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Nation's Largest Outlet Mall Gets Major Facelift, Reflecting New Front in US Retail Battle

Renovations at Simon's Sawgrass Mills in Florida Are Designed to Combat Online Shopping



Sawgrass Mills' new entrance will include art and colored glass. Illustration: Simon

The largest outlet mall in the nation is undergoing a multimillion-dollar renovation that is part of a bigger initiative by brick-and-mortar shopping centers across the country to fend off competition from online merchants and snazzy new developments.

The work at Sawgrass Mills, located northwest of [Miami](#) in Sunrise, Florida, will include updates to two food courts and new entrance designs that feature art, colored glass and canopies. The renovation is expected to be completed by late 2020, when the 2.3 million-square-foot center celebrates its 30th anniversary.

Outlet malls face the same threat from online shopping that has hurt traditional malls in recent years, though the outlets still carry a cachet with local residents and tourists determined to find name brands at bargain prices. Online e-commerce sites and outlet

malls are fighting for shoppers with the same conceptual weapons: many shopping locations in one spot and relatively low cost.

The U.S. outlet mall sector has racked up sustained growth in recent years, with 215 centers operating nationwide, up 6% from 2015, according to the International Council of Shopping Centers, an industry trade group. Outlet malls total nearly 85 million square feet, with more than 6.8 million square feet opening since 2015, as Americans gravitate toward malls where they can find brand name goods that are marketed as being discounted, the physical version of the online shopping experience.

Merchandise that didn't sell in a traditional mall often was shipped to an outlet and sold at a marked-down price, but now more manufacturers and retailers are producing goods specifically for outlet centers, explained Alan Bush, a retail consultant with Northlake Partners in West Palm Beach, Florida. That means prices have gone up as outlet malls take advantage of their image as inexpensive.

“The relative bargain is no longer there, but there is a definite perceived value,” he said.

As a result, outlet malls could become more like typical retail malls and are taking steps to draw more people into their stores. Sawgrass Mills, owned by mall giant Simon of Indianapolis, has more than 350 stores, including Target and outlets for Nike, Tommy Hilfiger and Saks Fifth Avenue.

Malls must reinvent themselves because consumers today have so many choices, said Dave Preston, executive managing director for retail services at Colliers International in Miami. He pointed to the nearby Town Center in Boca Raton, Florida, a regional mall also owned by Simon, which will have a [grocery store](#) next spring.

“When you were a kid and needed clothing, your mom said, ‘Hey we’re going to the mall,’” Preston recalled in an interview. “Now it’s, ‘Well, we’ll go online or maybe to that new lifestyle center down the street.’ Malls have to step up and create a more dynamic shopping experience to draw people inside.”



Two food courts will be updated as part of the renovations. Illustration: Simon
The urgency for Sawgrass Mills to adapt also comes from [Metropica](#), a \$1.5 billion, mixed-use project under construction across from the outlet mall. The developers of Metropica have said they intend to bring “aspirational, experiential and outdoor lifestyle” retail to differentiate the new center from e-commerce options.

Another competitor will be the \$4 billion [American Dream Miami](#) on 174 acres just south of Sawgrass Mills at Interstate 75 and Florida’s Turnpike in Miami-Dade County. Expected to open in 2023, the center will have 5 million square feet of retail, making it the nation's largest shopping mall overall. On top of that, it's expected to include such attractions as a Ferris wheel, skating rink and a water park.

American Dream Miami's developer, Triple Five Worldwide, has touted the project as a major tourist destination, something that Sawgrass Mills already is, noted Barry Wolfe, senior managing director for the Marcus & Millichap brokerage in [Fort Lauderdale](#), Florida.

“When you walk around inside the center, you hear a lot of different languages,” he said. “Sawgrass Mills is important to Simon. It’s one of their flagship properties that needs to remain top of mind” with shoppers.

This is the sixth and largest of Sawgrass Mills’ renovations, General Manager David Gott said in a statement, adding that the latest project underscores “our mission to deliver an unparalleled shopping experience.”

Interior renovations will include new porcelain tile flooring with marble and stone accents, modern seating, more tables and an open-skylight design.

The mall's west food court will feature an open-kitchen concept, while the east food court will have bistro-style dining. A concourse and exterior entry will be added to the east food hall.

European fashion retailer Primark will open in the center next summer. It will be the chain's first store in the U.S. Southeast. Meanwhile, construction is set to begin this spring on a 174-room AC Hotel by Marriott that is expected to open in fall of 2020.

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