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Value Creation & Asset Management

April 2026 • perenews.com



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KEYNOTE INTERVIEW

High-street assets need reprogramming



From retail monuments to mixed-use hubs, Europe's high streets are not in decline but may be constrained by outdated formats, says Redevo's Séverine Maumy

Amid changes in retail consumer behavior, asset managers and investors across Europe are tasked to turn prime retail spaces into vibrant, mixed-use destinations that combine residential, hospitality, wellness, office and community functions.

By reducing retail-only space and prioritizing experience-driven uses, high streets can become active, 24/7 hubs that foster social connection and convenience, explains Séverine Maumy, head of asset and transaction management at Redevo. Careful asset selection and sustainability efforts remain at the heart of successful redevelopment programs.

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Q Why are Europe's high streets described as under-programmed rather than in decline, and what structural shifts are driving this change?

City centers can no longer rely solely on retail transactions to remain vibrant. Consumer behavior has fundamentally changed, largely driven by digitalization and the growth of e-commerce. Many purchases are now made online, reducing the need to visit physical stores purely for shopping. As a result,

people come to city centers for different reasons: they seek experiences. Visitors are looking for a broader mix of culture, services, wellness, food and social interaction. While we remain a consumer society, expectations have shifted toward more meaningful and experience-driven environments.

The key challenge, therefore, is not falling demand, but finding a suitable and long-lasting solution for the oversupply in retail. Many high streets still lack diversity and activation. Transforming traditional retail spaces into mixed-use, experience-led destinations takes time, particularly because not all buildings are suited to these new

formats. Asset selection is critical and finding suitable properties in the right locations is the challenge. City-center retail is not declining, it is evolving. The model is shifting from purely transactional shopping to experience-based destinations that better reflect contemporary lifestyles and human needs.

Q What does reprogramming a legacy retail asset involve, and how does it differ from a simple refurbishment?

To my mind, refurbishment and reprogramming are two distinct approaches to asset transformation. Refurbishment

primarily focuses on the aesthetic and technical aspects of a building. It involves upgrading specifications, improving finishes, enhancing lighting and modernizing the overall appearance. The objective is to improve the quality and attractiveness of the property, and often realize a better sustainability performance, all without fundamentally changing its function.

Reprogramming, by contrast, involves strategically rethinking the role of the asset, how it generates long-term value and how it remains relevant and resilient over time. This approach often involves introducing a diversified mix of uses – such as retail, leisure, food and beverage, hospitality and workspace – and completely reshaping the layout of the property to support this new vision. Reprogramming is generally more complex than refurbishment. It requires not only the landlord's commitment but also close collaboration with public authorities and local administrations, often over many years, to secure the necessary approvals.

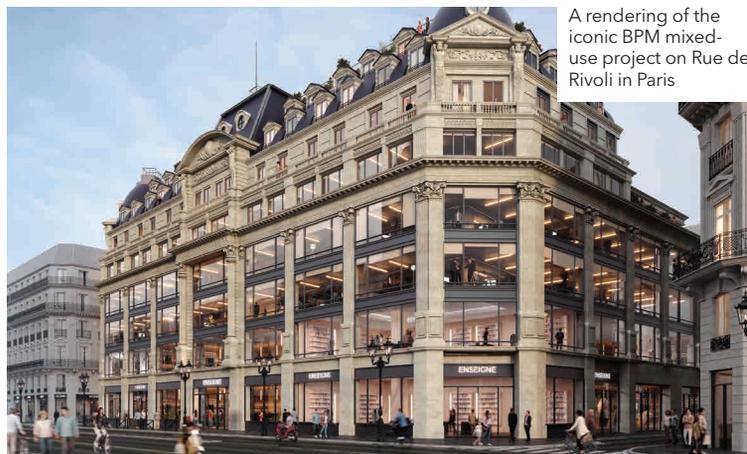
For example, a former C&A building on 126 Rue de Rivoli in central Paris, previously dominated by retail with some office space, is being fully reprogrammed into a mixed-use scheme. The project, called BPM, will allocate roughly one-third of the space to a hotel, one-third to offices and one-third to retail. Achieving this transformation required early and ongoing co-ordination with the municipality, with discussions beginning six to seven years before completion.

In essence, while refurbishment enhances a building's appearance and performance, reprogramming fundamentally redefines its purpose and long-term value.

Q What are the key levers for a successful mixed-use repositioning, and how does each contribute to long-term asset performance?

The primary objective is diversification of income. Bringing in more than one

SOURCE: REDEVCO/FRANKLIN AZZI ARCHITECTURE



A rendering of the iconic BPM mixed-use project on Rue de Rivoli in Paris

Q Which high-street assets are actually viable for mixed-use conversion, and how can due diligence and asset selection make a difference?

Successful mixed-use transformation begins with careful asset selection. A strong acquisition is fundamental: incorrect pricing or a poor location can compromise the entire strategy from the outset. Not every high-street retail building is suitable for reprogramming, which makes rigorous due diligence essential.

The structural fundamentals of the asset are critical. The building must be flexible enough to accommodate a range of uses, such as leisure, food and beverage, services or other complementary functions. In some cases, physical constraints, local rental dynamics or market supply conditions may limit the feasibility of diversification.

Therefore, the mixed-use strategy must be tailored to both the building's characteristics and the specific market context to ensure long-term value creation. This analysis is conducted at the acquisition stage. Disciplined underwriting and strategic clarity from the beginning allows investors to determine whether an asset can support a resilient and sustainable repositioning.

We are privileged to manage legacy assets located on prime high streets already offering strong fundamentals that make them ideal candidates for reprogramming. While opportunities to acquire new prime high-street assets are continuously monitored, our current focus is often on optimizing and transforming these existing portfolio properties.

Ultimately, disciplined transaction selection and a long-term strategic vision are key to delivering successful mixed-use transformation.

tenant, and from different industries, within a single asset helps stabilize income over the long term and reduce risk. Because each sector follows different market cycles, downturns in one segment can be offset by stronger performance in another. Being able to find the right combination of tenants that jointly elevate the level of the total asset is essential.

Another key factor is the ability to adapt assets to fit the needs of the community and bring life to underused spaces. For example, converting former parking areas into urban logistics hubs responds to evolving mobility policies that aim to reduce cars in city centers. Such initiatives not only optimize space but also contribute to revitalizing high streets and creating new forms of urban activity.

Alignment with market demand is equally essential. Reprogramming must be tailored to the specific dynamics of each city and location. A successful mixed-use strategy in one market may not be appropriate in another. Therefore, asset transformation requires careful analysis of both local demand and broader macroeconomic and societal trends.

Diversification plays a critical role in balancing resilience with performance by enhancing income stability while simultaneously positioning assets for long-term, sustainable growth. Enduring value creation is further underpinned by the integration of robust sustainability standards, adaptable use concepts, advanced digital infrastructure and community-focused features. Together, these factors support capital appreciation and strengthen liquidity over the long term.

Q Why do mixed-use assets tend to generate more resilient and diversified income streams compared to traditional, single-use retail models?

Well-positioned retail parks, particularly those anchored by food, service,

DIY and essential goods operators, have demonstrated resilience and stable income generation over the past decade, despite changes in consumer behavior. Creating assets with these multiple uses significantly strengthens income resilience.

A traditional single-use high-street retail property is entirely dependent on the performance of the retail market and its cycles. In contrast, a mixed-use building – combining other uses like residential, offices, leisure, hospitality and retail – benefits from diversified revenue streams. If one sector slows down, others may perform well, helping to stabilize overall income. This diversification often results in higher occupancy levels and more consistent financial performance.

Beyond income stability, mixed-use properties can also become true destinations. By offering experiences rather than purely transactional retail, they attract visitors and foster vibrant communities. Such assets can act as anchors within their neighborhoods, enhancing the appeal and value of surrounding properties.

This approach aligns with evolving consumer behavior, as people increasingly seek experiential, social and multifunctional environments. In the end, single-use assets are highly exposed to market volatility, whereas diversified and flexible properties provide more stable long-term revenues and are better positioned to remain relevant.

Q How important are sustainability and ESG concerns in retail redevelopment or refurbishment programs?

Sustainability is a core pillar of Redevo's strategy and has been embedded in the company's approach for many years. The ambition goes beyond standard market practice, with demanding environmental targets applied systematically to redevelopment projects.

For most reprogrammed buildings,

high-level environmental certifications such as BREEAM Excellent are pursued, covering both design and operational performance. We also try to implement advanced technical solutions to optimize energy efficiency across mixed-use schemes.

For example, in our Rue de Rivoli project where we combine a hotel, retail and other functions, energy flows can be intelligently managed so that surplus heat generated in one area can be recovered and reused in other parts of the building. This integrated approach reflects a long-term vision in which sustainability is not an add-on, but a tool to prevent obsolescence and future-proof assets. More broadly, across Europe's high streets, the company sees opportunity rather than decline.

The valuable space of many assets is often underused and can be reimaged through thoughtful mixed-use strategies that unlock long-term value. The focus is not simply on refurbishment, but on comprehensive reprogramming designed to create diversified, resilient income streams while reinforcing each building's role within its ecosystem. This repurposing to mixed-use strategy is anchored in a strong overall climate commitment within Redevo to achieve net-zero carbon by 2040, supported by science-based targets validated by the Science Based Targets initiative.

Sustainability is also fully integrated into a €1 billion pan-European redevelopment program through carbon pricing, low-carbon design, material reuse and the incorporation of biodiversity and social value criteria into both equity and debt investments.

Careful asset selection remains fundamental. By targeting properties with genuine transformation potential and embedding ESG considerations into financial decision-making, Redevo ensures that long-term performance combined with measurable environmental outcomes and social impact, where possible, progress together. ■