

Mall of Berlin: Building Berlin's Tourist Economy

Berlin is boosting its tourism economy with a new mega mall – the Mall of Berlin. The 270–store complex promises to encourage the German capital's reputation as a major shopping destination. Opened at the end of September, the complex is set to expand another 30 percent within the next year. Once completed, it will be the largest shopping center in Germany.

Andreas Kogge, head of Berlin retail leasing at Jones Lang LaSalle Inc., describes the mall as being more than a retail center. He indicates the mall is more like a city quarter and suggests that smaller malls in the outskirts of the city will have serious competition.



Berlin has recently seen an influx of visitors, forcing the city to build more hotels and retail locations. To keep up with demand, the Mall of Berlin has been built to offer tourists more retail options. The mall has been compared to the Persian Gulf sheikhdom, the world's biggest mall in Dubai.

With over one million square feet of retail space, the mall is sure to offer something to everyone. Confirmed tenants include Lacoste, Guess and Karl Lagerfeld. The opening day saw approximately 1000 shoppers.

The mall stands where the Wertheim department store once stood. It is a mere 5 minute walk from the Potsdamer Platz. Harald Huth, the mall's developer, is confident that the mall will succeed because of its' fantastic location.

Future plans include the construction of 270 rental apartment units. They will be shaped around a garden and running track. With rent rates that go up to 25 euros per square meter, living at Berlin's largest mall won't come cheap.

According to Berlin's statistics office, the retail rates have increased 4.7 percent in June from only a year earlier, when adjusted for inflation. According to the Retail Federation of Berlin, tourists account for a quarter of retail revenues.



After falling well below the national average for over a decade, Berlin's economy is finally catching up. Of all German states in the past year, Berlin has grown the most. In the last year alone, overnight stays in Berlin have climbed 8.2 percent.

Berlin's mayor, Klaus Wowereit, views the Mall of Berlin as an investment for the future. He acknowledges the wary eye of competing mall operators, but doesn't view the mall as an inherent threat. Wowereit sees the Mall of Berlin as an addition to the city, not a give and take from other business owners.

The mall retains the aesthetics of the neighborhood's prewar architecture with 100, 000 square meters of low-rise stone and glass townhouses. The Wertheim department store was destroyed during World War II, and was left as a no-man's land.

The site was the largest undeveloped area in central Berlin when it was bought by Arab Investments Ltd. and Harald Huth in 2011. It was bought for approximately 89 million euros. Huth had originally only intended to build 200 units in the complex, but made adjustments to meet the demands of his future tenants. He is now considered Berlin's largest retail developer.

The mall was designed to retain the aesthetics of the original Wertheim building. Floral carvings in the benches and decorative arches in the courtyard evoke the property's history. The developers recovered photos of the Wertheim seized by the Nazis in 1937. They now hang in the complex to pay homage to the site's heritage. It was important to Huth to retain an image of Wertheim in the Mall of Berlin. He pored over old photographs for inspiration when designing the new emporium.



The arcade, central to the complex, is meant to integrate the city with the mall. Huth wants to bring life back to the area, which has been a dead zone ever since the Wall came down. He hopes to encourage street life with sidewalk facing stores and restaurants on Leipzig Platz and Wilhelmstrasse,

Ruhr-Park is currently Germany's largest retail property. The shopping center, located in the industrial

city of Bochum will have its' title stripped when the Mall of Berlin finalizes its expansion plans over the next year with another 130,000 square meters of shops.

If you plan to visit the fastest growing shopping location in Europe, remember that just like the rest of German, the mall is closed on Sundays.

Date: 2014-10-27

Article link:

<http://www.tourism-review.com/travel-tourism-magazine-new-mall-turning-berlin-into-shopping-destination-article2514>