



The New Orleans Business Alliance (NOLABA) is the public-private partnership tasked with leading economic development initiatives for the City of New Orleans. While NOLABA is focused on the traditional economic development activities of corporate business attraction, retention and expansion, the organization is unique in its focus on retail attraction. As a result of the national trend for retailers to relocate to the suburbs over the last thirty years, the City has been underserved for years and Hurricane Katrina led many of the remaining national retailers to leave the Orleans Parish market. This translates into lost sales tax revenue for the City and discourages new residents from settling in New Orleans as opposed to neighboring parishes with more retail options.

**New Orleans loses \$1.9 Billion  
in retail sales to neighboring  
parishes every year.**



## Current Retail Attraction Efforts

Retail attraction is a central tenet of NOLABA's mission and is listed as one of the organization's top priorities for 2013. Accordingly, NOLABA understands the importance of working closely with the local real estate community and has launched a series of monthly breakfast meetings that provide a forum for the local brokerage and development community to meet and discuss issues relevant to retail growth in New Orleans. The meetings consist of presentations and guest speakers highlighting the retail activity in various neighborhoods throughout the city. Guest speakers provide information on new city programs and services including the One Stop Permitting Process. Brokers and developers exchange information about new retailers interested in the market and new retail projects that are in development.

NOLABA and the City of New Orleans had a key presence this year at ICSC RECon, the largest global retail real estate convention in the world. The conference was held in Las Vegas from May 19th – 22nd, and included over 31,000 participants from around the world. The New Orleans Business Alliance hosted an exposition booth in the Cities of the World Pavilion and was joined by officials from the Mayor's Office, Downtown Development District and a number of New Orleans based real estate professionals. NOLABA focused on promoting retail opportunities in Orleans Parish by meeting with prospective retailers and development leads and answering questions from conference participants who came to the booth to hear about opportunities in New Orleans.

NOLABA participates in a number of smaller ICSC conferences throughout the year including the Gulf South Idea Exchange, the Texas Idea Exchange and the New York National Conference, to spread the word about the retail opportunities available in New Orleans. For the second year in a row, a member of the NOLABA staff is serving as the ICSC Louisiana Alliance Co-Chair representing the public sector. The Chairman's Committee consists of individuals from various retail real estate sectors who are responsible for planning the ICSC events that are held in Louisiana throughout the year.

NOLABA also takes an active role in working with retailers and developers who have projects in development. We assist them in negotiating the planning, zoning and permitting processes. Our role as facilitator allows us to stay involved in all phases of the development process. NOLABA works closely with the Mayor's Office of Neighborhood Engagement to ensure retail projects are presented in a timely manner to the neighboring residents and to get feedback on their retail needs. NOLABA works with a number of local brokers to identify tenants who would be good additions to their retail projects and with national and regional retailers who would be beneficial to the market, but are not yet focused on New Orleans.

# Retail Market Report

In order to understand the current composition of the New Orleans retail market and better inform all the participants within the real estate community about the retail landscape in Orleans Parish, NOLABA has undertaken a two phase approach, as outlined below:



## 1. Retail Sales Analysis

In Phase I of this retail market report, NOLABA partnered with the Downtown Development District (DDD) in commissioning a study by demographics firm ESRI to analyze the overall spending of Orleans Parish residents compared with the sales of retail establishments located in the city. ESRI found that residents spend nearly \$1.9 Billion on retail goods outside of Orleans Parish.<sup>1</sup> If the missed spending opportunities by tourists were included, that number would increase substantially.

The robust tourism industry and New Orleans' reputation as a dining mecca make it no surprise that the retail industry groups posting a surplus are in the food services. ESRI estimates that \$135.1 million in sales at full service restaurants come from customers living outside of New Orleans, accounting for 43.6% of the \$281.6 Million in total sales.

Apart from the food service industry, the only retail industry group to experience any significant surplus of sales to customers living outside of Orleans Parish was Building Materials & Supply. Given the rush by home improvement stores to ramp up their presence in the city following Hurricane Katrina, this is not surprising. But nearly nine years after the storm, it is a positive sign that the city still enjoys a competitive advantage in this retail group.

Aside from these strengths, the New Orleans retail market loses sales of \$1.9 Billion to our neighboring parishes and other U.S. cities. Below are the retail industry groups with the highest leakage factor in Orleans Parish. Based on this data, these retail groups will be the focus of NOLABA's attraction efforts.

According to the ESRI report, the 38 retailers selling electronics and appliances only cover 17% of the demand in the parish. With a retail demand of \$102.8 Million, nearly 83% of the purchases of electronics and appliances occurred outside of Orleans Parish in 2012.

The \$59.2 Million demand for goods in the wide-ranging sports/hobby/musical instruments retail group goes largely unmet by the 52 stores located in Orleans Parish with local stores only capturing 24% of the demand.

The finished home products included in the furniture and home furnishings retail group represent a large opportunity for New Orleans retailers. Over half of the \$51.8 Million in retail demand is met by retailers outside of New Orleans. In a market that is still undergoing a massive amount of renovation and construction, this business opportunity should be of special interest.

The Saks Fifth Avenue department store in Canal Place Mall is one of the top performing Saks stores in the country. But in the aggregate, the lack of other department stores in New Orleans results in a leakage of \$164 Million. Almost three quarters of the demand for this type of retail is met by stores outside of Orleans Parish.

## 2. Corridor Survey

The second phase of this retail market study involved a NOLABA directed survey from March through May 2013 of a sampling of commercial corridors throughout the city. In order to obtain a more complete picture of retail throughout New Orleans, the selected corridors are representative of every district in the city and provide a mix of established, emerging, and high vacancy corridors. Location data as well as the type of retail was collected for each occupied retail space along the corridors. Vacancy data was also collected, identifying the location and broker for each vacant retail establishment. The collected data provides baseline documentation of tenant mix and occupancy levels. This information will allow NOLABA to make more informed outreach to potential retail tenants.

<sup>1</sup>. This number includes retail goods purchased online by New Orleans residents.

**Table 1:** Vacancy Rates by Retail Corridor

|                      | Establishments Surveyed | Vacant Spaces | Vacancy Rate |
|----------------------|-------------------------|---------------|--------------|
| NEW ORLEANS EAST*    | 126                     | 23            | 18%          |
| CANAL ST             | 107                     | 13            | 12%          |
| MAGAZINE ST          | 69                      | 4             | 6%           |
| GENERAL DE GAULLE DR | 71                      | 5             | 7%           |
| ST. CLAUDE AVE       | 101                     | 26            | 26%          |
| HARRISON AVE         | 26                      | 0             | 0%           |

\* Includes Bullard Ave, Read Blvd. & Lake Forest Blvd.

MAP 1: CORRIDOR OVERVIEW

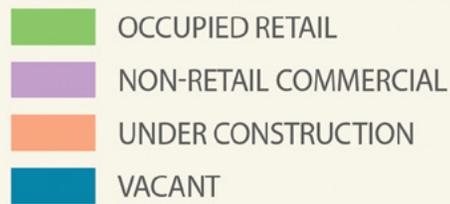


Source: NOLABA

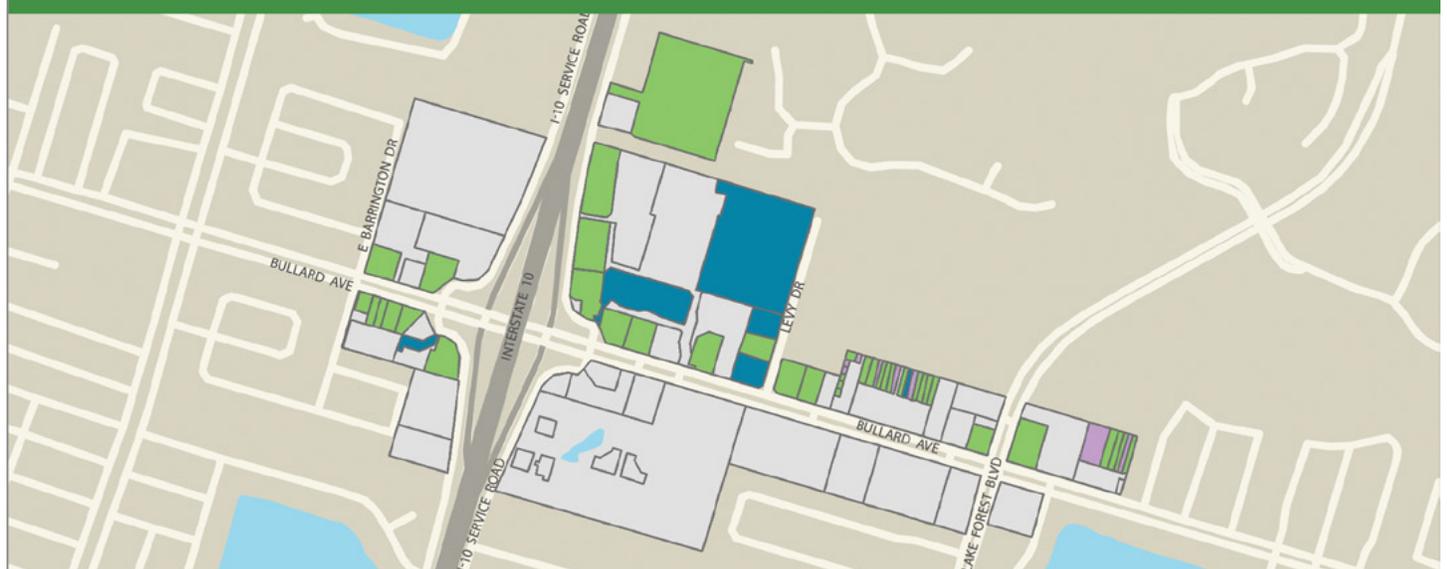
**Corridors Surveyed include:**

A. New Orleans East - the areas surveyed included Bullard Ave, Read Blvd and Lake Forest Blvd near I-10. Home to a popular regional mall and numerous big box stores before Katrina, these areas are now characterized by the largest available vacant parcels in the city; many already have been cleared of structures and are thus prime for development. The existing retail consists primarily of small local retailers, with an abundance of salons and fast food restaurants.

**CORRIDORS MAP KEY**



**CORRIDOR A: BULLARD AVENUE**



## 2013 Retail Report

- B. Canal Street between the river and Claiborne is known for its high concentration of pedestrians—locals and tourists—as well as the intersection of multiple streetcar and bus lines. This corridor contains the highest concentration of existing retail spaces, which is in keeping with the corridor’s nature as an urban core. The corridor contains over 150 retail sites with a high concentration of gift shops catering to the over 9 million tourists the city hosts each year. There are a number of opportunities along this corridor for retailers looking to capture both the ample amount of daily pedestrian traffic and the public transit and vehicular traffic that travels through this main artery to Downtown.



- C. Magazine Street between Napoleon and Jefferson Avenues is the most established of the corridors surveyed, catering mostly to the surrounding residential population. Aside from Harrison Avenue, which had a 0% vacancy rate, this portion of Magazine Street had the fewest number of vacant retail spaces of the surveyed corridors. Magazine Street also has the most diverse mix of retail that includes local, regional and national retailers and restaurants. Opportunities for potential retailers are few, given the street’s national caché as one of the most popular shopping destination in New Orleans.



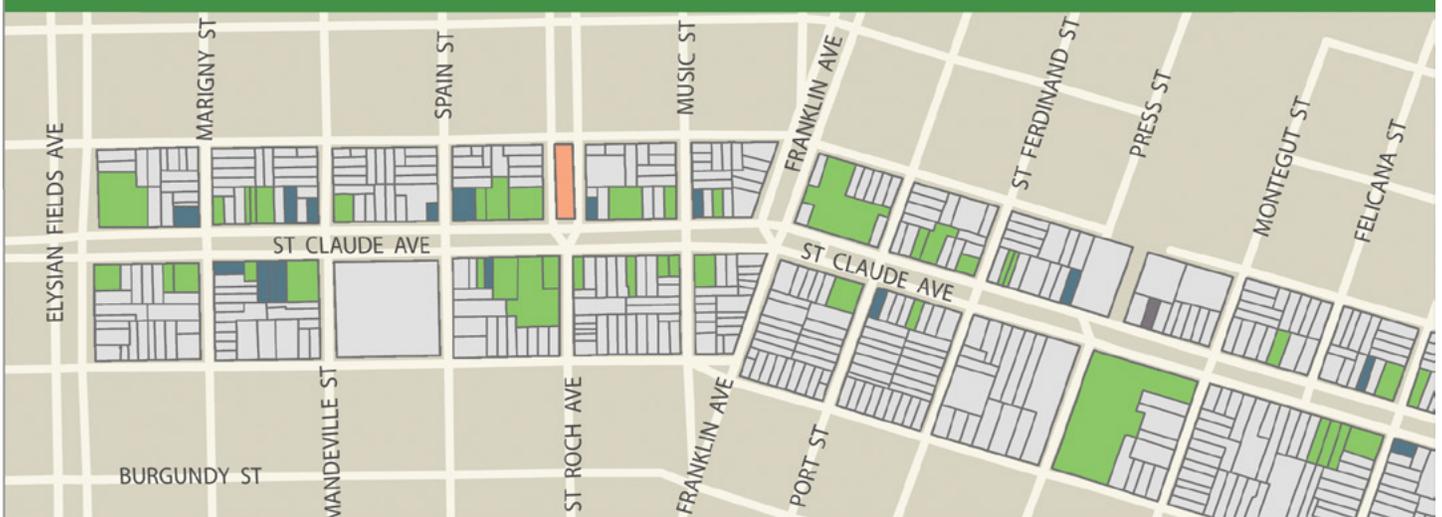
- D. The General De Gaulle corridor in Algiers proved to be similar to the New Orleans East survey area. Both provide opportunities for larger retail developments along auto-centric boulevards. This corridor contained the largest amount of non-retail commercial space of the surveyed areas, suggesting a captive audience of office workers.

### CORRIDOR D: GENERAL DE GAULLE DRIVE



- E. With the highest vacancy rate of all of the surveyed corridors, St. Claude between Elysian Fields and the parish line could be split into several corridors, each with distinct characteristics. The most robust segment runs from Elysian Fields to Press Street, abutting the Marigny neighborhood and is characterized by a high concentration of small and medium sized retail spaces with few vacancies and a mix of both local and national brand stores. The section between Press Street and Poland Avenue has a mix of residential and commercial uses with a prevalence of convenience and discount stores. Through the Lower 9th Ward, the St. Claude corridor exhibits high vacancy and few services.

### CORRIDOR E: ST. CLAUDE AVENUE, MARIGNY NEIGHBORHOOD



More information on all of the retail corridors as well as descriptions of the various retail neighborhoods can be found on the NOLABA website.

[www.nolaba.org/why-nola/2013-retail-report/](http://www.nolaba.org/why-nola/2013-retail-report/)

## New Retail

From New Orleans East to Carrollton, from the Lakefront to Algiers, New Orleans has seen a strategic re-envisioning of retail's place in the built environment with a focus on serving the retail needs of residents. The neighborhood retail corridors of Harrison Avenue, Freret Street, and Bayou Road have come back stronger than ever with new businesses opening every month. Big box retail is returning to New Orleans East with both Big Lots and Walmart currently under construction. With nearly 20 projects totaling over 1.5 Million square feet of new retail currently under construction or planned for completion by the end of 2014, it is evident that both local and national retailers are incredibly bullish on New Orleans.

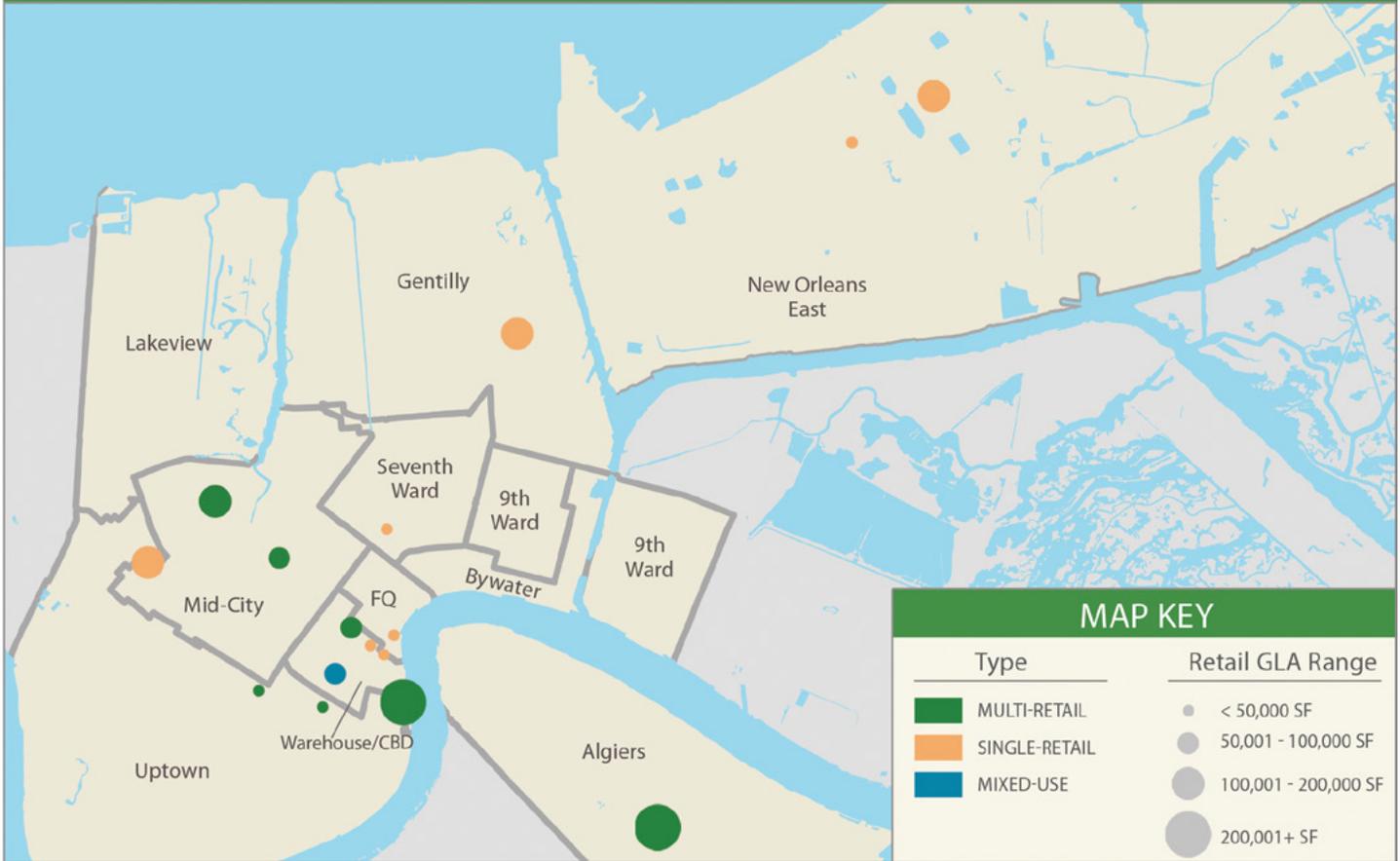


**Table 2:** Select Retail Developments, 2013-2015

| Development                           | Address                        | Type            | Notable Tenants                            | Retail GLA | Status             | Completion Date |
|---------------------------------------|--------------------------------|-----------------|--|------------|--------------------|-----------------|
| <b>400 Canal Street</b>               | 400 Canal St                   | Mixed-Use       |  |            | Proposed           |                 |
| <b>600 Canal Street</b>               | 600 Canal st                   | Mixed-Use       |  | 18,429     | Proposed           | 2014            |
| <b>Myrtle Banks</b>                   | 1307 Oretha Castle Halery Blvd | Mixed-Use       |  | 26,170     | Under Construction | 2013            |
| <b>South Market District Phase 1</b>  | 700 S Rampart St               | Mixed-Use       |  | 52,000     | Under Construction | 2014            |
| <b>Algiers Center</b>                 | 4100 General De Gaulle         | Multi-Retail    | Ross, Petco, Burke's Outlet, Mattress Firm | 400,000    | Under Construction | 2014            |
| <b>Jabbar Center</b>                  | 2927 Jackson Ave               | Multi-Retail    |  | 10,5000    | Complete           | 2013            |
| <b>Mid-City Market</b>                | 401 N Carrollton Ave           | Multi-Retail    | Winn Dixie, Panera, Five Guys, Pei Wei     | 107,657    | Complete           | 2013            |
| <b>Outlet Collection at Riverwalk</b> | 500 Port of New Orleans PI     | Multi-Retail    |  | 252,000    | Under Construction | 2014            |
| <b>Project ReFresh</b>                | 300 N Broad St                 | Multi-Retail    | Whole Foods                                | 60,000     | Under Construction | 2013            |
| <b>Big Lots</b>                       | 6011 Bullard Ave               | Single Retailer |  | 33,500     | Complete           | 2013            |
| <b>Circle Foods</b>                   | 1522 St Bernard Ave            | Single Retailer |  | 22,000     | Under Construction | 2013            |
| <b>Costco</b>                         | 3802 Dublin St                 | Single Retailer |  | 143,000    | Under Construction | 2013            |
| <b>CVS</b>                            | 5902 Read Blvd                 | Single Retailer |  | 13,000     | Complete           | 2013            |
| <b>H&amp;M</b>                        | 416 N Peters St                | Single Retailer |  | 32,000     | Under Construction | 2013            |
| <b>Walmart</b>                        | 6000 Bullard Ave               | Single Retailer |  | 187,500    | Under Construction | 2014            |
| <b>Walmart</b>                        | 4301 Chef Mentheur Hwy         | Single Retailer |  | 118,000    | Approved           | 2014            |

Source: NOLABA

## MAP 2: NEW RETAIL DEVELOPMENT



Source: NOLABA

Mid-City Market opened in July 2013 on N Carrollton Ave & Bienville St in the heart of Mid-City and establishes a retail base for an already vibrant neighborhood, providing over 100,000 square feet of retail and services to both residents and visitors. Retailers will include a Winn-Dixie Market concept store and the entrance into the Orleans Parish market for several popular restaurant concepts including Five Guys Burgers, Pei Wei and Panera Bread. Rounding out the list of tenants are the ever popular Pinkberry, Office Depot, and local favorite Pet Market by Jefferson Feed.



Construction has also begun on the conversion of Riverwalk Mall into the upscale outlet mall, The Outlet Collection at Riverwalk. The developers, Howard Hughes Corp., anticipate a summer 2014 opening and plan to introduce a number of new retailers to the New Orleans market.

H & M is under construction on North Peters Street in the French Quarter; the company is consolidating two spaces formerly occupied by Hard Rock Café and French Connection. The 32,000 square foot store will open in fall 2013 and will be one of only three stores in the U.S. that carries the H & M home furnishings line, the other two being New York and Boston.

Tiffany will soon open their first Louisiana store in the upscale Canal Place mall, joining newcomers lululemon, Michael Kors, and J Crew. Tiffany’s entry into the market demonstrates the ability of New Orleans to attract and sustain very high end retail.

## 2013 Retail Report

Whole Foods is under construction on Broad Street and scheduled to open late 2013. Costco will open in fall 2013, Walmarts in the East and Gentilly will open in 2014, South Market District will open phase I in 2014, and multiple projects are scheduled for redevelopment in the heart of the city on Canal Street. Other developments, both large and small, are in the works for all parts of the City. As the city moves into the next phase of its post-Katrina redevelopment, retail attraction will continue to play an integral part of that process.

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## Conclusion

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There is no doubt that New Orleans is currently under-retailed. The demographics firm ESRI puts the amount of lost retail revenue at \$1.9 Billion per year. And that number fails to include sales lost from the over 9 million tourists the city hosts on a yearly basis. According to the ESRI report, the city could benefit most from additional electronics and home furnishing stores, as well as general department stores and retailers specializing in sports/hobbies/musical instruments.

While the need is great, NOLABA is diligently working to bring new retailers to the market by creating a forum to share knowledge and information among local brokers and developers. Further, the retail survey data provides NOLABA with a better understanding of the unique opportunities in specific key retail corridors around the city. NOLABA will deliver this data directly to retailers visiting the market, as well as at annual conferences such as ICSC. Through partnerships with the City, neighborhood groups, the local real estate community and retailers, NOLABA will continue to drive retail growth in Orleans Parish to grow the tax base and provided much needed amenities to residents.

