

LEHIGH VALLEY, PENNSYLVANIA

Retailers are aware of the many bedroom communities in the Lehigh Valley, as well as the market's rapid growth. The region is home to nearly 800,000 people, is only 70 miles west of New York City, and is close to other major metropolises such as Philadelphia and Washington, D.C. When it comes to housing, the Lehigh Valley is one of the best places in the region, offering a much lower cost of living than many other popular, neighboring areas such as Bucks County in Pennsylvania or Mercer County in New Jersey. All of these factors provide for tremendous potential for growth in the retail sector.

The Lehigh Valley is currently home to many retail centers, especially around the Pennsylvania Route 145/MacArthur Road Corridor, just north of Allentown, Pennsylvania. Because of continued growth along this corridor and along some of the major area arteries in the Lehigh Valley, numerous shopping centers have recently sprouted up, and this trend can be expected to continue.

The Promenade Shops in Saucon Valley, a 475,000-square-foot center located in Center Valley, Pennsylvania, opened in 2006. This new shopping center is an example of the "lifestyle" trend in retail development that has been occurring in other cities of the country, as well as in the Lehigh Valley.

In new construction, the first phase of the Sands BethWorks casino in south Bethlehem, Pennsylvania, is scheduled for completion at the end of the year. Plans call for 200,000 square feet of retail space, with more coming in future phases. Scheduled to open in 2009 is Lower Nazareth Commons in Easton. This is a 235,000-square-foot center being developed by Regency Centers. When completed, the center will have about 15 stores and restaurants.

Another notable new development is Airport Center, a 500,000-square-foot shopping center that is slated to open next year on Route 22 in Hanover Township, Pennsylvania. Daniel Brickner of Metro Commercial, the exclusive leasing agent for the project, has already inked deals with anchor tenants Target and Sam's Club, as well as retailers Christmas Tree Shops, AC Moore, Ross Dress for Less, and Golf Galaxy. These tenants will join retailers and restaurants such as Sleepy's, Famous Footwear, Aspen Dental, Starbucks Coffee, Verizon Wireless, T-Mobile, Wachovia, Zoup, On the Border, Panera Bread, and Five Guys Burgers & Fries.

This Route 22 Corridor is seeing a lot of activity, in addition to the upcoming completion of Airport Center. The corridor is most active between Easton and Whitehall, Pennsylvania, and some retailers have even added multiple stores to the area, which is indicative of a strong market. This bright spot

has led many new developers into the market, including the aforementioned Regency Centers, as well as Pineville Properties, Cedar Shopping Centers and Newman Development Group.

Because of last year's opening of the Route 222/Trexlerstown Bypass, along with the proximity to the Pennsylvania

Turnpike and other major routes, Trexlerstown, Upper Macungie and other areas of the Lehigh Valley can expect further retail growth in the future.

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