The Commerce Department said retail sales jumped 0.6 percent last month, the largest gain since December 2016 and followed June’s upwardly revised 0.3 percent rise. Excluding automobiles, gasoline, building materials and food services, retail sales surged 0.6 percent.

AUGUST 2017

Source: U.S. Department of Commerce - commerce.gov

TREASURY YIELDS

<table>
<thead>
<tr>
<th>Term</th>
<th>Yield</th>
<th>Term</th>
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<tr>
<td>3 Month</td>
<td>1.02%</td>
<td>12 Month</td>
<td>1.13%</td>
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<tr>
<td>6 Month</td>
<td>1.24%</td>
<td>24 Month</td>
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<tr>
<td>1 year</td>
<td>1.33%</td>
<td>36 Month</td>
<td>1.49%</td>
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</tbody>
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Source: Treasury Yield Sources: federalreserve.gov; ustreas.gov

CONSUMER CONFIDENCE INDEX

The Conference Board Consumer Confidence Index®, which had declined marginally in June (a downward revision), improved in July. The Index now stands at 121.1 (1985=100), up from 117.3 in June. The Present Situation Index increased from 143.9 to 147.8, while the Expectations Index rose from 99.6 last month to 103.3.

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OTHER BUSINESS NEWS

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COMMENTS

While the 2017 KeyPoint Report for Southern New Hampshire, based on our proprietary GRID™ retail database, is in production, we will again share some of the early results:

Inventory and Vacancy Rate: The retail inventory in Southern New Hampshire included 29.8 million square feet in 2017. This represents a net decline of 59,400 square feet, or 0.2%, resulting largely from retail demolitions and conversions to non-retail space. During the same period, retailers absorbed large chunks of vac-ant space in the region, dramatically reducing the level of unoccupied space by more than 400,000 square feet in Southern New Hampshire and cutting the vacancy rate from 10.5% in 2016 to the current level of 9.1%. Some of the larger retailers to fill space include Chunky’s Cinema in Manchester, Hobby Lobby in Nashua, and Ocean State Job Lot in Seabrook. Also a number of retailers plan to open in vacant space later this year, including Cardi’s Furniture and NH Motorplex Indoor Kating, both joining Ocean State to absorb most of the vacant Walmart space and the empty Shaw’s location at Southgate Shopping Center.

Size Classifications: It was an encouraging year across the board regarding vacancy by size. Although the Under 2,500 SF category experienced a nominal increase in the vacancy rate to 16.0%, the vacant square footage was actually able to show a nominal decline. The total inventory in the under 2,500 SF category is modestly lower how- ever. Still, this is a segment that has been trending the wrong way for several years now and the relative stability is a positive year-end result. These categories lowered

INVENTORY INDEX

*Note: Figures from companies not calculated to one decimal point automatically received an ending digit of 0.

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Send comments or questions about this article or any part of KeyPoints to KP@KeyPointPartners.com
the vacancy rate by more than 2.0%, including the 5,000-9,999, 9,000-19,999, and 100,000-199,999 SF classifications. Absorption of vacant Shaw’s, Walmart, and Lowe’s boxes had much to do with the latter two ranges. The 2,500-4,999 SF segment of the region also showed a solid reduction in the vacancy rate of 180 basis points.

Regional Submarket Rankings: There has been no change in the top ten largest retail markets: Nashua continues to rank first with 6.3 million square feet of inventory, Manchester follows at 5.3 million square feet, and Salem is a distant third at 3.9 million square feet. Seabrook and Bedford follow with 2.0 million square feet and 1.5 million square feet, respectively.

Retailer Activity: Retailers adding the most space in the region include Mattress Firm, which converted its acquired Sleepy’s locations, thereby gaining 276,700 square feet owned by Chandler’s Creative, Habitat Envy, and Ocean State Job Lot. The latter three all back-filled big box vacancy, largely contributing to the substantial decline in the region’s vacancy rate. Conversely, Sleepy’s closed the most space. Radio Shack and Namco round out the top three of retailers contracting by square footage. Mattress Firm also led the region in new stores, adding 10 units via the Sleepy’s acquisition. Cricket Wireless and Sprint were the only other retailers gaining multiple stores, three and two units, respectively. The acquisition of Sleepy’s reduced this retailer’s store count by 10 locations. Radio Shack also vacated the region, closing its last seven stores. The overthrowing of yogurt shops was apparent with the closing of six Orange Leaf locations.

Bob Sheehan, Vice President of Research
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This KeyPoint Report examines changes in supply, vacancy and absorption, retailer activity, and market composition by store size and retail categories during the period from July 2016 to July 2017. The study area includes 39 cities and towns, representing more than 835 square miles and approximately 561,500 permanent residents (42% of the state population). KeyPoint Partners’ GRID™ database maintains detailed information on virtually all retail properties in three key regions: Eastern Massachusetts, Southern New Hampshire and Greater Hartford, Connecticut. These markets encompass approximately 65% of the state’s 3,500 retail establishments. The KeyPoint Reports contain a summary and analysis of retail market trends and activity for each studied market area.

The Report is coming! The KeyPoint Report on Eastern MA/Greater Boston 2017 is available now. The KeyPoint Report on Southern New Hampshire 2017 and the KeyPoint Report on Greater Hartford, CT 2017 will follow soon.

Visit KeyPointPartners.com and click on Retail Reports at the top.

while J. Alexander’s Holdings Inc., which operates 19 J. Alexander’s, 12 Redlands Grills, 12 Stony Rivers, and one Lyndhurst Grill. Dick’s Sporting Goods opened five stores in three different states this month: 2 namesake stores and 3 Field & Stream stores in Texas, Alabama, and Georgia. With 13 namesake locations and 6 Field & Stream locations. Olive Bluffs Creamery & Cottages field & streams opened a retail store, Otter Shop, in its hometown of Fort Collins, CO. E-cigarette/vapor products manufacturer VapFi opened 19 brick-and-mortar stores in 6 US states and 2 other countries... Garden Fresh Restaurant Corp., parent of Souplantation and Sweet Tomatoes, has been acquired by two private-equity groups 7 months after the brands were sold out of bankruptcy. The 97-unit restaurant chains were acquired by Perpetual Capital Partners and CRI Capital LLC. Terms were not disclosed. Garden Fresh has restaurants in 9 states... Iconic British brand Hunter; best known for its signature rain boots, will open its first North American store in Toronto. The 2,800 sf store will be the third standalone location for the brand, whose boots are sold in department stores and specialty shops around the world. Hunter has two stores, one in London and one in Tokyo... Toys "R" Us will open a temporary 35,000 sf store in Times Square, just two blocks from the chain’s flagship that closed at the end of 2015. Scheduled to open in August, the three-level store will feature size-life top displays and a scaled-down version of the animatronic dinosaurus in its former location... Bob’s Discount Furniture will open six Los Angeles-area stores early next year. Last year Bob’s opened a net 12 of its stores, and by Labor Day, it will boost its store count to 89... Hurricane BW, a new fast casual restaurant concept developed by Hurricane BW, plans to open more than 100 US units over the next few years. The first Hurricane BW prototype will open in West Palm Beach, FL. Online made-to-measure retailer Indochno expanded its brick-and-mortar footprint with its largest location to date, a 4,100 sf space at King of Prussia Mall, King of Prussia, PA. The Canadian retailer previously opened its second NYC location, and flagship in Chicago and Washington, DC. Earlier this year, the company opened two store fronts in Canada. It currently has 17 stores in North America... TJX Companies Inc. plans to open 250 new stores this year, increasing its total worldwide by nearly 7%. The off-price retailer currently has more than 3,800 stores worldwide, including Marshalls, TJX Max and Homegoods. Last month it announced plans to launch a fourth chain called Homeseum, whose first store opened this month at Shopper’s World in Framingham, MA. TJX plans include about 80 new US HomeGoods stores this year, up from 53 last year. Saks Fifth Avenue is debuting a new salon concept which will offer hair care, skin care, and beauty services along with a medical spa and retail. The concept will launch this fall at Saks’ store in Huntington, NY, with additional locations at Saks’ stores in Houston and Boca Raton, FL opening by 2018. The concept will open in Saks’ NYC flagship in fall 2019, and will be rolled out in 10 US Saks stores during the next two years... Red Robin expects to open about 17 stores and close 9 in the remainder of the year. Capriotti’s Sandwich Shop will open 15 new shops in 2017, and grow to 500 locations by 2025 through franchising. Capriotti’s currently has more than 100 US locations.

Decelerating One of Applebee’s and IHOP, will shutter up to 135 restaurants in fiscal 2017, while also expecting franchises to develop between 20-25 new restaurants in their existing locations. There were 1,721 total IHOP units and 1,668 Applebee’s as of June 30. Famous Dave’s of America Inc., closed company-owned restaurants, as it takes “a more aggressive approach” in closing underperforming locations. The barbecue chain is in the process of either selling existing corporate restaurants to franchises or closing them. Famous Dave’s operated 35 company locations as of the end of the first quarter, closed 43 stores during the second quarter, and another 3 after the end of the period, giving it 29 company units. The closures represented nearly 20% of Dave’s company locations. Franchises operate another 135 units. Joe’s Crab Shack has abruptly closed at least 41 locations across 19 states.

New England Target held the grand opening of its fourth Boston area small-format store in the former Shaws at Redstone Plaza in Stoneham, MA. The TJX Companies debuted HomeSense, its new off-price home store concept, in August in Framingham, MA. Three additional stores are planned to open by the end of the year, in two in NJ and one in Woodstown, MA. HomeSense will complement its sister chain, HomeGoods, with expanded selections of lower-price furniture, lighting and art. As of April 29, 2017, TJX operated over 3,800 stores (see Accelerating News above). The company plans a new Canada Goose plant to open a retail store at the Prudential Center in Boston this fall. Canada Goose merchandise can already be found at 11 Massachusetts retailers, but there are no company-owned stores in New England. Local restaurant 110 Grill, with 8 existing locations including 6 in Massachusetts and 2 in New Hampshire, plans to open at least four additional locations by the end of 2017 and in 2018. Amazon is expanding its physical footprint in the Boston area with a pickup location at 870 Commonwealth Ave. near Boston University. Customers can pick up or drop off items at the location, a few doors down from a small-format Target store. Amazon’s announcement heralded the opening of 5 instant Pickup spots near college campuses in California, Ohio and Maryland... Wegmans plans to hire 550 employees for its store in the Natick Mall, scheduled to open next spring. The Natick Wegmans, in a former J.C. Penney store, has direct access to the mall and will house the 134,000 sf supermarket on two floors, including more than 100 seats for in-store dining. Another 12,500 square feet on the second floor feature two restaurants. Wegmans is also seeking a tenant for a 45,000 sf third floor space in the building.
Continued from Page 1

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Among towns with at least 500,000 square feet of retail space, Salem remains on top of the rankings for lowest vacancy rate at 5.7%, although up a bit from last year. Derry is this year’s runner-up, moving up from fourth a year ago. Hudson slipped a notch to third place. Among towns with the highest vacancy rate, Manchester takes over at 13.2%, although down substantially from 16.0% last year. In fact, the five highest ranking towns had vacancy rates all lower versus last year. The Seabrook vacancy rate, which was the highest in the region a year ago at 17.8%, has been notably reduced to 9.4%, in line with the Southern New Hampshire average.

Retailer Activity: Retailers adding the most space in the region include Mattress Firm, which converted its acquired Sleepy’s locations, thereby increasing its footprint by 8.5%. Other growth was driven by Chunky’s Crepes, The Body Shop, and Ocean State Job Lot. For the latter three all back-filled big box vacancy, largely contributing to the substantial decline in the region’s vacancy rate. Conversely, Sleepy’s closed the most space. Radio Shack and Namco round out the top three of retailers contracting by square footage. Mattress Firm also led the region in new stores, adding 10 units via the Sleepy’s acquisition. Cricket Wireless and Sprint are the only other retailers gaining multiple stores, three and two units, respectively. The acquisition of Sleepy’s reduced this retailer’s store count by 10 locations. Radio Shack also vacated the region, closing its last seven stores. The overstocking of yogurt shops was apparent with the closing of six Orange Leaf locations.

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INDUSTRY NEWS


Continued from Page 1

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December

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PURCHASING MANAGERS INDEX

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