User requirements of retail real estate regarding location and conception in due consideration of the development of e-commerce

Introduction
In the retail real estate market, digitalization is inducing changes in demand. Due to the growing importance of e-commerce, the exclusive ties of purchasing processes to stationary locations are increasingly detaching, which, ceteris paribus, makes parts of the stationary trade and thus retail real estate obsolete. In addition, the digital transformation of society is changing buying and information behaviours, so that today’s customers often make their product choices prior to vendor choices, making merchant selection more facts-based on criteria such as reachability, price or availability. Furthermore, social, demographic and economic developments are superimposing the market conditions. All these influences must be taken into account as far as retail real estate is concerned. In order to remain competitive and to be sought after in the long term, they must meet its users’ current and future needs. After all, it is the primary function of a property to meet its users’ needs. Real estate is planned, constructed and run for functional operation, the actual core processes of object usage. In case of retail utilization, the user consists in the first instance of the retail operator that takes the leasing decision. Primarily the building must enable its business model and thereby match its specific requirements. Moreover, the end consumer also needs to be taken into account since he needs to be attracted every day anew to keep a business successful. This becomes even more important in view of the fact, that e-commerce has continuously gained more and more market share during the last years increasing the pressure on the stationary sector to stay attractive. Actually, it should be assumed that new buildings meet the current requirements of their users and thus represent a kind of reference level for the project development market. In reality, however, especially in the recent past, there are increasingly negative examples where e.g. shopping centres had to be heavily value-adjusted in retrospect. Overall, there is currently a great uncertainty in the market, which – in combination with the strong dynamics of the
industry – makes it necessary to sharpen and reassess the requirement profile for retail real estate.

**State of Research**
Although shopping centres – as flagships of the retail landscape – are supposedly of great relevance, the current empirical and theoretical state of knowledge in science and literature on user requirements is low, or more precisely, one-dimensional. Thus, their research is reduced to the analysis of customers’ needs and here almost exclusively to generally relevant aspects of the choice of shopping, such as supply, price(-performance) or service (commercial attractiveness). Object-specific or real estate-related characteristics are so far barely noticed apart from the siting. The same applies to the retailers’ requirements, which seems more important than ever in view of the current power relations in the market (“tenant market”).

Although the relationship between users’ requirements and the design and location of real estate in the retail sector is largely unexplored, this does not apply to all types of real estate. For example, Schaule already examined the influence of property and location characteristics on the users’ satisfaction and willingness to pay using the example of office buildings. Geywitz also establishes a connection between explicit and implicit requirements of the user and attributes of the property. Using the example of hotel property deciding criteria have been identified that are supposed to be used in the development to attain a sustainable and long-term economic lifetime.

**Objective**
Based on this approach, the aim of this paper is to examine the current requirements and preferences of retail property users using the example of the shopping centre in the light of the identified developments and influences in order to finally derive success criteria or non-systemic risks for this type of property. The work should thus contribute to reduce the currently existing market non-transparency and the associated information asymmetries in the retail real estate market and thus to better assess the future and marketability of retail properties and locations. In particular for investors, the level of knowledge in investment decisions should be increased and real estate and trade-specific risks and uncertainties that currently exist on the market should be reduced.

**Methodology**
Methodically, user requirements and preferences are examined using an empirical survey based on a questionnaire. Based on the current state of research, the attributes identified as relevant are derived. In the survey, both the meaning and the satisfaction of attributes can be considered. Using various statistical methods and analysis tools, e.g. cluster or regression analyses the results can further be specified.

**References**
