

# THE ESPLANADE

## KENNER | LOUISIANA



## EXCEPTIONAL REGIONAL MALL INVESTMENT OPPORTUNITY



## INVESTMENT SUMMARY

Newmark Knight Frank ("NKF") is pleased to present the opportunity to acquire The Esplanade (the "Property" or "Mall"), located at 1401 West Esplanade Avenue in Kenner, LA. The Esplanade consists of 966,997 SF of gross leasable area, of which 650,777 SF are owned. In addition to the Mall's anchor tenants, Dillard's and Target, the Property benefits from the recently constructed The Grand Esplanade 14 (now operated by Regal Cinemas) and a well curated lineup of national and regional retailers.

The Esplanade is located in a prime retail node with direct access off of West Esplanade Avenue, a major arterial roadway, and indirect access to I-10, the primary interstate servicing New Orleans. The 5-mile trade area population is north of 167,000 residents with a median household income of \$76,657.

Kenner's location is extremely advantageous, with the Louis Armstrong New Orleans International Airport less than four miles away and an excellent intermodal transportation network consisting of the federal interstate system, major highways and Class I railroads. Additionally, the Property is located just 13 miles from downtown New Orleans and the expanding Port of New Orleans.

Exclusively  
Offered By:





## PROPERTY OVERVIEW

The Esplanade is a two-story enclosed regional mall located in Kenner, LA. The anchors, Dillard's (177,940 SF) and Target (138,280 SF) are separately owned while the recently acquired vacant Macy's box (235,518 SF) is included. The owned portion of the Property consists of The Grand Esplanade 14 (initially constructed in 2013 and has a lease term through 2033), which sits adjacent to the Mall, and a robust line-up of major and in-line tenants. These include Bath & Body Works, Champs Sports, Charlotte Russe, GNC, Image, Journeys, LensCrafters, Torrid and Victoria's Secret.

## TENANT SUMMARY

Component	Unit #	SF	Lease Exp	% of Total
<b><u>ANCHORS/MAJORS</u></b>				
Dillard's (Unowned)	XA	177,940	-	18.4%
Image	XB	46,600	Jan-27	4.8%
Kid's For Less	1408	10,631	Aug-25	1.1%
Love Culture	320A	10,236	Jan-22	1.1%
Shoe Dept Encore	1812	11,053	Feb-21	1.1%
Target (Unowned)	XE	138,280	-	14.3%
Vacant (Former Macy's)	XC	235,518	-	24.4%
Vacant	1702	14,390	-	14.8%
<b>TOTAL ANCHORS/MAJORS</b>	<b>8</b>	<b>644,648</b>		<b>66.7%</b>
<b><u>OUTPARCEL</u></b>				
The Grand Esplanade 14 (Regal)	LL01	52,030	Dec-33	5.4%
<b>INLINE</b>		<b>270,319</b>		<b>28.0%</b>
<b>TOTAL MALL (Owned)</b>		<b>650,777</b>		<b>59.3%</b>
<b>TOTAL MALL</b>		<b>966,997</b>		<b>100.0%</b>



Dillard's



image



Bath & Body Works

GNC



charlotte russe

TORRID

Journeys

LENSCRAFTERS



# Property Snapshot

## PROPERTY ADDRESS

1401 West Esplanade  
Ave, Kenner, LA 70065

## PROPERTY TYPE

Super Regional Mall

## SHOPPING CENTER

GLA (OWNED)  
650,777

## PARKING

6,640 (6.60/1,000 SF GLA)

## FY IN-PLACE

2018 NOI  
\$892,000

## LOT SIZE

72.1 Acres

## YEAR BUILT/ RENOVATED

1985/2002/2013

## OCCUPANCY (TOTAL/OWNED)

68.0%/53.5%



## Important Highlights



Located within the **New Orleans Metro** with a 5-mile trade area population north of **167,000** residents and a median household income of **\$76,657**.



**Prime Redevelopment Opportunity** with support from current anchors and the municipality.



**Total acreage of site increased** from 60.1 to 72.1 with the recent purchase of the vacant Macy's box.



Substantial in-place gross and net operating incomes of **\$5.3M** and **\$892,000** respectively, providing sufficient funds for tenant and capital improvements and redevelopment opportunities.



**Upside potential** through lease-up of **73,503** square feet of vacant in-line space.



**Continued investment in the area** through projects such as infrastructure improvements, an adjacent multi-family development and the **\$1B expansion** of the Louis Armstrong New Orleans International Airport (less than four miles from the Mall).



Key traffic drivers such as **Dillard's**, **Regal Cinemas** and **Target**, coupled with a robust line-up of regional and national in-line tenants.



## Investment Highlights

### REDEVELOPMENT OPPORTUNITY

A historically stable and consistent performer, The Esplanade provides an investor the opportunity to simply maintain status quo and enjoy current cash flow, and/or alternatively elect to pursue a broader redevelopment plan. Both Dillard's and Target have been demand driving steady performers for the Mall and with the addition of The Grand Esplanade 14 (now operated by Regal Cinemas), The Esplanade created an expanded customer profile.

Current Ownership has laid the ground-work to pursue value-enhancement strategies by securing control of the former Macy's box (closed in Dec 2017), which increased the owned acreage of the property from 60.1 to 72.1. Additionally, a dialogue with Dillard's and Target, both of whom have expressed an interest in cooperating with a broader plan, has been initiated. Given the new development currently underway adjacent to the Mall and the municipality's receptiveness to improving the Property, a new owner will have numerous options to pursue.

### WELL SUITED NATIONAL TENANT MIX

The Esplanade's key traffic drivers are the anchor tenants Dillard's and Target. The Grand Esplanade 14 (now operated by Regal Cinemas) was initially constructed in 2013 and has a lease term through 2033. It sits adjacent to the Mall and is the dominant theatre in the area. Major and in-line tenants include Bath & Body Works, Champs Sports, Charlotte Russe, GNC, Image, Journeys, LensCrafters, Torrid and Victoria's Secret.

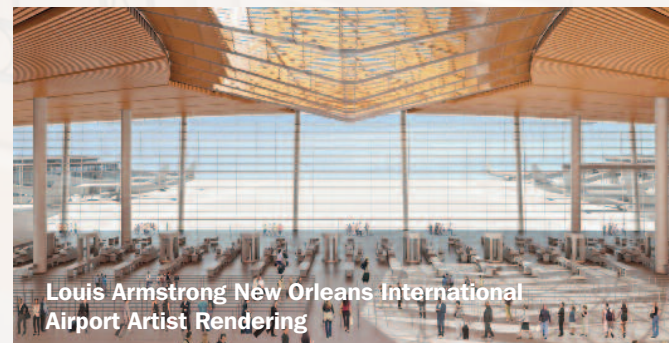


### SIGNIFICANT UPSIDE POTENTIAL THROUGH LEASE-UP

The Mall's current vacancy provides new ownership with significant opportunity to add value through lease-up. The Property currently has 73,503 square feet of in-line vacant space, in addition to the vacant Macy's box, which was fully refurbished after Hurricane Katrina. Fortunately, the Mall benefits from the unique blend of tenants between Target, Dillard's, The Grand Esplanade 14 and a national and regional in-line mix, creating an expanded customer profile at the Property. These demand drivers will help a new owner with active marketing and outreach plans attract new tenants to the Property.

### CONTINUED INVESTMENT IN THE AREA

Louis Armstrong New Orleans International Airport recently announced a \$1.0 billion capital injection program involving the construction of a new world class terminal and related facilities on the north side of the property. Construction began in January of 2016 with a completion date set for February 2019. This expansion should only benefit The Esplanade, as the Mall captures the demand from the Airport's regional traveler, thanks to the airport's close proximity to the Property. Additionally, the City of Kenner has announced as part of their "Kenner 2030" plan, infrastructure improvements for West Esplanade Avenue. These improvements should increase accessibility to and from the Mall.



### 265 – UNIT ADJACENT MULTI-FAMILY DEVELOPMENT UNDERWAY

Kenner City Council has approved a development called "The Gateway at Esplanade". The planned 265-unit, high-end apartment complex to be built on the site of the old movie theatre (directly west of the Mall), will not only contribute to the demand at the Mall, but also to the "lifestyle" or "Live Work Play" feel of the Property.

## Area Overview

### New Orleans-Metairie-Kenner, LA Metro Area Overview



**Situated on the bend of the Mississippi River**, New Orleans has been the chief city of Louisiana and the Gulf of Mexico's busiest northern port since the early 1700s. The city has grown as a tourist destination, with hundreds of thousands of annual visitors drawn to its Mardi Gras Festivities, live music and history enriched culinary cuisine.



The Greater New Orleans Area is home to **Loyola University** (4,273 students), **Southeastern Louisiana University** (14,584 students), **Tulane University** (13,449 students), **University of New Orleans** (8,423 students) and a campus of **Louisiana State University**.



**The City of Kenner is located in the northwestern part of Jefferson Parish, Louisiana, approximately 10 miles west of New Orleans and 70 miles east of Baton Rouge.**

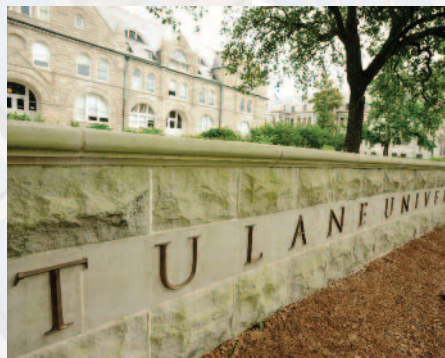
Kenner is the sixth largest city in the state of Louisiana and is located within the "Eastbank", which refers to all portions of metropolitan New Orleans south of Lake Pontchartrain and situated on the Eastern Bank of the Mississippi River.



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According to the City of Kenner Community and Economic Profile, Jefferson Parish has a civilian **labor force of more than 215,000 people**, which accounts for nearly 40% of the MSA's civilian labor force.



**Trade Area Overview**  
5 Mile Radius



**Trade Area Population**  
167,339

**Average HH Income**  
\$76,657

### For More Information

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