Cultural and artistic **centres**

The new multiplex?

James Alexander, managing director of Locum Destination Consulting, considers the prospects for a new breed of mixed-use destinations, at the heart of which lie innovative and cultural projects, rather than standard 'anchors' such as multi-screen cinemas, bowling alleys and night clubs.

The focal point and anchor for the vast majority of urban entertainment centres over the last ten years has been the multiplex cinema. Guaranteed to deliver upward of 500,000 visits per annum they have provided a rock solid basis around which to wrap a range of retail and catering offers. Together these facilities combine to produce a relatively standard formula for high-yielding, cash-cow style investments.

But the winds of change have arrived. What worked five years ago has now lost its appeal, and up and down the country operators and investors alike are beginning to think 'what next?' in terms of urban entertainment and leisure developments. There can be no bigger or better example of failure than Birmingham's Star City (below).

So what has changed? The consumer still demands a mix of activities including retail and catering. The market has more money to spend, so in theory the economics should work. And developers and investors are still searching for outlets for their capital funds and their initiative.

What's changed, of course, is the consumer. We're bored and fed up of poor grade lowest common dominator leisure-led development that does nothing to stimulate our ever increasing levels of sophistication and taste, or respond to our increasing desire for new products upon which to spend our increasing levels of disposable income.

A clue for the future

As with so many trends, this has been recognised first in North America where, to my mind, the best example is Yerba Buena Gardens, where commercial interests sit cheek by jowl with arts and cultural venues. The result is a dazzlingly powerful mix of activities that combines in a fashion that has broad-based appeal and demonstrable financial returns.

One cornerstone of the quarter is the Sony Metreon, comprising a multiplex (no *baby out with the bath water* here), IMAX, global retail (Sony, Microsoft, Discovery Store, et al), local restaurant operators and a family-oriented visitor attraction (based on Maurice Sendak's *Where the Wild Things Are*). But more importantly this retail/entertainment development shares a block with the progressive Yerba Buena Arts Center and faces the San Francisco Museum of Modern Art (below). Across the street, in what is now being called the 'Yerba Buena arts district' is the site for the new Jewish Museum, Mexican Museum and the unusual retail environment of Yerba Buena Lane (another project of Millennium Partners, the Sony Metreon developer).

In terms of mix, who could ask for more? In terms of return, the continued growth of this quarter is the answer to any Doubting Thomas.

And the lessons? There isn't one central anchor to this cultural and commercial quarter but three or four, and therein lies the biggest key to future success in the UK. The Yerba Buena Gardens development is a delicately crafted mix of unique products that, on the one hand, offer distinct and individual experiences on a stand-alone basis, whilst on the other come together in a dynamic and vibrant fashion to create a destination quarter with significant critical mass.

Covent Garden, London

What is interesting is the way in which the evolution of this cultural quarter has been accelerated to combine an appeal both to the consumer (and a broad based one at that) and the ever so critical investor and developer. Such an achievement shouldn't be understated.

Success in San Francisco is predicated on the accessibility and integration of facilities that ten years ago were considered the private domain of the educated elite: museums and arts galleries were simply not inclusive or democratic. The *masses* were expected to opt for the latest blockbuster Hollywood movie rather than Fahlstrom's latest touring exhibition. How times have changed.

In the UK, we have gone through a process of democratisation with respect to the arts that, arguably, outstrips the US. To no small extent this has been achieved through the hard work (and buckets of cash) invested by the Lottery Funds. Landmark projects up and down the country, all of which have demonstrated huge levels of popular success (The Lowry and The Tate Modern to name but two), have illustrated how powerfully iconic architecture can combine with artistic and cultural content to produce distinctive, popular destinations for the UK's general public.

Whilst we are not quite there yet in terms of the successful commercially driven cultural quarter, I suggest that the UK is on the cusp of one of the most exciting eras in property development yet: the full and genuine integration of leisure-led redevelopment with the interests of arts and culture.

On Tyneside, for example, both Newcastle and Gateshead (shortlisted for European Capital of Culture status 2008) are demonstrating how much economic and commercial headway can be achieved through the thoughtful integration of the sectors. The Baltic Centre for Contemporary Art will combine with Foster's dramatic Music Centre to produce a dual anchor for commercial redevelopment that will, in turn, fill the traditional 'dog bone' void as readily as occupiers spring to fill the low grade space between a multiplex and a bowling alley. In Glasgow, a significant redevelopment masterplan on the banks of the Clyde, which offers a window for the Museum of Transport alongside the 'usual suspects', is making headway. Further, in east London at Silvertown Quays, a new national aquarium will be the centrepiece of a substantial mixed-use redevelopment initiative to be rolled out over the next five to ten years.

But above all, the long-term prospects for this new form of urban entertainment centre, with its imaginative blend of activities and significant market appeal, far outstrips that of the traditional mall, hamstrung as it is by built-in obsolescence. If we get the mix and financial model right, as I have argued previously in *Locum Destination Review* ('The destination effect', Spring 2002), the all-round performance of these developments can be exceptional, paying dividends to both private and public sector partners alike.

What makes the difference?

The keys to success in this area are not dissimilar to those related to the more low-grade leisure-led developments that we have become so familiar with. However, they are different enough to combine in a way that has a significant impact not only on short-term feasibility but also on issues of longevity, uniqueness and most importantly, investment quality.

A sense of place

Creating a sense of place, that is both unique and distinctive, is not a new aspiration for destination developers. Indeed, a founding tenet of the Heron City roll-out was the creation of a vibrant environment in which to ply a relatively standard urban entertainment mix.

When arts and cultural complexes are part of the mix, the chance to develop a genuinely unique sense of place, with outstanding distinctiveness (that doesn't rely on neon lighting!) is significantly more realisable. The key is to draw on the various dimensions of the cultural offer and the opportunities that this presents to co-locate imaginative retailing, innovative catering and other, more commercially driven, activities within the development area.

A classic example of this is the development of Covent Garden (itself a valuable heritage landmark). Here, artistic (the Opera House) and cultural (the Transport and Theatre Museums), are integrated with a vast array of catering and retailing offers across a very broad spectrum, now attracting in excess of 30 million visits per annum. The result? As a *re-rated* destination it now competes with King's Road and High Street Kensington and, according to CB Hillier Parker's Rent Index, is the best performing retail location in the UK. But more than this, it significantly outstrips the competition by *layering* offer upon offer to create a destination that has virtually boundless appeal.

Multi-anchoring

The success of Covent Garden is in part due to its success (by accident rather than design) in multi-anchoring. Multi-anchoring is exactly what it suggests, the foundation of an entertainment destination on a series of core attractions that are powerful attractors in their own right. Together, of course, the appeal and critical mass is strengthened. This axiom of the traditional approach is equally important in the *new age*, albeit the developer / investor must have faith in the fact that a cultural institution can act as an anchor.

Understanding the dimension that a cultural anchor brings to a project is equally important: they are programmed differently, experience different peaks, run on different cycles. These characteristics, once seen as weaknesses, need to be understood and used to best advantage to ensure longer on-site dwell times and higher spend per head patterns.

Brand awareness

Some of the strongest brands to emerge in the UK over recent years are affiliated with cultural and arts destinations. Tate Modern or the Baltic surely earned more column inches than any product launch, and awareness of the British Museum or Eden must be on a par with the great commercial brands of our era.

Iconic architecture gets much of the credit: we all know Gehry's Guggenheim, Libeskind's Imperial War Museum North and Herzog and de Meuron's Tate Modern. This comes down to capital investment (again, in the UK, the Lottery Funds) and also to the priorities of the cultural sector, where external appearance is very important indeed.

Despite the fact that the 'science' of branding, in terms of the traditional discipline of logos and strap-lines, is not particularly advanced in the cultural sector, almost all arts organisations are sitting on a wealth of raw material. By harnessing and nurturing the brands these organisations sometimes don't even realise they own, the new wave of integrated destinations can establish profiles far in excess of anything a traditional development could possibly hope to create.

Critical mass

Scale is vital. It was vital for the traditional urban entertainment centre and it is vital for the twenty-first century's culturally richer equivalent. Why? Because with scale comes the ability to add variety, mix and distinctive appeal. This, in turn, is another lever in the drive to increase dwell time and repeat visitation and therefore spend and investment returns. Getting these last two factors working right is, of course the *holy grail* in terms of economic success and long-term sustainability.

But critical mass also helps deliver 'pulling power'. For 'pulling power' read profile, market exposure and word-of-mouth advocacy. The success of Bluewater, for example (visitation in the region of 25 million per annum), is in no small part due to its sheer scale. When scale is combined with the other key elements of the mix, the chance to create a 'must see' is substantially increased.

Support services and facilities

But beyond this base premise is a further multi-anchoring requirement, which demands that core attractors are not only supported by high quality retail and catering offers but also, equally importantly, first quality infrastructure and public realm. Increasingly, it is the standards of car parking and access, urban design and security, and the availability of public toilets and public information that make the difference between one-off visitation and the generation of a loyal repeat-visitation base.

Programming and animation

One of the keys to creating successful destinations, with high levels of repeat visitation, is the ability to change and renew product. Imagine the long-term sustainability of a cinema that showed the same movie each night!

Whilst retailing creates this through seasonal fashion promotions and entertainment venues use the 'experience' itself, the ability of artistic and cultural venues to heighten the prospect for change and renewal is extreme and very powerful. Whether through traditional exhibition programming or additional events and activities, integrated thinking about programming and animation of public space, that draws on the natural strength and depth of resources available to artistic and cultural organisations, must be part of early strategic thinking.

The Lowry, Salford Quays

Prospects for the future

As we move forward in the twenty-first century, I am convinced that the answer to the urban entertainment conundrum that seems to be facing the sector is not to sit back and look for answers within the traditional, dull and well-tested domain of multiplexes, bowling alleys and night-clubs, but to think imaginatively about the use of arts and cultural institutions and destinations in a way that ensures that each and every development is genuinely unique.

By applying the concepts identified above, the property sector can combine with the public sector in a fashion that creates destinations of which developers and investors can be genuinely proud. Developments that make people sit up and think. Developments that make more people come back more often to spend more money.

In addition to examples mentioned above it is quite possible to point to a range of other successes in the UK (Brindley Place with the Ikon Gallery, Bristol Waterside with the Arnolfini and At-Bristol), which clearly demonstrate that there is more to the concept of integration than mere wishful thinking. Couple the success in the UK with the moves forward in the US and there is a whiff of a social epidemic about. But getting it right means extending the thinking and unless this is done collaboratively the long-term potential of this new wave of development will be squandered.

And of course we shouldn't stop there. If this shift can work in the leisure sector, the time may arrive when we are all thinking a little bit more imaginatively about other areas of property investment and development. The prospects for the future seem quite appealing after all.