



CELEBRATING
55 YEARS

nerej

Much-needed housing projects, should allow jobs to flourish and ultimately support retail shops and restaurants - by Andrew Levy

March 03, 2023 - Northern New England



Andrew Levy

Well, we made it through Valentine's and Presidents' Day! All things considered, not a bad winter—except of course for that horrible record breaking coldsnap that put Mt. Washington on the national news a few weeks ago.

It's difficult to look forward to the future of retail in 2023 without taking a peek at the past—specifically, what happened through 2022. Last year ended up being far busier than most of us thought it would be. Deals were flying left and right, despite labor shortages, the increase in household costs (rent, inflation, gas & utility prices, etc.) and other external factors. In the second half of the year, however, high inflation and multiple rate hikes slowed the flow of deals. Even still, Christmas spending was 3% higher than predicted across the board—go figure!?

Most of the brokers, bankers and other industry people we meet with, acknowledge that deal volume has slowed down, but they are still working on deals. Many of these opportunities are in the industrial and multifamily sectors, some in retail and less in office and land development.

Last year, many new apartment projects began in Manchester. These projects are finally taking shape, and it won't be long before the Manchester downtown landscape has a fresh look. While these apartments aren't a cure, they are a remedy. They will provide some much-needed housing, which should allow jobs to flourish and ultimately support retail shops and restaurants, event venues and other businesses.

While some long-standing restaurants and businesses have closed (eg. Blakes on Daniel Webster Hwy. (2021) and South Main St. (2023) in Manchester and Dixieland Florist & Gift Shops on Donald St. in Bedford there are always new concepts to take their place. Café la Reine took over the Blakes on DW Hwy. and Dixieland's building in Bedford was sold in December—time will tell what will go in there. Bed Bath & Beyond is still fighting off bankruptcy, and locally they closed two stores (Amherst and Plaistow) as part of a nationwide closing of 150 stores.

Other newcomers to the Manchester scene include Jersey Mikes (former Friendly's on South Willow St.), Bond Brewing & BBQ on Elm St. (former Baked Café) and Cool Beans Café at 100 Willow St. The Seacoast has seen some activity recently as well, with Bean Me Up Espresso & Boba Bar opening in Rochester and Buffalo Wild Wings soon to be opening at West End Yards in Portsmouth. The Lakes Region, sometimes neglected, has seen an uptick in leasing activity recently as well. I have been busy leasing up the new Belknap Marketplace with tenants such as Paint Styling Salon, Skin Care by Stefanie, Stora Candles, and RV Parts Store.

North Broadway Crossing in Salem will soon be fully leased as well with Boho Beauty opening in the former Jeanie's Dry Cleaner and a soon-to-be finished lease in the former Elizabeth Grady unit. Two sizable new mixed-use developments are in the works in the Concord area. The first one, Merchant's Way, is anchored by Market Basket, the State of NH Liquor & Wine Outlet and Homegoods. Other tenants include Wendy's and a Mobil/Dunkin' combo. and a planned phase II will include a Jersey Mike's, Service Credit Union, an urgent care facility and additional retail. The second one, Monitor Way, is a 95-acre multi-use development at the former Concord Monitor

property. It will feature 650+/- housing units as well as shops and self-storage.

Of huge importance to Derry and Londonderry is the new Exit 4A project on I-93. After many years of design, delays and other challenges, construction is now under way. When completed, it will open up many opportunities in Derry and Londonderry.

Overall, it seems that New Hampshire's economy is doing well. New Hampshire is a submarket of a submarket, so deals can be harder to find and put together. It seems to take more grit and patience than ever before, but deals are getting done. Overall occupancy rates for shopping centers (both grocery-anchored and neighborhood) exceed 90% and vacancies continue to become available and subsequently filled by a mix of new restaurants, retail concepts and fitness and wellness concepts.

I'm confident that we have a strong foundation for increased sales, leasing activity, development and success over the coming months on the retail front.

Andrew Levy, CCIM, is the senior manager of retail at the commercial division of Verani Realty, Londonderry N.H.

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