



# WASHINGTON, DC RETAIL MARKET REPORT

## WINTER 2023

### Retail Highstreet Snapshot

Market High Street	Units	Inventory (SF)	Vacant (SF)	WINTER 2023	SUMMER 2022	Shadow <sup>1</sup> Available	Shadow Rate (%)	Vacancy +Shadow (%)
				Vacancy Rate (%)	Vacancy Rate (%)			
<b>Georgetown</b>	<b>422</b>	<b>1,653,136 SF</b>	<b>248,963 SF</b>	<b>15.06%</b>	<b>16.54%</b>	<b>110,615 SF</b>	<b>6.69%</b>	<b>21.75%</b>
M Street	176	854,456 SF	137,593 SF	16.10%	17.92%	61,115 SF	7.15%	23.26%
Wisconsin Avenue	246	798,680 SF	111,370 SF	13.94%	15.02%	49,500 SF	6.20%	20.14%
<b>Central Business District</b>	<b>290</b>	<b>992,548 SF</b>	<b>195,651 SF</b>	<b>19.71%</b>	<b>20.68%</b>	<b>53,925 SF</b>	<b>5.43%</b>	<b>25.14%</b>
Connecticut Avenue Corridor	190	715,173 SF	161,647 SF	22.60%	22.00%	43,322 SF	6.06%	28.66%
Dupont Circle North	100	277,375 SF	34,004 SF	12.26%	17.30%	10,603 SF	3.82%	16.08%
<b>East End</b>	<b>555</b>	<b>2,881,862 SF</b>	<b>645,390 SF</b>	<b>22.39%</b>	<b>21.20%</b>	<b>118,656 SF</b>	<b>4.12%</b>	<b>26.51%</b>
F Street	92	612,214 SF	231,778 SF	37.86%	30.65%	17,800 SF	2.91%	40.77%
7 <sup>th</sup> Street NW	137	817,943 SF	184,231 SF	22.52%	22.89%	86,249 SF	10.54%	33.07%
H Street & City Center	102	352,369 SF	47,176 SF	13.39%	11.60%	6,400 SF	1.82%	15.20%
11 <sup>th</sup> Street	45	414,272 SF	42,360 SF	10.23%	10.78%	0 SF	0.00%	10.23%
McPherson	179	685,064 SF	139,845 SF	20.41%	21.87%	8,207 SF	1.20%	21.61%
<b>Capitol Hill</b>	<b>170</b>	<b>358,920 SF</b>	<b>30,037 SF</b>	<b>8.37%</b>	<b>14.04%</b>	<b>5,600 SF</b>	<b>1.56%</b>	<b>9.93%</b>
Penn Avenue SE	77	156,226 SF	11,349 SF	7.26%	9.62%	2,000 SF	1.28%	8.54%
Barracks Row	93	202,694 SF	18,688 SF	9.22%	17.35%	3,600 SF	1.78%	11.00%
<b>14<sup>th</sup> Street Corridor</b>	<b>225</b>	<b>796,932 SF</b>	<b>51,170 SF</b>	<b>6.42%</b>	<b>8.84%</b>	<b>46,887 SF</b>	<b>5.88%</b>	<b>12.30%</b>
<b>Shaw</b>	<b>258</b>	<b>746,562 SF</b>	<b>99,094 SF</b>	<b>13.27%</b>	<b>14.98%</b>	<b>12,310 SF</b>	<b>1.65%</b>	<b>14.92%</b>
<b>Chevy Chase</b>	<b>123</b>	<b>1,164,815 SF</b>	<b>379,963 SF</b>	<b>32.62%</b>	<b>30.87%</b>	<b>41,668 SF</b>	<b>3.58%</b>	<b>36.20%</b>
<b>Capitol Riverfront</b>	<b>172</b>	<b>682,535 SF</b>	<b>70,201 SF</b>	<b>10.29%</b>	<b>11.04%</b>	<b>0 SF</b>	<b>0.00%</b>	<b>10.29%</b>
<b>Clarendon</b>	<b>179</b>	<b>957,936 SF</b>	<b>67,602 SF</b>	<b>7.06%</b>	<b>7.19%</b>	<b>56,560 SF</b>	<b>5.90%</b>	<b>12.96%</b>
<b>Old Town Alexandria</b>	<b>252</b>	<b>723,683 SF</b>	<b>61,199 SF</b>	<b>8.46%</b>	<b>8.47%</b>	<b>40,963 SF</b>	<b>5.66%</b>	<b>14.12%</b>
<b>Tysons</b>	<b>261</b>	<b>2,249,936 SF</b>	<b>302,311 SF</b>	<b>13.44%</b>	<b>11.28%</b>	<b>45,171 SF</b>	<b>2.01%</b>	<b>15.44%</b>
<b>Bethesda Row</b>	<b>129</b>	<b>464,317 SF</b>	<b>11,310 SF</b>	<b>2.44%</b>	<b>2.78%</b>	<b>8,614 SF</b>	<b>1.86%</b>	<b>4.29%</b>
<b>Rockville Pike</b>	<b>628</b>	<b>3,689,492 SF</b>	<b>307,833 SF</b>	<b>8.34%</b>	<b>9.20%</b>	<b>158,371 SF</b>	<b>4.29%</b>	<b>12.64%</b>
<b>Downtown Silver Spring</b>	<b>258</b>	<b>1,260,008 SF</b>	<b>132,258 SF</b>	<b>10.50%</b>	<b>8.87%</b>	<b>20,209 SF</b>	<b>1.60%</b>	<b>12.10%</b>
<b>Columbia Heights</b>	<b>143</b>	<b>721,245 SF</b>	<b>27,224 SF</b>	<b>3.77%</b>	<b>4.35%</b>	<b>15,300 SF</b>	<b>2.12%</b>	<b>5.90%</b>
<b>NoMa / Union Market</b>	<b>173</b>	<b>990,828 SF</b>	<b>142,752 SF</b>	<b>14.41%</b>	<b>17.44%</b>	<b>0 SF</b>	<b>0.00%</b>	<b>14.41%</b>
<b>Totals</b>	<b>4,238</b>	<b>20,334,755 SF</b>	<b>2,772,958 SF</b>	<b>13.64%</b>	<b>14.03%</b>	<b>734,849 SF</b>	<b>3.61%</b>	<b>17.25%</b>

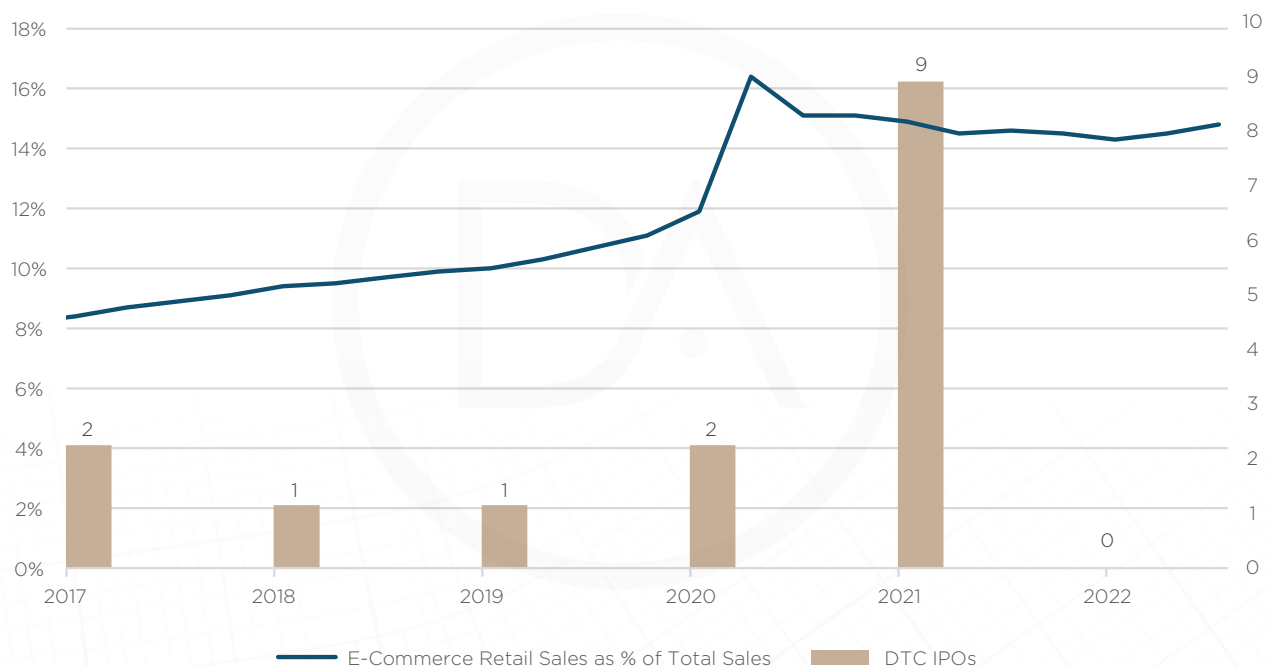
<sup>1</sup> Shadow: Occupied space available for lease, availability may not be widely advertised.



# Retail Highstreet Snapshot

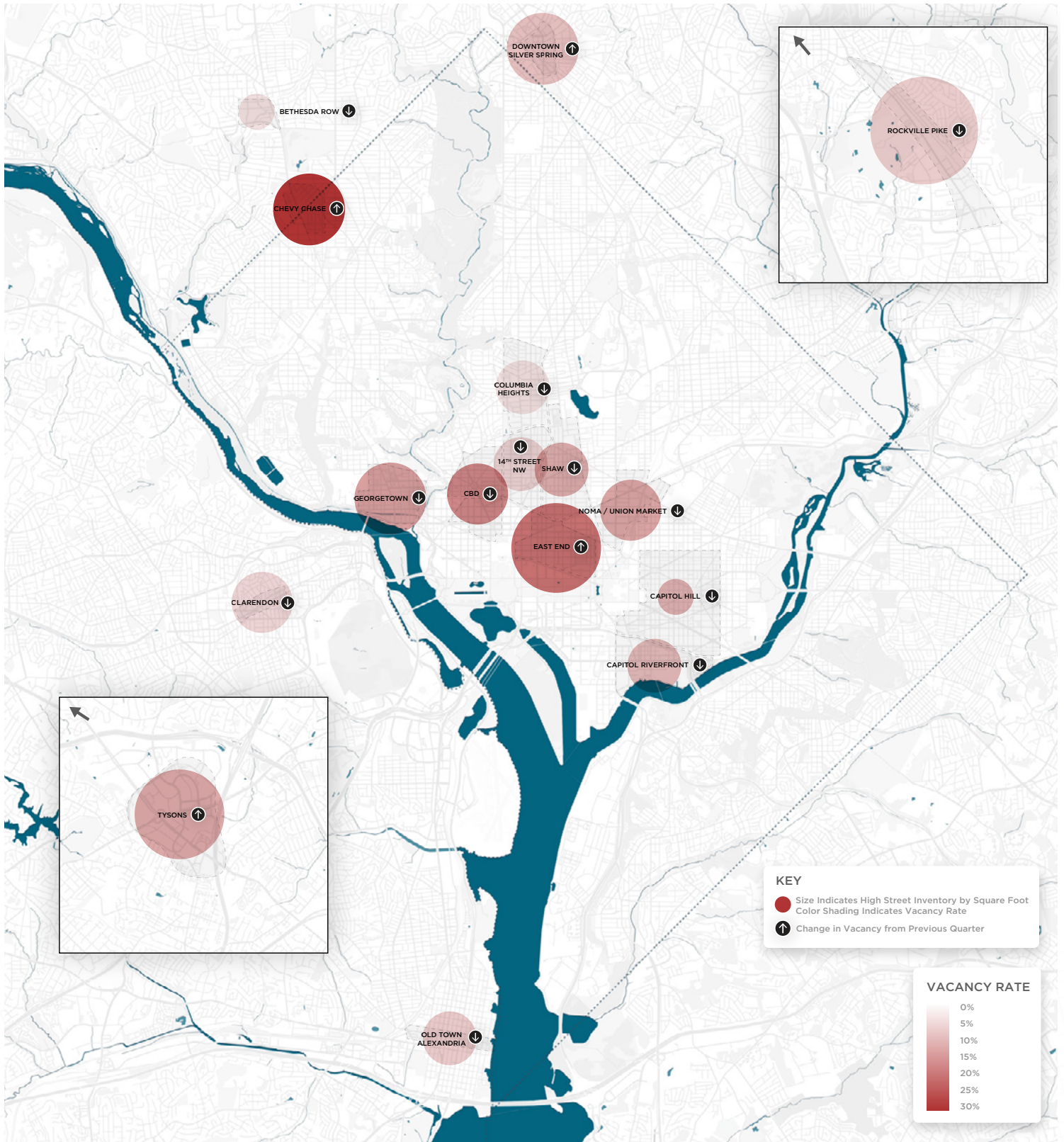
- In Winter 2023, Dochter & Alexander finds a **13.64%** vacancy rate for Washington, DC's retail high streets. Vacancy is lower in suburban submarkets like **Bethesda**, **Clarendon**, and **Rockville** and in urban submarkets with a sizable residential component, like **Columbia Heights** and the **14<sup>TH</sup> Street Corridor**. In contrast, elevated vacancy rates in the **East End** and **Central Business District** illustrate the impact of widespread work-from-home policies on retail in dense office corridors.
- Leading the nation in office-to-residential conversions, multiple retail-to-residential projects are also underway in DC. At **Georgetown Park**, landlord Jamestown plans to redevelop a portion of current retail space to 105 multifamily units with a 2025 delivery. With the Christmas Eve closure of **T.J. Maxx**, the last remaining tenant at **Mazza Gallerie**, Tishman Speyer has commenced the mall's redevelopment into 325 apartment units with 25,000 square feet of ground-floor retail. At 5333 Wisconsin Ave, the **Friendship Center** proposal calls for 310 apartments over 12,000 square feet of retail, replacing space currently occupied by **DSW**, **Marshalls**, **Maggiano's**, and a now-vacant **Nordstrom Rack**.
- Multiple mixed-use projects in **Union Market** are poised to debut brand-new retail space. At **550 Morse**, **Crooked Run Brewery** opened on January 17, while the development's remaining retail space remains largely available. Other projects include **Cielo**, where **FatFish** and **ChopSmith** have preleased space, **Ledger Union Market**, where **maman** and **Sweetgreen** have signed, and **Revel at NoMaCNTR**, with **Uncorked Wine & Spirits** and **Ted's Bulletin** pending.
- Overall, Dochter & Alexander is tracking **149 signed tenants** preparing to open new shops and restaurants across the DC metro, with a dozen concepts committed to more than one location.
- In the past months, retail leasing platform **Leap** launched five new DTC locations in **Georgetown: HOB0** at 1265 Wisconsin Ave NW, **Nisolo** at 3251 M St NW, **Little Words Project** at 1246 Wisconsin Ave NW, **NAADAM** at 3003 M St NW, and **Bandier** at 2922 M St. Leap also facilitated three DTC stores at Tysons Corner: **UpWest**, **ThirdLove**, and **True Classic**. Online shopping rates jumped at the pandemic's outbreak but have since fallen, along with IPOs of DTC companies – illustrated in the below graph. Leap's service newly appeals in urban markets, matching high-profile space with DTC concepts aiming for the marketing and visibility that comes with a brick-and-mortar presence.

E-Commerce Retail Sales as % of Total Sales & DTC IPOs



Sources: St. Louis Federal Reserve; PipeCandy

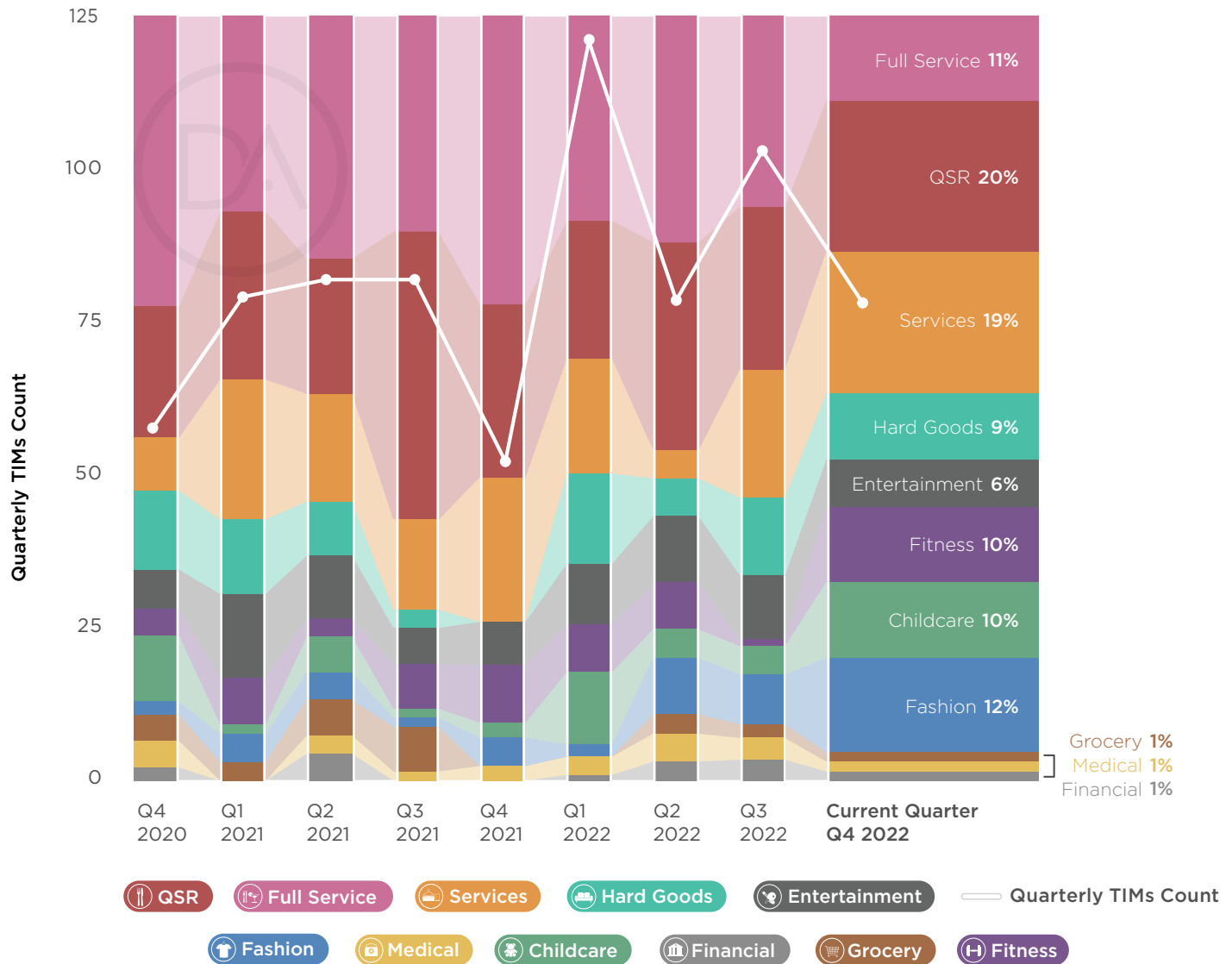
# DC High Street Retail Vacancy





# New Tenants in the Market for Space

## By Quarter



- In 2022, Dochter & Alexander identified **397 TIMs** newly seeking retail or restaurant space in DC, a 30% increase from the prior year. Active TIMs sought space of all sizes, from a doughnut shop seeking just 500 square feet to an entertainment concept seeking up to 100,000 square feet.
- In 2022 Q4 the share of **Full Service Restaurants** seeking space in DC fell, outpaced by **QSRs**, including Mexican and Greek concepts, and **Services** like veterinarians and salons.
- Multiple **childcare** concepts are actively seeking space, with backers seeking to capitalize on the in-demand service. DC childcare centers feature long waitlists and infant tuition averaging around **\$2,700** per month.



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