

# ICSC SHOPPING CENTER DEFINITIONS

## Basic Configurations and Types



The term “shopping center” has been evolving since the early 1950s. Given the maturity of the industry, numerous types of centers currently exist that go beyond the standard definitions. Industry nomenclature originally offered four basic terms: neighborhood, community, regional, and superregional centers. However, as the industry has grown and changed, more types of centers have evolved and these four classifications are no longer adequate. The International Council of Shopping Centers has defined eight principal shopping center types, shown in the accompanying table.

The definitions, and in particular the table that accompanies the text, are meant to be guidelines for understanding major differences between the basic types of shopping centers. Several of the 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. A hybrid center may combine elements from two or more basic classifications, or a center's concept may be sufficiently unusual as to preclude it from fitting into one of the eight generalized definitions presented here.

There are other types of centers that are not separately defined here but nonetheless are a part of the industry. Some 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. Other smaller 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. On-site parking is provided. The center's size and orientation are generally determined by the market characteristics of the trade area served by the center. The two main configurations of shopping centers are malls and open-air strip centers.*

## BASIC CONFIGURATIONS

**Mall:** Malls typically are enclosed, with a climate-controlled walkway between two facing strips of stores. The term represents the most common design mode for regional and superregional centers and has become an informal term for these types of centers.

**Strip center:** A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.

## SHOPPING CENTER TYPES

**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 pharmaceuticals and health-related products, sundries, snacks and personal services. A neighborhood center is usually configured as a straight-line strip with no enclosed walkway or mall area, although a canopy may connect the storefronts.

**Community Center:** A community center typically offers a wider range of apparel and other soft goods than the neighborhood center does. Among the more common anchors are supermarkets, super drugstores, and discount department stores. Community center tenants sometimes contain off-price retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or "L" or "U" shape. 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 refer to themselves as discount centers. Others with a high percentage of square footage allocated to off-price retailers can be termed off-price centers.

**Regional Center:** This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attractions are its anchors: traditional, mass merchant, or discount department stores or fashion specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway and 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 as an enclosed mall, frequently with multilevels.

**Fashion/Specialty Center:** A center composed mainly of upscale apparel shops, boutiques and craft shops carrying selected fashion or unique merchandise of high quality and price. These centers need not be anchored, although sometimes restaurants or entertainment can provide the draw of anchors. The physical design of the center is very sophisticated, emphasizing a rich decor and high quality landscaping. These centers usually are found in trade areas having high income levels.

**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 tremendous selection in a particular merchandise category at low prices. The center typically consists of several freestanding (unconnected) anchors 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. The biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed use projects.

**Outlet Center:** Usually located in rural or occasionally in tourist locations, outlet centers consist mostly of manufacturers' outlet stores selling their own brands at a discount. These centers are typically not anchored. A strip configuration is most common, although some are enclosed malls, and others can be arranged in a "village" cluster.

TYPE	CONCEPT	SQ. FT. (Inc. Anchors)	ACREAGE	TYPICAL ANCHOR(S)		ANCHOR RATIO*	PRIMARY TRADE AREA**
				NUMBER	TYPE		
<b>NEIGHBORHOOD CENTER</b>	Convenience	30,000 - 150,000	3 - 15	1 or more	Supermarket	30 - 50%	3 miles
<b>COMMUNITY CENTER</b>	General Merchandise; Convenience	100,000 - 350,000	10 - 40	2 or more	Discount dept. store; super-market; drug; home improvement; large specialty/discount apparel	40 - 60%	3 - 6 miles
<b>REGIONAL CENTER</b>	General Merchandise; Fashion (Mall, typically enclosed)	400,000 - 800,000	40 - 100	2 or more	Full-line dept. store; jr. dept. store; mass merchant; disc. dept. store; fashion apparel	50 - 70%	5 - 15 miles
<b>SUPERREGIONAL CENTER</b>	Similar to Regional Center but has more variety and assortment	800,000+	60 - 120	3 or more	Full-line dept. store; jr. dept. store; mass merchant; fashion apparel	50 - 70%	5 - 25 miles
<b>FASHION/SPECIALTY CENTER</b>	Higher end, fashion oriented	80,000 - 250,000	5 - 25	N/A	Fashion	N/A	5 - 15 miles
<b>POWER CENTER</b>	Category-dominant anchors; few small tenants	250,000 - 600,000	25 - 80	3 or more	Category killer; home im- provement; disc. dept. store; warehouse club; off- price	75 - 90%	5 - 10 miles
<b>THEME/FESTIVAL CENTER</b>	Leisure; tourist-oriented; retail and service	80,000 - 250,000	5 - 20	N/A	Restaurants; entertainment	N/A	N/A
<b>OUTLET CENTER</b>	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

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