# Redevco leads shift to sustainable mixed-use retail spaces amidst economic challenges



High inflation, rising interest rates, and supply chain disruptions, exacerbated by the war in Ukraine, have led to shifts in consumer confidence and investment strategies in the real estate sector, according to Thierry Cahierre, chief operating officer of real estate at Redevco. These economic pressures, combined with demographic changes and the rapid rise of e-commerce, have transformed retail strategies, pushing retailers towards omnichannel models and encouraging a reconsideration of physical store footprints.

Consumer behaviour now favours value and experience, increasing demand for mixed-use spaces that integrate leisure, lifestyle, and convenience. This shift is polarising the market, with prime urban assets, retail parks, and discount outlets outperforming secondary locations. Specialist companies are increasingly focused on applying value-add approaches and leveraging operational expertise to create investment opportunities that align with these market conditions.

Redevco, one of Europe’s largest owners of high-street retail properties and retail park portfolios, managing assets worth €9.5 billion, emphasises value creation through transforming urban assets into mixed-use experiences. Cahierre explains how aligning transformation strategies with real estate assets can lead to better risk-adjusted returns and positive social impacts within communities.

The traditional retail real estate market has shifted from valuing solely prime locations to valuing dynamic, multifunctional spaces that serve community needs. Consumers are showing a preference for experience-based and purpose-driven consumption rather than accumulation-based shopping, impacting retail sectors differently. Spending is growing in areas such as sports and cosmetics while fashion retail experiences a decline, underpinning the demand for real estate that integrates leisure, culture, lifestyle, and environmental sustainability.

Cahierre underlines that assets lacking alignment with long-term market trends and community utility are losing value. Successful asset transformation must incorporate new retail trends while considering physical, social, and environmental impacts. “For an asset to maintain or increase its value over time, it needs to have a positive social impact and purposefully attract visitors. Location alone is no longer sufficient,” he notes.

Urban transformation projects are a key part of Redevco’s strategy. In Bordeaux, the Promenade Sainte-Catherine project transformed an abandoned industrial area into a 28,000-square-metre pedestrian district blending retail, leisure, and housing, designed with sustainability and energy efficiency at its core. Another example is Le 31 in Lille, France, where a formerly underperforming retail asset was converted into a mixed-use facility with retail, leisure, coworking spaces, sport venues, offices, and a hotel. Similarly, in Hamburg, Redevco is redeveloping a prominent corner site on Mönckebergstrasse into a nine-floor, 21,000-square-metre climate-neutral mixed-use property combining retail, hotel, and food and beverage spaces. In Paris, the 126 Rivoli project, designed by Franklin Azzi Architecture, aims for BREEAM Excellent certification and rethinks retail spaces for today’s urban lifestyles.

Regarding retail warehouses, Redevco is among Europe’s largest operators of retail parks, particularly in Belgium, Germany, and the UK. Cahierre highlights how urban peripheries are becoming integrated into city life, turning retail warehouses into vibrant neighbourhood hubs with amenities such as restaurants, green terraces, and coworking spaces. The shift from mono-use retail to mixed-use, experience-focused formats offers promising opportunities, particularly in well-connected peripheral urban locations with potential for sustainable energy integration.

The energy transition features prominently in Redevco’s asset management approach. Cahierre points to the importance of helping tenants reduce costs and carbon footprints through on-site renewable energy solutions such as solar panels and windmills. “Transforming our assets presents an opportunity to elevate our buildings to the highest environmental standards, exceeding certification requirements,” he said.

Sustainability is embedded from project inception, benefiting users, operators, investors, and the environment rather than being a superficial compliance exercise. This approach focuses on reducing carbon footprints via adaptive reuse, rather than demolition, and targets high environmental certifications such as BREEAM. Social impact in local communities is also a core component of Redevco’s asset and development management practices.

Looking ahead, Redevco’s investment strategy extends beyond retail modernisation to an integrated mixed-use outlook that merges retail with residential, hospitality, wellness, and community spaces. Projects currently underway across France, the UK, Switzerland, and Germany are intended to deliver stable income streams alongside redevelopment potential, supporting urban renewal and enriching communities.

The Private Equity Real Estate (PERE) publication is reporting these insights from Redevco, reflecting the company's view on evolving real estate investment strategies and ongoing urban transformation initiatives across Europe.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.redevco.com/redevco-commits-to-net-zero-carbon-portfolio-by-2040/> - Redevco's commitment to achieving a net-zero carbon portfolio by 2040 aligns with the article's emphasis on sustainability and environmental considerations in real estate investment strategies.
2. <https://www.redevco.com/mixed-use/> - Redevco's focus on transforming retail assets into mixed-use spaces supports the article's discussion on the shift towards multifunctional spaces that serve community needs.
3. <https://www.redevco.com/urban-areas/> - Redevco's approach to urban transformation projects, such as the Promenade Sainte-Catherine in Bordeaux, exemplifies the article's mention of Redevco's urban regeneration initiatives.
4. <https://www.redevco.com/environment/> - Redevco's environmental initiatives, including the 'Mission 2040' campaign, reflect the article's focus on sustainability and energy efficiency in real estate development.
5. <https://www.redevco.com/responsible-investing/> - Redevco's responsible investing practices, as outlined in their 'Mission 2040' campaign, align with the article's emphasis on sustainability and social impact in real estate investments.
6. <https://www.redevco.com/redevco-rolls-out-close-to-380-million-in-transformational-residential-and-retail-investments-in-rotterdam/> - Redevco's €380 million investment in Rotterdam's residential and retail sectors demonstrates the company's commitment to urban transformation and mixed-use developments, as discussed in the article.
7. <https://news.google.com/rss/articles/CBMijAFBVV95cUxPZTZ4ZkZ4dlI1TjFYQmVxWVpOUE14ZWFWNTFITzVOT00wbEMxNmVLRVhqR2hoZnV1WWI0Vi1NU05NNXFzanM1dE1WcmpnbFUxUWtXVnpWXy15QmdybGw1VzMtbU5jSTBDSFJQb0hqOHEyd3Q3MDgzWWFuMUh1NjVCSDNLU2ZGN3dHblN3LQ?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data