

# BEIRUT:

## A SERIOUS ALTERNATIVE TO DUBAI?

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**Beirut is beginning to return to its former glory, even as a serious retail offer re-emerges in the Beirut City Centre (BCC), pioneering a growing trend of movement by shops back to the traditional city centre.**

The destruction during the civil war (1975-90) of much of the central core led to the dispersal of surviving retail businesses to safer localities and to wherever alternative premises could be made available. The net result was, effectively, a series of retail conglomerations in “satellite” locations, plus a ribbon development stretching along the northern coastal highway.

### The Face-to-be

Beirut, like the fabled phoenix, is rising from its cinders of devastation into the fine city that it always used to be. The following major retail destination centres are playing catalyst in this remarkable recovery:

### Beirut City Centre

This core area rebuilt under the auspices of Solidere is a vibrant cosmopolitan shopping and leisure experience. Led by Aishti, a local luxury department, and Virgin Megastore – the two largest retailers in the BCC, with support from over 300 retailers, including several cafés and restaurants, the market position of the BCC is now well established.



Virgin Megastore, Beirut City Centre

The resurgence of an open-air café society along the traffic-free/pedestrian-friendly historic street pattern is playing a critically important role in the revitalisation of the area and the economy as well. Attracted by these surroundings, easy car access and off-street parking, specialty retailers are awakening to the potential of the BCC as a retail destination.



Restoration of Beirut City Centre

### The Souks of Beirut

The Souks of Beirut, besides being located at the historic centre of the city, are also representative as being the heart of the country. Official approval is expected shortly to enable Solidere to recommence construction of this highly significant project, and its completion will be a final affirmation of national recovery.

Designated within the city master plan, the Souks will provide a modern shopping district



The Souks of Beirut

intended to bring a critical-mass retail supply to the city centre. Comprising some 100,000sq.m. of floor space, the core Souks project is planned to encompass around 200 shops that include a gold and jeweller's souk, an international department store, a multi-use and variety store, an entertainment complex, restaurants, cafés, an art gallery and an archaeological museum. Underground car parking for 2,500 vehicles is already completed.

### ABC at Achrafieh

The ABC Beirut Mall, opened in 2003, is the first mall of any significance to be fully completed so far in Lebanon.

Comprising some 42,000sq.m. of gross area and anchored by a



ABC Mall, Achrafieh

new flagship department store for ABC (10,000sq.m.), this mall has retail critical mass to an extent not yet achieved by any other shopping centre in Beirut. Covered and yet not fully enclosed, the design exemplifies the normal pattern in Beirut with quality and flair.

In addition to the anchor stores, the mall offers some 170 standard retail units totalling 26,000sq.m., with 10,000sq.m. of entertainment facilities (including an eight-screen cinema and a dedicated 3,000sq.m. space for a health club and a semi-Olympic swimming pool) and parking for 1,500 cars. Promotional material from ABC claims that the Beirut Mall will capture 16 per cent of the market.

### Metropolitan Center

Situated in the south-eastern suburbs of the city, on high ground at the Sin El Fil roundabout, the under-construction

Metropolitan City Center by the Habtoor Group from Dubai comprises the recently opened Metropolitan Place Hotel, the tallest in Beirut, and is to be connected by an upper-level pedestrian bridge to a separate site opposite of where the shopping mall is being built. Promotional material indicates that the retail will include 3 anchor stores, 61 retail shops, 2 family entertainment centres, 2 fast-food outlets, coffee shops and 5 dedicated restaurants.

### Dora Regional Commercial Centre

Situated in the northern suburbs of Beirut, on the busy Jounieh Highway, the site is situated between the main road and the coast. Admic, the Lebanese franchisee of Casino, is undertaking the development. The site is reported to be some 70,000sq.m., providing a built surface area of 175,000sq.m. By the time it gets completed, this is likely to be the second or third Casino/Géant in the Middle East—the first having opened in Bahrain in early 2002. As per plans, the Casino/Géant hypermarket will cover 11,000sq.m., while a BHV department store on three levels will be totalling 18,000sq.m. Besides, there will be 90 specialty shops supported by a 3,000sq.m. amusement centre and an eight-screen multiplex. There will be parking space for 2,500 cars.

Other important shopping locations in Beirut can be found at:

#### Verdun

Situated south of Hamra and in the west of the city, Verdun Street is home to most of the top international designer clothing brands (Escada, Emporio Armani) and shoe stores. The street initially benefited by the migration of retailers back to Beirut from the north following the cessation of hostilities. Now, however, Verdun Street finds itself closely challenged by the BCC.

Shopping at Verdun is contained mostly within a series of multi-level galleries, the predominant ones being:

#### The Dunes

Part of the Holiday Inn complex, the Dunes used to be the largest shopping centre in Beirut. It comprises some 11,200sq.m. of space spread across five trading levels and also includes cinemas, an amusement centre and a food court. Leading retailers include popular



#### LEBANON KEY FACTS

- Lebanon pop: 4m
- Beirut pop: 1.8m
- GDP: \$4,250 capita
- Beirut GLA 2003: 217,200 sqm
- Beirut est. GLA 2008 : 500,000 sqm
- Major supermarket/hypermarket operators: Spinneys, Monoprix, Géant (2004), Carrefour (est. 2005).

Source: Retail International®

**Opened in 2003, the ABC Mall at Achrafieh has retail critical mass to an extent not yet achieved by any other shopping centre in Beirut.**



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names like Aïshti, Guess, Springfield and McDonald's. The centre is fully enclosed and air-conditioned.

### Verdun 730 and Verdun 732

These are two mixed-use parallel schemes facing in opposite directions and comprising an open-front shopping gallery on three levels, plus basement parking. They are open and naturally



Verdun 732

ventilated. The retail space is estimated at 6,000sq.m. each, with individual units of around 50sq.m. to 100sq.m. on an average. Leading brands represented here include Pull & Bear, Massimo Dutti, Sport et Loisirs, Marella, Mothercare, Swatch, XoXo and Starbucks.

### Hamra

Hamra lies to the west of the centre of Beirut, in the area popularly known as Ras Beirut. It is an established retail location and in its heyday served as the high-class shopping district. Principally comprising the two flanks of Hamra Street, many of the better-class retailers have now moved out and been replaced by smaller, independent shops selling a wide assortment of lingerie, leather goods and shoes, besides a fair presence of money exchanges.

### Brand Awareness

Brand awareness is high not only in pure retail terms, but also disseminated through media advertising. Fashionwear, especially for females, features heavily, together with footwear and branded merchandise of all types. In this respect, Beirut conforms to current retail patterns elsewhere in the Middle East, Europe and North America. Additionally, shops for luxury and premium-quality goods feature quite widely in prominent centres such as Verdun, Hamra, Sodeco Square, the BCC and, most recently, ABC Beirut Mall, Achrafieh.

In addition to locally-produced food products – such as those found in La Cigale

and Patchi – a wide range of imported food stuffs is available in supermarkets such as Spinneys and Monoprix.

### Vibrant Market Activity

Activity in the retail market appears to be confined not just to those sectors that cater to consumer segments with the greatest disposable incomes, but with equal force to the lower-end segment as well. It is perhaps remarkable that in spite of the havoc wrecked by the civil war and, on the most part, less-than-ideal prevailing shopping environments, retailing in Beirut seems to be as vibrant as outward appearances would have one believe. The resilience of the city's shopkeepers during times of adversity hardly needs emphasising— so many of them resumed operations despite being temporarily displaced during the hostilities.

### International Brands

The presence of international retail fascias, particularly in the non-fast-food sector, is less prominent than in the leading Gulf states. Additionally, there is absence of any regional shopping mall in Beirut where international brands may occupy as much as 70 per cent of leasable space.

While a wide assortment of internationally labelled and branded merchandise can be obtained in Beirut, this is more likely to be available through the retail outlet of a local agent, or an importer possibly handling a number of labels and trading under a local banner, rather than under exclusive company-owned brands. Also, unlike in the Gulf, there is a wide range of local brands in Beirut that contribute to diluting the visual presence of overseas brands.

Another factor is that international brands in Beirut trade from substantially smaller units than in the Gulf. In Beirut the standard may be as small as 50-100sq.m., whereas the common requirement for international fashion outlets in Dubai ranges from 200sq.m. to 250sq.m.

Lastly, the lack of any world-class shopping centres with sufficient critical mass in the recent past has served to hold back, until now, the regeneration of Beirut as a significant international retail destination city capable of competing with the likes of Dubai. Thankfully, all this can finally be consigned to history.