



Connect Q&A: Tishman Speyer's Shannon on the Role of Retail Outside the Door

Stunning modern architecture and unobstructed Bay-front views make for an iconic residential address and an attractive investment in the City's financial district. However, when Tishman Speyer's MIRA welcomes owner-residents in early 2020, it will also feature a state-of-the-art fitness center designed by fitness expert Jay Wright and a commercial stretch studio, StretchLab, occupying street-front retail space. Why is this relevant? Best practice development strategies focus on anticipation, availability, and long-range programming for a lifestyle that meets resident desires and yes, oftentimes demands.

According to Tishman Speyer, it is lifestyle and living that has to be finely tuned to create a home that is connected to its neighborhood in a way high-rises might not be otherwise. Here's a look at the topic with Carl Shannon, Tishman Speyer's Senior Managing Director overseeing the MIRA development to completion, and his reflections on what went right for the company's "Folsom corridor" projects, including Infinity and LUMINA, and the role of retail and amenities in defining a successful project.

Q: How are future residents of urban residential buildings in The City driving the concepts of mixed-use formats including retail and services?



Photo: StretchLab is coming to MIRA's Retail Space

A: Our projects on the Folsom St. corridor, including Infinity, LUMINA, and now MIRA, have helped create a real sense of place defining San Francisco as a modern, 24-hour, urban, Class-A metropolis. No doubt residents shape the neighborhoods they are attracted to, but its builders that must anticipate and strive to meet their urban lifestyle expectations. Understand the area around MIRA was not as attractive 20 years when we began developing these projects, however our developments are now a backbone for a vibrant district in harmony with the culture and lifestyle of its Financial and Transbay district neighbors.

Residents who buy into this area are looking for an urban 24/7 lifestyle. Projects that are well located and within walking distance to jobs, transit, culture and lifestyle appeal to urban residential consumers. But when you purchase a residence, buyers expect a project with amenities tailored to meet their ultimate desires for a superior version of that desired lifestyle. Convenience services and amenities specific to the building are a must, however, so are community flow and retail experiences just outside.

Q: What is the difference between a tenant amenity and local market retail model when leasing mixed use components?

A: Tishman Speyer focuses on programming retail in projects that is resident amenity driven in consideration, but also offers a neighborhood building component. Of course we consider revenue potentials and credit worthiness for prospective tenants. However, those elements do not unto themselves identify the right mix. We knew that our projects had to deliver neighborhood amenities that one would call organic and authentic.

At MIRA for instance, health and fitness are driving contemporary resident interests across the spectrum of age demographics – millennial, gen x and boomers alike see this as a key lifestyle driver. Of course, we include building conference rooms, entertainment spaces, outdoor areas for gatherings, indoor rooms for events, and Class-A fitness facilities that meet a discerning consumer's needs. However, MIRA's street-front retail will also incorporate an extension of this lifestyle driver with



Photo: Prospect by Nancy Oaks, Infinity's Retail Space Dining Experience

several neighborhood driven tenants like StretchLab that follow our Jay Wright lead at the building, but open their doors to a wider community.

In similar fashion, we opened Prospect by Nancy Oaks to bring world-class San Francisco dining to the doorstep of Infinity, bringing the city's dining scene to residents' doorstep, and also their neighbors. Because San Franciscans pride themselves on unique, artisan, and locally sourced shopping whenever practical, we brought Woodlands Market, a boutique grocery operator from Marin, back to its San Francisco beginnings with a location at LUMINA. That's a building amenity that has fast become a neighborhood staple.

Q: Is there an age/demographic or submarket differences in programming the mixed use components of urban developments?

A: When we first began looking at urban high-rise living in San Francisco, the avid consumer was still a fairly narrow demographic segment skewing young. The age and demographics have broadened dramatically over the past 20 years. We now see

a mix of singles in their 20s to 30s invested in City-based careers, couples and young families stretching from their 20s into their 40s, and a crop of empty nesters 40 and older, all of whom want the benefits of living an active, urban, San Francisco lifestyle that includes walking to work, using transit and being in a neighborhood that has it all with convenient access just outside the door. The Folsom corridor has become home to a much broader demographic than when it first started in the early 2000s. We would like to think that our condominium ownership projects vested a discerning consumer in the area set to make this their home and invest in the neighborhood, thus attracting the right type of retail that reflects their common lifestyle tastes.



Photo: Woodlands Market Occupying LUMINA's Retail Space