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KeyPoint Partners releases 2011 Eastern Massachusetts retail market report

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According to Bob Sheehan, vice president of research, KeyPoint Partners, LLC based in Burlington has released The KeyPoint Report for Eastern Massachusetts/Greater Boston 2011, a comprehensive report on the retail real estate market in the region.

Based on KeyPoint Partners' GRIID, which maintains detailed information on virtually all retail properties in the study area, The KeyPoint Report examines supply, vacancy and absorption, retailer activity, and market composition by store size and retail categories during the 14-month period beginning March 1, 2010 and ending April 30, 2011.

"After two years in which we saw retail vacancy rise by an astounding 43.3%, topping out at 18 million s/f, vacancy finally began to subside, dropping to approximately 17 million s/f, reducing unoccupied space by just over one million s/f," Sheehan said. "This equates to a 9.0% vacancy rate within the region, a significant drop from last year's 9.7% vacancy level and the first decline in vacancy since 2005."

Other highlights: With the modest increase in retail inventory coupled with a significant reduction in vacancy, Eastern Massachusetts experienced net space absorption of 3.7 million s/f, the first time the region experienced positive absorption of more than 1.2 million s/f since 2005.

City and town rankings by total inventory include the same top 10 from last year. Boston, Cambridge, and Brockton again hold the top three spots. Lawrence remains the city/town with the highest vacancy rate.

A number of big box retailers expanded last year, with BJ's Wholesale Club adding approximately 327,000 s/f with three new locations. The TJX shuttering of its AJ Wright division resulted in a space reduction of 361,300 s/f, the most of any retailer in the region. Blockbuster Video contracted by 180,300 s/f, and was down to only nine stores in the Eastern Massachusetts region at the end of the study period.

The studied market includes 189 cities and towns in Eastern Massachusetts, representing more than 3,500 sq. mi. (44% of Massachusetts' land area) and nearly 5 million people (76% of the state's population). The KeyPoint Partners' GRIID maintains detailed information on virtually all retail properties located in key New England retail markets, representing more than 252 million s/f of retail space and nearly 61,000 retail establishments.

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