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## **Southern New Hampshire retail market forecast is bright and sunny with continued growth - by Andrew Levy**

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Andrew Levy,  
The MEG Companies

After a rather strange winter it won't be long till spring is officially here-unlike yesterday's 77 degree day in mid-February followed by snow the next day.

Winter's business activity started off strong, but like years past some deals in the pipeline slowly but surely fall off. Still finding it is taking longer to get deals done, and less new inquiries overall as there are fewer retailers looking for space, and plenty of options to choose from.

Last fall I mentioned changes impacting brick and mortar stores, shifting shopping habits, technology advances and Apps, and most critical online purchasing which will continue to grow more every year.

Companies need to change the way they attract and keep customers, expanding their online presence and integrating both, making the in store experience more meaningful

Off price and deep discount stores like TJ Maxx, OSJL, Big Lots, Dollar General and Dollar Tree continue to prosper. New concepts such as Sierra Trading Co., and Home Sense are coming to Southern New Hampshire.

Traditional tenant mix is changing, and older centers that looks tired need to be upgraded to survive. Successful centers need to appeal to multi-generations where families will have a pleasant shopping "experience." Today's consumers want a mix of best in class personal services, restaurants, and entertainment.

The one ray of sunshine however is that online shopping may be convenient but you can't get your hair cut, a manicure, or massage or a workout at a fitness center. These service businesses will always be needed.

Overall NH's retail picture is healthy and continuing to grow. Occupancy rates remain high, and most centers have only two or three vacant units. Hopefully this year a few older big boxes i.e., Shaw's

and Bldg. 19 in Manchester and Nashua will have new tenants.

There are new restaurant types and “health” concepts emerging, but at the same time many are closing such as Noodles, and just announced, IHOPs and Applebee’s will close some locations they claimed because of changes in dining preferences by Millennials.

Shorty’s in Bedford (a fixture for decades) has been sold, but no need to fear, the buyer is Puerto Vallarta Mexican Grill so cravings for Margaritas and burritos can continue to be satisfied.

In Bedford, Encore Retail’s 300,000 s/f Market and Main mixed-use project on the former Macy’s site has signed several leases. Boston Interiors has opened its first N.H. store, 21,000 s/f in the Bedford Grove Shopping Center in a portion of the former Hannaford’s with a gorgeous new stone façade. 9 Rounds Fitness will also open soon.

In Manchester, Cowabungas, the indoor children’s play center has opened next to the new Chunky’s Cinema and Pub across from the mall. Also on South Willow St., construction continues at Brady Sullivan & Anagnost Companies’ redevelopment of the Sylvania site into a 300,000 s/f mixed-use retail development. The former Sports Authority has already been renovated into three tenant spaces. Party City has opened. Last week it was announced that Guitar Center has signed a lease and ownership says another great retail tenant is negotiating for the last space.

Downtown Elm St. continues to thrive with new apartments, restaurants, and hotels in the works. The Radisson hotel is about to undergo a multi-million dollar redesign and transformation into a Double Tree by Hilton.

A few blocks west, the Millyard district is experiencing tremendous growth of its high-tech companies, a new hotel has been approved along with a multi-story brick garage. Recently it was announced that the Langer Place property has been purchased by SNHU (Southern University).

The news with the greatest potential impact that will reach far beyond Manchester’s Millyard is Dean Kamen’s ARMI, the high-profile, military-backed cutting edge technology endeavor that one day may mass produce human tissues and organs. This could be the birth of an entire new industry. Think what that could mean for N.H. in the years to come.

In Concord there is continued infill near Steeplegate Mall. In Rochester, Waterstone Retail’s Granite Ridge on Rte.111 is fully built out and open.

There have been some recent announcements of store closings to note such as: K-Mart at the Lilac Mall in Rochester; Babies R’ Us at the Nashua Mall; and the Sam’s Clubs in Manchester and Seabrook.

On the upside, BJ’s Wholesale Club will be opening in the former Sam’s Club in Manchester and maybe Seabrook too?

There have been many more new store openings and announcements of stores coming soon including: Cheers Poker Room - recently opened in 12,000 s/f on North Broadway, in Salem; LaBelle Winery has opened in Portsmouth; White Birch Brewing will open on Amherst St., Nashua; and Derry's Cask & Vine will open a distillery.

Don Mace has brought FUN CITY Trampoline Park to the former Shaw's at Goffstown Plaza for the new owner. Just last week Cost Plus World Market opened its first N.H. store in Salem in the former Sports Authority on South Broadway. Optima Bank has opened in Dover, and Franklin Savings Bank will start construction soon in Goffstown.

There is more significant development news in Merrimack including a proposed 280-unit multifamily project at the former hotel on Executive Dr. at Exit 11, and Merrimack Park Place at the entrance to the Premium Outlet Mall that will include a Fairfield Inn & Suites hotel, a multi-story garage, apartments, office space, and a retail building.

Progress has been fast tracked at "Merrimack 360," the redevelopment of the old Shaw's Plaza by OVP Management. Projected delivery of the space to tenants including Altitude Trampoline Park, Planet Fitness, Dollar General, Lavish Nails & Spa, and Great Clips by late spring/early summer. Several other specialty restaurants are planned. The only spaces available are the right endcap and a free standing pad at the light perfect for a bank, credit union or restaurant.

In Salem, rumors of an IKEA superstore at the Tuscan Village, a planned 368,000 s/f mixed-use development on the former Rockingham Park has been the buzz of late. Time will tell.

In summary my spring forecast is bright and sunny.

Andrew Levy, CCIM, is vice president of retail leasing for The MEG Companies, Londonderry, N.H.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540