money.

Ghermezian cites the ski dome as an example. "To get to it you have to go through 14 stores that sell the best in ski wear, and they're decked out like Swiss chalets," he says. "So, you can go in and try out some equipment on the slopes."

User friendly

He adds that Triple Five hopes to make it as easy as possible for people to visit. The centre is a 20-minute train ride from Penn station in Manhattan and there will be dedicated buses from Times Square. There will also be various childcare options that allow parents to leave their children for the day while they shop, and they will be able to keep an eye on them using the mall's app.

It should perhaps be no surprise that Triple Five seems to have thought of everything. "We were doing this at West Edmonton 30 years ago," points out Ghermezian. "We've done this before."

That said, after the obstacle-strewn journey the developer has had to navigate to this point, Triple Five and indeed the state of New Jersey will no doubt breathe a huge sigh of relief the day American Dream opens its doors in 2017.

Only time will tell if the reality then lives up to the Dream.

■ See our big interview with Sheila King on p10 of our Retail, Leisure & Hotels supplement, enclosed with this issue

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