

Market Analysis and Retail Strategy

Cambridge/Central Square



A Retail Real Estate Consulting Firm

Presentation
April 2012

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A Retail Real Estate Consulting Firm

- Sub-consultant to Goody Clancy
- National retail consulting firm
 - Offices in New York City and the San Francisco Bay Area
 - Active across the U.S. and Canada
- Experience in “university-town” environments
 - Downtown New Haven (CT), University City/Philadelphia, U District/Seattle, etc.

Process



- Lengthy site visits
 - Familiarization with study area and its surroundings
 - Assessment of relevant competition
- Landlord/broker interviews
- Intercept-survey results
- Demographic/psycho-graphic profile
- Draft written piece
 - Still a “work-in-progress”

Interrelationships



- Central Square operates within the context of a broader retail “ecology”
 - Potential delimited by competitors
 - How should it be “positioned”?
 - Will have an impact on nearby district

Neighborhood Retail

- Desire for affordable basics
- Appropriate business model
 - In keeping with diverse foot traffic
 - High rents and low prices require high volumes



“Crossover Retail”

- More sizzle with “cheap chic”
 - Trendy looks and styles, at inexpensive price points
 - Popular with students, lower-income consumers
 - Central Square as Cambridge’s true “Downtown”
 - Contrasting brand to Harvard Square



Comparison Goods

- Desire for more apparel, shoes and jewelry
- Significant leakage in these categories
- Triangulated by formidable competitors
 - Superior co-tenancies
- Need large-scale anchor store
- Can look to existing niches
 - As defined by “psycho-graphics”



“Crossover Retail”

- Large-format (chain) anchor store
 - Central Square as a broader shopping destination
 - Generating large amount of foot traffic
 - Drawing other comparison-goods retailers (including boutiques)



Hipster Sub-Market

- Creatively-inclined and alternatively-minded
- Live in and drawn to the underground
- Pioneers and “early adopters”
- Drawn to Central Square
 - Already come for the nightlife
 - Not deterred by the grit



Hipster Sub-Market



- Additional bars and live-music venues
- Comparison-goods concepts
 - “Chain-lets” able to afford Mass Ave rents

University Town

- Closest district to “Dormitory Row”, heart of campus
- MIT/Harvard graduate students
- Harvard Square losing that feel



University Town



- More coffeehouses
 - Oriented towards students, with ample seating, numerous outlets, free and unlimited Wi-Fi, late closing hours, etc.
 - “Third Places” of collegiate life
- Additional “fast-casual” food purveyors

Yupster Sub-market

- Makes more money, lives more comfortably than the hipster...
 - Young professionals, empty nesters
- ... but shares some of his creative and alternative sensibilities
 - Most of the people in this room...
- Drawn to Central Square
 - Already come for the cultural destinations and sit-down restaurants
 - Growing “in-place” market



Yupster Sub-market

- Additional sit-down restaurants
- “Fast-casual” food purveyors
- Specialty food stores



Chains vs. Independents

- High rents favor large chains
- Independents preferred by overwhelming majority
- A “false choice”
 - Smaller local “chain-lets”, with character **and** track record
- Become more realistic as one moves away from “100% corner”



Promoting Small/Local Retail (and arts-related/non-profit uses)

- Existing City programs
 - Façade, Signage and Lighting Improvement Program
 - Best Retail Practices Program
 - Business Development Workshops
 - Individual Business Consulting



Promoting Small/Local Retail (and arts-related/non-profit uses)

- Side-street and upper-floor space
 - More affordable but less visibility
 - Most promising: Magazine/Prospect, Brookline, Main (at Mass)
 - Consider a (non-retail) anchor to generate foot traffic
 - Tenants need destination appeal (or non-retail sales)

Promoting Small/Local Retail (and arts-related/non-profit uses)

- Public market (food/retail)
 - Requires an enlightened landlord
 - Needs a critical mass of vendors
 - Would have to be designed correctly
 - Pedestrian draw in the back



Promoting Small/Local Retail (and arts-related/non-profit uses)

- Using direct advocacy...
 - Meetings with landlords/brokers
 - Community input



Contact Info

With any comments or questions...

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