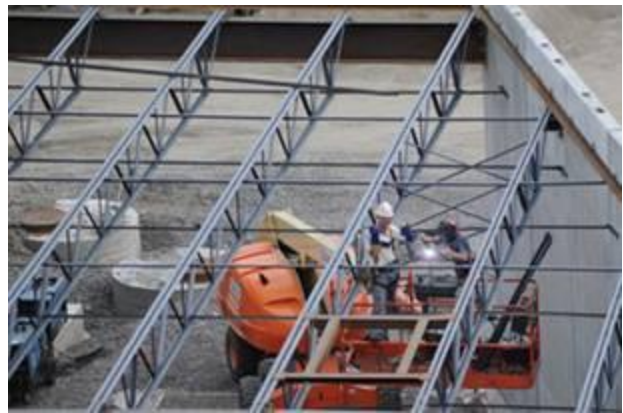


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## With a June opening planned, names of Merrimack luxury outlet stores still under wraps

By Kathleen Callahan

Simon Property Group promises upscale shopping at the Merrimack Premium Outlets, but the company isn't naming names when it comes to which tenants will fill its 100 stores when it opens next spring.



**Construction continues to move forward on the Merrimack Premium Outlets located off of Industrial Drive. (Telegraph photo by Bruce Preston)**

The only known tenant at this point is Saks Fifth Avenue OFF 5th, an offshoot of the luxury department store that sells designer clothing and accessories at a discount. That store, which will be Saks' first in the Granite State, was announced not by Simon but by Saks officials in an August press release.

Simon is keeping mum about which stores are coming in, but in a second-quarter conference call, Simon Property Group CEO David Simon said leasing activity was "strong" at the Merrimack outlets, which are scheduled to open in June.

"We're leasing out very well," said Michele Rothstein, senior vice president of marketing for Premium Outlets. "We're particularly pleased with the quality of the brands themselves."

While the Saks outlet is the only store that's been officially confirmed, "that's not to say there might not be another similar type of store," said Rothstein.

The full list of tenants will be announced at a job fair a few months before the center opens.

"I think they want to save their powder for when they can do a substantial announcement on a large number of tenants as opposed to letting them dribble out a couple at a time," said Bob Sheehan, who follows New England's retail industry as vice president of research at the Burlington, Mass.-based Keypoint Retail Partners.

Rothstein said Merrimack's offerings will closely resemble those at the Wrentham Premium Outlets, which are a half-hour southwest of Boston and some of the top-producing Premium Outlets in the country.

"If you know Wrentham and you love it, you're going to love Merrimack Premium Outlets," said Rothstein. "Our leasing philosophy will be similar."

Wrentham attracts shoppers not only from the Boston metropolitan area and the rest of New England but even European visitors, Sheehan said.

"I think if you go through Wrentham's tenant list, you'll see a significant overlap (in Merrimack)," said Sheehan.

### **A matter of location**

Wrentham's offerings include 170 outlets ranging from middle-of-the-road to haute couture. They include not only apparel outlets, but luggage, housewares and accessories stores as well.

On one end, it has Reebok, Talbots, Gap, American Eagle, Eddie Bauer and Timberland, while its higher-end stores include Burberry, Coach, Barneys New York, Salvatore Ferragamo, Elie Tahari and Tory Burch. There are also gift and specialty stores including Burton Snowboards, Waterford Wedgwood, Williams-Sonoma Outlet, Bose, Brookstone and Yankee Candle.

In the conference call, Simon said demand for outlets is "good," but that "retailers and manufacturers are every sensitive to where outlets can be put."

It's certainly no accident that Simon has placed the new outlets not far from the Massachusetts border, said Sheehan.

"You're close enough to the Massachusetts border that you're going to pull significantly along that Route 3 corridor," said Sheehan. It also doesn't hurt that they will be the company's first outlets in the area in a state without sales tax.

"Simon has the Kittery outlets and they also own Wrentham, so the Merrimack location is a nice fit between those two," he said.

Rothstein also thinks the Merrimack outlets are far enough away from Simon's other properties to draw from a new customer base.

"Our research tells us the distance is appropriate to carve out our own trade area that will be unique," said Rothstein. "We do think the market is large enough to have a clear-cut customer base."

Still, she does anticipate that being just an hour north of Boston will be close enough to draw consumers from that city, even ones who also may shop at Wrentham.

"If you draw a ring around the center, that's one of the highly populated areas that we would hope would be shopping there," she said. She also anticipates that the outlets will draw Canadian tourists who are already visiting the state.

Consumers flocked to savings at outlets during the recession, and retailers have picked up on that, said Rothstein.

Saks is opening a total of four new outlet locations across the country this year, and Bloomingdale's followed its lead, opening its first outlets last summer in a bid to draw more value-conscious consumers.

Bloomingdale's Outlet just opened another three new stores this fall, including one in Wrentham.

"Saving money is chic now -- people are looking to save more money, and not just looking to save money, they're looking to be a smart shopper. They're looking for quality at a value price," said Rothstein. "There are so many layers of retail, the more the sector is successful, the more retailers and brands are looking at (outlets)."

"For traditional retailing, development is at a standstill, but we're still seeing outlet centers developing across the country," said Sheehan. "In fact, some retailers are having apparel manufactured just for their outlet locations."

### **Cross-shopping**

Rothstein said there are several reasons retailers are increasingly considering outlets.

"Smart brands want to be where the people are. They have seen over time that it is not image deflating in any way, that it doesn't hurt the business to have an outlet division because shoppers cross-shop -- nobody is only a shopper at the outlets."

It's also a great way to get an entrée to a consumer who might be unwilling or unable to pay full price for the brand, she said.

"This is a great way to introduce your brand to a customer ... that could be your best customer in 10 years once they've gotten to know you in your outlets," she said.

The Merrimack outlets, which will be completed in two phases, will be located on Industrial Drive off Exit 10 in Merrimack. Once complete, they are expected to create about 1,000 new jobs and draw in approximately 5 million visitors each year.

"It really is a total shopping experience and we're very excited to bring that to Merrimack," said Rothstein.

<http://www.nhbr.com/news/938800-395/with-a-june-opening-planned-names-of.html>