



# 2009 Baton Rouge Retail Market Overview

Presented by:

*Dottie Tarleton, CCIM- Stirling Properties*

*Contributors:*

*Tom W. Cook, MAI & Sean McDonald- Cook, Moore, and Associates*

*Jonathon Walker - Maestri Murrell Commercial Real Estate*



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## *National Retail Trends*

- Perfect Storm
  - Housing Crash, Frozen Credit Markets, Worst Job Loss since WWII
- Some Retailers Wiped Out, Others Contracting
  - New Construction Lowest Since 1995
  - Closing Stores
    - 73,000 stores may close in the first half of 2009
    - US Retail Vacancy will rise to 10.2%
- Retail Returns to Value



## *National Retail Trends*

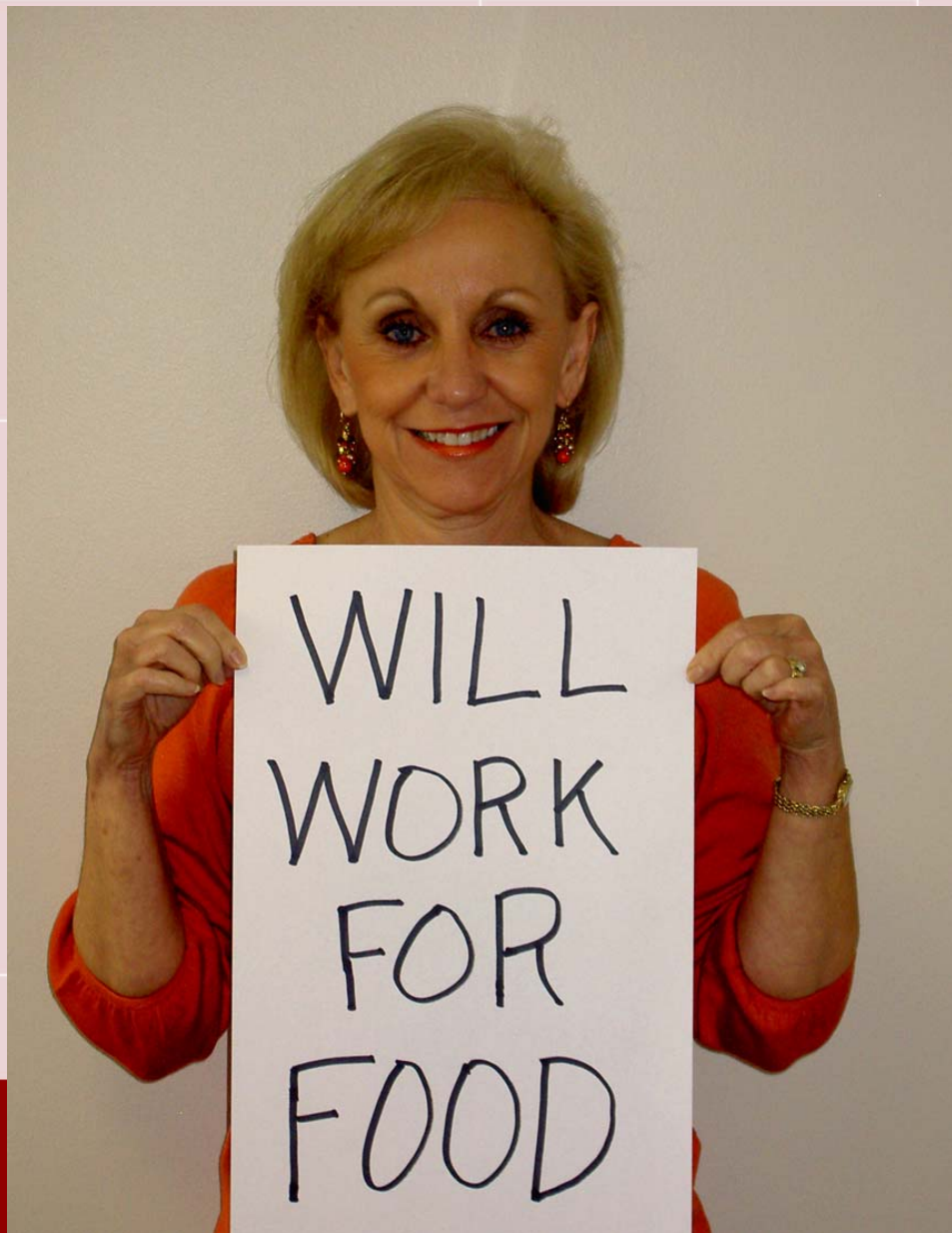
- Supply-Constrained Markets Have Advantage
- Consumer Spending Rose 0.2% in Feb. 2009
  - Up for 2<sup>nd</sup> month, after falling for 6 months
  - Up 3.6% in 2008
    - Smallest annual increase in 47 years
- US Chain Store Sales Fell 0.1% in Feb. 2009
  - Last 3 months - increasingly less negative
  - Less Wal-Mart, Sales Fell 4.3%



# Retail Site Selection





- When Times are tough, Site selection is VERY critical
- Critical Components
  - Four way intersection
  - Traffic Light
  - High Traffic Counts
  - Good Demographics
  - Signage....

# SIGNAGE





## Pricing

- 
- **Cheap Black and White cardboard Sign**  
- \$5 (Dissolves in the rain)
  - **High Quality Vinyl Sign**  
- \$10 (Holds up the Rain and Snow...and Hot summer days)
  - **Plastic Blow-up Doll for companionship**  
- \$25
    - Discount Available for large orders
    - See Herb Gomez at Front Entrance to place orders
    - Prepaid cash only
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# Area Parish Sales Tax

## East Baton Rouge (City & Parish Totals)

### SALES TAX COLLECTIONS (LESS VEHICLE TAX)

2004	2005	2006	2007	2008
\$120,564,086	\$137,028,177	\$149,362,799	\$150,767,801	\$156,543,525

### VEHICLE TAX COLLECTIONS

\$12,210,329	\$12,966,812	\$14,756,743	\$14,026,309	\$12,373,606
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### TOTAL TAX COLLECTIONS

\$132,774,415	\$149,994,989	\$164,119,542	\$164,794,110	\$168,917,131
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## Livingston Parish

\$44,544,552	\$49,910,206	\$60,784,998	\$ 65,866,056	\$ 69,024,328
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## Ascension Parish

\$64,269,640	\$75,622,247	\$88,578,568	\$95,356,825	\$108,183,395
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# East Baton Rouge Building Permits by Dollar Amount

YEAR	Total # Permits	%Increase/ Decrease	Commercial Valuation	%Increase/ Decrease	Residential Valuation	%Increase/ Decrease
2004	24,134		\$333,407,203		\$183,665,120	
2005	26,845	12%	\$390,058,842	16%	\$195,979,500	7%
2006	27,649	3%	\$587,489,299	51%	\$315,913,503	62%
2007	27,312	-1%	\$776,787,488	32%	\$282,577,181	-10.50%
2008	24,834	-9%	\$457,246,258	-42%	\$200,646,360	-30%

Increase in values in 2007 was being fueled by "Go Zone Money" providing tax incentives for multi family, and commercial projects as well as increase in construction costs since Katrina.





## Local Retail Expansion

- Walgreens
- Wal-Mart
- Home Furniture
- Family Dollar
- Auto Supply Stores
- Fast Food- Burger King, Raising Cane's



# Local Retail Renovations & Redevelopment

## ■ Renovations

- Hammond Aire Plaza

## ■ Redevelopment

- Southdowns Shopping Center
- Acadian Village

## ■ New Development

- Bluebonnet Square



# Hammond Air Plaza





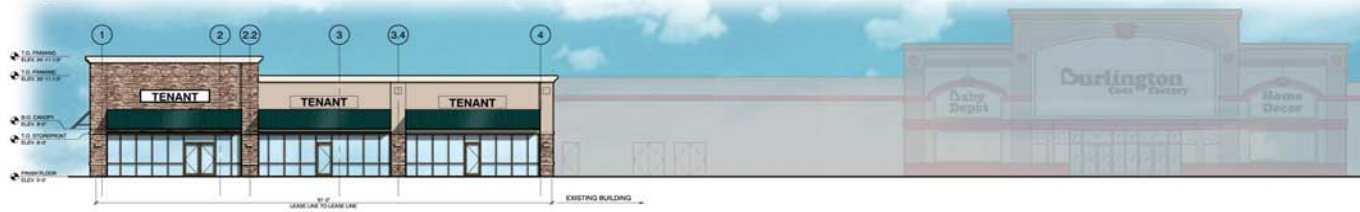
# Hammond Aire Plaza

## HAMMOND AIRE PLAZA

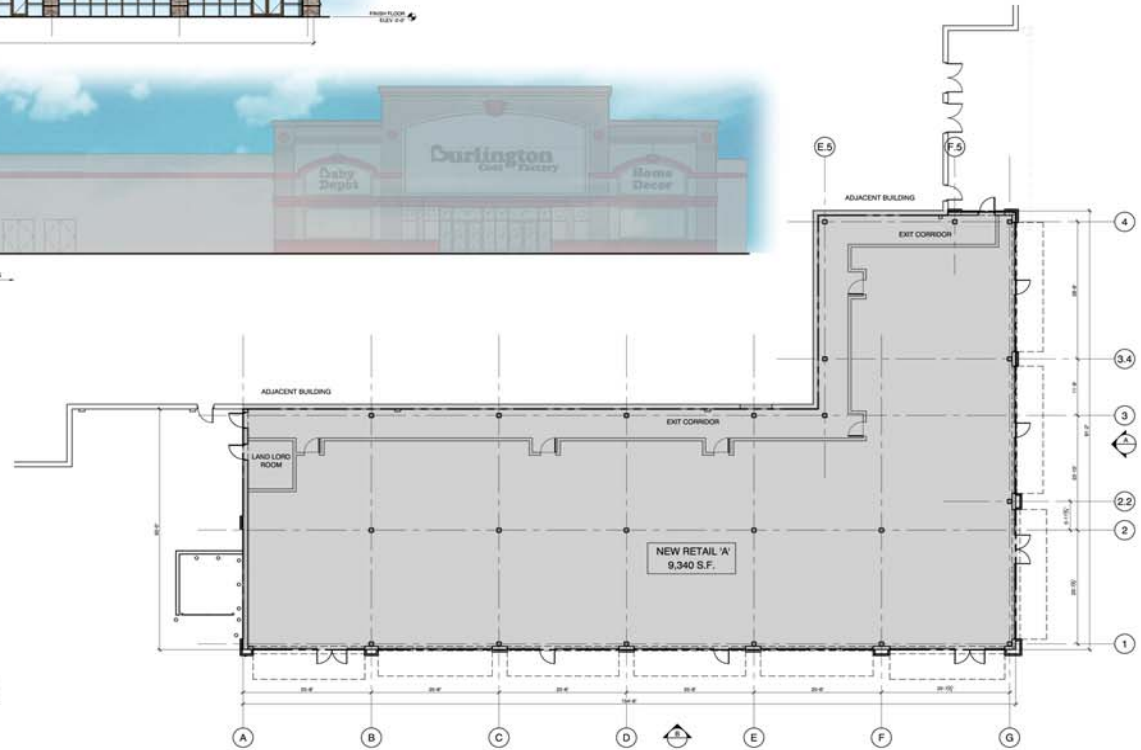
OLD HAMMOND HWY & AIRLINE HWY  
BATON ROUGE, LOUISIANA



B SOUTH ELEVATION  
SCALE: N.T.S.



A EAST ELEVATION  
SCALE: N.T.S.



**GENERAL NOTES:**

THE CLIENT'S RESPONSIBILITY IS TO PROVIDE THE PROJECT LOCATION OF THE BUILDING EXISTING WITHIN THE PROJECT. IF SUCH IS NECESSARY TO SHOW THE EXISTING FROM LOCATION OF ADJACENT BUILDING, ARCHITECTURE, ENGINEERING, AND CONSTRUCTION SHALL BE RESPONSIBLE FOR THE LOCATION OF THE BUILDING AND/OR LOCATION OF SUCH ELEMENTS AS MAY BE REQUIRED FROM THE CLIENT.

ALL NOTES SUBMITTED ARE NOT BEING REVERSED.

THE CLIENT'S RESPONSIBILITY IS TO PROVIDE THE OWNER'S CONTRACTOR'S COMPLETE AND TOTAL RESPONSIBILITY FOR THE PROJECT. THE ARCHITECT'S RESPONSIBILITY IS TO PROVIDE THE PROJECT INFORMATION IN THE FIELD WITHIN THE PROJECT AND TO BE RESPONSIBLE FOR THE PROJECT'S CONSTRUCTION AND CONSTRUCTION COSTS.

ALL DIMENSIONS SHALL BE INDICATED TO THE CENTERLINE UNLESS OTHERWISE NOTED.

THE ARCHITECT/ENGINEER/ARCHITECT IS SUBJECT TO CHANGES AND CONDITIONS, NOT REPRESENTING, EXPRESS OR IMPLIED, ARE MADE WITH RESPECT TO SUCH INFORMATION.



7100 East Pleasant Valley Road, Suite 100  
Cleveland, Ohio 44131  
1. 216.520.1551 F. 216.520.1557  
mg@kimco.com





# Southdowns Shopping Center





# Southdowns Shopping Center





# Southdowns Shopping Center





# Acadian Village







# Acadian Village



Building 3, Unit H South Elevation

Building 2, Unit G South Elevation



# Acadian Village





# Acadian Village





# Bluebonnet Square





# Bluebonnet Square





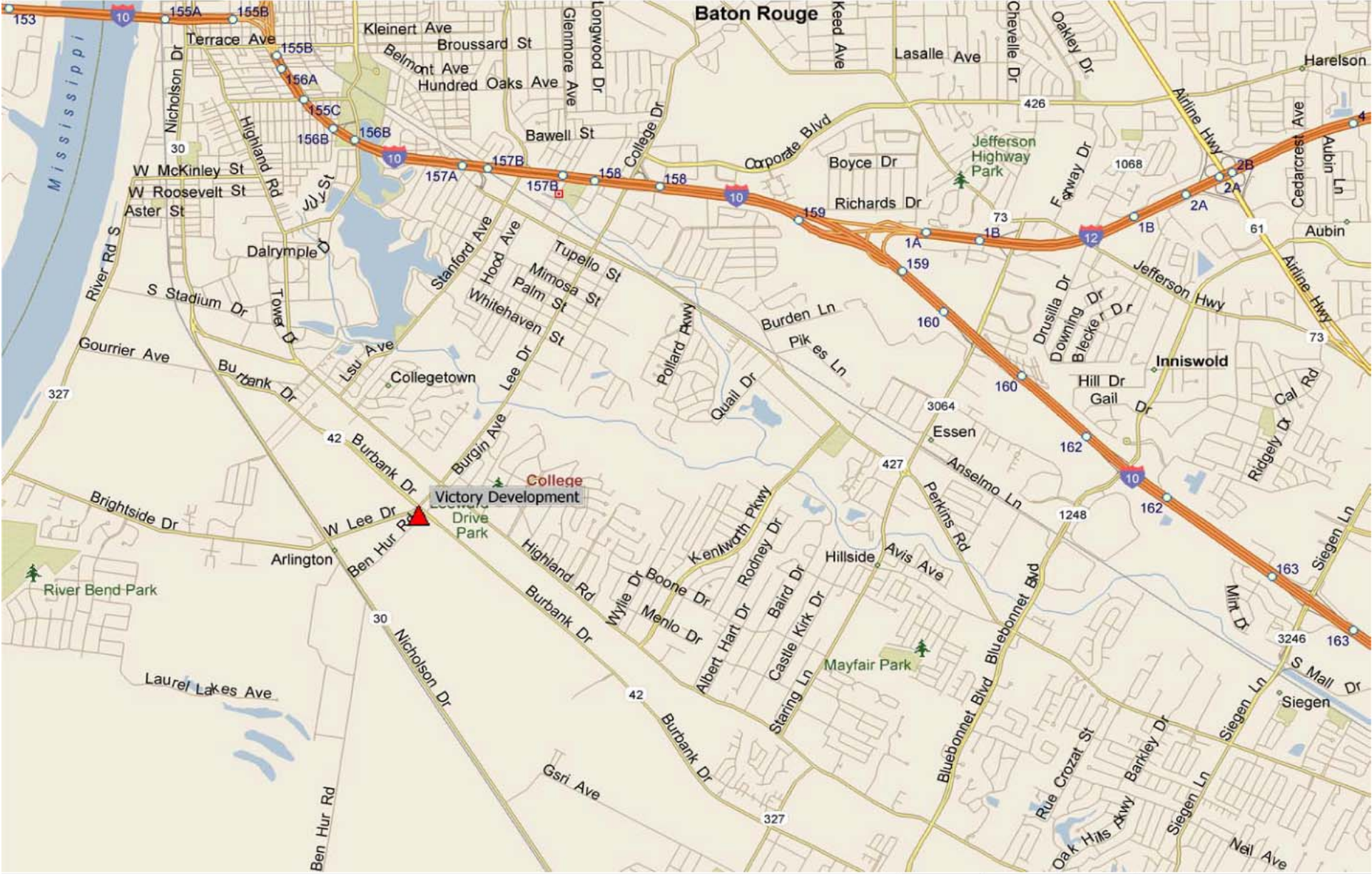
# Traditional Retail

## PROPOSED DEVELOPMENT - STALLED

- **BURBANK @ W. LEE DR.**
- **MILLERVILLE @ I-12**
- **HIGHWAY 30 @ 10 – GONZALES, LA.**
- **AMERICANA –HWY. 64 @ HWY. 964 - ZACHARY**

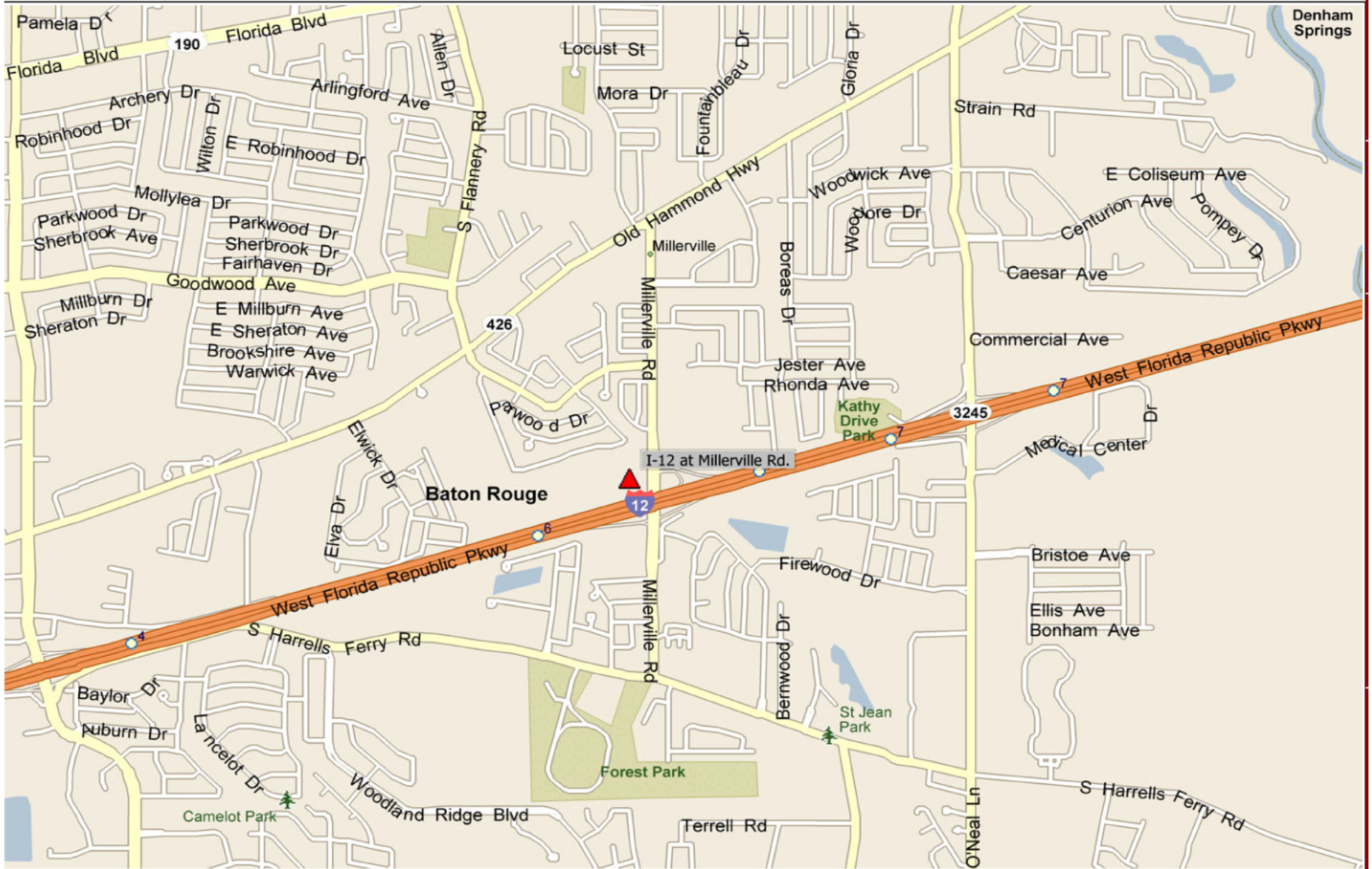


# Burbank @ W. Lee Dr.





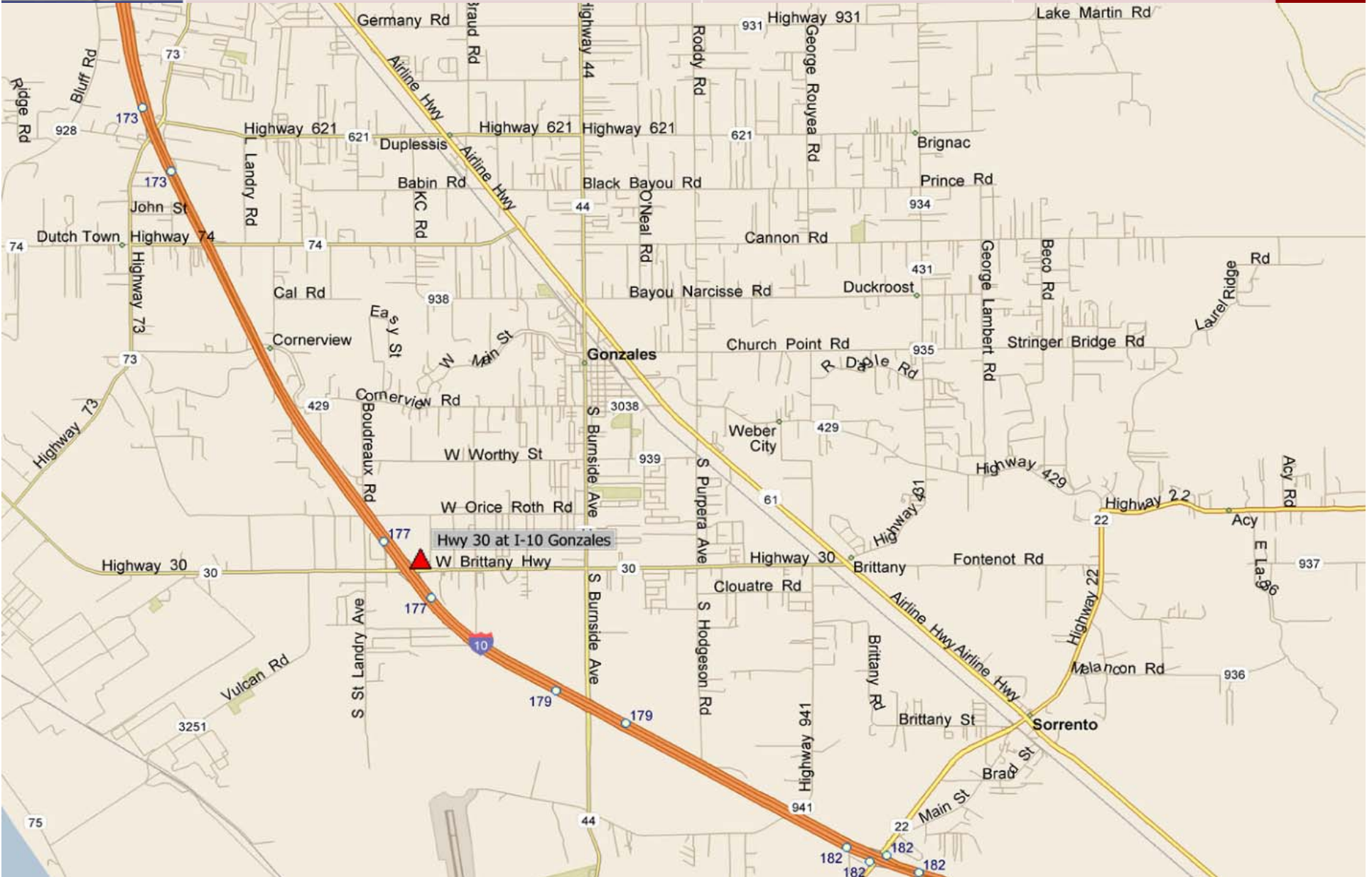
# Millerville @ I-12





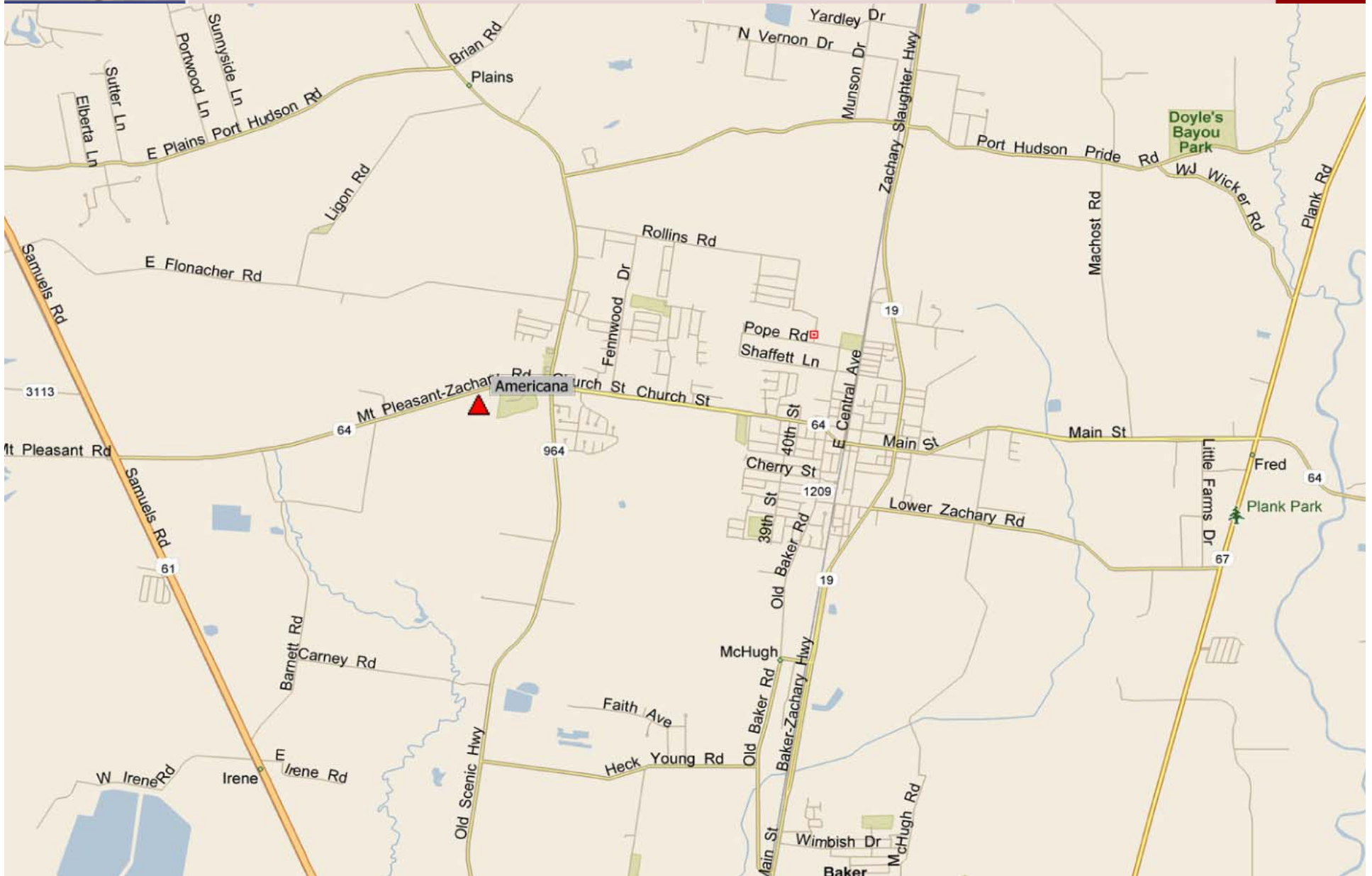


# HWY 30 @ I-10 – Gonzales, LA





# Americana – HWY 64 @ HWY 964 - Zachary





# 2009 Shopping Center Survey

- **Total Area Surveyed: 7,625,150 SF**
- **Number of Centers: 100 Centers**
- **General Trends – Excluding Lifestyle Centers**
  - Average rent and reimbursements total \$15.06 PSF, **-\$0.21 PSF decrease** In 2008 over 2007.
  - Overall vacancy rate **12.05%**, up **1.13%** from 2007 thru 2008.
  - **48%** of centers report less than 10% vacancy, down from **58%** in 2007
  - Centers with **250,000+ SF** continue to yield higher average rents than smaller centers.



# Lifestyle Centers

- **Total Area Surveyed: 1,010,000 SF**
- **Number of Centers: 3 Centers**
  - Perkins Rowe, The Boulevard & Towne Center
- **General Trends**
  - Average rent and reimbursements total \$40.04 PSF
  - Overall vacancy rate of 6.63%
  - Highest rents reported in survey



# Lifestyle Centers Update



<u>CENTER</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>STATUS</u>
Town Center	Jefferson @ Corporate	440,000 +/-	Completed
Perkins Rowe	Perkins @ Bluebonnet	465,000 +/-	Near Completion
The Boulevard	Mall of Louisiana Blvd. @ I-10	160,000	Completed
Juban Crossing	Juban Rd. @ I-12	800,000 +/-	Stalled
R W Day Project	O'Neal @ I-12	750,000	Stalled





# Perkins Rowe



## STORES UNDER CONSTRUCTION

Camillia Grill  
Out of New Orleans



The Grill Room  
6900 sq. ft. out of Chicago



Langford Market  
Fashion and Apparel Store out of Houston





# Perkins Rowe





# Perkins Rowe







# Perkins Rowe





# Perkins Rowe





# Perkins Rowe Status Report



## **RETAIL LEASING**

87% Leased

## **RESIDENTIAL SALES**

CONDO SALES: 73% of 87 Units sold  
Average price \$310.00 PSF



## **RESIDENTIAL LEASING**

138 Units in two buildings:

Building One - completed in July 2008 and leased up in 60 days.

Building Two - 51% occupied. Three floors made available as completed  
First Floor completed year end 2008. Upper levels recently completed and now available to the public.



## **OFFICE**

140,000 SQ. FT. 75% Leased - \$28.00 psf. full service



# The Mall of Louisiana Completed Expansion



# The Mall of Louisiana Completed Expansion





# Mall of Louisiana Expansion Completed



NOW OPEN FOR BUSINESS

- NEW MALL TENANTS

**Coach, Forever 21, Love Culture, Jeans By Guess**

- POWER CENTER TENANTS-

**Circuit City, Dick's Sporting Goods, DSW, Lane Bryant, Ulta**

- THE BOULEVARD LIFESTYLE CENTER- **160,000 SF**

Ann Taylor, Ann Taylor Loft, Apple, BJ's Brew House, Borders, Bravo, Camile's Sidewalk Café, Chico's, Clark's, Joseph A Banks, L'Occitane, Pottery Barn, Sake Café, Select Comfort, Serrano's, Soma



# Comparable Land Sales Summary Table

Location	Purchaser	Sale Date	Price	Size Sf.	Price Sf.
S . Sherwood/Old Hammond	Car wash	3/18/2009	\$250,000	15,507	\$16.12
Hwy. 61 @ Hwy. 42 Prairieville	Synergy Bank	7/18/2008	\$932,240	43,961	\$21.21
Gardere @ Nicholson	Gas Station/C Store	5/28/2008	\$1,000,000	87,120	\$11.48
Cabela's Pky. Gonzales	Don's Seafood	5/6/2008	\$1,254,513	52,271	\$24.00
Burbank @ Bluebonnet	Taco Bell	5/9/2008	\$728,169	44,723	\$16.28



# Comparable Land Sales Summary Table continued

Location Sale	Purchaser	Date	Price	Size Sf.	Price Sf.
Coursey Blvd.	Gulf Coast Bank	5/6/2008	\$480,000	30,013	\$15.99
Hwy. 190 @ Juban Rd. Denham Springs	Walgreen's	5/1/2008	\$1,474,252	90,443	\$16.30
Range 12 Blvd. Denham Springs	Long Horn Steakhouse	4/18/2008	\$1,500,000	82,703	\$18.14
Range 12 Blvd. Denham Springs	Hooters	4/18/2008	\$1,081,500	55,321	\$19.55
Coursey Blvd.	Burger King	3/27/2008	\$520,000	31,799	\$16.35





# Retail Sales Improved Properties



Location	Date	Sales Price	Occupancy	Building Sf.	Price Sf.	Cap Rate
Rebel Shopping Center Rebel Dr. @ Government St.	12/18/2008	\$1,900,000	9.01%	52,700	\$36.05	13.22%
Siegen Plaza Siegen Lane @ I-10 (Does not Include Target)	11/6/2008	\$30,250,000	95%	132,142	\$222.19	6.56%
Oak Park 11802 Coursey	10/1/2008	\$1,500,000	100%	16,300	\$92.02	10.11%
Brookwood Village Plank Rd.	5/19/2008	\$1,500,000	37%	79,792	\$18.80	21.61%
Marblegate Jones Creek @ George O'Neal	3/6/2008	\$2,400,000	Unknown	19,500	\$123.08	7.46%



## What's on the Horizon?

- More Retailers Will Not Make It
- Retailers Scaling Back New Stores
  - Openings Will Occur in Best Locations/  
Best Markets
  - Louisiana in Good Position



## What's on the Horizon?

- Operational Challenges Abound
  - Possible Store Closures
  - Retailers Seeking Rent Relief
  - Co-Tenancy Issues
  - Debt Maturities
  - Tough Choices
- Increased Gap in Quality of Assets
  - Vacancies, Underwriting Rules Changing, Credit Availability



# PERFECT ENDING

- URGENT WARNING.....
- ALIENS ARE COMING TO EARTH ON FRIDAY AND THEIR MISSION IS TO ABDUCT ALL GOOD LOOKING AND SEXY PEOPLE.

YOU WILL BE SAFE,  
BUT I JUST WANTED TO SAY GOODBYE.



# **Dottie Tarleton, CCIM**

Vice President Commercial Investment Division

## **Stirling Properties**

[dtar@stirlingprop.com](mailto:dtar@stirlingprop.com)

8550 United Plaza Blvd. Suite 103  
Baton Rouge, LA  
225-926-4481