

MARKETS | PROPERTY REPORT

Landlords Want You to Go to the Mall —for School

New tenants offer shopping and education: Crayola crayons, cooking classes top the list



Crayola Experience, launched in 2013, offers live shows in malls on how crayons are made in the factory, and rotating shows on the science behind color and Crayola products, such as Silly Putty. PHOTO: CRAYOLA

By **ESTHER FUNG**

Updated Dec. 13, 2016 9:39 a.m. ET

Move over restaurants and movie theaters. Mall landlords are turning to education providers to fix their tenant mix.

The goal: to add tenants that can engage people in creative ways or teach new things in a casual environment. This will keep customers coming back on a regular basis, the thinking goes.

The Studio Kitchen, a venue for live cooking shows and culinary classes, recently opened in the Kingston Collection mall located between Boston and Cape Cod, Mass.

“Today, customers are as interested in purchasing experiences as they are in purchasing products,” said Steve Congel, chief executive officer at Pyramid Management Group, which owns the Kingston mall. “We are looking for tenants like the Studio Kitchen that are educational, entertaining, a great dining experience and in addition have an incredible media following.”

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As e-commerce becomes more popular and retailers rethink the number of physical stores they need, landlords are looking for tenants with specialized offerings that can provide experiences customers can't get online. In recent years, restaurants, fitness clubs and entertainment-focused tenants offering laser tag or golf driving ranges have proliferated in malls.

Cookware retailer Sur La Table, which has more than 100 stores across the country, now offers cooking classes such as pizza making and knife skills, while home-goods retailer Williams-Sonoma offers cooking and junior chef classes. Both are being courted by shopping center landlords, analysts said.

In areas where outdoors enthusiasts abound, stores that sell hunting and camping gear also offer classes on firearms safety and emergency survival.

Likewise, merchants offering cooking, performing arts, crafts classes and lessons in rock climbing are gaining traction in enclosed malls and open air centers around the U.S.

Landlords also are trying to capture the attention of customers making a conscious effort to turn away from their smartphones.

"People are moving on from the fear of missing out to the joy of missing out," said Sarah Kimes, associate vice president at CallisonRTKL, a design consultancy. Rather than be glued to the mobile phone all the time, some people are choosing to block the noise out and focus on learning something new.

"We believe it's important to include retailers and experiences that are fun, educational and even enriching," said Scott Wolstein, CEO at Starwood Retail Partners. The shopping center landlord is adding the Plano Children's Theatre, which focuses on developing youth through arts education and entertainment, at its coming mall in Plano, Texas.

Child-focused tenants are hot, too. Crayola Experience, launched in 2013, offers live shows on how crayons are made in the factory, and rotating shows on the science behind color and Crayola products, such as Silly Putty.

The Easton, Pa.-based retailer currently has two of its three Experience locations in malls. In May, it opened a 60,000-square-foot store in the Mall of America in Minneapolis, and in July 2015 it opened a 70,000-square-foot facility in Orlando's Florida Mall.

Crayola's executives like malls that are easily accessible with road and highway access and offer ample parking and safety.

"Many malls are built with the same principles in mind," said Victoria Lozano, senior vice president of Crayola Attractions and Retail. She added that the firm will also consider alternative locations depending on the market.

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