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Fall 2019 forecast: Will activity fall off or keep on trucking in southern New Hampshire? - by Andrew Levy

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Alas, summer is coming to an end. Many of us have had our fill of the heat, and rain, etc... It was legitimately the hottest summer in N.H. on record (I think) but then again, compared to the rest of the country, not so bad! Maybe the heat kept everyone in their office enjoying the air conditioning to work on deals?

That was the case here at Verani Realty, my new affiliation. I've been on board since the first week of July – barely enough time to prepare for the ICSC in Boston, which our entire team went to. We had many meaningful conversations with tenants, developers, and tenant representatives, on a variety of shopping centers and development sites. Feedback from other brokers confirmed that this was a good show-upbeat and productive.

N.H.'s retail economy remains healthy and growing, especially in key markets such as Nashua, Merrimack, Salem, and Dover/Somersworth. Occupancy rates remain high, and most centers have only a few vacant units. Smaller spaces are seeing a decent amount of general in-fill from a variety of tenants including restaurants, boutique fitness centers, and Dollar Stores. Some are expansions or relocations and others are additional locations and start-ups.

Fortunately, since my last forecast in the spring, we have not seen any new big-box vacancies emerge. There's still some activity with new tenants taking over former stores i.e. Sierra Trading Co., and Home Sense at Royal Ridge Mall on Spit Brook Rd. and DWH in Nashua, and at the Bedford Mall on South River Rd. joining Kohl's, Marshalls, and Staples.

Big-box vacancies have become opportunities for off-price, deep discount retailers, most notably Ocean State Job Lot's purchase of six

Toys "R" Us locations including the prime South Broadway site in Salem, bringing their N.H. store count to 16.

A few big-box opportunities remain at the former Shaw's on South Willow St. and the former Bldg. 19 in Manchester at Eastside Plaza and on Amherst St. in Nashua, the Babies "R" Us in the Nashua

Mall, and in Salem, and the Fresh Market at the Bedford Mall

Many of the “new” players coming into N.H. are in the restaurant, entertainment and fitness categories. Orangetheory Fitness is opening new locations and “Spenga,” a new boutique fitness concept, has opened their first N.H. location on Amherst St. in Nashua. CKO Kickboxing is ready to open in Londonderry at the recently renovated Shaw’s Apple Tree Shopping Center.

Planet Fitness continues to open new locations in N.H. The latest being their relocation across the street to 713 Huse Rd. in Manchester next to the new Chunky’s Cinema, and in Salem on So. Broadway in the Bob’s Discount Furniture space. Bob’s moved into bigger digs in the former Shaw’s unit.

There are several major development projects in New Hampshire. They are the Market & Main on South River Rd. in Bedford, Woodmont Commons on Rte. 102 at Exit 4 in Londonderry, and Tuscan Village in Salem on Rte. 28 at Exit 1 at the 120-acre former Rockingham Park.

All are continuing their fast paced construction of rental apartments, condominiums and townhouses. 603 Brewery has opened an amazing brewery/restaurant with a huge outdoor patio at Woodmont Commons.

Trader Joe’s has opened at the new Market & Main in Bedford, as well as the Friendly Toast, but you’ll need to wait up to 2 hours to get a table. A new cinema is coming soon, though the operator hasn’t been announced yet. Part of their design/construction will include a multi-level parking garage, new restaurants, and Pressed Café.

Development in Merrimack continues at a rigorous pace including a 280 unit multifamily project at Exit 11, and Merrimack Park Place a 372,000 s/f mixed-use development at the entrance to the Premium Outlet Mall. M-360 (the redeveloped Shaw’s Plaza) has added Triangle Credit Union to the roster of tenants which include: Altitude Trampoline Park, Planet Fitness, Dollar General, Great Clips, Tuckers, Thirsty Moose and Hayward Ice Cream.

Capital Place, Nashua’s newest retail experience on Amherst St. at the former SNHU site, can accommodate up to 16,000 s/f of new first-class retail space or 2 free-standing drive through PAD sites. Several banks and restaurant concepts are being discussed pending full access to the Blackstone Dr. traffic light expected in October. According to Jay Lee, senior advisor at Verani Realty, the developers are accepting Letters of Intent subject to confirmation of the light access.

Recent new deals in the So. N.H. marketplace include the opening of: Core Medical Group and Firehouse Subs at The Shoppes at 655 So. Willow St. in Manchester, and Day’s Jewelers in a 5,000 s/f state-of-the-art free-standing store on Amherst St. in Nashua.

Troy’s Kitchen and Juice Bar, and Dollar Tree have opened at Shaw’s Apple Tree Shopping Center in Londonderry, and Lucciano’s Italian Ristorante will open in October.

From what I can tell asking rents appear to be holding fast, though most deals have a TI allowance and free rent. Good development sites have been picked clean and permitting is still a lengthy process. Soon, repurposing will be the only avenue available to savvy developers that have vision. It will be interesting to see how these new developments pan out, and whether N.H. can continue to attract new retailers, specialty tenants, and restaurant concepts.

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