

# KEYPOINTS

## THE RETAIL NEWSLETTER

AUGUST 2023 ©KEYPOINT PARTNERS, LLC BURLINGTON, MA

### ACCELERATING RETAIL

**Duck Donuts** signed 11 franchise agreements for a total of 20 shops and one food trailer. Duck Donuts currently operates 4 international and 126 franchise locations across 24 states and Puerto Rico...**Lowe's and Petco** are adding shop-in-shop to almost 300 US locations...Athleisure retailer **Vuori** is aiming for 20- 25 new stores a year. The company currently operates 35 stores, and has opened 10 since January...**Target** plans to open 20 stores this year, and more than 40 future locations...**David's Bridal**, which filed for bankruptcy in April, has closed on the sale of its assets to Cion Investment Corp. The sale will result in David's Bridal operating up to 195 stores as well as its e-commerce site. At the time of filing, David's Bridal had about 300 stores...**Primark** will open in Hanover, MD in September. The opening will bring Primark to 430 stores globally, with 21 in the US, with plans to reach 60 US stores by 2026...**Tractor Supply** is increasing its long-term store target to 3,000 locations, up 200 from its previous guidance. The company plans to increase its annual openings to 90 beginning in 2025. It's on track to open 70 stores this year...**The Container Store** will open 6 new small format stores in fis-



Target plans to open 20 new stores in 2023

cal 2023 and 3 new stores in fiscal 2024. The Container Store debuted its small format concept in September 2022...**L.L. Bean** will open 2 new stores in the US and two in Canada. L.L. Bean operates 56 stores in 19 states...**Pollo Campero** plans to open 180 units in 5 years, reaching 250 restaurants with a mix of corporate and franchised units. It now has 90 restaurants, 70 of which are corporate and 20 are franchised...**Rally House** opened 7 stores in 5 states in one weekend, a record for the company. Rally House has 160 stores in 17 states...**Nordstrom** will open 10 **Nordstrom Rack** stores in 2024. Nordstrom has more than 350 Nordstrom, **Nordstrom Local**, and Nordstrom Rack locations...**Radio Flyer**, maker of the "Original Little Red Wagon", will open its first-ever retail store in Schaumburg, IL...**Warby Parker** opened 13 stores

[Continued on Page 2](#)

### Observations

Chris Cardoni, Editor

**OBSERVATION: The Boston Retail Market:** Our VP of Retail Brokerage Don Mace was once again quoted in a profile of the Boston retail market in *Shopping Center Business* and *Northeast Real Estate Business* magazines. The article, **Pace of Growth Slows Throughout Boston Retail Market**, by Taylor Williams August 2, 2023, (NEREOnline), appeared in the August issues. Don was quoted along with other notables in this overview of the Boston retail environment:



For the past several years, the article notes, including during the pandemic, the Boston retail market has performed well, if unspectacularly. Defined and driven by stable fundamentals in terms of job growth and tenant demand, the retail sector has proven a reliable environment in which to expand store counts and park long-term money. But few commercial markets and asset classes are immune to sluggish and disruptive macroeconomic activity. Through no fault of its own, the Boston retail market is seeing its paces of growth slow across development, leasing and investment sales.

That said, Boston remains a dynamic market, despite data from the US Census Bureau showing that the city's total population shrunk by about 25,000 people, or 3.7%, between April 2020 and April 2022. In addition, Boston consumers tend to retain healthy disposable income levels. A burgeoning life sciences sector that is bringing thousands of well-paying jobs to the city and a steady flow of students and young professionals across its 25-plus colleges and universities lie at the heart of these trends.

"Life sciences has been somewhat responsible for the lack of supply growth by taking out theater spaces in Cambridge and developable areas of Boston like the Seaport District," says Don Mace, vice president of retail brokerage at KeyPoint Partners. "So there's really not a ton of

[Continued on Page 2](#)

### KPP NEWS

**New Business:** New retail leasing business includes a grocery-anchored center at **300 North Main Street, Randolph, MA** and a mixed-use building at **259 Copeland Street, Quincy, MA**. VP of Retail Brokerage Don Mace and



Retail Brokerage Associate Magnolia Neu are handling the assignments. Don Mace will attend the ICSC@ Florida in Orlando this month, representing expanding Tenant Representation clients **Apple Cinemas** and **FunCity Adventure Park**.



[KeyPointPartners.com](https://www.KeyPointPartners.com)



KeyPoint Partners, LLC, One Van De Graaff Drive, Suite 402, Burlington, MA 01803  
Tel 781.273.5555 [Info@KeyPointPartners.com](mailto:Info@KeyPointPartners.com) [KeyPointPartners.com](https://www.KeyPointPartners.com)

KEYPOINT  
PARTNERS  
unlocking value

and is on track to open 40 stores this year, with potential for 900 locations over time...**Taco Bell** claims it is on track to operate 10,000 US restaurants in the coming years. There are currently over 7,200...**Spirit Halloween** plans to open a record 1,500 stores.

### DECELERATING RETAIL

**Kmart**, which once operated more than 2,000 US stores, will close its store in Westwood, NJ, this fall, leaving Kmart with only 2 locations nationwide...**Save A Lot** no longer directly operates any stores. The grocer has re-licensed its remaining 18 company-operated stores. The stores are being acquired by Leever's Supermarkets, a current retail partner



#### Sally's Apizza will open in Woburn and Boston's Seaport

with 29 locations, who will operate the stores under the Save A Lot banner. Save A Lot is the largest independently owned/operated discount grocery chain in the US, with more than 800 stores in 32 states.

### NEW ENGLAND RETAIL

**Sally's Apizza** will open locations in Woburn Village in 2023 and Boston's Seaport District in 2024. The restaurant has plans to open additional CT locations...**Wilder** announced the acquisition of the 429,285 s/f Walpole (MA) Mall in Walpole, MA...**Torrington Properties** has acquired the 250,000 s/f Mall at Fox Run in Newington, NH from Morgan Stanley...**Investment firm Second Horizon Capital** has purchased the 473,000 s/f Kingston Collection, once known as Independence Mall, from an affiliate of The Pyramid Cos. for \$9 million, with plans to revitalize the center. The property is anchored by **Macy's, Target and Regal Cinema**.

### MONTHLY RETAIL SALES: COMMERCE DEPT.

Retail sales rose 0.7% in July, the Commerce Department said. Excluding autos and gas, sales rose 1%.

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

### CONSUMER CONFIDENCE INDEX

The Conference Board Consumer Confidence Index® rose again in July to 117.0, up from 110.1 in June.

Source: The Conference Board - www.conference-board.org

### "We don't see much big box space available inside Route 128", Mace says

growth on the supply side — movement in interest rates has obviously made that even tougher — and what's come out of the ground has mostly been small-shop space."

As a testament to how much Boston needs more quality space, Mace says that the retail community is actively monitoring the soon-to-be-vacated boxes of **Bed Bath & Beyond**, which previously operated five stores in the metro area.

"We don't see much in the way of big box space available inside Route 128 all the way up to the North Shore," he says. "The stores of **Bed Bath & Beyond** and maybe even **Christmas Tree Shops** and **David's Bridal** are linchpins for well-located real estate in those submarkets. There is very strong demand for those spaces, which are being pursued by the likes of **TJX Cos.** and **Burlington**, and it reflects the supply-demand imbalance we have here."

**OBSERVATION: Openings Up, Closings Down:** Despite what it might feel like sometimes when we read about the latest chain bankruptcy, apparently more stores have *opened* recently than have closed. According to **US Store Openings Surpass Closings This Year, Despite High-Profile Liquidations** (Linda Moss, CoStar News, August 3), the US retail market chalked up a strong performance in the first half of the year even as several chains liquidated, with store openings outpacing closings and space remaining tight.

There are 3,448 store closings and 4,427 store openings announced so far for this year, according to the most recent data from Coresight Research. In 2022, for the full year 3,807 store closings and 5,383 store premieres were announced.



Beyond this, there are some other good signs going into the last half of the year. The overall US retail vacancy rate is currently 4.2%. After retail foot traffic fell in April and May, in June those visits turned positive year over year, according to a report by **Placer.ai**. With May registering the lowest rate of inflation in two years, overall retail foot traffic could remain elevated into the second half of the year.

For the first six months, US retail sales rose around 3% over the prior year, according to a report by **GlobalData**, an increase of \$129.3 billion. And, the report notes, growth is also being delivered off the back of some very stiff prior-year comparatives, which underlines the *resilience* of the retail sector. The industry, the article notes, has momentum going into the rest of the year, with inflation easing and parents planning to spend more on back-to-school shopping - roughly 16% more than last year.

**All material in KeyPoints is provided solely for your private information**, and we are not soliciting or recommending any action based upon it. This material is based upon information from a variety of news sources that we consider to be reliable, but we do not represent that such information is accurate or complete, and it should not be relied upon as such. Opinions expressed herein are our current opinions as of the date appearing on this material only, and are subject to change without notice. **Copyright KeyPoint Partners, LLC, Burlington, MA, 2023.**

Comments or questions: [KP@KeyPointPartners.com](mailto:KP@KeyPointPartners.com)