

The New Playground For Affluent Shoppers: Why Luxury Brands Are Flocking To Malls

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I write on the latest trends in malls and shopping centers.

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Luxury retail is making a surprising comeback, but this time in an unexpected place — malls. Nearly half of all new luxury store openings within the past year were in malls, according to the latest [JLL Luxury Report](#).

While iconic street corridors like Madison Avenue and Rodeo Drive will always be synonymous with high-end fashion, malls are quickly becoming playgrounds for affluent shoppers — from Gucci’s latest opening in Miami’s Dadeland Mall to Versace opening a new store at The Domain in Austin, Texas. Luxury brands are also entering new territories through malls. Balenciaga’s foray into the New Jersey market launched with a sprawling 10,000-square-foot store at American Dream, while Saint Laurent said aloha to the Maui, Hawaii market at The Shops at Wailea.

In search of space, flexibility, and an elevated shopping experience, high-end brands are setting up shop in newly added corridors and wings that situate them alongside like-minded private labels and quality-conscious offerings. As malls transform into elite destinations, property managers are ensuring that they are not just seen as just shopping centers, but the future of high-end retail.

Flexing in “the luxury wing”

Unlike prime urban corridors, where space is often scarce and owned by individual landlords, malls are typically owned by a single entity and offer a unique property management advantage: the ability to curate entire sections, or "luxury wings," designed to house high-end brands together.

Malls can provide ample space for luxury brands to create flagship stores with larger footprints — something that is often hard to come by in urban corridors. They also have the advantage of being able to ‘play chess’ with their tenants. They can relocate existing tenants, create larger footprints for luxury brands, and even build new wings to accommodate the growing demand for high-end retail.

Offering white glove service

From an experiential side, the allure of malls for luxury brands lies in their property managers’ ability to offer a curated, white-glove, best-in-class retail experience akin to that of the high-end hospitality offering. Amenities like valet parking, concierge services, and dining options from top-tier chefs can help malls position themselves as destinations for a full luxury lifestyle experience, not just retail.

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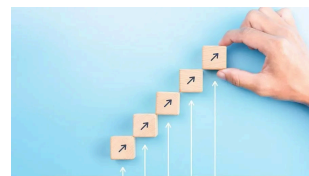
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These amenities could be of special interest to those looking to purchase apparel and accessories during their travel. According to the International Trade Administration, international arrivals to the U.S. is forecasted to recover to pre-pandemic levels next year. Knowing this, mall owners and



their property managers would be keen to upgrade and subsequently market their malls as destinations for luxury travelers from abroad.

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Preparing for Gen Z

As malls continue to redevelop and luxury brands look for new opportunities to expand, the relationship between high-end retail and malls is poised to grow even stronger. It's clear that these malls are central to the future of luxury retail and reshaping the traditional mall experience.

That experience will continue to evolve as the younger, more diverse consumer spending habits of Gen Z and Gen Y define the next era of luxury shopping. More than 70% of global luxury spending will come from these two demographics by 2030, according to Bain & Co.

As mall owners prepare for this flood of Gen Z interest in luxury goods, expect to see an uptick in:

- Collaborations, marketing, and store designs — particularly from streetwear brands that are positioning themselves to align with more established luxury brands.
- Community engagement between property managers, luxury retailers and shoppers through “in mall and “in-store” experiences that communicate the convenience of gathering, shopping and spending time with friends (in person).

- The use of [AI-based virtual influencers](#) to engage online shoppers looking for trusted advice on luxury brands and products based on the newest trends.

For property owners and developers, the lesson is clear: malls that strategically invest in creating luxury-friendly environments will continue to attract top-tier brands. By expanding luxury wings, offering exclusive amenities and preparing for the next generation of luxury shoppers, malls can solidify their status as the new home for luxury retail in an ever-evolving market.

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