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'SHOPPING MECCA'

Promenade to help fill retail demand on Mississippi coast

By **KATHY JUMPER**
Real Estate Editor

The Promenade, a new regional shopping center off Interstate 10 in D'Iberville will attract shoppers from Harrison, Jackson and George counties, pulling traffic away from retailers on Schillinger Road in Mobile, according to area Realtors.

"There was a pent-up demand" for retail on the Mississippi coast, said Mark

Cumbest, owner and broker of Cumbest Realty in Moss Point. "And I don't know of any retail store that was more anticipated by the general public than Target. Less people are going to Mobile now that we've got so much in Mississippi."

The Mississippi coastal market — more than 320,000 people — has been underserved by retail since Hurricane Katrina hit in 2005, according to CBL Properties based in Chattanooga, Tenn., 85-percent owner of

The Promenade, a center on 72 acres at the northwest corner of I-10 and I-110.

"This is the first new significant development in the area, and it brought in new retailers because we have Target and Kohl's," said Katie Reinsmidt of CBL. "There was a lack of retail there, and that's what we look for — current demand."

A Buffalo Wild Wings is under construction at The Promenade, and site work has started on a Roadhouse Grill restau-

rant, according to Reinsmidt. The anchors at the 700,000-square-foot-center include Best Buy, Dick's Sporting Goods, PetSmart, Michael's, Marshalls and restaurants such as The Olive Garden and Red Lobster.

The new center is an exception to the norm in a commercial market where most owners are struggling to keep tenants.

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Regional center fills need

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The major anchors had already committed to the center prior to the economic downturn, according to Reinsmidt.

"I think it's going to hurt Mobile," said Jim Atchison, owner of REMAX Results in Biloxi. He said his family used to drive to Mobile on the weekends and shop. "We'd hit Panera Bread, then go to Target and we'd spend half a day or better in Mobile, and now we don't."

The new center's nearby competition includes Crossroads Shopping Center and Prime Outlets both in Gulfport and Edgewater Mall in Biloxi.

Promenade has siphoned customers from most of the smaller retail centers in south Mississippi, according to Carlene Alfonso, broker owner of Coldwell Banker Alfonso Realty. Her company, which has six offices, is based in Gulfport. "With all those restaurants and stores, it's like a shopping Mecca," she

said.

Mobile commercial Realtor Merrill Thomas argued that The Promenade is a regional center and should not affect the retailers on Schillinger Road, which is considered a community shopping area. "Target will know the bleedoff" from the store in D'Iberville, said the owner of Merrill P. Thomas Co. "They know who is shopping at their store."

Most of the retailers at the competing malls will go to the regional center unless they have multiple stores in the market, predicted Thomas.

The big retailers are not making moves, but Cumbest and his brother built a strip center, Singing River Village, on U.S. 90 in Pascagoula in 2007. It is 100 percent leased with smaller, service-oriented businesses, he said, calling that "an indication of what's happening in the market."

Real estate broker John Jones of Jones & Associates in Pascagoula said he

heads to Mobile if he wants to buy a dress shirt.

"We desperately need retail, restaurants, a theater and a bowling alley," he said, but added that the city is more likely to see more mom and pop stores than a Target.

Retailers make store placement decisions based on data including traffic patterns population and average earnings.

"We have the houses, but not the income," Jones said. And while about 30,000 cars a day travel U.S. 90 in Pascagoula, most drivers are leaving work at Northrop Grumman Corp.'s Ingalls yard or at Chevron, headed home to Grand Bay and Theodore or up Miss. 63 to Moss Point.

Alfonso added that the high cost of insurance and the Federal Emergency Management Agency's building guidelines are suppressing all retail growth along the waterfront on the Mississippi Coast.

"Those are two killers for retail," she said.