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N.H. is a shopping destination for Maine, Mass. and Vt.

September 26, 2007 - Retail

Since the last recession of 2001, New Hampshire's economic and population growth have been the best in New England. The unemployment rate has been a point to a point and a half lower than the national rate, and is currently a little over 3.5%. Job growth, at 4.6 %, is the most robust in New England. Population growth since 2000, at 5.6%, is greater than the total US population growth (5%) and much greater than that of New England (2.1%). Per capita disposable personal income, at \$33,928, is above the national average (\$30,441) and close to Massachusetts, at \$37,395. These trends, and projected continued growth, are strengthening the image of New Hampshire as a growing consumer marketplace.

Of course, we can't forget the New Hampshire advantage. With no sales tax, our retailers are accustomed to seeing out-of-state licenses in our parking lots. New Hampshire retailers have an edge in competing with online vendors, making New Hampshire a shopping destination for the surrounding states of Maine, Massachusetts and Vermont.

According to a study by the state's Economics and Labor Market Information Bureau, New England had the largest household retail purchases of any region in the country, with New Hampshire leading the way. Its average household retail purchases of \$50,113 were \$11,500 more than those of the next closest state, Connecticut. This sales level, coupled with current projections for continued growth, make it a logical area for retail expansion.

With these positive trends in place, southern New Hampshire continues to be an active area for retail expansion and development. Major new projects are in the pipeline for Greenland (350,000 s/f Packard Development,); Portsmouth (200,000 s/f redevelopment of Southgate Plaza, by Waterstone Development); Seabrook (440,000 s/f, by Developers Diversified); Epping, (250,000 s/f, by Waterstone Development) Nashua (450,000 s/f Lifestyle Center, a joint venture of WS Development and New England Development), and Hooksett (Cabela's).

A case study in improving the visibility of a tired center.

Retail brokerage has always been interesting for me because it requires that parties look at a transaction from many different perspectives. The obvious leading perspective is business terms; do the economics of the deal allow the parties to make a reasonable profit and thrive in a competitive environment? Another perspective is the definition of the trade area and the demographic characteristics within it; are there enough of the store's customers within a convenient trade area for the store to thrive?

One of my favorite perspectives is the aesthetic. Stores and shopping centers spend millions of dollars to create identities that include physical design elements. The layout and design of stores and shopping centers, from the initial approach outside to the interior layout, including flow, product placement and checkout are all carefully considered.

I am currently involved in a redevelopment that, at first glance, is a pretty simple thing.

White Birch Plaza, in Portsmouth, was a poorly maintained center of 39,000 s/f. It desperately needed mechanical upgrades and some new tenants. New owners, after carefully looking at the impact of the center in the marketplace, decided to create a new name, Heritage Commons, and also decided to build a new façade for the structure. The old design included a curved red fabric awning that covered the front of the building. The new design includes new two story arches that could draw the eyes to the middle of the center.

Well, I've been paying close attention to the project. Initially, before improvements, the center literally seemed to disappear on the horizon. The curve of the dark red awning confused the eye and made the center almost invisible.

As soon as the old awning was removed, the center immediately came into clearer focus. The edges of the tan colored building became evident, and you understood where the building was - it became more visible and moved 'closer' to the viewer on the street. Tenants and customers alike commented that the building was more cheerful and inviting.

Now that the arches are up and visible from the street, the center literally jumps to your attention. The edges of the center are more obvious than ever, and the eye wants to bring the center forward, closer to the street. The new arches along with temporary signage make the center much more visible.

The difference is exciting, and prospective tenants are responding. What had been a hard sell is no longer an impossible task. New effective aesthetic elements, coupled with a clear monetary commitment from the new owners, have moved this center from a moribund hard to lease center to a high profile, highly sought after shopping destination!

Data sources: New Hampshire Economic and Labor Department Bureau.

John Mueller is an advisor with Grubb & Ellis|Coldstream Real Estate Advisors, Bedford, NH

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