

KEYPOINTS

THE RETAIL NEWSLETTER

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ACCELERATING RETAIL

Sheetz opened its 700th store, in Columbus, OH... **True Religion** opened its first store since 2019, in Atlanta, its 46th US store... **Pop Mart** opened its first permanent US location, at American Dream... **Bagels & Co.** plans to open 20 locations throughout PA and FL. It currently has 4 locations in Philadelphia with 3 more to open in 2023... **Lightbridge Academy** entered the MD market with a location in Timonium. Lightbridge has 70 locations in 13 states... **FAT Brands** has acquired **Smokey Bones Barbecue** from private equity firm Sun Capital Partners for \$30 million... **Eataly** plans to open an additional 5 stores in North America in the next 2 years as part of a plan to reach 20 stores within 5 years... **Woof Gang Bakery & Grooming** signed a deal for its 300th location... **Chico's FAS** has agreed to be acquired for \$1 billion by private equity firm Sycamore Partners. Chico's FAS runs **Chico's**, **White House Black Market** and **Soma**. Sycamore's portfolio includes **Belk**, **Staples**, **Talbots**, and **The Limited**... **Wawa** plans to open 40 stores in Kentucky, 60 stores in Ohio, and 60 in Indiana during the next 8-10 years... **Toys R Us**' parent company, WHP Global, announced a partnership with Go Retail



WHP Global will open 24 flagship Toys R Us locations

Photo: ©unitysphere/123RF.COM

Group to open up to 24 flagship Toys R Us stores... **Nordstrom Rack** will open 3 locations, in New York, Ohio, and California, by fall 2024... **Macy's** will open as many as 30 off-mall stores nationwide in the next 18 months... **Bad Ass Coffee**, which operates 30 US locations, plans 150 new stores over the next 5 years... **Sprouts Farmers Market** will open 6 new stores in the Philadelphia area in the next 2 years. Sprouts currently operates in 23 states... **Freddy's Frozen Custard & Steakburgers** plans to open 60+ new US locations this year... Ross Stores opened 43 **Ross Dress for Less** stores and 8 **DD's Discounts** outposts across 22 states in September and October... Gap Inc. opened of 3,500 s/f **Banana Republic** flagship store in San Francisco's Union Square district... **Party City**

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Observations

Chris Cardoni, Editor

OBSERVATION: Another Record Halloween: A press release from the **National Retail Federation** trumpets: *Halloween Spending to Reach Record \$12.2 Billion as Participation Exceeds Pre-Pandemic Levels.* According to the release, "Total Halloween spending is expected to reach a record \$12.2 billion, exceeding last year's record of \$10.6

billion...A record number of people (73%) will participate in Halloween-related activities this year, up from 69% in 2022...Per person spending is also up as consumers plan to spend a record \$108.24 each, up from the previous record of \$102.74 in 2021. The greatest increase in spending came from costumes, which are more popular than ever... Discount stores (40%) remain the leading destination to buy Halloween items, followed by specialty Halloween/costume stores (39%) and online (32%). While specialty Halloween shops have always been a top destination for Halloween items, more consumers plan to shop at these stores this year than in the past." I'm just guessing, but I imagine there'll be a very high percentage of *Barbie* costumes this year.



OBSERVATION: But not so much the Holidays: No records will likely be broken by holiday retail sales this year, however, at least according to some recent forecasts. In *The big chill: Holiday retail sales 2023 expected to slow on The Future of Commerce.com*, Marcia Savage quotes reports from **Deloitte** and **Bain & Company** that raise red flags for holiday retail: "According to Deloitte's annual forecast, holiday retail sales this year will grow between 3.5% and 4.6%. That compares to last year's 7.6% increase. Deloitte estimates overall 2023



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KPP NEWS

New Business: New leasing assignments include the **Center at Hudson**, a shopping center in Hudson, MA; **909 Main Street**, a building in Wilmington, MA; and **Belmont West Plaza**, a shopping center in Brockton, MA... **New Team Member: Michael Coates**, Property Manager and **Lucas Long**, Assistant Property Manager, joined the Boston, MA office; **Nadia Akatsevich**, Property Accountant and **Laura Bongiorno** returning as Property Manager, joined the Burlington, MA office.



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has completed its restructuring and emerged from Chapter 11 bankruptcy. It will move forward with nearly 800 US stores, after closing about 60...**Netflix** plans to open two retail stores called "Netflix House" in 2025.

DECELERATING RETAIL

Rite Aid filed for Chapter 11 bankruptcy and will begin closing underperforming stores...**Walgreens** will close approximately 60 VillageMD clinics at or adjacent to Walgreens stores...**Soft Surroundings** filed for Chapter 11 bankruptcy and company will close all 44 stores...**Dick's Sporting Goods** is closing 11 **Moosejaw** stores...**Target** will close 9 stores in cities across 4 states due to theft and



Target is closing 9 stores due to organized retail theft

Photo: ©KeyPoint Partners

organized retail crime.

NEW ENGLAND RETAIL

Eastern Bank will merge with Cambridge Bancorp, parent company of **Cambridge Trust Company**. The merger is expected to be completed in Q1 2024. Eastern has 91 offices, Cambridge has 16...Historic restaurant **Jacob Wirth**, closed after a 2018 fire, is being renovated and will reopen in February 2024...Local fitness-club operator DJ. Bosse will operate a pickleball club at the Natick Mall's former **Neiman Marcus** store. With a planned 21 courts, it will be the largest indoor pickleball facility in the region. It will include a restaurant and fitness center...Wynn Resorts secured approval for its 142K s/f expansion to Encore, to include sports betting and poker rooms, a nightclub, and a 979-seat theater.

MONTHLY RETAIL SALES: COMMERCE DEPT.

Retail sales rose 0.7% on the month, the Commerce Department said. Excluding autos, sales were up 0.6%.

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

CONSUMER CONFIDENCE INDEX

The Conference Board Consumer Confidence Index® declined again in September to 103.0, down from an upwardly revised 108.7 in August.

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

The number of international retailers looking to expand in the U.S. is growing

holiday sales will total between \$1.54 trillion and \$1.56 trillion between November 2023 and January 2024. Retail sales during the same period a year ago totaled \$1.49 trillion, Deloitte said, citing the US Census Bureau...**Bain & Company** expects US holiday retail sales to grow only 3% this year, the lowest since 2018...A survey of 1,000 US consumers by Celigo found that 80% expect to spend less this holiday season. Even upper-income consumers may be more inclined to save their money this holiday season, Bain & Company said.



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OBSERVATION: Who will close, who will open: Retail's revolving door continues to swing in both directions, according to two recent industry news articles. *11 retailers at risk of bankruptcy in 2023: From Joann and Rite Aid to Petco and The Container Store, here's who's most at risk in the next*

12 months by Cara Salpini, Senior Editor (Retail Dive.com, Oct. 2) notes a group of retailers who may potentially join the growing bankruptcy ranks: "CreditRiskMonitor, which labels companies with a FRISK score to measure the probability of them filing for bankruptcy within 12 months, listed 11 noteworthy retailers and brands with either a 4% to 10% chance of filing for bankruptcy or a 10% to 50% chance for bankruptcy and potential closing." That list includes **Rite Aid**, which has been in the news almost daily and in fact has just declared (see Decelerating News at left), as well as major multi-unit home decor, crafts, pet, and apparel chains. Rite Aid alone represents a potential 400 to 500 vacant stores. Who will fill those spaces?

Well, according to *All Roads in Retail Lead Here: 10 international brands with U.S. expansion plans* (Chain Store Age.com (Marianne Wilson, Editor-in-Chief, October 10), new retailers from other shores are planning what could amount to hundreds of potential US locations. The list includes several that already have a strong US presence but plan to expand, such as **Primark** (22 stores currently, planning up to 60), **Uniqlo** (50 current, 20-30 year planned), and **Zara** (which will open or renovate at least 30 US stores).

Also coming to America: Century-old French lingerie retailer **Etam**, which recently made its US debut in Miami; Italian lingerie brand **Intimissimi**, which expects to open 27 stores this year, and 30 in 2024; Spanish fast-fashion brand **Mango** (currently 10 US stores, to open 40 by the end of 2024); Swedish running apparel brand **On**, which recently opened its 4th US store; Chinese collectible toy brand **Pop Mart**, which just opened its 1st US store at American Dream; Australian fashion brand **Princess Polly**, which just debuted its 1st US store in LA; and 150-year-old French department store **Printemps**, about to make its 1st US outing.



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