The KeyPoint Report

Eastern MA/Greater Boston Retail Real Estate Trends & Analysis 2017

KeyPointPartners.com/Retail-Reports

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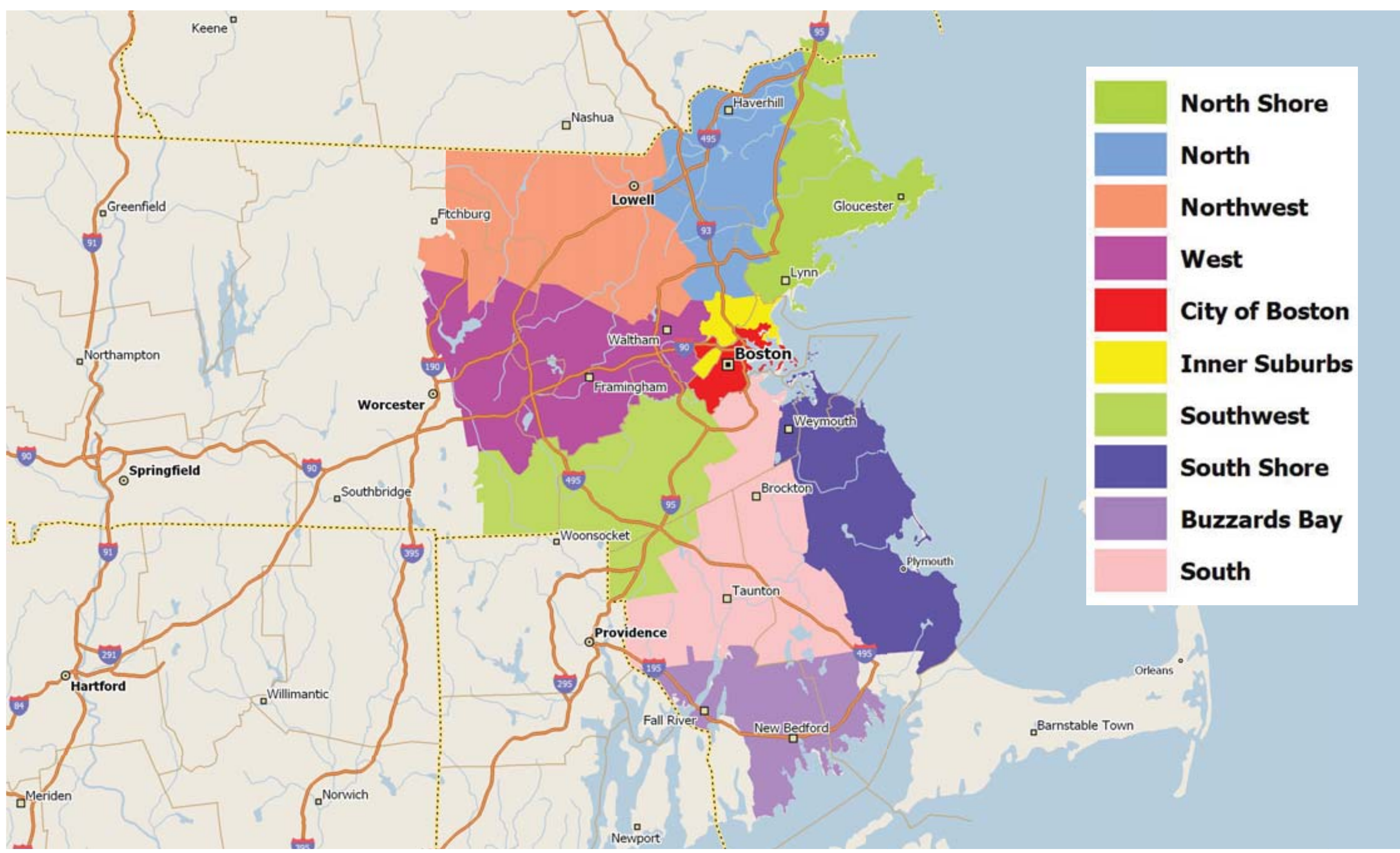
KeyPoint Partners
unlocking value

About This Report

This KeyPoint Report examines changes in supply, vacancy and absorption, retailer activity, and market composition by store size and retail categories for the year ending May 2017. This study includes 189 Massachusetts cities and towns, representing more than 3,500 square miles (44% of Massachusetts' land area) and approximately 5.3 million people (77% of the state population).

KeyPoint Partners' GRIID™ database contains detailed information on virtually all retail properties in three key regions: Eastern Massachusetts, Southern New Hampshire and Greater Hartford, Connecticut. These markets encompass approximately 44% of all retail space in New England. GRIID™ has information on nearly 262 million square feet of retail space and nearly 60,000 retail establishments. The KeyPoint Reports contain a summary and analysis of market trends and activity for each studied area.

Submarkets:



Highlights

Retail Supply

2017

194.6 M SF

2016: 194.2M

Retail Absorption

2017

1.2 M SF

2016: 508,700

Vacancy Rate

2017

8.6%*

2016: 8.8%

City/Town Rank

#1 Space SF: Boston

#1 Low Vacancy: Randolph

#1 High Vacancy: Taunton

Submarket Rank

#1 Space SF: City of Boston

#1 Low Vacancy: Northwest

#1 High Vacancy: Buzzards' Bay

Retail Category Expansion

+ SF: Grocery

+ Stores: Women's Apparel

Retailer Expansion

+ SF: Big Y

+ Stores: Mattress Firm

Cities & Towns in the Study Area by Submarket: North Shore: Amesbury, Beverly, Danvers, Essex, Gloucester, Hamilton, Ipswich, Lynn, Manchester, Marblehead, Nahant, Newbury, Newburyport, Peabody, Rockport, Rowley, Salem, Salisbury, Saugus, Swampscott, Topsfield, Wenham, **North:** Andover, Boxford, Georgetown, Groveland, Haverhill, Lawrence, Lynnfield, Melrose, Merrimac, Methuen, Middleton, North Andover, North Reading, Reading, Stoneham, Tewksbury, Wakefield, West Newbury, Wilmington, Winchester, Woburn **Northwest:** Acton, Ayer, Bedford, Billerica, Boxborough, Burlington, Carlisle, Chelmsford, Concord, Dracut, Dunstable, Groton, Harvard, Lancaster, Leominster, Lexington, Lincoln, Littleton, Lowell, Lunenburg, Pepperell, Shirley, Townsend, Tyngsborough, Westford **West:** Ashland, Berlin, Bolton, Boylston, Clinton, Framingham, Grafton, Holliston, Hopkinton, Hudson, Marlborough, Maynard, Natick, Needham, Newton, Northborough, Northbridge, Sherborn, Shrewsbury, Southborough, Sterling, Stow, Sudbury, Upton, Waltham, Wayland, Wellesley, West Boylston, Westborough, Weston **Southwest:** Attleboro, Bellingham, Blackstone, Dedham, Dover, Foxborough, Franklin, Hopedale, Mansfield, Medfield, Medway, Mendon, Milford, Millis, Millville, Norfolk, North Attleborough, Norwood, Plainville, Sharon, Uxbridge, Walpole, Westwood, Wrentham **South:** Abington, Avon, Berkley, Braintree, Bridgewater, Brockton, Canton, Dighton, East Bridgewater, Easton, Holbrook, Lakeville, Middleborough, Norton, Randolph, Raynham, Rehoboth, Seekonk, Stoughton, Taunton, West Bridgewater, Whitman **South Shore:** Carver, Cohasset, Duxbury, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Marshfield, Norwell, Pembroke, Plymouth, Plympton, Rockland, Scituate, Weymouth **Buzzards Bay:** Acushnet, Dartmouth, Fairhaven, Fall River, Freetown, Marion, Mattapoisett, New Bedford, Rochester, Somerset, Swansea, Wareham, Westport **City of Boston:** Boston Inner Suburbs: Arlington, Belmont, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Quincy, Revere, Somerville, Watertown, Winthrop

Figure 1: Summary

This year, the total retail real estate inventory was 194.6 million square feet, a modest gain of 854,000 square feet, or 0.4%.

Category	2017	2016	%Change
Total Market Size (Square Feet)	**194,570,600**	193,716,900	0.4%
Total Number of Retail Properties	**19,300**	19,500	-1.0%
Total Number of Retail Establishments	**46,100**	46,100	0.0%
Total Market Vacancy Square Feet	**16,738,400**	17,093,700	-3.8%
Vacant Stores	**5,900**	6,100	-3.3%
Vacancy Rate	**8.6%**	8.8%	-3.30%
Total Retail Space Per Capita	**37.0**	37.3	-1.0%
Retail Property Average Size	**10,100**	9,900	2.0%
Retail Store Average Size	**4,200**	4,200	0.0%

*NOTE: Our more observant readers may have noticed that we adjusted last year's vacancy rate downward from 9.0% to 8.8%. We did so after concluding that approximately 226,000 SF of chronically vacant supply had become obsolete and was unlikely to be leased as retail in the foreseeable future.

Vacancy & Absorption:

The year-end regional vacancy rate was 8.6%, a moderate improvement from a rate of 8.8% in 2016. Total vacancy in the region is approximately 17.6 million square feet, a decline of 651,000 square feet of vacant retail space. Coupled with the retail inventory gain, the region experienced net positive absorption of 1.2 million square feet for the year.

Figure 2: Submarkets

The City of Boston experienced the largest percentage gain in square footage among all submarkets, adding 379,600 square feet, or 2.0%. The West submarket also showed a significant gain of 333,300 square feet, a 1.3% increase. New retail space created at Prudential Center for Eataly and Under Armour was the most notable development in Boston while a new Life Time Athletic location in Framingham, at the site of the former Breyers and Sealtest ice cream manufacturing plant, boosted inventory in the West. The North, North Shore, and South Shore also added more than 100,000 square feet.

Region	2017 SF	%Change	2017 Vacancy	2016 Vacancy
Buzzard's Bay	**14,304,700**	-1.2%	**12.1%**	13.4%
City of Boston	**19,603,600**	1.7%	**8.7%**	8.8%
Inner Suburbs	**22,317,000**	-0.7%	**7.9%**	9.2%
North	**16,146,100**	0.9%	**9.2%**	9.8%
North Shore	**19,876,500**	0.4%	**6.7%**	6.9%
Northwest	**17,873,100**	-1.4%	**6.4%**	6.4%
South	**23,321,000**	-0.3%	**11.5%**	11.0%
South Shore	**13,662,500**	0.9%	**8.5%**	10.2%
Southwest	**20,866,900**	0.4%	**8.3%**	7.8%
West	**26,599,000**	1.0%	**7.6%**	8.3%

Observations:

Supply, Occupancy, & Absorption (Figure 1, Page 4): This year Eastern Massachusetts inventory grew moderately, reaching 194.6 million square feet, or an increase of 0.4%. No major shopping center development occurred in the region during the year, however. The largest gains came from the freestanding 136,000 square foot Life Time Athletic in Framingham and the 82,000 square foot Market Basket in Plymouth - this supermarket is the first phase of the Cranberry Crescent project, which will include Marshalls, now under construction. Another notable addition was the expanded retail area at Prudential Center, to accommodate the new 45,000 square foot Eataly food concept and an Under Armour flagship store.

Despite all the news accounts, Eastern Massachusetts experienced a modest decrease in vacant space during the year, with demolitions and mixed-use redevelopment beneficially impacting the vacancy rate. A number of large-space users that will be filling vacant space and are expected to open later this year have also contributed to the improvement in the vacancy rate. These include At Home in Seekonk and Primark in Braintree. Several obsolete buildings that once served as retail space were also removed from our year-end inventory. Adjusting for this same obsolescence, the vacancy rate in the region still improved versus last year from 8.8% to 8.6% (see the note on page 4). As a result of inventory gain and the decrease in vacant space, the region finished the year with positive net absorption of 1.2 million square feet. While positive absorption is good news, we also have to keep in mind that a significant number of announced store closings have not yet occurred.

Regional Submarkets (Figure 2, Page 4): The City of Boston experienced the largest percentage increase in square footage, gaining 2.0%. The Eataly/Under Armour openings at Prudential Center were partial contributors, but much of the gain came from non-retail conversions to retail space, including a significant number of urban streetfront locations in Boston (often, the first floors of office buildings). The West gained 1.3%, attributable to the new Life Time Athletic in Framingham. The South Shore inventory increased 1.1%, largely a result of the new Market Basket in Plymouth.

Buzzards Bay continues to have the highest vacancy rate among submarkets in Eastern Massachusetts at 12.1%, although significantly improved from a 13.4% rate last year. Cardi's Furniture helped reduce the vacancy rate by occupying a large portion of the vacancy left behind when Walmart relocated in Wareham. Also helping was Ocean State Job Lot, which will utilize most of the former Shaw's space in Fairhaven later this year. The South has the second highest vacancy rate in the region at 11.5%, an increase from the 11.0% rate a year ago and the result of two recent Macy's closings. Home décor retailer At Home, making its entry into the Eastern Massachusetts, will open soon in the former Sam's Club space in Seekonk.

Boston retains #1 rank in retail supply

Individual Town Rankings (Figure 3, Page 6): The five communities with the most amount of retail space remain the same as last year, with Boston and Cambridge maintaining their dominance in first and second position. Natick, Brockton, and Burlington follow. Randolph now has the lowest vacancy rate in the region after ranking 65th last year; the opening of Brothers Supermarket, its third store in the region, as a grocery replacement for the vacant Sudbury Farms was largely responsible for this jump to first place. Taunton is again the community with the highest vacancy rate at 24.4%. Eight other towns have vacancy rates of 15% and higher.

The list of top 10 towns by retail square footage remains intact from a year ago, with one exception: Leominster replaces Fall River for the tenth spot. One through five remain identical: Boston, Cambridge, Natick, Brockton, and Burlington. Framingham and Saugus moved ahead of Danvers into fifth and sixth place while Braintree continues to hold the ninth position. As previously mentioned, among communities with at least 500,000 square feet of retail space, Randolph is the new frontrunner with the lowest vacancy rate at 1.4%. There are four other communities also moving to the top ten including Norwell, Everett, and Wareham, a position it has held since 2010. Five towns are new to the top ten this year, however, including Bedford, Lynnfield, North Andover, Raynham, and Burlington. All had vacancy rates of 3.5% or lower. Taunton, Fairhaven, and Lawrence had the highest vacancy rates in the region. Fairhaven is new to the top ten ranking this year because of a Kmart closing. Three other newcomers to the list include Swansea, Milford, and Tewksbury, all experiencing big-box closings by Sears at Swansea Mall, Sports Authority at Quarry Place in Milford, and Kmart in Tewksbury.

Vacancy by Tenant Size (Figure 4, Page 6): Redevelopment has much to do with lowering the vacancy rates in a few categories this year, but vacancy rates in the 25,000-49,999 SF and the 100,000-199,999 SF segments increased. The ten-store liquidation of Sports Authority, which had an average store size of 41,000 square feet in the region, was largely responsible for the rate rise in the 25,000-49,999 SF segment from 6.3% to 6.9%. Department store closings were responsible for the increase in the 100,000-199,999 SF range. While vacancy rates in the three smallest

Continued on page 7

Observations continued:

Figure 3: City & Town Rankings

With respect to total inventory, there was no change in the five largest cities and towns this year. The City of Boston again leads the region, followed by Cambridge, Natick, Brockton and Burlington. Aside from Boston, Natick/Framingham and Danvers/Peabody remain the largest retail hubs in the region, encompassing 7.2 million and 6.6 million square feet, respectively. Randolph has the lowest vacancy rate in the region, in large part from Brothers Supermarket filling the vacancy left behind by the Sudbury Farms closing more than a year ago. Bedford ranked second again while Abington slipped from the top spot to third. All three towns had rates below 3.0% while none of the top ten had rates above 3.5%. The highest vacancy rate was found in Taunton, coming in at 19.2%. Fairhaven and Lawrence tied for second at 18.0%. The Fairhaven rate is expected to improve when Ocean State Job Lot takes over the vacant Kmart store later this year.

Most Space SF		Highest Vacancy*		Prior Rank	Lowest Vacancy*		Prior Rank
Boston	19,603,600	Taunton	24.4%	1	Randolph	1.4%	51
Cambridge	4,452,500	Fairhaven	18.0%	15	Bedford	1.5%	2
Natick	3,696,400	Lawrence	18.0%	5	Abington	2.2%	1
Brockton	3,631,400	New Bedford	16.7%	9	Lexington	3.0%	6
Burlington	3,539,500	Wrentham	16.7%	7	Norwell	3.1%	52
Framingham	3,510,200	Belmont	16.4%	3	Everett	3.2%	47
Saugus	3,421,000	Swansea	16.1%	13	Wareham	3.3%	72
Danvers	3,386,700	West Bridgewater	15.6%	6	Marshfield	3.3%	28
Braintree	3,301,000	Milford	15.0%	21	Lynnfield	3.4%	4
Leominster	3,273,700	Tewksbury	14.5%	27	Burlington	3.5%	10

*For cities and towns with 500,000 square feet or more of retail space. NOTE: For towns with supply close to the threshold, 1 large vacant space can account for high vacancy percentage, without necessarily indicating market health.

Figure 4: Market Composition & Vacancy by Tenant Size

Redevelopment and demolitions contributed to lower vacancy rates in most size classifications this year. However, the vacancy rate in the 25,000-49,999 SF classification increased, largely from the ten-store liquidation of Sports Authority, which had an average store size of 41,000 square feet in the region. The 100,000-199,999 SF increased as a resut of department store closings.

Tenant Size	Market Share 2017	Market Share 2016	Vacancy 2017	Vacancy 2016
Less Than 2,500 SF	**19.9%**	20.0%	**14.0%**	14.5%
2,500 to 4,999 SF	**15.9%**	15.8%	**10.9%**	11.4%
5,000 to 9,999 SF	**12.7%**	12.7%	**10.1%**	10.5%
10,000 to 24,999 SF	**14.5%**	14.4%	**7.1%**	8.2%
25,000 to 49,999 SF	**10.6%**	10.6%	**6.9%**	6.2%
50,000 to 99,999 SF	**11.1%**	11.1%	**5.0%**	5.8%
100,000 to 199,999 SF	**13.6%**	13.6%	**3.4%**	2.7%
200,000 SF and above	**1.6%**	1.7%	**0.0%**	0.0%

Top 10 Expanding Retailers*

Big Y
Mattress Firm
Lifetime Fitness
7-Eleven
Market Basket "More for your dollar"
Cardi's Furniture
Saks Fifth Avenue Off 5th
84 Lumber
Nordstrom rack
Primark

*By added square footage

Big Y Supermarket led expansion by SF in the region

size categories all remain above 10.0%, they did show moderate improvement from last year. Significant redevelopment of antiquated properties (particularly in urban neighborhoods where a number of residential and mixed-use conversions took place), as well as property demolitions, helped lower rates in these smaller tenant classifications. In the larger segments, numerous big-box vacancies have been filled or are in some phase of redevelopment, which has offset much of the new department store vacancy. Notable redevelopment projects include South Coast Marketplace in Fall River, previously New Harbour Mall, which included a vacant Walmart last year; a former Building 19 store and some adjacent vacancy in Burlington are being redeveloped as The Shoppes at Simonds Park, a mixed-use project; and similarly, a vacant Building 19 in Shrewsbury is the site of Lakeway Commons, another mixed-use project that is underway. Additionally, other large vacancies that have been filled or are under redevelopment include four Shaw's, a Sam's Club, a Macy's, Stop & Shop, and a Mill Stores unit.

Retailer Activity (Figure 5, Page 8): The retailer adding the most retail space in the region was Big Y, now a serious grocery player in Eastern Massachusetts, by way of its acquisition of eight Hannaford locations. Big Y currently occupies more than 500,000 square feet in the region. Runner-up was Life Time Athletic, which added a 136,000 square foot Framingham club. Market Basket is third with the addition of an 82,000 SF store in Plymouth.

Hannaford vacated the most retail space in the region by divesting eight stores in the merger between Ahold and Delhaize, and recently closing another in Hudson, for a total of 445,300 square feet. Sports Authority was the runner-up, closing 10 stores in the region, or 411,600 square feet; Sports Authority was the largest among the group of sporting goods retailers to close stores this year. Kmart ended in third place as a result of four store closings in Tewksbury, Attleboro, Fairhaven, and Fall River. The Fall River store is part of the New Harbour Mall redevelopment.

With respect to store count - and aside from 2015 - early 2016 acquisitions that continued converting brands (Mattress Firm/Sleepy's, 7-Eleven/Tedeschi's, Sprint/Radio Shack) Cricket Wireless, Metro PCS, and Starbucks added 10 units each, the most among retailer expansions. Big Y, by way of the Hannaford acquisition, and European Wax Center both added eight stores.

Continued on page 9

Observations continued:

Figure 5: Retailer Activity

The region encompasses approximately 46,100 retail establishments, representing approximately 26,800 unique retailers. The following summarizes these by the degree of expansion or contraction.

Expansion by SF

Retailer	New	Total
Big Y Supermarket	406,400	526,800
Mattress Firm	392,500	392,500
Life Time Athletic	136,000	264,000
7-Eleven Food Store	97,000	379,500
Market Basket	81,800	2,648,000
Cardi's Furniture	80,000	271,500
Saks Fifth Avenue Off 5th	54,100	101,700
84 Lumber	53,800	53,800
Nordstrom Rack	53,400	246,100
Primark	53,000	130,000

Contraction by SF

Retailer	Contracted	Total
Hannaford	445,300	617,000
Sleepy's Mattresses	417,300	0
Sports Authority	411,600	0
KMart	395,200	546,900
Macy's	296,000	2,949,700
Sears	227,700	2,156,100
GolfSmith	151,900	0
Tedeschi Food Shops	132,100	313,000
Sears Appliance & Hardware	57,600	0
Radio Shack	56,000	32,200

Expansion by # Stores

Retailer	New	Total
Mattress Firm	69	69
7-Eleven	29	137
Sprint	13	53
Cricket Wireless	10	16
Metro PCS	10	97
Starbucks	10	157
Big Y	8	10
European Wax Center	8	18
b.good	7	20
Caffe Nero	5	10

Contraction by # Stores

Retailer	Contracted	Total
Sleepy's Mattresses	71	0
Tedeschi Food Shops	45	107
Radio Shack	24	13
Orange Leaf	13	13
Sports Authority	10	0
Hannaford	8	14
GolfSmith	7	0
Eastern Bank	7	75
Pinkberry	5	6
Sal's Pizza	5	12

NOTE: All figures shown above are NET

Figure 6: Retail Category Activity

Tenants in GRIID™ represent nearly 600 unique business classifications; we have aggregated similar business types into larger retail categories, and summarized these by the degree of expansion or contraction.

Expansion by SF

Category	New	Total
Grocery	327,000	21,299,600
Health & Fitness Services	287,200	8,110,700
Restaurants	286,800	23,234,800
Medical & Dental Services	173,500	1,980,100
Beauty Salons and Services	162,100	6,199,600
Building Materials	116,100	8,901,700
Telephone Equipment	91,900	989,100
Beer, Wine & Liquor Stores	82,400	3,368,500
Variety Stores	74,900	2,933,200
Beauty Supplies/Cosmetics	61,900	686,500

Contraction by SF

Category	Contracted	Total
Department Stores	-889,500	21,189,900
Sporting Goods	-571,400	2,483,000
Apparel - Family	-273,300	6,598,100
Apparel - Women's	-165,400	2,646,800
Household Appliances	-122,000	469,200
Auto Services	-116,900	663,500
Hobby, Toy and Game Shops	-88,300	1,859,200
Electronic Stores	-79,600	856,000
Video Rental	-38,500	30,800
Florists	-32,500	556,700

Expansion by # Stores

Category	New	Total
Beauty Salons and Services	69	4,900
Health & Fitness Services	55	1,300
Medical & Dental Services	52	800
Telephone Equipment	40	500
Real Estate	28	400
Restaurants	26	9,100
Tobacco Stores and Stands	26	100
Food Stores - Grocery	22	1,900
Beauty Supplies and Cosmetics	18	300
Professional Services	12	500

Contraction by # Stores

Category	Contracted	Total
Apparel - Women's	-35	733
Electronic Stores	-29	75
Apparel - Family	-25	593
Jewelry	-24	458
Sporting Goods	-23	358
Florists	-17	319
Photographic Services	-14	115
Video Rental	-13	13
Auto Services	-12	200
Fabric & Sewing Goods Stores	-11	100

Closing the most stores was Radio Shack, which either vacated or converted to Sprint 24 locations. The overstoring of fro-yo shops reared its head once again with the closing of 13 Orange Leaf locations, not to mention another 5 closings by Pinkberry, both prominent names in the category. Sports Authority and Hannaford closed 10 and 8 units, respectively.

Retail Categories (Figure 6, Page 9): Grocery led all retail categories in square footage gain. The largest store opening in this category was Market Basket in Plymouth, an 82,000 square foot unit. Aldi also opened in Plymouth and bfresh added a new store in Somerville. Health & Fitness followed in second place; Life Time Athletic in Framingham contributed nearly half the gain. Restaurants ended the year in third, a category that continues to expand. Ending the year with the largest decline in space was Department Stores. With all the negative news surrounding this category, this should not be a surprise. Kmart closed four stores, Macy's closed two, and Sears another. After leading all categories last year, Sporting Goods was hit hard again, the second largest drop, with Sports Authority closings the notable cause. Family apparel came in third with Gap closing four stores and H&M vacating two units.

Beauty Salons & Services led the way in incremental store count. European Wax Center, MiniLuxe, and Sport Clips all added multiple units. Health & Fitness followed with FitWorx, Planet Fitness, and Orangetheory Fitness among those tallying multi-unit growth. Medical & Dental Services also continued strong growth, becoming an increasing attractive alternative to traditional retail tenants. The category losing the most stores was Womens Apparel, which should not be a surprise given the fallout of mall-based tenants such as Wet Seal, bebe, BCBG, and The Limited. Radio Shack closings largely resulted in Electronics ending the year as runner-up. Family Apparel also was affected by mall tenants, including Gap and H&M.

Conclusions: It was certainly another trying year for brick and mortar retailers and landlords. Amazon and other online retailers have created a sea change in the way people shop. The fallout will continue as many of the store closings announced this year are still months or even years away from occurring. When we can expect to see stabilization in the spending shift to online is anyone's guess, but it's safe to assume we're nowhere near the end. One can only imagine what Amazon has planned following its newly-announced Whole Foods acquisition, but it has to be a top-of-mind concern for the rest of the grocery industry.

We're also coping with a new generation of millennial shoppers that have grown up in a digital age and for whom shopping online is the norm. If retailers are unable to offer them a satisfying omnichannel experience, they will in all likelihood be unable to retain them.

On the bright side, job growth and low unemployment have provided us with a relatively healthy economy which should result in increased spending potential to help weather the storm. We have been seeing investors buying up distressed property and repurposing this space for mixed-use, residential, hotel, and other

Continued on page 10

Observations continued:

non-retail projects. We also are seeing developers acquiring antiquated retail centers in quality locations and repositioning them into viable retail projects. Examples include South Coast Marketplace in Fall River, Shoppes at Simonds Park in Burlington, and Lakeway Commons in Shrewsbury. All three projects are under construction and have not yet opened.

While no brick and mortar retailer is completely immune to online shopping, some have found a way to be more Amazon-proof than others. For the most part, beauty and cosmetics retailers have managed to stay out of harm's way - Ulta Beauty is a perfect example of a retailer that has created a shopping experience unmatched by online retailers. Off price retailers have continued to weather the storm as well. Although none of the TJX divisions were able to add to their store count this year, TJX did announce that its new off price concept, Sierra Trading Post, will be opening soon in Framingham at Shoppers World and in Newton at Newton Nexus, a new project at the former site of Newton Technology Park. Saks Off Fifth and Nordstrom Rack also added new stores in Braintree. Dollar stores continue their march forward as well, with Dollar Tree and Family Dollar adding a combined seven new stores this year. Auto parts and supply, unlike auto services which showed a decline this year, are another category in which brick and mortar locations do well in a digital world: both O'Reilly Auto Parts and Advance Auto added multiple units this year.

It goes without saying, though, that a number of retailers are approaching bankruptcy with little chance to recover. Department stores are under pressure to close more stores, and with several prognosticators aggressively predicting that many malls will close within five years, we expect to see more bankruptcies occur among mall-based apparel retail chains as well. The bottom line is--survival of the fittest!

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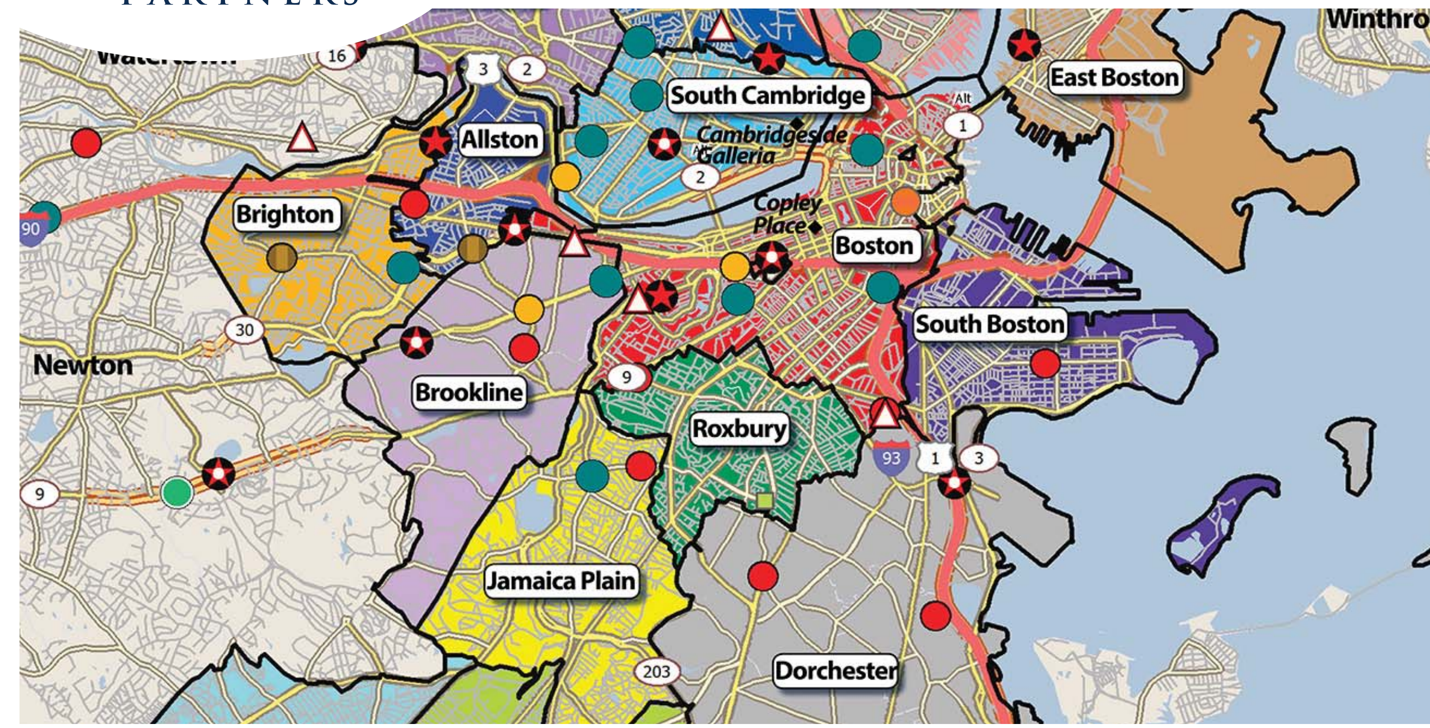
Retail Market Research



KeyPoint Partners provides customized research from preliminary desktop assessments to comprehensive evaluations, which integrate field investigation and quantitative analysis for a variety of retail location and store types.

The heart of our research superiority is GRIID™, which tracks all retail activity including supply, occupancy, demographics, and marketplace trends for nearly 262 million square feet of retail properties and nearly 60,000 retailers and tenants in key markets within our territory - about 44% of the retail space in New England. We use this information in a host of research applications.

Because of our superior research, we're a market leader and a recognized information source. Our news digest, the KeyPoint Retail RoundUp (blog.keypointpartners.com), is updated daily. Our monthly *KeyPoints* retail newsletter is posted online and to thousands of subscribers. Our annual KeyPoint Reports present a thorough summary of retail real estate activity in key New England retail markets. Our data and insight are regularly solicited by the *Boston Business Journal, Boston Globe, Hartford Business Journal, Shopping Centers Today, Shopping Center Business, Retail Traffic, The Carlson Report, The New England Real Estate Journal* and other industry publications. You can see all of our research at KeyPointPartners.com.

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Methodology: The data for this study includes all public retail space in the study area except for a few exclusions discussed below. The information in our database has been compiled from a variety of sources. A member of KeyPoint Partners' research staff has visited each store/shopping center in order to verify and/or acquire the necessary information. The area for each space is obtained from sources deemed reliable, such as the owner or leasing agent, is paced off by our researchers or otherwise measured. Retail categories and SIC Codes are obtained from a leading business database, InfoUSA, when available. Each entry is field verified or determined by our research staff. In general, public retail space is characterized as all space currently, or most recently, utilized in selling or renting retail goods and/or services to the public. There are no size restrictions for stores or shopping centers. Certain retail classifications are excluded, including automobile dealerships, gasoline service stations, automobile repair shops and quasi-retail services, such as stock brokers, real estate agents, insurance agents, etc., unless such establishments are located in shopping centers containing typical retail tenants. In some cases wholesale or quasi-retail establishments have been included in the database if information from InfoUSA or our field research indicates that goods and/or services are being offered to the public from the location. Some establishments available to the public but typically serving primarily the needs of other users of a facility, such as a cafeteria in an office building or a beauty salon located inside a hotel, may also be excluded. Demographic information used in this study was provided by Scan/US.