KEYPOINTS
THE RETAIL NEWSLETTER
JANUARY 2026 ©KEYPOINT PARTNERS, LLC BURLINGTON, MA

ACCELERATING RETAIL

Potbelly Sandwich Works will open 50 locations in 2026, to pass 500-stores as it pursues a goal of 2,000 units...**Huey Magoo's** chicken will open its 100th store next year, and has 200 units signed for development nationwide…**Pacsun** opened 9 stores this year. It now has 300+ stores...**BJ's Wholesale Club** will open 8 locations in several states in 2026…**Milk-Shake Factory** ended the year with 35 locations in 16 states, up from 15 locations at the close of 2024...**7 Brew** reached 600+ locations in 38 states...**Target** will add up to 40 stores in 21 states…**Marshalls** will open 14 stores in 12 states. It

Target will open up to 40 stores in 21 states
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closed 2 CA locations...**Lowes** will open two TX stores this month...**Nordstrom** will open at least 12 **Nordstrom Rack** locations in 2026...**Bob's Discount Furniture** filed for an initial public offering. The number of shares and price range have not been determined, and the offering is subject to market and other conditions. Bob's operates 200 US stores… **Rita's Italian Ice & Frozen Custard** opened 35 shops in 2025, ending the year with 600+ locations...**Tractor Supply Company** opened its 2,400th location. It plans to open 100 locations by the end of the year...**Aldi** will open 180+ stores in 31 states this year, toward its goal of 3,200 stores by the end of 2028. It now has app. 2,600 US stores...Brazilian steakhouse **Fogo de Chão** will open up to 16 locations in 2026.

DECELERATING RETAIL

Saks Global, parent company of **Saks Fifth Avenue,** filed for Chapter 11 bankruptcy protection...**Starbucks** will close app. 400 US stores as part of its $1 billion restructuring plan…**Kroger** will close 60 underperforming stores in the

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OBSERVATIONS

COMMENTARY

Chris Cardoni, Contributor

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OBSERVATION: Time To Track Trends: It's the beginning of a new year, and so the prognostictors are prognosticating away about what's ahead in retail. The particular trend-spotters I'm quoting today are our friends at **Retail Dive**: *6 retail trends to watch in 2026: From pricing dynamics to the shifting state of malls, here are the trends we've got our eye on in 2026* (Retail Dive Staff, RetailDive.com, January 8, 2026). Their projected trends are as follows:

1. AI grows — but will its ROI? "Without a doubt, more individuals are using AI chat platforms for everything from product research to companionship... That will likely continue into 2026, as the retail industry saw a significant year-over-year jump in AI-related online traffic during the 2025 holiday season. The growth in AI chatbot usage will continue to shift how consumers search for products and interact with retailers."

2. Consumers continue to look for value "Consumers in 2026 will look much like they did in 2025: worse for the wear, but still spending, according to several analysts and economists... Moody's expects real personal consumption expenditure growth to slow to about 1.5% next year, down from the annual 2.5% to 3% growth seen from 2023 to 2024.... The situation will continue to favor retailers that differentiate by offering value or service."

3. A new phase for malls "Thanks to high-profile mixed-use projects and renewed attention to B malls, retail shopping centers are on the rebound, and that is set to continue in 2026... This trend should continue in '26 as mall owners seek to maximize the highest and best use of the overall site, which often includes non-retail development... Many people won't recognize some of these developments as traditional malls at all."

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KPP NEWS

BBJ List: KPP is once again among the top 10 property management companies in MA. KPP is ranked 9th on the latest **Boston Business Journal** list of the Largest Commercial Property Managers in Massachusetts, with 9.8+ million s/f managed in the state, and nearly 22 million s/f managed nationally. KPP was ranked 8th last year. The List is based on information provided to the BBJ through a survey of commercial real estate firms.

next 18 months... **GameStop** will reportedly close app. 200 stores in numerous states this month. It had closed 590 US stores in the previous fiscal year...**Macy's** will close 14 stores in 12 states….All 89 **American Signature Furniture** and **Value City Furniture** stores will close. Going-out-of-business sales are underway...**Outback Steakhouse** will close dozens of locations over the next few years. Outback closed 21 locations in 2025.

Outback Steakhouse will close dozens of locations

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NEW ENGLAND RETAIL

BIRKENSTOCK opened a store in Chestnut Hill, MA, its 15th US location...The Solomon Pond Mall in Marlborough, MA sold for $8.5 million, one of the lowest prices paid for an enclosed shopping center in MA recently. The buyer is Industrial Commercial Properties LLC, a firm that specializes in distressed assets...Sterling Organization purchased Bristol Plaza in Bristol, CT from Federal Realty Investment Trust for $44.4 million...A franchisee for **Popeyes** has signed an agreement to open 15 Boston area locations. The 1st are planned in Brookline and Brighton…The MA Cannabis Control Commission approved regulations to allow cannabis lounges. This paves the way for local businesses to seek permits to allow consumption of cannabis products on site and at certain events where allowed by municipalities...Fenway food hall **Time Out Market** will close after 7 years.

MONTHLY RETAIL SALES: COMMERCE DEPT.

Retail sales rose 3.54% in December from year ago, the NRF reported.

Source: National Retail Federation

CONSUMER CONFIDENCE INDEX

The Conference Board Consumer Confidence Index® declined in December to 89.1, from 92.9 in November.

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

Much of 2025 was defined by uncertainty over ever-evolving tariff policies

4. Pricing continues to confuse "Last year, consumers became more aware, and sometimes more wary, of how companies were delivering price changes in stores and online...New York now requires businesses to disclose when they use personal data to deliver individualized pricing...Best practices for retailers include not adjusting prices dynamically based on consumer profiles or sensitive personal information and confirming that price adjustments based on location reflect legitimate market conditions."

5. Fast delivery gets faster "Retailers over the past few years have developed strategies...to accelerate delivery as a value-add to consumers. As retailers go into 2026...efforts are speeding up further, specifically when it comes to same-day delivery.

6. Tariffs will continue to shake the industry "Much of 2025 was defined by the uncertainty that ever-evolving tariff policies presented...To deflect the impact, many retailers pulled forward inventory purchases ahead of the implementation of country-specific levies in August. But as retailers look to buy more inventory, higher costs may lead to price increases for consumers."

OBSERVATION: MA Looks at Cannabis Lounges: In the realm of potential tenancy, the Cannabis Control Commission in our state of Massachusetts approved regulations that will allow permitting of *cannabis lounges* where customers can consume cannabis products on site (see News at left). However, according to a **Bisnow** article, *Cannabis Lounges Get The Green Light, But The Path Forward Is Hazy* (Taylor Driscoll, bisnow.com, January 8, 2026), "it will be some time before you can legally spark up on a rooftop or settle down with a brownie in a café."

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The regulation officially went into effect Jan. 2, Driscoll reports: "The commission...has created the pathway for three new permits: one for on-site consumption for dispensaries, one for consumption at non-dispensaries, and an event permit for temporary events. For a lounge to be approved, it must have a transportation plan in place that includes rideshares, it cannot serve alcohol, and it must serve food and water on the premises."

When it comes to retail tenancy, there may be other obstacles: "Historically, cannabis retailers have had trouble finding usable space…Larger landlords and properties tied to federal loans have long barred cannabis retailers. On top of that, the stigma of the business has pushed municipalities to impose detailed regarding placement." However, that stigma may soon diminish: President Trump recently recommended rescheduling medical marijuana from Schedule I of the Controlled Substances Act to Schedule III. The rescheduling...signals growing acceptance of the cannabis industry, and local governments may follow the federal government's cue."

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