



## Neiman Marcus to open new store in San Fernando Valley

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In retail, as in show biz, timing is everything.

But timing is often unpredictable, so even as the American economy flounders, a posh shopping concourse debuts this week in the San Fernando Valley, aimed at providing stiff competition for Beverly Hills.

Neiman Marcus, the specialty department store that defines luxury shopping, will officially open Friday at Westfield Topanga in Canoga Park, anchoring a wing that also houses Cartier, Tiffany's, Jimmy Choo, Coach and a host of other high-end boutiques.

"We want to be better than Beverly Hills," said Los Angeles City Councilman Dennis Zine, whose district includes the landmark mall.

"We want to be the premier shopping and entertainment center in the Valley ... so people don't need to go over the hill."

The 120,000-square-foot Topanga store will carry the high-end and designer merchandise that is the hallmark of Neiman Marcus. It also will feature couture salons to help distinguish it from its Wilshire Boulevard counterpart - and from rival Nordstrom, which has a store in the Topanga mall and is opening a new one on Friday in Thousand Oaks.

"Our merchandise will differentiate us from anything in the area," said Bob Lugari, general manager of Neiman Marcus Topanga

Neiman Marcus is the centerpiece of the final phase of a \$500million renovation of Westfield Topanga, which originally opened in 1964 and was renovated after it was heavily damaged in the 1994 Northridge Earthquake.

The first phase of the ambitious project - which added 600,000 square feet to the 1.1million-square-foot mall - opened in October 2006. It

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included construction of a new wing anchored by the Nordstrom store, which relocated from the west side of the mall. The old Nordstrom structure was demolished, and Neiman Marcus was built in its footprint.

While Neiman Marcus executives expect to draw customers from as far away as Pasadena and Santa Barbara, the region's demographics weighed heavily in the decision to locate in the West Valley.

Thousand Oaks, less than 20 miles from Canoga Park, has a median household income of about \$93,000, the fourth-highest in the nation, according to the U.S. Census Bureau.

About 20percent of the residents in neighboring Woodland Hills, Calabasas and Agoura Hills have household incomes topping \$200,000 a year, said Daniel Blake, director of the San Fernando Valley Economic Research Center at California State University, Northridge.

He estimated that 10percent to 15percent of the households in Encino, Sherman Oaks and Studio City are at that income level.

"There's a substantial market there to serve," Blake said. "It's going to be people who used to shop over the hill."

As all retailers have, Neiman Marcus has seen sales and profits drop in recent months as shoppers react to the downturn in the economy.

Nordstrom reported sales down 6.1percent last

month, and Saks Fifth Avenue's sales dropped 5.3 percent, while Neiman Marcus' sales fell 1.7 percent.

Overall, department store sales fell 5.6percent in July, said Mary Brett Whitfield of TNS Retail Forward, an industry consultancy.

Whitfield said Neiman Marcus is somewhat insulated from rivals' broader declines because of careful inventory management.

"Relatively speaking, Neiman's has been faring better. They are very good executors, and when you're in a difficult economy that is in your favor."

Jack Kyser, chief economist for the Los Angeles County Economic Development Corp., predicted the Neiman Marcus opening will provide a big bump in sales-tax revenue for the city of Los Angeles.

"Going into Topanga, they are in an area where there are a lot of affluent people," he said. "It's a positive for the west end of the Valley."

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