

# How retail can regenerate historic districts

The growth of GCC cities has been remarkable. Between 1970 and 2022, the GCC's urban population grew twelvefold, to 51.4 million, according to the World Bank. In 2022 alone, **Saudi Arabia accounted for 69% of total GCC urban growth**. However, that growth has come at a cost: **the decline of some historic areas**.

These areas have suffered the loss of established local businesses, community life, social connections, and rich cultural assets that together defined their character. Their decline has made these districts less desirable for enterprises and residents alike. For example, after the oil boom and rapid industrialization, and as needs changed, many families chose to leave renowned historic districts and move into newly built accommodation elsewhere.

Cities can avoid such outcomes. Regeneration programs can preserve the old while fostering economic prosperity through the balanced and deft encouragement of retail. By applying the following five principles, governments and cities can ensure that retail is primed to regenerate historic neighborhoods.

## 1

Discover the district's pattern of development in recent decades so that any new retail offerings align with its culture, commercial traditions, and values. An appreciation of the district's characteristics — its traditional trades and other distinctive elements — is vital for ensuring that the new retail offerings create opportunity while preserving the character of local communities. Some areas, for example, host well-known businesses and traditional crafts. Some have specific demographics, with long-standing commercial tenants (such as textile or spice merchants) and cater to particular groups of visitors (such as pilgrims).



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## 2

Understand the architectural and physical context and use it to turn the district into a desirable destination. The aim should be to preserve the district in its essence but with modern amenities, where people want to spend time, and money. Regeneration programs can achieve that delicate balance by creating harmony among old and new assets. That involves using modern architectural concepts and development that are inspired by traditional approaches. These concepts should be sensitive to the history of a place without being crude replicas, and should blend with the surroundings.

Bahrain's Souq Al Qaysariya, for example, has preserved its historic pearl, spices, and tea trade, complementing it with offerings such as jewelry, perfume, and food and beverage retailers. Many architecture and design elements make the district a destination, including specially designed roofscapes, street furniture, and lighting. It should also be easy for people to visit and to park — which increases visitor numbers, how much they spend, and how long they stay — but in a manner that does not disrupt the district's character. Toronto regenerated one area by closing the streets to traffic, which encouraged more visitors on foot who stayed longer, and by highlighting the district's Victorian-era architecture and atmosphere.

## 3

Be sensitive to local and national retailers' interests, given they often possess historical and cultural connections to the district. Establish a dialogue among retailers so that parties recognize the attraction and energy that international brands lend to a modern retail environment. For example, in regenerating Al Balad, the Jeddah Historic District in Saudi Arabia, participants actively engaged with the local community to focus on rehabilitating retail assets, bringing back merchants that had left, and re-energizing cultural clusters with the support of prominent Saudi retailers.

## 4

Support local retailers. One of the challenges of urban regeneration is that it can lead to gentrification and marginalize local businesses. Governments can prevent such counterproductive effects by providing support early on, such as through regulation that favors established local businesses. Other support mechanisms include grants, grace periods on lease payments, and revenue subsidies. Such forms of financial assistance are generally temporary, ending when the district has achieved economic stability and the number of visitors has grown.

## 5

Promote the experience. Beyond retail, feature events and activities that attract visitors and spark vitality — music, cultural events, and festivals, especially those that cater to a broad demographic mix. These do more than give local retailers and food and beverage outlets broader exposure. They celebrate the heritage of these districts, reviving an appreciation for the traditional, a core objective of regeneration. Schedule events year-round to ensure a steady flow of visitors, even during the hot summer months. What made the King's Cross redevelopment in London so successful was the careful selection of restaurants, shopping, art, and culture — and its proximity to a major transportation hub.

To succeed, the regeneration of a historic district must revive and refresh the commercial landscape, infusing it with a range of offerings and experiences that complement and celebrate heritage. Balance is key: Regeneration programs can use retail to mix the old and the new to promote growth and preserve tradition.

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