

Nothing says success like a King of Prussia spot

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When foreign retailers want to make a good first impression in America, they often choose one place: King of Prussia Mall.

KOP has become the go-to place for retailers, domestic and international, that gives them a sense of arrival since demand for space at the mall is high.

And with the mall's constant reinvention, local demographics, regional accessibility, and uniqueness of its brands, the retail base at KOP is unlike any other.

KOP now boasts more than 450 stores and restaurants and keeps adding on despite a challenging retail environment in which chains are closing stores because of lost traffic to the internet.

Six more retailers — five of which will be opening their first store in Pennsylvania — are debuting at KOP: Denmark-based Ecco shoes early this month and French cookware maker Le Creuset on Thursday; Marc Cain women's apparel from Germany, in early May; and Tutti Spa & Nails later this year. Rome-based jeweler Bulgari will mark its Pennsylvania debut at the mall on Friday, and L.A.-based Joie opened Thursday.

They continue a trend. In 2016, 31 retailers chose KOP to open their first U.S., East Coast, or Pennsylvania location, the most in a single year in the mall's 54-year history.

"The tide is going out. We're losing sales to the internet, and the things that are working are places where you not only shop, but are entertained and have a place of discovery," said Adam Ducker, managing director at RCLCO, a real estate advisory firm based in Washington.

"There are few places that are of scale, appropriately located, have really invested in what people like to do today — which is eat, exercise, see the new, meet other people," he said. "This mall has a status where for a major retailer, you have to be here."

More than \$1 billion in construction is rising around KOP as well in the form of office towers and residential buildings to accommodate thousands of new workers and their families.

Lauren Gilchrist, director of research for JLL's Philadelphia office, said KOP has a lot going for it. It sits in the heart of the Northeast Corridor, within a day's drive of 40 percent of the U.S. population; near major interstates, including I-76, I-276, and I-476; with more than 59,000 people working nearby; and an average household income of \$120,000 within three miles.

Skin-care specialist Kneipp of Germany made its North American debut last year on the upper level across from J.C. Penney; another high-end beauty retailer, Paris-based Clarins, opened only its second store in the world (besides Hong Kong) this year.

Bulgari will open its first store in Pennsylvania on April 7. "With the King of Prussia Mall's recent expansion project and continued focus on the high-end luxury retailer, we feel the timing is right for Bulgari to enter the region," said Daniel Paltridge, president of Bulgari North America.

Stephen Belfer, managing director USA of upscale women's fashion retailer Marc Cain, said amenities such as valet parking and concierge service were "why we chose King of Prussia Mall as our first Philadelphia premier luxury destination."

Green Street Advisors L.L.C. estimates that KOP generates \$975 in sales per square foot, among the highest in the country. By comparison, Mall of America in Minnesota — the nation's largest based on the number of stores — generates \$700 in sales per square foot.

Data from the International Council of Shopping Centers in December 2016 indicated that U.S. mall sales average \$472 per square foot. Northeast mall sales were \$541 per square foot, or 55 percent of KOP's haul.

Kathy Smith, KOP's director of marketing, said that, over the last five years, owner Simon Property Group has invested more than \$3 billion in redevelopment projects across its portfolio.

The \$250 million expansion completed last year that linked the Court with the Plaza for the first time added 155,000-square feet of retail space, including Savor King of Prussia, a new dining pavilion with seven fast-casual restaurants.

But KOP is not completely immune to retail's struggles. It was reported in recent weeks that [Penneys](#) and [Bebe stores are closing at KOP](#). Simon Property Group has seen its stock tumble nearly 10 percent in the last month as retail closures have made investors nervous.

Still, the mall's vacancy rate remains at less than 2 percent, said Smith, while the vacancy rate is 11.5 percent on average for malls nationally, according to Statista.com.

“I love this mall,” said shopper Ashley Rodrigues, 30, of South Philadelphia, who was there Wednesday. “You can come here for towels, handbags, clothing, accessories. It has everything.”

Having an ever-evolving retail lineup gives shoppers reasons to keep returning.

Consumers still want stores "but they also want a unique, refreshed product assortment," said Bill Park, a partner at Deloitte & Touche LLP, who heads the region's retail division. KOP puts such luxury brands as Neiman Marcus near fast fashion retailer Primark. “Now that's different!”