RETAIL'S PULSE
PICKS UP

LAFAYETTE'S RETAIL PICTURE SHOWS SOME WELCOME SIGNS OF GROWTH.

By Marcelle Tesler

Many storefronts in Lafayette are vacant. By most accounts, somewhere in the range of 20 to 23 percent of retail space in the city is unoccupied, with the national average being lower. It sounds like a rather bleak picture, but actually, Lafayette retail is not in the doldrums. The high vacancy rate makes this an opportunity time for retailers to venture into the market, where prices of affordable and a wide variety of locations are available.

"Lively. Very dynamic," is how Marty Mayer, president of Maurice C. Engleman Management in Hammondsville describes the activity. The multifaceted retail developer does business throughout the Gulf South, with four shopping centers in Lafayette and several more in outgoing areas.

Retail trade is significant for a community's economy, both through property and sales taxes and employment. "Growth is always a good sign," says Andy Campanella of the Muscatine Group, developers in New Orleans. "Retail is a barometer of economic conditions. Where it goes indicates the health of a板块. It helps you what's happening in other parts of the economy." So, if the Lafayette area appears to be rebounding quite nicely, it's probably the result of all the parts of the economy, with Mayer saying, "I think the reason why the overall local retail trade is very healthy is that many of these people feel like Lafayette has a very solid base. It's a bit lower compared to the retail trade that's doing very well in Lafayette. They feel there's a niche in the market that has not been met yet, and Lafayette is going to survive and grow." Mayer has been investing the development of residential and national chains with low influence from main and independent stores. An asset for retail trade in the general vicinity, "I think it will be good to the extent that there will be a good mix of non-duplication activity over there that will further attract shopper to the area," he says.

But Jerry Prescott, manager of Northgate Mall, suggests that impact will be just the opposite. Prescott thinks there's a very real possibility that the Target Loop center will siphon business away from existing stores on the islands. "I see that some people, especially those in the mall, are going to be hurt from this." Businessmen that are likely to be hit the hardest are those who have "straddling the fence," he says, "It could hurt some of these people. Northgate going to the heart and downtown's going to lose some of the businesses." Mayer tends to agree with this assessment, "I think there's a point for it. I don't think it's going to hurt everyone, but some will be hit." Mayer says, "I think the north end will probably continue to be hit.

He has received inquiries from developers who are interested in locating stores on both ends of town. Wal-Mart, new to the city, is interested in Paradis and Droz, and Prescot says they are examples of the interest in Lafayette. The simplest way to explain the nature of retail trade is that it is driven by the demand for goods, along with the presence of businesses. People want to go to places that are accessible to them and are convenient to shop. Observes Jerry Prescott, "The success of a local retailer is dependent on its accessibility." And Mayer says, "Retail growth follows residential growth, so it's a good indication that the Northside has been doing very well in Lafayette." Mayer says, "Lafayette is no longer a small town. It's a community that's growing and evolving." The opening of the Auto Zone distribution center at Northpark Industrial Park would add residents to the north end of town and attract businesses as well. "This is a big deal and with this thing in Northpark, this should have an impact on residential development," says Prescot.

Northgate Mall is experiencing renewed retail activity. Sam Prestcott, "Sales are rising back. The income is definitely stabilized. Some people have been put back to work. I think overall, the general population out there has a small sense of security again. We have made it through the hard times." Shoppers' spending habits are also...
changing with the economy, with impulse purchases becoming more common at Northgate Mall. "The merchants are beginning to see that people are beginning to spend more on the fitness areas," says Prinston.

During the recession, purchases were confined generally to necessity items. Possibly as a result of this shift in spending patterns, Northgate Mall's sales continued to rise. Preliminary figures indicate that 1990 was 8 percent better than the previous year.

"For 1990, I'm looking for the sales increases we have going," Prinston says. He figures that Northgate will maintain at least 8 percent increase this year.

The big question that remains, however, is whether the J.C. Penney department store will vacate the Northside for Acadiana Mall. "We definitely would not like to see that happen," says Prinston.

Company officials are seriously considering the move, which would displace Northgate of one of its main anchors. The matter is at a standstill until Penney's comes to a firm decision. "It's going to happen, I would like to know that it's going to happen," says Prinston.

Possible replacements have not been approached, he explains, due to Penney's strong presence at other malls that are owned by Northgate's owner, Melvin Simon and Associates. This necessitates a rather delicate approach, to avoid jeopardizing relations at other locations. "Even if they do pull out of Northgate Mall, it's not going to change our relationship at other malls," Prinston says. Meanwhile, negotiations continue. "We're trying to work things out with them."

The current occupancy rate at Northgate is about 91 percent, compared to 85 to 87 percent vacancy rate at Acadiana. Both managers agree that 100 percent occupancy is more the exception than the rule. "No shopping mall ever gets fully occupied. You're always going to have people turning over," says Prinston.

The next year should see considerable repositioning and dealing in retail real estate properties. New developments, new stores and new locations will all be a part of the retail picture at Lafayette. "There is tremendous well-constructed shopping centers," according to Maestas.