

GEORGETOWN, DC

2020 Submarket Report





Georgetown's economy was significantly impacted by the COVID crisis but remains fundamentally strong, and the market is anticipated to recover in 2021

EXECUTIVE SUMMARY

- Like retail districts across the country, the COVID health crisis and related economic crisis significantly impacted the Georgetown retail economy, as travel and tourism slowed, businesses were forced to close, and governments took drastic steps to slow the spread of the disease.
- 63 businesses closed in Georgetown in 2020, more than twice the number of closings in a typical year, and 21 new businesses opened, compared with 35 in a typical year.
- Georgetown retail vacancy has traditionally been between 5.5% and 6%, which reflects the typical turnover of retail spaces in a district as large as Georgetown, which has 2.1 million square feet of retail and 508 storefronts. Storefront vacancy in Georgetown was 14% at the end of 2020, significantly higher than average, and higher than 2018 and 2019, which had seen above-average retail vacancy approaching 8%.
- Retail investment sales continued as investors recognized the value of Georgetown, though some retail properties have been on the market for at least a year and have lowered their asking prices.
- Average market rents are challenging to determine because of the availability of consistent data and the substantial variation in size and condition of Georgetown retail buildings. Some property owners have reported rents falling 20% compared to the pre-COVID market. Other owners report they are pursuing shorter lease terms with new tenants at below market and/or percentage rents, with options to extend or access incentives in the future.
- To help businesses survive, the Georgetown BID worked with the District government and Georgetown restaurants to set up streateries. 35 restaurants are now operating under streaterie permits, more than any neighborhood in the city. In 2021, the BID will install wider sidewalks to provide more welcoming space for outdoor dining and a more comfortable pedestrian environment.
- Visits to Georgetown were down 52% compared with 2019, though Georgetown saw healthy visitor traffic starting in June (when the District entered Phase 2 of reopening) and through October, before weather turned cold. Georgetown has performed better than many competitor markets in DC, reflecting the safety of the outdoor environment and the highly desirable public environment.



Georgetown is the largest outdoor shopping district in the DC region and home to more region-exclusive retailers than any other neighborhood

2.1 million

Square feet of retail

\$126,173

Average visitor household income

7,130,000

Annual visits in 2020

41

Region-exclusive retailers

19,000

Average weekday foot traffic at M & Wisconsin
(pre-COVID)

418

Retailers and restaurants

2.5 hours

Average visit length

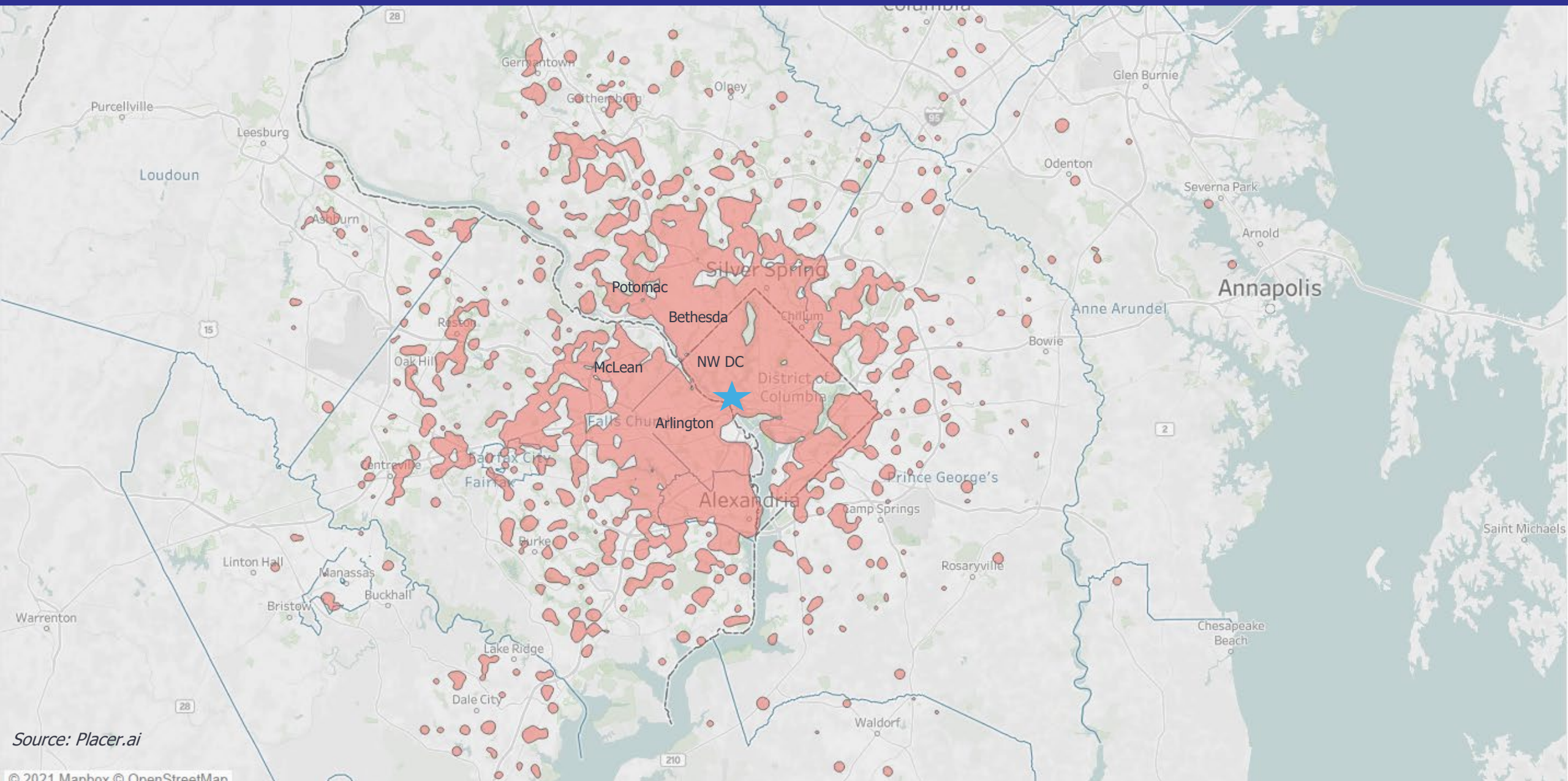
4,400

Parking spaces



GEORGETOWN DC

Local trade area; top local markets are NW DC, Arlington, Fairfax, Alexandria, McLean, Bethesda, Potomac



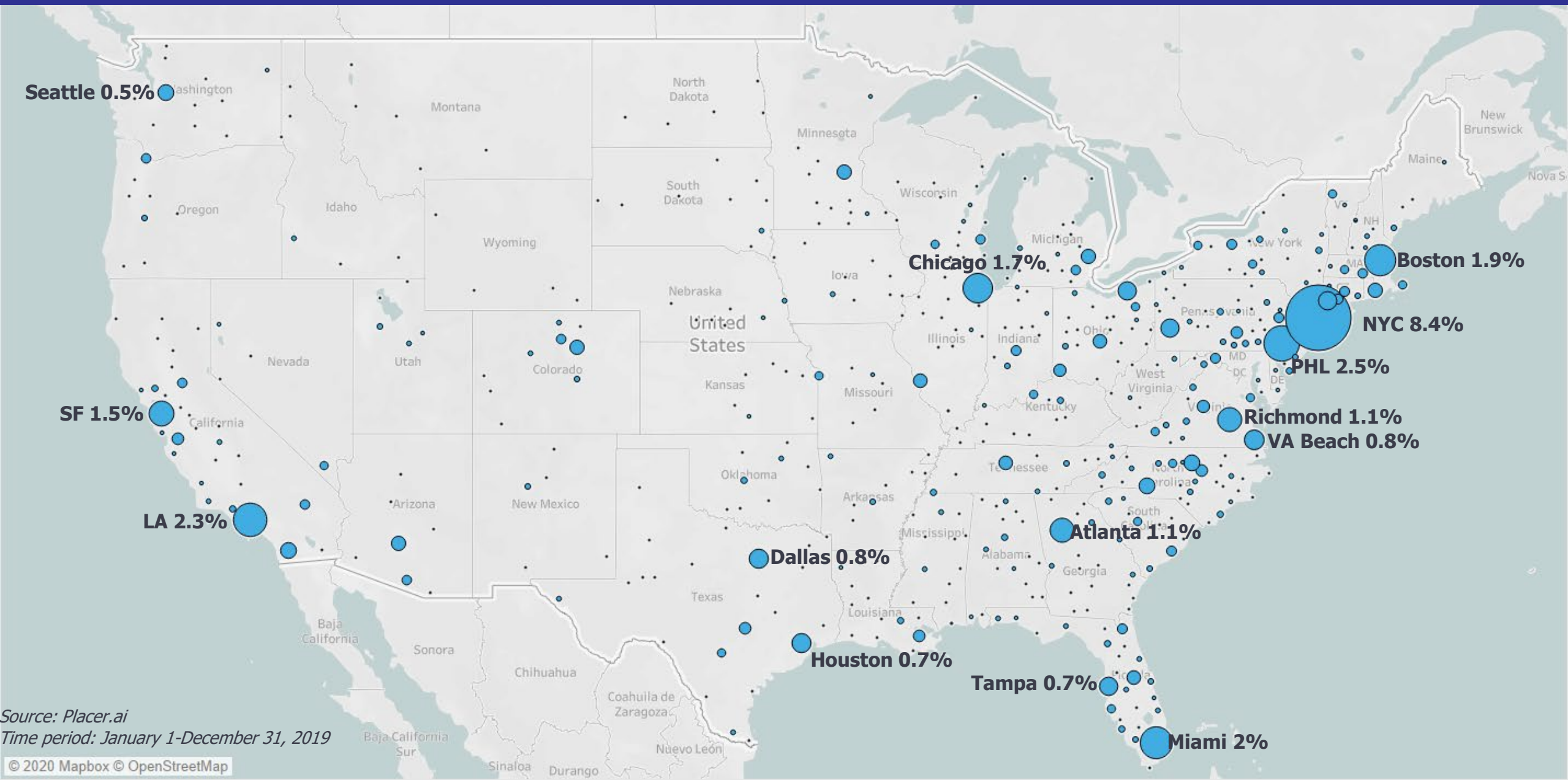
Source: Placer.ai

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GEORGETOWN DC

Georgetown is a national retail destination with 15 MM annual visits 33% of visits from domestic markets outside DMV

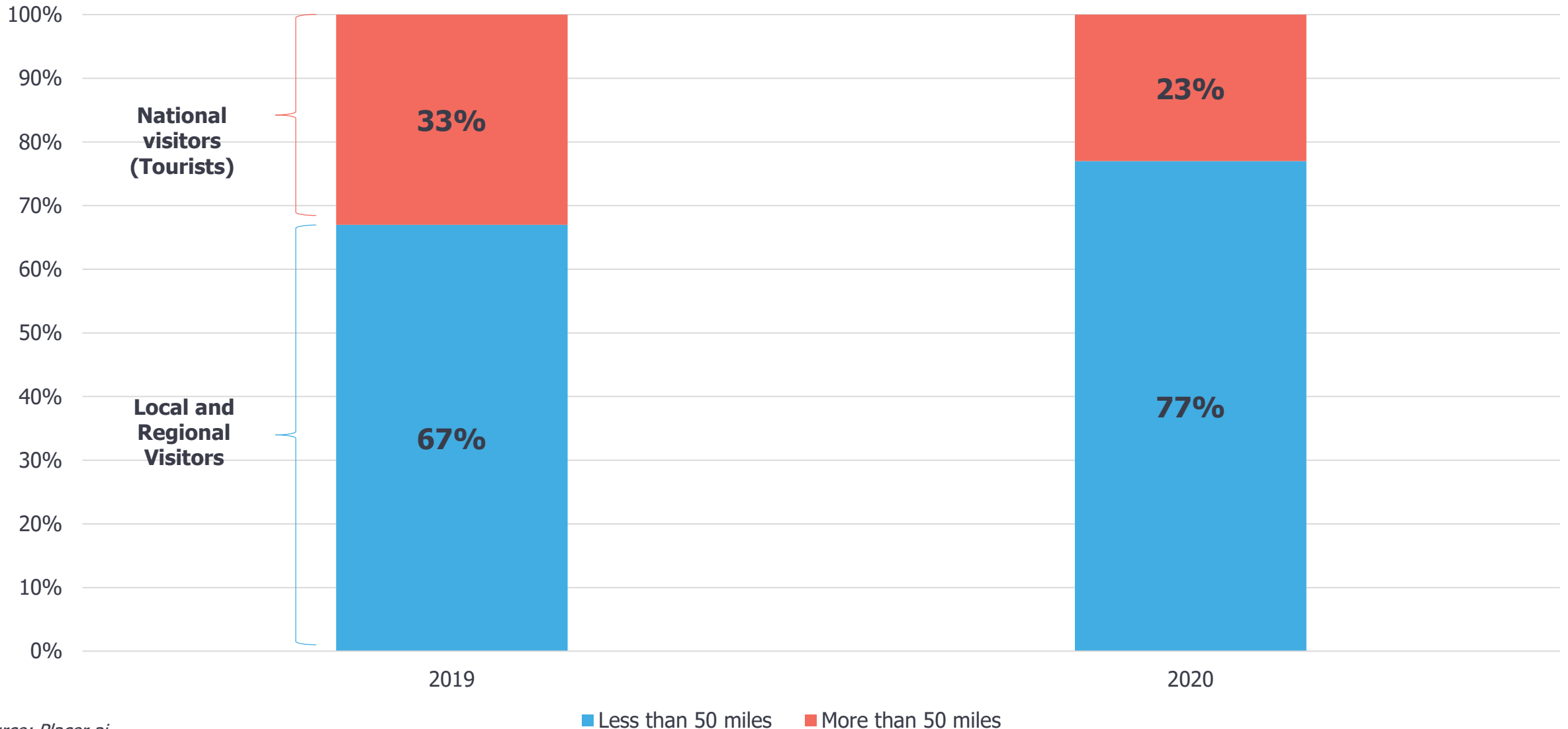


Source: Placer.ai
Time period: January 1-December 31, 2019

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Local and regional customers comprised a greater share of total visitors in 2020, reflecting COVID impacts on travel and tourism

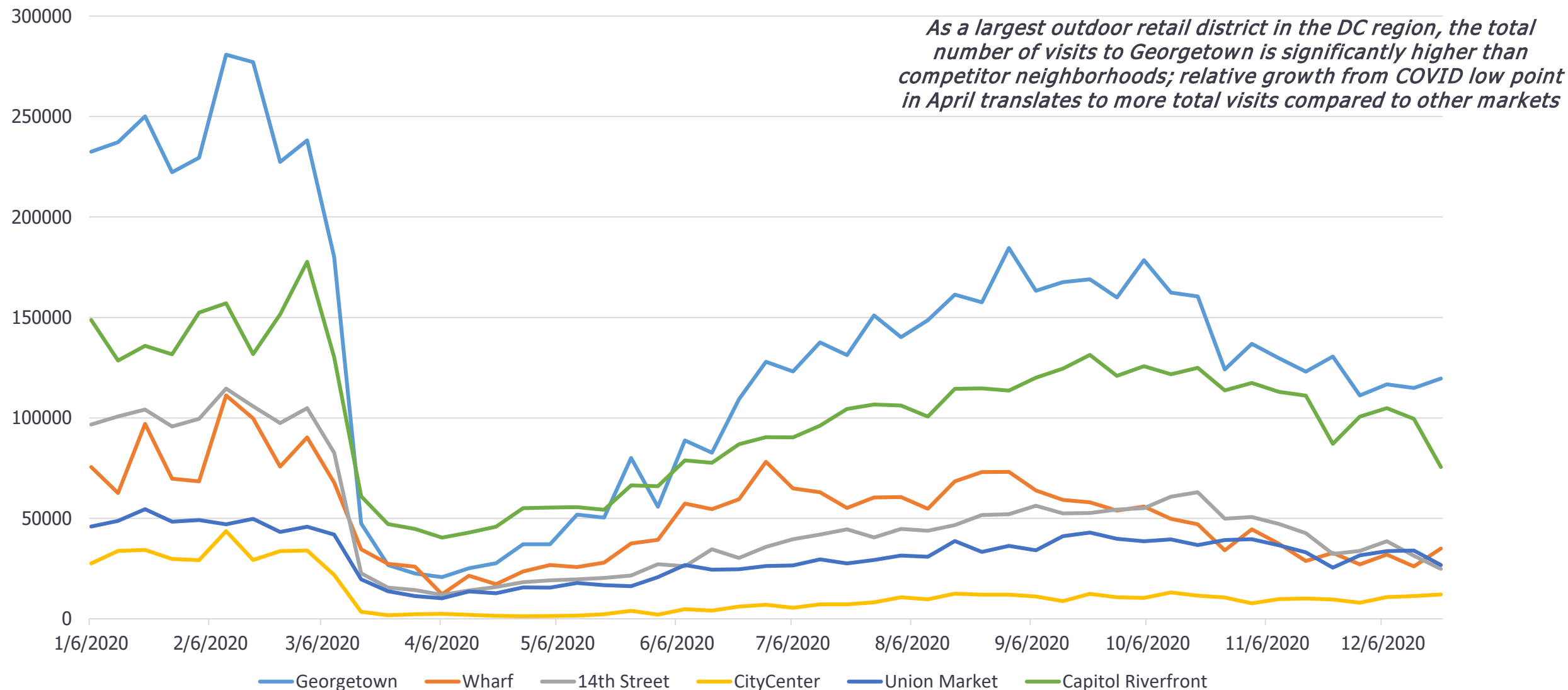
Share of Visitors by Visitor Home Location Distance from Georgetown





Georgetown visitor recovery outperforming many key DC neighborhoods; grocery-anchored neighborhoods perform strongest

Weekly Visits 2020

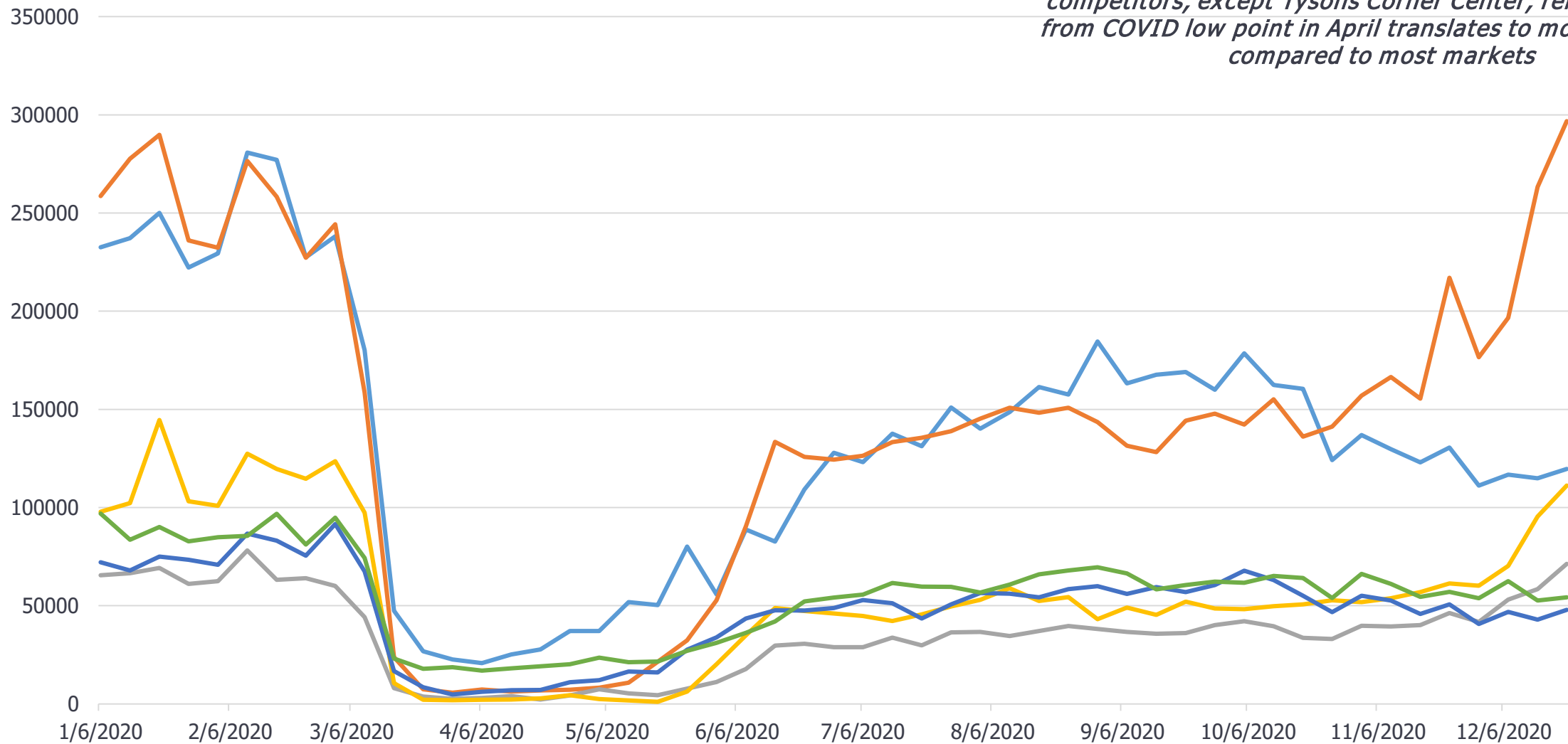




Georgetown visitor recovery on pace with key suburban markets; higher baseline means relative growth equals more total visits

Weekly Visits 2020

As a largest outdoor retail district in the DC region, the total number of visits to Georgetown is higher than most suburban competitors, except Tysons Corner Center; relative growth from COVID low point in April translates to more total visits compared to most markets





GEORGETOWN DC

63 retail closings in 2020

More than 2x number of closings compared to a typical year

Pre-COVID closures

1. AU Rate
2. Avocado Café
3. Contemporaria
4. Ecco
5. Forever21
6. Gypsy Sally's
7. Keith Lipert Corporate Gifts
8. Local Meditations
9. Massimo Dutti
10. Neopol Savory Smokery
11. Papyrus
12. RiRa Irish Pub
13. The Capital Tailor
14. Aldo
15. America Eats Tavern
16. Acaiberry
17. Ann Hand
18. Baker Furniture
19. Bibibop
20. Bluestone Lane
21. Bogart Salon
22. Brooks Brothers
23. Calvin Klein Underwear
24. Camper
25. Cherub Antiques Gallery
26. District Pizza
27. Don Lobo's
28. Frye
29. GNC
30. Harper Macaw
31. Havanamax
32. High Street Cafe
33. Hill & Dale Records
34. John Rosselli and Associates
35. Johnny Rockets
36. Kate Spade
37. Kung Fu Tea
38. Le Pain Quotidien
39. LOFT
40. Lucky Brand Jeans
41. Luke's Lobster
42. Little Birdies
43. Margaux
44. Moleskine
45. Miss Saigon
46. Onward Reserve
47. Own Your Wonder
48. Paddywax Candle Bar
49. PAUL Bakery
50. Peets Coffee
51. Rent The Runway
52. Roots
53. Starbucks
54. SUNdeVICH
55. Subway
56. T&U Mongolian Cashmere
57. Up N Down
58. Uprising Yoga Center
59. Vaporfi
60. Washington Sports Club
61. Wisey's
62. Yoga Del Sol
63. Zannchi

Market Size	Before March 15 th	After March 15 th	Total
Local/Regional	7	22	29
National/International	6	28	34
Total	13	50	63

Type	Number of Businesses
Full Service Restaurants	7
Quick Service Restaurants	17
Retail	33
Retail Services	6



21 retail openings in 2020

40% fewer compared to a typical year (35 openings typ.)

2020 OPENINGS

1. **Allbirds** – 3135 M Street
2. BeauTea – 1073 Wisconsin Ave
3. **BluDot** – 3333 M Street
4. City Sliders – 1529 Wisconsin Ave
5. Fine Rugs of NY – 1251 Wisconsin Ave
6. Georgetown Butcher – 3210 Grace Street
7. Georgetown Social – 2920 M Street
8. Harper Macaw – 2920 M Street
9. **L.A. Burdick Chocolate** – 1319 Wisconsin Ave
10. Le Labo – 3009 M Street
11. **Levain** – 3135 M Street
12. Miramar Restaurant – 1033 31st Street
13. Officina – 1525 Wisconsin Ave
14. Pacers Running – 3273 M Street
15. **Paddywax Candle Bar** – 1065 Wisconsin Ave
16. Reren Lamen and Bar – 1073 Wisconsin Ave
17. Same Day Testing – 3237 M Street
18. St. Michael's Fine Woodworking – 1052 Potomac Street
19. St. Michael's Kitchen & Bath – 1052 Potomac Street
20. UBreakIFix – 1519 Wisconsin Ave
21. **Veronica Beard** – 1254 Wisconsin Ave

*Retailers listed in **bold** are first-to-market openings

Market Size	Number of Businesses
Local/Regional	11
National/International	10
First-to-Market	6
Total	21

Type	Number of Businesses
Full Service Restaurants	2
Quick Service Restaurants	7
Retail	10
Retail Services	2

Even with reduced number of openings compared to a typical year, Georgetown remained a top destination for first-to-market brands

Source: Georgetown BID

10 confirmed openings for 2021

Brokers and owners report that leasing activity is picking up

2021 ANTICIPATED OPENINGS

1. Amigo Mio – 3057 M Street
 2. Arlandria Floors – 3210 O Street
 3. Bozzelli's Pizza – 3000 K Street
 - 4. Dig** – 1301 Wisconsin Ave
 5. Donahue – 1338 Wisconsin Ave
 6. Mason's Lobster Rolls – 1078 Wisconsin Ave
 - 7. Foxtrot Market** – 1267 Wisconsin Ave
 - 8. Ray Ban** – 3030 M Street
 9. Roll by Goodyear – 1336 Wisconsin Ave
 10. Sandlot (pop-up) – 2715 Pennsylvania Avenue
- Owners report active negotiations on several others spaces with leases not yet signed
 - Anticipate other openings in 2021 that have not yet been publicly announced

Market Size	Number of Businesses
Local/Regional	6
National/International	4
First-to-Market	3
Total	10

Type	Number of Businesses
Full Service Restaurants	1
Quick Service Restaurants	5
Retail	4
Retail Services	0



As of February 1, 2021, storefront vacancy was more than 2x the average vacancy rate, reflecting the impacts of COVID on the market

Status	# Storefronts	% Storefronts	# Square Feet	% Square Feet
True Vacant	71	14%	367,365	17.5%

True Vacant = no active tenant -- tenant has closed and will not reopen or space is available without an active lease

Apparent vacancy (number of closed storefronts) may appear higher because of COVID. The BID typically tracks this number but it is more difficult to determine because of temporary closures and may not reflect the reality of the market



GEORGETOWN DC

7 retail property transactions in 2020 totaling \$21.7 MM in sales volume

Average sale price PSF \$799.21

Address	Square Feet	Sale Price	Sale Price/SF	Sale Date	Type
1660 33 rd Street	2,146	\$1,055,000	\$491.61	10/7/20	Retail
1063 Wisconsin Avenue	14,000	\$6,000,000	\$428.57	6/5/20	Retail
1667 Wisconsin Avenue	3,500	\$1,965,000	\$553.52	5/27/20	Retail
2818 Pennsylvania Avenue	1,100	\$1,000,000	\$909.09	4/6/20	Retail
3057 M Street	2,600	\$2,820,000	\$1,084.62	3/11/20	Retail
1524 Wisconsin Avenue	7,000	\$3,020,000	\$431.43	3/10/20	Retail
3131 M Street	3,450	\$5,850,000	\$1,695.65	2/18/20	Retail
Total: \$21,710,000			Average: \$799.21		
3255 Grace Street	7,562	\$5,500,000	\$727.32	11/20/20	Office
1049 30 th Street	5,823	\$2,750,000	\$472.27	6/5/20	Office
1000 29 th Street	66,678	\$15,405,049	\$231.04	12/22/2020	Hotel (conversion to residential)



GEORGETOWN DC

35 restaurants are operating streateries in Georgetown, more than any other neighborhood, helping restaurants survive pandemic





GEORGETOWN DC

Georgetown BID sidewalk widening project will provide new space for outdoor dining and more welcoming pedestrian environment to support recovery in 2021





For more information contact the Georgetown BID

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While all data in this report were produced by the BID or gathered from the sources cited, the BID does not guarantee the accuracy of the data presented in this publication. The staff welcomes opportunities and partnerships to refine existing data.

The Georgetown BID area comprises the commercial corridors along Wisconsin Avenue between M Street and R Street; M Street between 27th Street and 37th Street; the commercial areas of Prospect Street; and the commercial areas south of M Street to the Potomac River.