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## **New Hampshire's economy is strong and has fared well throughout this saga - by Andrew Levy**

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Summer has come and gone, and it sure seems like it went fast. We recorded the wettest June and July here in the Northeast, while our friends in the west are experiencing record droughts, heat and forest fires. With COVID-19 on the rise again thanks to the delta variant, things are just as crazy, if not more so, now. With back-to-school mask policies varying greatly between states, counties and towns and the troop withdrawal from Afghanistan, political division across the country seems to be at a peak.

While normally I am relatively optimistic with my forecast for sunny days ahead, even at the former height of COVID-19, the optimism of spring has quickly waned. We have noticed a drop in new business interest, fewer inquiries on properties and more businesses (national, regional and local) saying “no” to new or additional locations. July retail sales were down year over year however, according to NAR, acquisitions of retail properties were up 155% YOY, but this is mostly due to the apprehension surrounding retail in July 2020.

Despite the negatives, New Hampshire's economy is strong and has fared well throughout this saga. The stock market continues to reach new highs every week, and as the level of vaccinated individuals rises, restaurants and retailers will see more traffic. New Hampshire has some of the lowest unemployment rates, and yet businesses from factories to fast food can't find enough help to sustain current demand, let alone grow. Who would have pictured Dunkin Donuts closing by 2:00 in the afternoon 1.5 years ago?

When it comes to industrial and multi-family properties we are seeing a similar story to what is happening in the residential market - low supply leading to multiple offers. It is rare to find a small industrial building with a truck dock offered for sale in Southern New Hampshire. Acquisitions of large multi-family apartment complexes (garden or low-rises) rose by 68% in the first half of 2021. Despite this, lack of workforce housing is still a big issue that needs to be tackled.

The top Southern New Hampshire markets continue to be the border towns of Nashua and Salem:

In Salem, the re-development of the former racetrack at Rockingham Park has attracted national and regional retailers alike. It continues to generate interest from retailers, service providers, dining and other entertainment options.

In Nashua lots of new tenants have opened or are under construction: Lucky Casino has opened at the long-empty Bugaboo Creek on Exit 6; Buchikas Bike has opened at 166 Daniel Webster Hwy.; BJs is building a new gas station on Daniel Webster Hwy. next to CVS; Crumbl Cookies has opened in Webster Sq. and across the parking lot from them a 42,000 s/f new supermarket concept (rumored to be an Amazon store) is under construction. A block south from Webster Sq., Patel Brothers supermarket will open in 72,000 s/f (formerly the JCPenney Home Store) next to the NH Liquor Store.

Outside of these markets, surprisingly several new restaurants have popped up: The Flight Center has opened a second location in Manchester at the site of the former British Beer Pub on South Willow St.; The Poke Spot opened at The Shoppes at South Willow; Jersey Mike's is opening on Rte. 125, at the former Friendly's in Manchester and most recently finalized at the Appletree Shopping Center in Londonderry. In Hudson, the new retail development on Lowell Rd. has added three new tenants - Boss Blow Dry Bar, Bellacure Nails and Hudson Brews. On the other side of Hudson on Rte. 102, Fetch a Pet and East Coast Muscle have recently opened. In Bedford, a new plan is in place for the Market & Main project, Tuckers will soon be opening in the former Outback Steakhouse and Pressed Cafe is taking over the former Canoe restaurant, though no construction was visible on a recent drive by.

With all of this activity in the first half of the year and then a slow down during the summer (a notoriously slow period for commercial real estate) it may seem that things are coming to a halt. However, I believe Southern New Hampshire retail is on solid ground, and I forecast that we will see an uptick in activity once the summer is behind us.

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