

ASIAN MARKET / Developer Thomas Fung aimed at building an ordinary shopping place, but mainstream retailers were skeptical because of his lack of experience in Canada. He scouted for clients in Hong Kong, and filled his stores

Suburban mall finds Chinese password to success

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IN the few moments it takes to walk from the main entrance to the central court of Aberdeen Centre, you can imagine yourself in just about any suburban mall on the continent.

A glass elevator rises to the second level, and neat rows of shops flare off in two directions. An hour before the stores are scheduled to open, not a soul is in sight.

But the illusion of any other mall soon dissipates, first visually, then audibly.

Off to the right, behind locked glass doors, you notice an herbal tea house called Fook Po Tong, which means Bringing Good Luck and Prosperity. It is run by brothers Patrick and Peter Chan, Hong Kong businessmen and the fourth generation in a family of tea merchants.

Up ahead, on the second level, is a 500-seat Chinese cinema, and above that a giant mural depicting the skyline of Hong Kong.

The merchants who arrive to open their shops all speak Chinese, and the throng of customers who follow are from Richmond's growing Asian community of more than 30,000 people.

The continent's largest Asian mall has opened for another day.

Developer Thomas Fung had something different in mind two years ago when he was planning



Aberdeen Centre, which celebrated its first anniversary this weekend, draws upon an Asian community of more than 30,000 people in Richmond, B.C.

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"We just wanted to build a mall, except that I wanted an entertainment theme," says Mr. Fung, scion of a Hong Kong real estate and merchant banking empire.

But mainstream Canadian retailers were either uninterested or skeptical because Mr. Fung, 40, had no shopping mall experience in Canada. Months went by and Mr. Fung,

with a mall nearing completion and no tenants, grew nervous.

Fearing the worst, his Fairchild Holdings Ltd. built a 24-lane bowling alley at one end and added restaurants elsewhere in the two-level shopping centre. "We thought we'd have to run it ourselves," Mr. Fung says.

He began scouting for tenants in Hong Kong and Vancouver's Asian community. The response was such

that Aberdeen Centre opened with all but one of its 60 shops and restaurants rented. That vacancy soon was filled by Canadian Airlines International Ltd., which runs a luggage shop and duty-free counter where travellers can place orders to be picked up at the airport when they leave the country.

Built at a cost of roughly \$20-million and named after Hong Kong's famous tourist area, Aberdeen Centre runs to 120,000 square feet in total, 88,000 of it leasable. Besides clothing, furniture and food shops, it has an herbal medicine store and even a resident fortune teller.

On weekends, as many as 5,000 shoppers stream into the mall each day, about 75 per cent of them Oriental, says Harvey Lowe, the mall's promotions manager.

"They're saving a trip to Chinatown," says Mr. Lowe, who was born in Canada, schooled in Shanghai and, in 1942, won the world yo-yo championship. (Taubman Co. of Bloomfield Hills, Mich., still hires him several times a year to do yo-yo tricks at its mall openings in the United States.)

The tenants at Aberdeen Centre may speak a different language from those in most suburban malls, but they pay comparable rents. Base rents average \$26 a square foot, and tenants pay an additional \$4 a foot for common-area maintenance charges and taxes, plus percentage rents equalling 5 per cent of their

annual sales.

Half a dozen companies are still on the waiting list to get into Aberdeen Centre, which is why Fairchild has decided to build what amounts to Phase 2 nearby. Eventually, Mr. Fung hopes to strike a deal with Canada Post Corp., which owns a parking lot between the two sites, so the first and second phases can be connected.

In the meantime, Phase 2 will stand alone as Parker Place, with 80,000 square feet of leasable space on one level, built at a cost of \$25-million.

Unlike Aberdeen Centre, Parker Place will be sold off, rather than rented, to retailers on a so-called strata title basis, like a condominium.

More than 100 store units, each measuring from 400 to 600 square feet, are up for grabs at Parker Place, at a cost of \$200 to \$300 a square foot.

Construction has just begun and the centre is scheduled to open in the fall of 1992.

Once again, Mr. Fung would like to attract some of Canada's established retail chains. But he knows the final mix of shops will end up being predominantly Asian.

Like Aberdeen Centre, after all, Parker Place is only a stone's throw from the Chinese Cultural Centre, and both Taiwanese and Japanese interests have plans to build hotels nearby.

The Toronto Hospital



Alan R. Hudson, M.D.

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Dr. Hudson has been Professor and Chairman, Division of Neurosurgery and Deputy Chairman, Department of Surgery at the University of Toronto. In 1989, he was appointed Surgeon-in-Chief at The Toronto Hospital and was named the James Wallace McCutcheon Chair of Surgery.

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