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We anticipate our retail business growing within our company and in the N.H. retail market as a whole - by Bryan Wright

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Here at Colliers, we experienced a very productive year in the retail sector. Heading into 2019, we anticipate our retail business growing within our company and in the New Hampshire retail market as a whole.

The retail apocalypse we heard was coming seemed to pass over N.H. in 2018. Of course, there are still centers running into an occupancy issue, however, we have noticed centers that have adapted, modernized, and renovated are the ones that have had the most success.

We are slowly seeing more landlords reposition their strip centers with new facades, pylons, parking, and lighting. This is an encouraging sign and a simple way to attract new and exciting tenants.

Although there was a lot of retail activity at the end of the year, we wanted to point out a few.

Sales

In Concord, the Long John Silver's and Taco Bell building at 321 Loudon Rd. sold to Sarnia Properties, Inc., a NH-based investor for \$1.452 million.

The newly built CVS at 120 Derry Rd. in Hudson sold for \$8.25 million to a MA-based investor.

The former Toys“R”Us building at 2 Keller St. in Manchester was purchased by team Nissan for \$6.3 million. Nissan will use a portion of the building and is leasing out the remaining space.

A standalone Pizza Hut in Tilton sold for \$1.826 million to 15 Lower, LLC, a NM-based investor.

Leases

In Epping, Boone's Thai Restaurant took 2,000 s/f at Epping Crossing. At Brickyard Sq., Lucas Salon leased 1,664 s/f.

At Woodbury and Gosling Center in Portsmouth, Great Clips leased the former UPS building.

There were three store openings on South Willow St. in Manchester this quarter. Cricket Wireless opened a new location at Spring Garden Plaza. Experimac, a phone and computer repair store, is now open at 904 South Willow St. and Laundromax Super Center took the entire building at 469 South Willow St.

Pressed Cafe opened a drive-thru location at the former McDonald's building across from Market Basket on Amherst St. in Nashua.

In Salem, the former Bob's Discount Furniture space at the Rockingham Mall Plaza will become home to a 24,000 s/f Plant Fitness. At North Broadway Crossing, Sports Clips leased 1,500 s/f and Kian Taekwondo took over the former Lady Grace space.

New Construction

In October, a 19,000 s/f Aldi store opened in Concord across from Steeplegate Mall. This is its seventh store in N.H.

Another Aldi Store is scheduled to open in late spring at Garrison City Commons in Dover. The site also has an 8,125 s/f strip center that is leased by Chipotle, Sports Clips, and Firehouse Subs.

Down in Salem, a lot of construction is occurring just off Exit 1 at Tuscan Village and across the street at the Mall at Rockingham Park. Construction is well underway on the 12-screen Cinemark Theatre at the Mall. The Sears Auto Center pad site is being converted into the 44,000 s/f theatre, which will also feature retail and restaurant space. The theatre is set to open in spring.

2019 Outlook

Manchester's busiest retail strip, South Willow St., will be on our radar for 2019. We have already seen tired center spaces transform. For example, the former Party City location is now the "Wireless Plaza" and is home to T-Mobile, AT&T, Experimac, and Sprint. Across the street, DSW is going into the former Sports Authority big box.

The Shoppes at 655 South Willow's tenants, Firehouse Subs, Glossy Nails, and Kung Fu Tea, will be opening its doors at the end of Q1. The plaza has attracted a non-traditional user, Core Medical Group, which is leasing about 27,000 s/f. We will keep an eye on the development to see what type of tenants it attracts.

The most notable headlines in 2018 were major store closings including Toys "R" Us, Mattress Firm, and Sears. This created a spike in vacancy in big box footprints, but by the end of the year most of those spaces were filled with single tenants or subdivided to accommodate multiple tenants.

We anticipate some other major store closings in 2019, but with the strategic positioning of these sites, landlords should not have a problem backfilling with boutique fitness concepts, fast-casual restaurants, and other nontraditional users. As stores close, it allows the surviving brands to expand their businesses and footprints. As always, we are excited to see what 2019 has in store.

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