

intu Metrocentre, Gateshead Europe's Largest Shopping & Leisure Centre

intu Properties plc continue to develop intu Metrocentre to reflect the ever-changing needs of our shoppers. Imaginative redevelopment programmes keep the Centre at the forefront of retail competing favourably with new centres throughout Europe.

A successful centre is a partnership between owner, retailers and customers. The proven success of intu Metrocentre is its growth, each year recording high levels of customer visits. This is a testament to the success of the working partnership at intu Metrocentre, and the excellent relationship with the retailers.

The safe, clean, friendly and attractive shopping environment for which intu Metrocentre is renowned, would not be possible without the support of partners such as Gateshead Metropolitan Borough Council, Northumbria Police and Tyne and Wear Fire Brigade.

intu is delighted to have the opportunity to maintain the management philosophy of intu Metrocentre and manage its continuing success.

A BOLD NEW CONCEPT

In 1980 few people realised that, when a power station's waterlogged ash dump on the outskirts of Gateshead was chosen for development, the North East of England would be pioneering a retail revolution. The concept, planning and design of Metrocentre were essentially very simple. The needs of the customer were covered in every detail. With this in mind, the aim of Cameron Hall, the original developers, was to provide a shopping and leisure centre that combined the best of North American innovation with all the lessons learnt from centuries of European shopping tradition.

- Where efficiency and convenience meet an attractively varied environment.
- Where the benefits of size can be enjoyed on a human scale.
- Where the purchase of goods go hand-in-hand with the pursuit of pleasure.

As a result, intu Metrocentre has become more than bricks and mortar. It is now part of the social fabric of the region. Reinstating the traditional values of the marketplace - where people used to go to meet as well as shop - in order to fulfil the needs of an age with increasing time for leisure. intu Metrocentre has rekindled the tradition of the 'family going to town'.

"A GREAT BIG CLARTY FIELD"

In 1979 the site was a 120 acre waterlogged ash dump described by local Geordies as 'a great big clarty field'! For over 40 years it had been the ash dump for a power station. There was no access and the site valuation totalled just £100,000.

It had only one advantage - its location!

Situated at the heart of Tyneside, the potential catchments were 1.5 million people within a 30 minute drive time, and 3 million within one hour. In 1981 the area was designated by Government as one of the first Enterprise Zones in the UK. This gave rise to the opportunity to claim 100% capital allowance on building work, few planning restrictions and a rate free status until 1991. More importantly, it helped Metrocentre become economically viable.

A DREAM BECOMES REALITY

Sir John Hall, a miner's son from Ashington, who owned a property development company, Cameron Hall, and had retail project experience and a passion for the North East was determined that this should be the location for his dream - A state-of-the-art retail and leisure development built by, and for, the people of the region.

In order to realise his ambitions for the present scale of development, he needed to convince both retail and financial organisations of the potential of the scheme.

In early 1984 Gateshead Metropolitan Borough Council helped host an exhibition at a local hotel to draw attention to the proposed scheme. To the surprise of all involved, over 1000 visitors, including the top retailers in the UK, Marks & Spencer, Burton Group, Boots, Sears, Bhs, House of Fraser, and Littlewoods came to the North East to view the exhibition and express their interest in the development. Suddenly the proposed Metrocentre became 'flavour of the month' in retailing.

Inspired by this burst of enthusiasm Gateshead MBC together with the Department of the Environment agreed to pay £1.75m towards the cost of the vital access roads linking the centre to the A1 Western Bypass. Following the decision of Marks & Spencer to take a large store on the site, which was their first venture out of town, the concept rapidly expanded from the original idea of simply a cluster of retail sheds and leisure based attractions into a very major shopping centre.

FUNDING

Funding such a grandiose scheme was not without its initial problems. Eventually the Church Commissioners for England agreed to entirely fund the project and in just two years from announcing the initial concept, a small number of retailers started trading from 23rd April 1986 and the first malls officially opened on October 14th 1986. In October 1987 the third phase was completed coinciding with the Church Commissioners' decision to buy out the developer's interest completely. The next chapter was written in October 1995 when Capital Shopping Centres PLC purchased a 90% interest in the Centre for £326m. The remaining 10% ownership was retained by the Church Commissioners for England.

In March 2007 Liberty International (Capital Shopping Centres' owning company) announced that Capital Shopping Centres had entered into an agreement with GIC Real Estate ('GIC RE') for GIC RE to acquire a 40 per cent share of CSC's interest in Metrocentre.

GIC RE is a leading global real estate investor and ranks amongst the world's top real estate investment firms.

SIGNIFICANT DATES

1981

- Area became an Enterprise Zone.

1984

- Sir John Hall and Gateshead MBC launched their proposed development. Gateshead MBC and the Department of the Environment built the vital access roads linking to the A69 Western Bypass (now the A1).
- Building began.

1986

- Phase 1 250 000 sq. ft. (Red Mall) opened (23 252 sq. metres).
- Phase 2 110 000 sq. ft. (Green Mall) opened (10 219 sq. metres) – 14th October 1986.

1987

- Phase 3 development 900 000 sq. ft. (Blue and Yellow Malls) opened (83 612 sq. metres).
- Bus Station opened.
- Blue multi storey car park and railway station opened.
- UCI Cinema opened.

1988

- MetroLand (later known as The New MetroLand) opened.
- Yellow Mall opened.
- Roman Forum (now The Forum) themed area opened.

1989

- Mediterranean Village themed area opened.
- GX Superbowl (later known as Megabowl) opened.
- 350 bay Coach Park opened.
- Fully operational 2 250 000 sq. ft. (209 030 sq. metres) opened.

1990

- Phase 4 opened
- A1 Western Bypass opened

1991

- Western Bypass 3rd lane opened inbound from the A1 South.

1992

- North perimeter link to A1 North & West opened.

1994

- July – New road, Handy Drive opened.

1995

- Capital Shopping Centres purchased 90% of Metrocentre from the Church Commissioners.

2000

- The centre became equipped with the most up to date life saving equipment, in the form of defibrillators situated around the centre.
- Secretary of State grants consent to extend the centre to include Debenhams, up to 27 additional shop units and a multi-storey car park.

2002

- Demolition of the old Asda site begins and the building of the New Red Mall, Debenhams Department Store and the new Public Transport Interchange begins.

2004

- Opening of the New Public Transport Interchange
- Wednesday 6th October – Re-launch of Metrocentre and opening of the New Red Mall. Metrocentre becomes the largest shopping and leisure centre in Europe once again at 1.818 million sq ft (168,892 sq m) of retail space.

2007

- GIC RE purchases 40% of CSC's interest in Metrocentre.

2008

- Plans are announced for the £45 million redevelopment of the centre's Yellow Mall into a new dining and leisure area.
- The New MetroLand and Bowling Alley are closed to accommodate the new scheme.

May 2009

- The newly redeveloped mall and first restaurants in the area now rebranded and known as 'Metrocentre Qube' (the new leisure and dining area in the Yellow Mall) open.
- Restaurants include The Red House, Nando's Frankie and Benny's Pizza Express and Yo Sushi.
- The first of three specially commissioned art projects is installed in Upper Metrocentre Qube. 'This & That' by Colin Rose is an impressive sculpture made up of two giant steel cones.

August 2009

- The second Art project is installed in the lower Metrocentre Qube. The piece named 'Outside In', by local artist Stephen Newby, is made up of four blown stainless steel cubes.

November 2009

- The new Namco Funscape opens with 18 ten-pin bowling lanes, the fastest Dodgem Track in Europe, children's soft play area and more.

December 2009

- The brand new ODEON opens, with 3D screens and the only IMAX theatre in the region.

August 2007

- Metrocentre acquires Metro Retail Park for £82.5 million adding a further 220,000sq ft of retail space.

April 2011

- Metrocentre celebrates its 25th birthday with a year of celebrations starting in April when the first phase of the Centre opened back in 1986. The 'Metrocentre: Larger than Life' campaign celebrated the impact the Centre has had on the community over the last 25 years. The celebrations saw the installation of a collection of silver statues which were snapshots of shopper behaviour over the last 25 years. The characters which were 25% larger than life, acted as a focal point for a monthly 'What's in the Bag' competition giving away 'larger than life' prizes every month.

October 2011

- The culmination of the 25th birthday celebrations took place in October with a large firework spectacular in Metrocentre's Coach Park.

November 2011

- Work begins on MetrOasis external catering development in the site of the former Esso Garage. The development adds a further 15,000 sq ft of catering space.

August 2012

- 360 Champagne & Cocktails opens on central mall. This is the first retailer to sign up to what will eventually become the redeveloped 'Platinum Mall'

September 2012

- MetrOasis opens welcoming Harvester & Toby Carvery, Starbucks and Krispy Kreme.

February 2013

- Work commences on the demolition of the former federation brewery site adjacent to Metrocentre.
- Capital Shopping Centres PLC changed their name to Intu Properties plc as part of a £25m investment to create a nationwide consumer-facing shopping centre brand, intu, and a transformed digital proposition.

Summer 2013

- Work starts on transforming Central Mall into the Platinum Mall, which will include chandeliers and a luxury shopping atmosphere.

A BUILDING ON A HUMAN SCALE

In spite of its size, Metrocentre was designed with people firmly in mind. Inside the building great care and attention has gone into the design and selection of materials to create a relaxing, safe and comfortable atmosphere.

Glazed malls allow natural light to flood the spacious walkways. Two storey columns linked by cornices strike an elegant note, whilst providing an infrastructure for air conditioning and lighting.

Architecture, however, is only part of what helps to make Metrocentre more human.

Concern for customers' well-being extends to the last detail. Baby changing facilities are to be found in male as well as female toilets. Discreet, caring security and customer service teams operate throughout the Centre. These are just a few examples of Metrocentre's cohesive management policy. Without it, facilities and services in areas as diverse as cleanliness and safety would not remain of the highest possible standard.

Retailers have always responded imaginatively to this innovative shopping environment in their shop fitting. A storefront criteria was prepared which actively encourages tenants to express their own identities, whilst demanding the same high quality of design and even new formats.

IMAGINATIVE RETAILING

One of the most important criteria in any retail environment is the mix of retailers.

It is a well-known fact that shoppers choose where to shop because of differences and not the similarities. Metrocentre's main objective in the early years, which still remains today, is to provide the best choice of shops and services.

Although retailers were unsure of the expectations of an out of town shopping location the Centre's retail mix developed very quickly.

Considering that retailers did not quite know what to expect from this unique development, the letting of the Red (phase 1) and Green (phase 2) Malls was achieved very quickly. Original tenants such as Marks & Spencer, House of Fraser, Bhs, Littlewoods, Sears, Boots, Burtons, W H Smith and John Menzies provided a superb framework which attracted many other smaller national tenants and at the opening in October 1986, there was an enviable list of blue-chip retailers throughout the Centre.

Phase 3 (Blue and Yellow Malls) came next, adding another one million square feet of space to a shopping centre where many of the national names were already represented. During this period these first retailers were learning that an out of town shopping centre has very different trading patterns to the High Street. Like all new centres, it took a little while for trading patterns to become established. The addition of Blue and Yellow Malls attracted a further group of eminent retail names. These included The Body Shop, Argos and Evans.

CONSUMER CHOICE

The careful mix of retailers plays a critical role. Metrocentre's retail mix combines over 330 tenants ranging from High Street shops to smaller specialist shops and kiosks called

Retail Merchandising Units (RMUs). National and local companies are equally well represented. RMUs in the malls make space for traders too small to use even the smallest unit. Between them, they provide every kind of shop the customer can want, under one roof. Provision has also been made for other services which today's shopper expects. These include banks, building societies, a post office and even a dentist!

Metrocentre has become noted for its variety of small traders. The generous width of malls is compatible with the concept of RMUs. This offers a first-class opportunity to give first-time traders a taste of retailing without heavy financial commitments.

The latest trends in retailing, consumer and leisure research are constantly monitored to ensure that shops, stores and services reflect the demands of the consumer.

TENANCY AGREEMENTS

There are currently three forms of occupational agreement:

- Modern commercial turnover lease of 10 years linked to the shop's turnover.
- Short-form lease; an annual tenancy designed for small, new traders and operated in Metrocentre's themed areas. Units are supplied ready to move into and rents are inclusive of service charge, providing entrepreneurs with the opportunity to trade close to high street stores without large capital investment costs.
- A short-term license is operated solely for retailers trading from Metrocentre's Retail Merchandising Units by Retail Profile. There are currently approximately 23 RMU's located throughout Metrocentre.

TENANTS - LANDLORD - MANAGEMENT - A PARTNERSHIP

The partnership which exists at Metrocentre between Tenants, the Landlord and Management has contributed significantly to the Centre's success. A policy of co-operation has existed since the first malls opened, through a very active Tenants' Association which meets monthly, wide ranging issues are discussed from opening hours to marketing strategies.

The 32-strong Tenants' Association consists of representatives of the 16 major users and major space occupiers who have an automatic seat on the Association. They are supported by 16 additional elected representatives from smaller traders.

The Tenants' Association makes regular recommendations to the Landlord covering a wide range of policy matters. In addition, there are several pro-active sub committees including a Finance Sub Committee and a Marketing Forum who also provide invaluable feedback and support.

SHOPPING IS FUN

Although shopping is the raison d'être of iMetrocentre, it represents only one aspect of the total experience, acting as a catalyst for many other activities. As leisure plays a large part in our lives, leisure facilities help make a visit to Metrocentre the complete day out for all the family.

The introduction of leisure in a British shopping mall was pioneered at Metrocentre and plays a very important role in the Centre's success. It is sometimes an impossible task to

try and choose what the family wants to do in their leisure time. The Centre's unique combination of shopping and leisure offers families a number of ideas to suit all tastes.

The provision of themed speciality areas has emphasised this intent and it is now a well-known fact that many shoppers dress up to come shopping at Metrocentre. When they arrive their intentions are not only to buy the necessities of life, but also to indulge themselves in a Centre that provides a lifestyle that we are all seeking to achieve.

LEISURE ON A THEME

The integration of leisure into Metrocentre has made a statement to the European shopping centre world, which cannot be ignored. Now the public has seen that shopping can be fun, they are hardly going to be satisfied with some of the joyless centres that have been created in the past.

Metrocentre offers a variety of ways to keep shoppers amused after a day of Retail Therapy. The New Metrocentre Qube houses a Namco Funscape, Odeon cinema and numerous restaurants.

A WORLD OF EATING

There are probably few places in the world where, under one roof, you can enjoy a taste of Italy, France, Spain, Mexico or China, enjoy famous British fish and chips and a glass of unique Geordie ale, take traditional English tea or enjoy an all-American soda pop. Metrocentre offers the hungry shopper over fifty eating places, ranging from restaurants, to mall cafés, a traditional British pub and fast food centres.

CORPORATE SOCIAL RESPONSIBILITY

In creating a 'new town', Management and retailers are aware of their social responsibility. Under the Centre Management umbrella there is an active community involvement programme that brings the Centre and its Management Team into regular contact with local schools, charities and other social organisations, Local Government and the local Police and Fire Services.

MANAGING METROCENTRE

The day-to-day management of Metrocentre is just like managing a town. Metrocentre has a working population of 7000, annual visitors totalling almost 23 million, three and a half miles of shop fronts, roads, bus, coach and railway stations and over 330 shops, stores, banks and building societies, a police station and even a dentist! Given the blessing of space, Metrocentre quickly assumed its intended role in leading a retail revolution in this country. Apart from its size and retail/leisure mix, the unique shopping environment it provides allows the public to browse, shop, relax and meet friends in a comfortable, clean and safe environment.

The Centre management team is led by General Manager, Gavin Prior. His team of senior managers are responsible for operations, technical services, security, property matters, tenant liaison, communications, sustainable travel, environmental services, fire prevention, marketing and customer services. They form a team of duty managers for the entire duration that the shops are open to the public.

The Management Team is responsible for:

- **TECHNICAL SERVICES**

The Technical Services team work a 24 hour shift rota. A large amount of their work has to be carried out when the Centre is closed which usually means working in the dead of night. They have responsibility for:

- Planned Preventive Maintenance
- Reactive Maintenance
- Redevelopment Programmes
- Health and Safety

- **SECURITY**

Security in Metrocentre is provided 24 hours a day, seven days a week, and new and more effective technology is continually being sourced to ensure the Centre stays one step ahead.

The majority of security staff are supplied by contract security and the Centre works very closely with Northumbria Police. Metrocentre also has its own Northumbria Police uniformed Community Beat Managers dedicated to the Centre and there is a state-of-the-art on site police station.

- **FIRE SAFETY**

Fire safety is of primary importance and an enormous effort is spent on ensuring that Metrocentre is a safe environment. A close liaison is maintained with Tyne & Wear Fire Brigade. All Metrocentre staff, both directly employed and contract staff are trained regularly in fire safety and fire fighting. Centre Management carry out regular fire safety risk assessments as well as using our Health and Safety consultants to carry out third party fire safety audits at regular intervals.

- **COMMUNICATIONS**

The Centre's Control Room is the main base for the Centre's communication network. A multi-channel radio network, CCTV cameras and an extensive telephone system provide communications throughout Metrocentre. There is also a specialist system, Shop Alert, which is used to communicate simultaneously between the retail units and the Control Room. The Control Room functions 24 hours a day, 7 days a week.

- **ENVIRONMENTAL SERVICES**

This covers three areas; internal and external landscaping, Cleaning and Waste Management.

Providing a pleasant ambience in which to shop has always been a priority and to help create this relaxed comfortable environment. Keeping the Centre clean with 23 million shoppers every year requires an army of cleaners working on a 24 hour shift pattern.

This department also controls waste management. As part of our corporate responsibility we are committed to a responsible and forward-looking approach to environmental issues, both internally and externally. We have long recognised the impact on the environment caused by our operations.

The consumption of energy is also a major factor; we don't want wastage for two reasons; cost efficiency and long-term environmental effects. We have an energy management policy as we are devoted to energy and water savings.

We are also environmentally aware of how our commitment to waste disposal plays a major role. The entire Centre's waste is segregated and disposed of to a registered Waste Carrier.

All waste that is collected from Metrocentre is processed at a Materials Recycling Facility (MRF) which is located in North Shields. This allows us to use a recovery service that provides us with segregation of our waste away from the service yards at Metrocentre, and maximises the opportunities for waste recovery, recycle and reuse.

- **PROPERTY MANAGEMENT**

The property management department has a number of functions; letting of shop units, development, granting of landlord consents, and financial management.

Tenant mix is an important feature of all CSC centres. The decision on which tenant should lease a vacant shop and their terms and conditions are the responsibility of the property management team.

The majority of leases in the Centre are subject to five-yearly rent reviews. Completion of reviews and the collection of the rents and service charges all fall within the remit of the property department. The central income represents the return on CSC's acquisition and ongoing investment programmes and its continued growth is therefore extremely important.

- **SUSTAINABLE TRAVEL**

The importance attached to Public Transport is reflected in the relatively new addition to the Senior Management team of a Sustainable Travel Co-ordinator. Their role is to implement a sustainable travel plan to further develop and promote public transport links to the Centre and provide improved cycle facilities at the Centre.

- **MARKETING**

TELLING THE WORLD

Metrocentre pioneered many new ideas in shopping centres. One of the most revolutionary was the introduction of professional, well-planned and cost-effective marketing strategies which have become accepted as the benchmark for other centres throughout Britain and Europe.

Metrocentre's potential audience is almost all-encompassing and covers all ages and demographic groups. However the Centre has three distinct target markets. The primary and secondary market consists of three million residents living within one hour's travelling

time and the tertiary market are those living elsewhere in the British Isles and in key European areas such as Scandinavia.

Metrocentre's advertising campaign uses all types of media, including television, press, local radio, direct mail, outdoor, e-marketing and new technology based marketing initiatives.

SHOPPERTAINMENT

The main objective behind the Centre's promotional activity programme is to provide shoppers with more than just a shopping experience. Mall events have become an integral part of Metrocentre's marketing activity. It is not unusual to find a variety of entertainment on your visit ranging from fashion shows, musical productions, pantomimes, garden shows and motor shows which are all free!

"Shoppertainment" has become so popular at the Centre that the Centre now has its very own costume characters, the Metrognomes.

CHRISTMAS SPECTACULAR

Metrocentre has achieved a reputation as one of the venues for the most spectacular Christmas decorations in Europe, which attract more than 4 million visitors from throughout Britain and abroad. Over £250 000 is spent on decorating the Centre. Themes have included Noddy and Big Ears, Postman Pat and Rupert Bear and now of course the Metrognomes who have all joined Santa to celebrate Christmas at Metrocentre.

- **CUSTOMER SERVICES**

The importance of efficient, user friendly Customer Services has increased significantly in all sectors of the service industry. Customers are now more discerning and aspirational, with customer relationships and service issues becoming more vital.

It is the objective of the Centre to continue to invest in providing customer service which meets the aspirations of today's shoppers. This means continuous training for all Management staff and retailers' staff and the provision of modern and easily accessible Customer Services Desks.

- **COMMERCIALISATION**

The malls at Metrocentre are an important source of income generation bringing in a considerable amount of revenue from advertising deals, rental of mall space and partnership deals. The focus is on quality over quantity with strict guidelines as to what we can accommodate, refusing pushy sales techniques and welcoming fun experiential activities.

INTO THE 21ST CENTURY RECENT DEVELOPMENTS

This dynamic retail development of the Red Mall in 2004 resulted in 371,000 square feet of extra retail space taking Metrocentre's shopping experience to a new level. A state-of-the-art Public Transport Interchange was also unveiled at the same time, enhancing shoppers travel with stylish new waiting areas as well as improved bus services around the Centre, and connections to Gateshead and beyond.

During 2009 Capital Shopping Centres has invested £45 million in re-modelling the yellow mall to create a new leisure and dining destination. **Metrocentre Qube**. A new logo and branding was also introduced to reflect the changes in the Centre.

MetrOasis opened its doors in September 2012. The 15,000 sq ft catering development, based between Metrocentre and the Metrocentre Retail Park, is home to Harvester, Toby Carvery, Starbucks and the first Krispy Kreme in the North East.

Plans are currently underway to refurbish Central Mall and rebrand it as **Platinum Mall**. The plans include a focus on higher end stores and furnishings including improved lighting and decor. The development hopes to attract designer brands and the first new retailers include 360 Champagne & Cocktails, Mamas & Papas, Tessuti designer menswear and Daniel shoes.

Intu Properties plc

In February 2013, Capital Shopping Centres PLC changed their name to Intu Properties plc as part of a £25m investment to create a nationwide consumer-facing shopping centre brand, intu, and a transformed digital proposition.

Key initiatives:

- Creation of a single brand, intu, to be incorporated into the names of the company and our directly-managed centres
 - providing a compelling national proposition for retailers and other commercial partners
 - supported by a "World Class Service" approach from our 1,800 staff
 - involving refreshing changes to our centres' physical environments
- Integration of the physical and digital environments to provide a seamless multi-channel experience for our visitors through
 - installation of a new fibre optic network for every centre
 - provision of high quality free WiFi throughout the malls
 - the launch of intu.co.uk, a transactional, fashion-focused, mobile-enabled website
- Overall investment of £25 million, comprising £7 million on brand creation and roll out, £8 million on digital infrastructure and £10 million on the acquisition and start-up phase of intu.co.uk

Benefits:

- For visitors: improved customer experience, including additional digital services

- For retailers: higher spend both in-store and online from enhanced footfall, dwell time and customer service. Effectiveness of centre-by centre marketing spend much improved as the unified brand reduces duplication. National awareness and marketing opportunities increased
- For our people: a more dynamic, creative and engaging culture, focused on customer experience and supporting innovation and personal development
- For our investors: driving income through enhanced propositions to consumers and retailers, consumer spending on new value-added services and new revenue sources such as national commercial partnerships, digital commissions and advertising



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