

Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER COVERING THE STATE

Summers' time

The Northeastern Economic Developers Assn. has chosen Milford Crossing as its Project of the Year. The City of Milford nominated the 400,000 s/f retail complex which was developed by Cerruzzi Holdings. Another developer had offered to purchase the former mobile home park on the site on Boston Post Rd. in which lived 225 residents. Before that happened Cerruzzi teamed with two lawyers and offered to buy another site rezoned for mobile homes and build them, paying for half of the construction costs. Then, after all the residents moved, he began developing the shopping mall containing Walmart, Staples, Barnes & Noble, Commerce Bank, Circuit City, Modell's and others on the 51 acres. The city receives over \$1 million in taxes, five times more than it had before and some 600 new jobs were created.

Walmart plans to phase out new construction of its conventional outlets by fiscal 2009 in favor of its grocer/discount goods Supercenter format. All new Walmarts, Sam's Club stores and Neighborhood Supermarkets will be cut in 220 sites by 2012. Other discounters are continuing to expand; new store openings at Target and Costco this year should closely mirror last year's pace, according to Marcus & Millichap's latest single tenant outlook report. Sales velocity for discounters has remained fairly steady recently, although there is a wide disparity in pricing and cap rates. Smaller discounters (Family Dollar, Dollar General) trade with cap rates from 7.5% to 8%; larger ones are changing hands between 5.8% and 6.5%.

Everyone is paid in two coins: cash and experience. Take the experience first; the cash will come later. Harold Geneen



Ben Summers