

Hudson’s Bay Company and WeWork Redefine the Traditional Department Store



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Hudson’s Bay Company (HBC) entered into a strategic partnership with WeWork Companies to sell its New York City flagship Lord & Taylor store to WeWork Property Advisors in a transaction valued at \$850 million. The Lord & Taylor flagship, located on Fifth Avenue at 38th Street, is expected to continue operations in the entire building through the 2018 holiday season. After that, the building will be converted into a combined space housing WeWork’s New York headquarters and a redesigned, smaller Lord & Taylor retail store of approximately 150,000 square feet (down from its current size of 650,000 square feet).

Under the partnership, WeWork will also take the upper floors of the Hudson’s Bay locations on Queen Street in Toronto and Granville Street in Vancouver in Canada, and in the Galeria Kaufhof in Frankfurt, Germany.

WeWork was founded in 2010 with the mission “to create a world where people work to make a life, not just a living.” The company provides on-demand, temporary workspaces and offices for teams from one to 100 members. A blog post on the WeWork site entitled “WeWork 2016 Year in Review” reports that the company operated in 110 locations globally in 2016 and that its number of members more than doubled during the year, to 80,000.

Redefining the Traditional Department Store Through Mixed Usage

Richard Baker, HBC’s interim CEO, said that the company is at the forefront of reshaping the way current and future generations live, work and shop through the sharing economy and urban and suburban mixed-use real estate planning. He added that WeWork’s business goes beyond modern shared offices to include creators and that the



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company also is building robust communities. Baker said, “Our partnership with the WeWork team creates new opportunities for HBC to redefine the traditional department store by extending those communities and drive additional traffic to our stores, particularly as we add co-working and community space to existing, vibrant retail locations.”

Under the partnership, WeWork participants will be able to enjoy exclusive HBC sales online and in stores, and HBC customers will have access to WeWork’s We Membership platform. The companies intend to implement a reciprocal benefit program to enhance their service and product offerings.



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