Parallel Session 2B – Services & Commercial activities

Prioritizing the Development of Commercial Spaces (Retail Development) in Iranian Railway Stations

UIC nextstation
TEHRAN 2019

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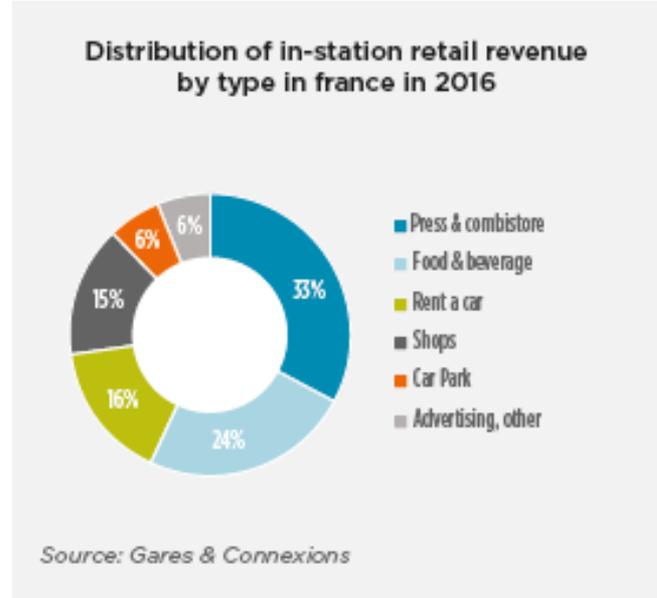# What do we expect from a Railway Station?

Movement

Cleanliness

Services

Comfort

Passengers Information

Security & Safety

Why Retail Development???

From +50% to +100%

Difference in prime rent
In stations vs shopping centres (excl. take aways[1])
Source: Cushman & Wakefield

Nearly 30%

Of travel retail turnover in France is generated in stations.
50% in airports
Source: Gares & Connexions

37%

of food & beverage stores in Europe
**61% in the Netherlands
23% in Portugal**
Source: Codata

Prime rent 4 times higher in stations
vs shopping centres
Takeaway [1]
Source: Cushman & Wakefield

6.5%

Average weighted vacancy rate for stations (7 European countries)
**23% Spain
0.5% Switzerland**
Source: Codata

From +80% to +140%

Difference in average sales/sq m
In stations vs shopping centres
Source: Cushman & Wakefield

Distribution of in-station retail revenue by type in france in 2016

- Press & combistore
- Food & beverage
- Rent a car
- Shops
- Car Park
- Advertising, other

33%
24%
16%
15%
6%
6%

Source: Gares & Connexions

Retail Study in Railway Stations

Information gathering and initial assessment

- Analyze of the urban, rail and commercial context
- Analyze of the urban, rail and commercial context
- Customers and passengers profile study

Retail development strategy for the station

- Analyze of transporter data
- Marketing segmentation
- Merchandizing proposal

Development and implementation

- Providing of Station manager training sessions
- Assistance with retail operators and call for tender
- Negotiation with retail partners and operators

Retail Study in Tehran Railway Station- SNCF 2018

1.ACTUAL SITUATION

CUSTOMERS ANALYSIS (TYPOLOGIES, Consumption & PATH ANALYSIS)

Passenger FLOW ANALYSIS

CAPACITY OF THE BUILDING

CATCHMENT AREA

COMMERCIAL REAL ESTATE

DESIGN Criteria

COMMERCIAL POTENTIAL

DEVELOPMENT CONCEPTS

Proposals

OTHER ACTIVITIES

ACTUAL ACTIVITIES

PRE BOARDING ZONE

WAITING ZONE

WAITING ZONE

SHOPPING ZONE

FUTURE ACTIVITIES

EXTENDED PRE BOARDING ZONE WITH COMMERCIAL OFFER

CHECKING OR COMMERCIAL ZONE

WAITING & COMMERCIAL ZONE

COMMERCIAL ZONE

The propose was to propose a short term optimization of the commercial offer for the station.

Retail Study in Tehran Railway Station- Important Figures

88% OF THE STATION USERS *are* TRAVELERS

72% OF THE TRAVELERS *are traveling* FOR LEISURE VISITING OR ADMINSTRATIVE PROCEDURE

50% OF THE TRAVELERS *come at least* ONE HOUR BEFORE THEIR TRAIN

38 % OF THE STATION USERS *are* BUYERS

AVERAGE BASKET 144 200IRR *per* BUYER

1,6 CATEGORIES *per* BUYER

Retail Study in Tehran Railway Station- Results

ACTUAL

- **COMERCIAL SURFACE: 1046 SQM**

- **GENERATED INCOME BY RETAIL RENTS: 23,7 BILLIONS IRR**

- **NUMBER OF SEATS: 895 SEATS**

FUTURE

- **DEVELOPABLE SURFACE between 1450- 2724 SQM**

- **Generated Income by Retail Rents: 45.9-62.03 BILLIONS IRR**

- **Number of Seats: 530-870 Seats**

THEORETICAL MARKET (Expected retailers turnover) between 329- 412 BILLIONS OF IRR *per year*

Railways of Iran

- 19 Railway local Regions
- More than 42 million Passengers in 2018
- Nearly 13000km railway lines
- More than 150 Passenger Stations
- 30 important stations

Retail Development in Iran Railway Stations:

Where?
When?
How?

Shushtar Historical Hydraulic System Khuzestan 19

Sheikh Safi al-din Khānegāh and Shrine Ensemble in Ardabil 18

Armenian Monastic Ensembles of Iran-West Azerbaijan 17

Tabriz Historic Bazaar Complex 16

Bam and its Cultural Landscape 15

Susa Khuzestan 14

Takht-e Soleyman 13

Gonbad-e Qabus Golestan 12

Meidan Emam, Esfahan 11

The Persian Gardens 10

Masjed-e Jāmé of Isfahan 9

Golestan Palace-Tehran 8

Shahr-i Sokhta Sistan and Baluchestan 1

Cultural Landscape of Maymand Kerman 2

Tchogha Zanbil-Khuzestan 3

Soltaniyeh-Zanjan 4

Persepolis-Fars 5

Bisotun-Kermanshah 6

Pasargadae-Fars 7

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Classification Methodology:

```
Comparing the        Choosing the       Prioritizing the      Categorizing      Performing an
number of            most crowded       retail study for      the second        integrated
Passengers in        stations           chosen                Stations          retail plan for
the Stations                            Stations                                second
                                                                                 Stations
```

- We assumed the stations with more than 1 million Passengers in a year.
- For Crowded stations, Other criteria play key role in the prioritizing.
- For categorizing the second stations, future developments shall be considered.
- Integrated retail plan is essential in order to extend the retail development throughout the network.

Classification Criteria:
## Number of Passengers
(between march 2018-march 2019)

1. **Mashhad:** 14 Million
2. **Tehran:** 11 Million
3. **Qom:** 2 Million
4. **Tabriz:** 1.4 Million
5. **Ahvaz:** 1.2 Million
6. **Esfahan:** 1.17 Million
7. **Yazd**: 1.08 Million
8. **Bandar Abbas:** 1.08Million
9. **Kerman**: 1 Million

Classification Criteria

1- The Station in the City
(This factor is calculated based on the distance between the station and the city center and the situation of the station in the neighborhood.)
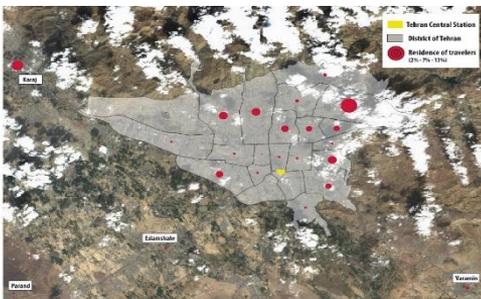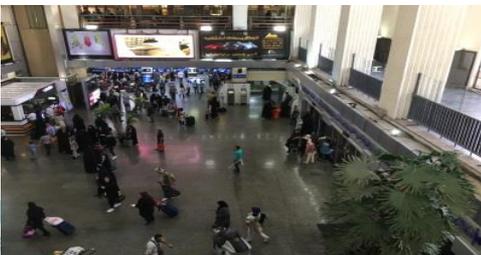

3- Station's Current Income
(In year 2017)

5- Average income
(city dwellers-2017)

2- Available Spaces
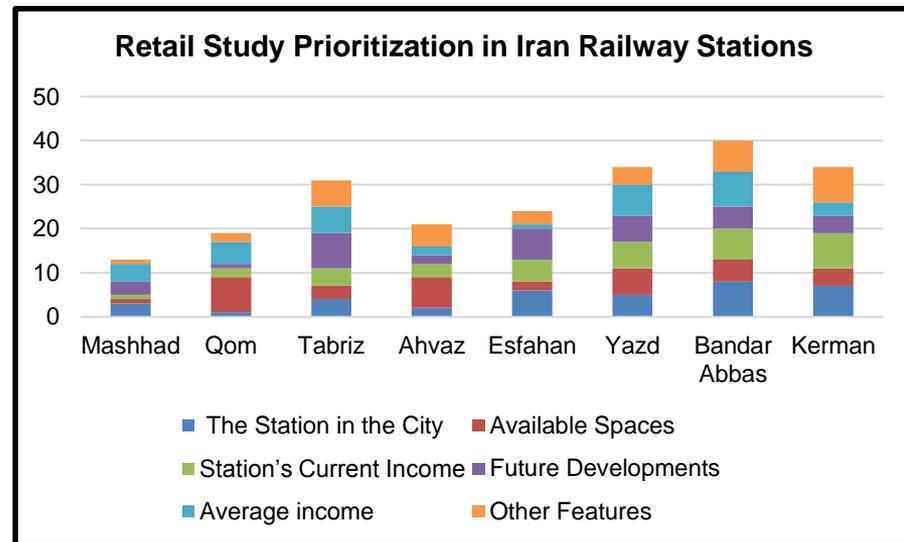**(including commercial and rental spaces)**

4- Future Developments

6- Other Features
(Commuter, Touristic, Holly Places, Border, …)

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Prioritization

Station	Number of Passengers	The Station in the City	Available Spaces	Station's Current Income	Station's Future Developments	Average income	Other Features	Total
Mashhad	1	3	1	1	3	4	1	14
Qom	2	1	8	2	1	5	2	21
Tabriz	3	4	3	4	8	6	6	34
Ahvaz	4	2	7	3	2	2	5	25
Esfahan	5	6	2	5	7	1	3	29
Yazd	6	5	6	6	6	7	4	40
Bandarabbas	7	8	5	7	5	8	7	47
Kerman	8	7	4	8	4	3	8	42

Retail Study Prioritization in Iran Railway Stations

- The Station in the City
- Available Spaces
- Station's Current Income
- Future Developments
- Average income
- Other Features

Final Prioritization

First Phase:
1. **Mashhad**
2. **Qom**
3. **Ahvaz**
4. **Esfahan**

Second Phase:
1. **Tabriz**
2. **Yazd**
3. **Kerman**
4. **Bandar Abbas**

Thank you
for your kind attention

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