



Woodley Park Main Street Retail Market Analysis



WOODLEY PARK
MAIN STREET



Prepared For:

Woodley Park Main Street

DC Department of Small and Local Business Development

Prepared By:

Jon Stover & Associates

June 2019

Study Participants

Woodley Park Main Street

Woodley Park Main Street promotes revitalization and investment in Woodley Park's commercial centers to ensure economic stability for its businesses and a safe, beautiful dwelling for its people in the framework of the National Main Street Center.

Jon Stover & Associates

Jon Stover & Associates (JS&A) specializes in economic analysis, retail revitalization, and helping public, private, and nonprofit organizations collaborate to meet economic development objectives. JS&A has helped a wide range of clients implement plans and programs that have successfully enhanced urban neighborhoods and commercial corridors.

Dept. of Small and Local Business Development

The DC Department of Small and Local Business Development (DSLBD) supports the development, economic growth, and retention of District-based businesses, and promotes economic development throughout the District's commercial corridors. DSLBD manages the DC Main Street program and provides resources to local programs.



Defining Retail

For the purposes of this study, retail is defined in three categories that are common in the retail landscape and used by DC's Office of Planning.



Neighborhood Goods & Services

Establishments serving residents and workers such as dry cleaners, fresh produce stands, pharmacies, florists, nail salons, barber shops, convenience stores, and more.



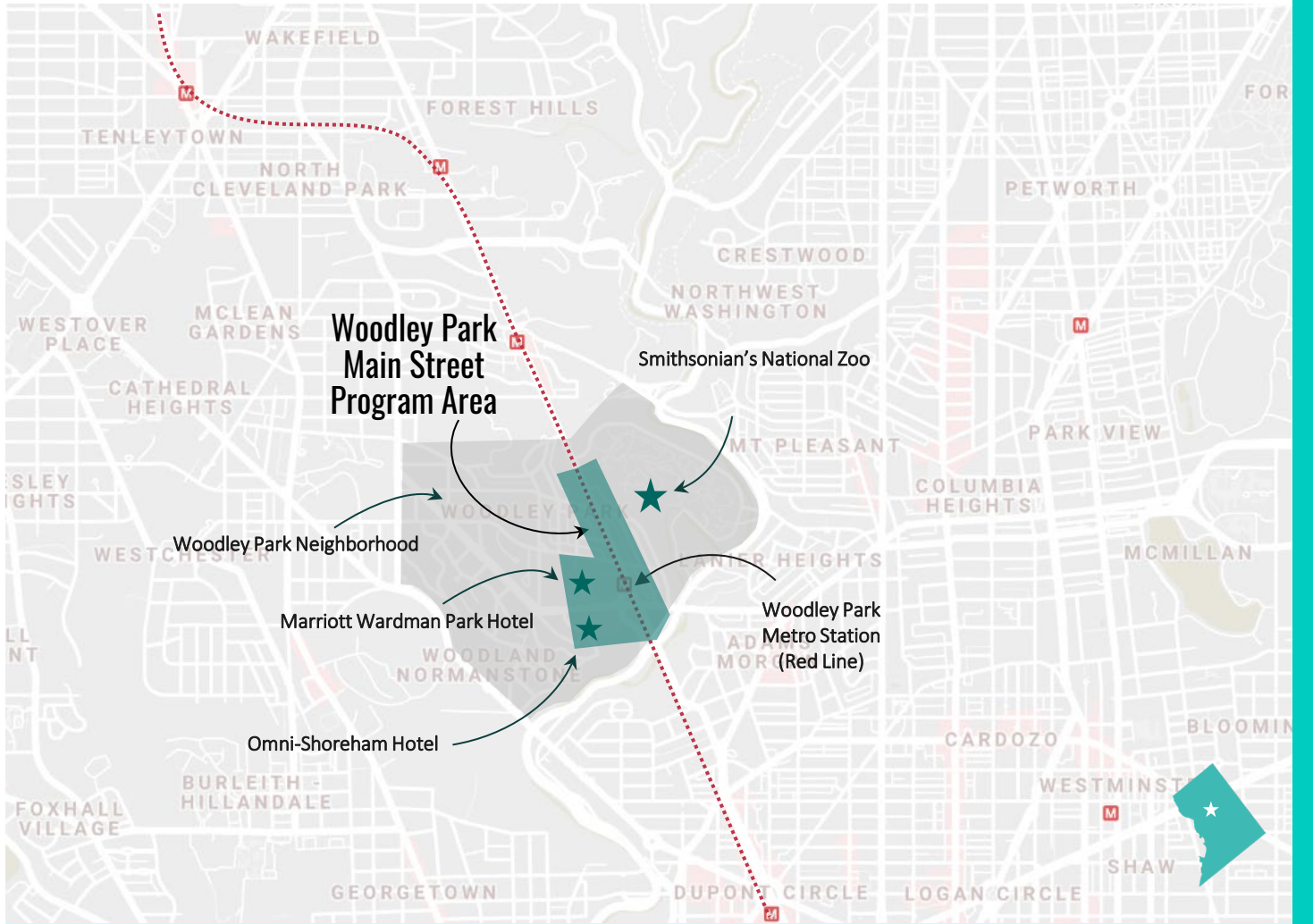
Food & Beverage

Restaurants, cafes, bars, fast-casual dining, take-out establishments, coffee shops, and more.



Merchandise

Businesses selling general merchandise, accessories, furniture, apparel, electronics, and more.



About This Analysis

Woodley Park Main Street was formed in late 2018 and is in the process of establishing awareness, understanding its constituency, developing organizational objectives and programs, and building lasting relationships with a variety of stakeholders.

This report summarizes retail market analysis findings for the Woodley Park neighborhood. The purpose of this study is to

help Woodley Park Main Street understand its neighborhood retail environment within a city-wide context; identify collective preliminary needs, constraints, and concerns of the business constituency; and identify opportunities for the Main Street to capitalize on retail conditions, trends, and projections to play a leading role in helping to serve local businesses.

Woodley Park Demographics

Woodley Park Population

4,204 residents live within a ¼-mile radius.
11,302 residents live within a ½-mile radius.
55,498 residents live within a 1-mile radius.

\$121,062

Median Household Income

Household incomes in Woodley Park far exceed the city-wide median of \$78,000.

35

Median Age

Woodley Park has a mix of young and old residents, with a median age exactly the same as the District's median age.



Woodley Park has a dense cluster of retail activity within an upper-income residential neighborhood in Northwest DC. The neighborhood is characterized by its dense cluster of large hotels and apartment buildings near its Metro station, as well as its proximity to the National Zoo.

Woodley Park businesses are well served by the neighborhood's high household incomes and the significant population density near the retail core. The neighborhood quickly transitions into low density residential development, however, limiting the total spending capacity of the nearby population. Furthermore, the small number of area office workers limits retail spending during the daytime. As such, Woodley Park relies heavily on additional sources of customer traffic beyond the local residential population to fully sustain area businesses.

Education Attainment



90%

of residents have a Bachelor's Degree.

61%

of residents have a Graduate Degree.

Household Summary



51%

1-Person Households



49%

2+ Person Households



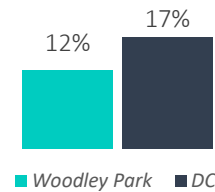
11%

Households with Children

Woodley Park is nearly an equal mix of families and single-person households.

Population Growth Rate

(Since 2010)



Over the past decade, Woodley Park has grown at a slower rate than the District, given a lack of recent nearby residential development. With few planned developments on the horizon, Woodley Park's population is expected to remain relatively stable over the next five years.

Woodley Park Business Survey: How do customers get to Woodley Park businesses?

According to surveyed businesses, nearly two-thirds of customers in Woodley Park walk to businesses. Many of these customers are nearby residents or hotel guests. Nearly a quarter of customers use public transit to get to Woodley Park, highlighting the node's strong Metro and bus accessibility.



15%
Drive



67%
Walk



15%
Metro



7%
Bus

Note: Data reflects demographics of primary market area of Woodley retail node.
 Data Sources: ESRI, business surveys



Annual Average Daily Traffic: **26,401 Vehicles on Connecticut Avenue NW**
14,733 Vehicles on Calvert Street NW

The 2600 block of Connecticut Avenue NW is a major commuting route for drivers traveling between downtown DC, upper NW DC, and Montgomery County. As a result, Woodley Park businesses benefit from substantial visibility and capture spending from commuters on their way to and from work.

Data Sources: DDOT (2017), ESRI



Woodley Park Customer Base

Woodley Park has a customer mix unlike any other neighborhood in DC, creating an opportunity for the corridor to strategically cater to these distinct customer segments.

With the National Zoo and two large hotels and conference centers within short walking distance, out-of-town visitors comprise nearly half of all customer traffic in Woodley Park. Alongside local residents, these reliable sources of customer traffic have helped mitigate the impact of a growing number of emerging retail clusters throughout the rest of the District.



45%

Woodley Park Residents

6,730 Residents

within Primary Market Area



30%

Hotel & Conference Guests at Nearby Hotels

574,809

Annual Hotel Room Nights



15%

National Zoo Visitors

2.2 Million

Annual National Zoo Visitors



5%

Vehicular Commuters

26,401

Vehicles along Connecticut Ave.

14,733

Vehicles along Calvert Street



5%

Destination Visitors

55,498 Residents

Within 1-Mile Radius

While Woodley Park attracts many out-of-town visitors, nearby residents (within a half-mile radius) still make up the largest customer base of the node, accounting for approximately 45% of customer traffic. A significant share of these residents live in the cluster of large apartment buildings adjacent to the Marriott Wardman Park.

The nearby Marriott and Omni-Shoreham hotels regularly host large conferences and account for over 500,000 room stays annually. Hotel guests and conference attendees create a reliable source of customer traffic for nearby businesses, accounting for approximately 30% of sales.

The National Zoo attracts over 2 million visitors per year, many of whom get off at the Woodley Park Metro station to walk to the Zoo. This customer base is highly seasonal, as Zoo tourism is concentrated in the spring and summer. Over the course of a year, these visitors account for approximately 15% of customer traffic.

Over 26,000 vehicles travel along Connecticut Avenue and 14,700 travel along Calvert Street, through Woodley Park, on average each day. This high volume of vehicular traffic allows local businesses to capture some spending from commuters, accounting for approximately 5% of customer traffic.

Approximately 5% of customers to Woodley Park are destination visitors – customers from other DC neighborhoods who come to Woodley Park out of a desire to visit a specific business or spend time in the neighborhood itself. This is an area of potential growth, as this share of destination visitors is relatively low compared to similar neighborhoods.

Note: Customer base estimates based on businesses surveyed in Woodley Park. These figures are approximate and should be used to understand the overall composition of customers frequenting the establishments within the Main Street.



Hotel Industry Snapshot

2,019

Total Hotel Rooms in Woodley Park

Marriott Wardman Park offers 1,152 hotel rooms and Omni-Shoreham offers 834 hotel rooms.

\$350

Woodley Park Average Daily Rate

The hotels in Woodley Park attract affluent guests. The ADR for the area hotels is 50% higher than the DC ADR of \$234. Given these high rates, guests staying in Woodley Park likely have higher levels of disposable income for their visit.

574,809

Adjusted Annual Room-Nights in Woodley Park

Based on the neighborhood's total number of hotel rooms and DC's average hotel occupancy rate of 78%, over half a million room-nights exist in Woodley Park.

\$287

Average Visitor Total Spending on Food & Beverage

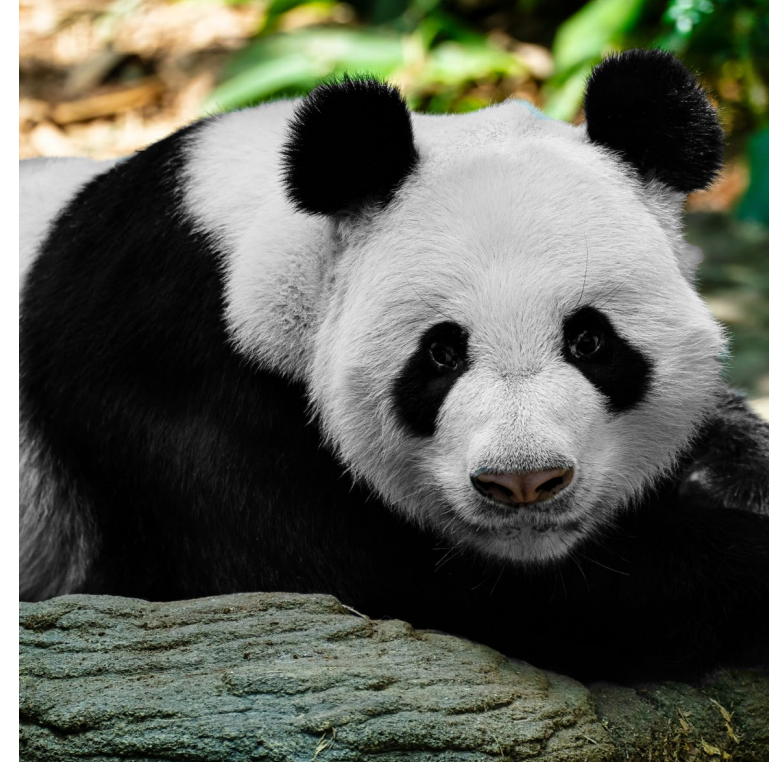
If Woodley Park captures 30% of this spending, hotel visitors could generate almost \$2.4 million for businesses in the area, or over \$900,000 per local food and beverage establishment on average.

Data Sources: Destination DC, DC OFCO

Nearby hotel guests and conference attendees bring substantial spending capacity to Woodley Park businesses.

On average, out-of-town visitors in DC spend \$110 per day on food and drinks and \$103 per day on shopping and entertainment. The spending capacity of hotel guests in Woodley Park is likely to be above average, given the above-average daily rates at the Omni-Shoreham and Marriott Wardman Park hotels.

The nearby pool of affluent out-of-town visitors provides Woodley Park businesses with a steady stream of customer traffic. However, this also may leave the commercial area vulnerable to any disruptions in hotel activity, such as major renovations or a decline in conference hosting.



2.2 Million

Annual Visits to Smithsonian's National Zoo

The National Zoo is approximately 0.4 miles, or an 8-minute walk, from the Woodley Park/Adams Morgan Metro Station on Connecticut Avenue centrally located in the commercial area.

With a significant share of customers using the Woodley Park Metro station to get to the Zoo, nearby businesses capture a sizable share of Zoo tourist spending.

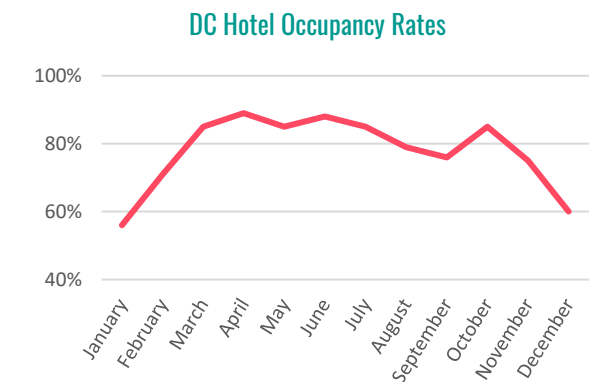


Customer traffic in Woodley Park is particularly seasonal, with Zoo tourism and hotel activity largely concentrated during the spring and summer.

Predictably, businesses report that sales decrease between November and February as fewer tourists and conference guests visit the neighborhood. The particularly seasonal nature of Woodley Park retail creates an opportunity for businesses to test out new concepts, operational strategies, and marketing efforts during the winter months, in order to grow their DC customer base and fully capitalize on the busier spring and summer months.

Peak Zoo Season (Extended Hours):

March 15th – September 30th



Hotel occupancy peaks from March through October.

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Retail Real Estate Conditions

Woodley Park has healthy and stable retail conditions, including a consistently low vacancy rates and above-average rental rates over the past decade.

The majority of retail businesses in Woodley Park are located within a compact, historic node of commercial buildings along Connecticut Avenue, creating a classic Main Street atmosphere. The node's quality commercial infrastructure, along with its strategic location near major hotels and a Metro station, have helped it remain a competitive retail node, despite growing competition from other emerging neighborhoods.



\$55 / SF

Average Retail Rent

Woodley Park's average asking triple-net rent for retail spaces is 28% higher than the District average of \$43.

139,591 SF

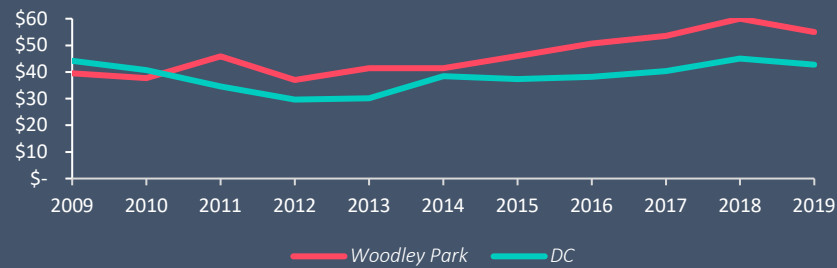
Total Woodley Park Retail Square Footage

2,593 SF

Average Woodley Park Retail Space Size

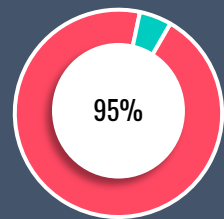
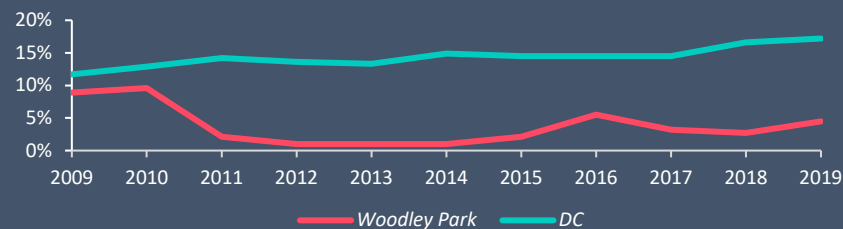
Average Rents (NNN)

Asking rents in Woodley Park have been consistently around 30% higher than the DC average over the past five years, indicating strong confidence in Woodley Park as a commercially viable neighborhood.



Annual Vacancy Rate

The annual retail vacancy rate of in Woodley Park has consistently stayed at or below 5% over the past decade. These low rates reflect a high demand for Woodley Park retail spaces, coupled with relatively low turnover among retailers.



Occupancy Rate

95% of the retail spaces in Woodley Park are currently occupied by businesses.



Despite growing competition from other neighborhoods, Woodley Park businesses have experienced consistent levels of customer traffic in recent years. This resiliency reflects the corridor's strong assets – an accessible, active location and dense, walkable cluster of traditional ground-floor retail.



54

Total Retail Businesses in Woodley Park

Recent Customer Change

67% of surveyed businesses reported that customer traffic has not changed in recent years.

\$32 / SF

Average Office Rent (Asking NNN)

83,209 SF

Office Sq. Ft.

Woodley Park's daytime population is supplemented by several offices located above ground-floor retailers. The area is an affordable alternative to downtown office buildings, with asking rents typically between \$30-\$40/sf.



Sit-Down Restaurant / Bar

19



Fast-Casual / Fast Food

7



Coffee & Tea

3



Grocery & Pharmacy

5



Health and Wellness

4



Hair & Nail Salon

4



Dry Cleaners

2



Other Goods & Services

9



Merchandise

3

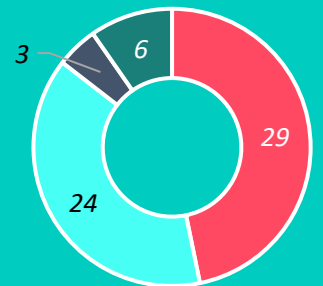


Office

6

Retail Mix

Woodley Park's retail mix is characterized by a high proportion of sit-down restaurants, as well as several establishments offering traditional neighborhood goods and services. This mix reflects the sizable portion of customers who walk from the nearby hotels or residences, looking to eat, drink, or pick up basic goods.

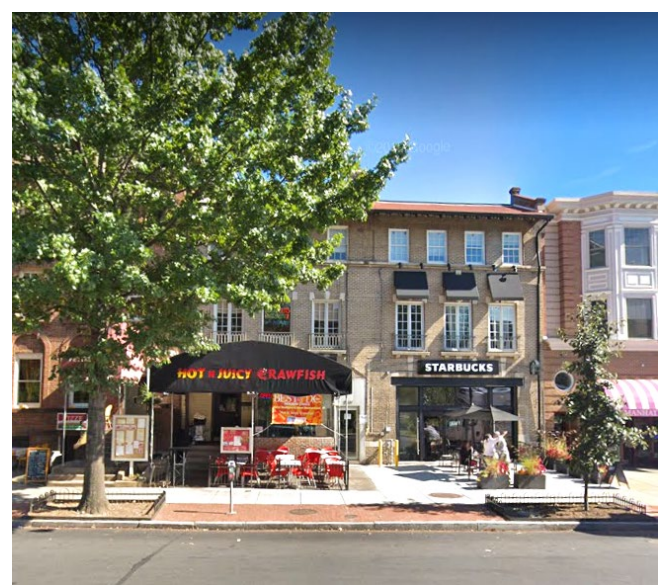


- Food & Beverage
- Neighborhood Goods & Services
- Merchandise
- Office

Woodley Park Retail in the Greater DC Context

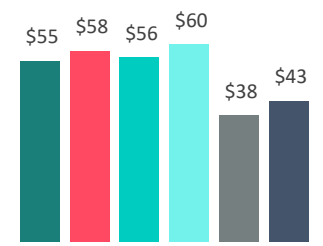
Woodley Park's retail mix, vacancy rate, and rental rates are similar to neighboring commercial areas of Cleveland Park, Glover Park, and Dupont Circle.

Retail conditions in comparable neighborhoods help establish the general competitiveness of the retail corridor, relevant supply and demand, and benchmark conditions to assess the retail market. Woodley Park's similarities with comparable and nearby neighborhoods indicate healthy commercial corridor conditions, as the neighborhood's commercial viability is in line with where it ought to be, given how the greater DC retail market is performing. In comparison to the city overall, Woodley Park features competitive rents and low vacancy rates.



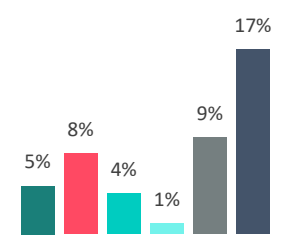
Retail rents in Woodley Park are high compared to DC at large, but are competitive with nearby commercial areas.

Average Rent
Asking NNN Rent In Comparison Neighborhoods



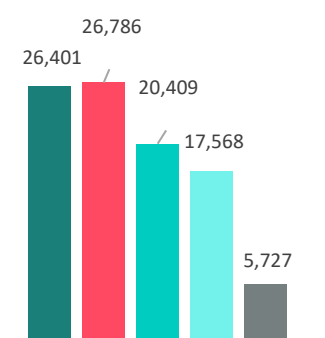
Vacancy is not a major problem in Woodley Park, with a vacancy rate over 10% lower than the DC average.

Vacancy Rate
In Comparison Neighborhoods



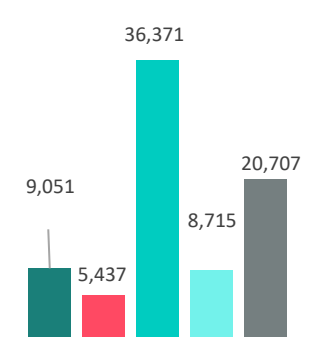
Woodley Park's strategic location allows retailers to capture the spending of commuters coming to and from work.

Daily Traffic Count
In Comparison Neighborhoods



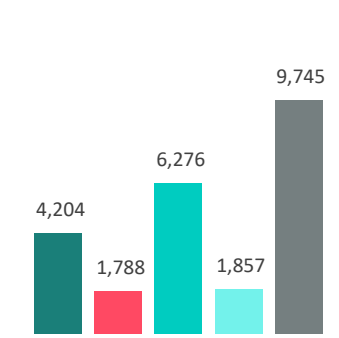
The node's daytime population is supplemented by nearby hotels and a small supply of office spaces. However, its daytime population still lags behind more populated areas in DC, limiting retail viability.

Daytime Population
In Comparison Neighborhoods



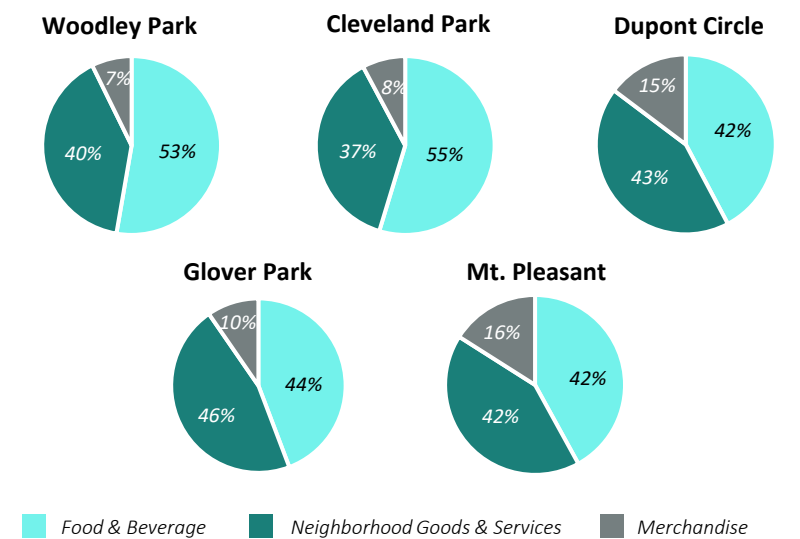
The dense cluster of apartment buildings around the Woodley Park Metro station provides area businesses with significantly more walking-distance residents than the Glover Park or Cleveland Park neighborhoods.

Population Within a 1/2-Mile Radius
In Comparison Neighborhoods



Business Mix Comparison By Number of Establishments

Woodley Park's retail mix is very similar to the mix in neighboring commercial areas, reflecting the viability of its business offerings and the overall viability of varying retail types in the greater NW DC market.



■ Woodley Park
 ■ Cleveland Park
 ■ Dupont Circle
■ Glover Park
 ■ Mount Pleasant
 ■ DC Overall

Data Sources: DDOT, ESRI, CoStar, Google

Retail Viability of Woodley Park

Neighborhood Goods & Services Viability

Woodley Park is a highly viable neighborhood for retailers offering neighborhood goods and services, given the spending capacity and day-to-day needs of local residents and nearby hotel guests.

Food & Beverage Viability

Food and beverage establishments are highly viable in Woodley Park. Restaurants and bars are able to capture spending from local residents and nearby hotel and conference guests looking for a meal or drinks within easy walking distance.

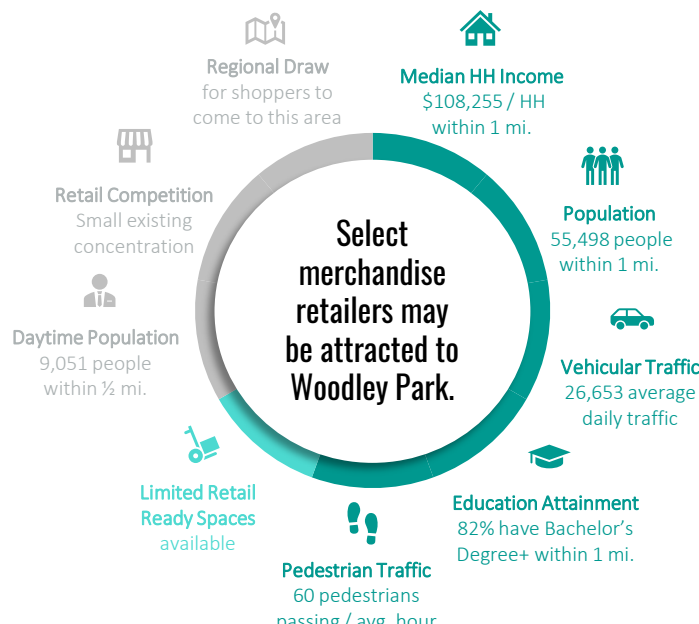
Merchandise Retail Viability

New merchandise retailers often location in areas with a higher daytime population, larger retail spaces, and a larger cluster of other merchandise retailers than Woodley Park. However, the area is still viable for select merchandise establishments that don't require large floor-plates and/or have an existing base of loyal customers.

Woodley Park has conditions that support all retail types, particularly food and beverage establishments and neighborhood goods and services. The local area's high spending capacity, frequent vehicular traffic, and accessible transit options are important assets for a variety of business types.

Over the past 10 years, Woodley Park experienced a below average rate of retail vacancy, a trend expected to continue in the coming years. This low vacancy rate demonstrates the prime conditions for retail in the neighborhood. Furthermore, the area's unique visitor demographics with hotel and conference center visitors and National Zoo tourists strengthen the viability of retail in the neighborhood. Visitors seek out places to dine, drink, or pick up items at convenience stores.

With an average floor-plate for existing retailers of approximately 2,600 square feet, many neighborhood goods and services retailers, fast casual eateries, and small to moderate size restaurants are appropriately scaled for Woodley Park.



Viability Legend: ■ Criteria Strong Met ■ Criteria Somewhat Satisfied ■ Criteria Not Satisfied

Data Source: ESRI Community Analyst (2018); DC DDOT Street Spatial Database (2017)

Woodley Park's larger local population and frequent pedestrian traffic allow the area to be slightly more viable for food and beverage and neighborhood goods and services establishments than nearby Cleveland Park, Glover Park, and Mount Pleasant. However, Woodley Park still cannot support the same amount of retail spending as Dupont Circle, given Woodley Park's smaller daytime population and lesser supply of retail-ready spaces.

NG&S	F&B	Merchandise	Location
			Woodley Park
			Cleveland Park
			Dupont Circle
			Mount Pleasant
			Glover Park



Measuring the Viability of Retail

The DC Office of Planning developed a process to evaluate retail conditions in the District called the DC Vibrant Retail Streets Toolkit. This analysis borrows from the Toolkit to evaluate the conditions retailers look for before moving to a location, such as retail viability, and assess how the area satisfies the criteria. The above data points follow the conditions that are typically necessary to support the following retailers: neighborhood goods and services, food and beverage establishments, and general merchandise, apparel, furnishings, and other retail.

Planned & Proposed Developments in Woodley Park:

-  Marriott Wardman Park Site (North Lawn Building)
-  2653 Connecticut Avenue NW (10 New Residential Units)

Marriott Wardman Park Site (North Lawn Building)

A proposal was released in 2016 to redevelop the Marriott Wardman Park hotel into a 1,600 unit mixed-use development. However, these plans have since been withdrawn and the Marriott hotel is expected to continue operating for the foreseeable future.

This proposed 120-unit apartment building is the only component of the initial redevelopment plan that is still in the development pipeline, though a final plan for the site has yet to be finalized.



Woodley Park’s local population is expected to remain relatively stable over the next five years and beyond, as there is limited residential development proposed in the neighborhood.

Only 10 new residential units are currently planned for development. Likewise, no additional commercial space is expected to be built in the near future.

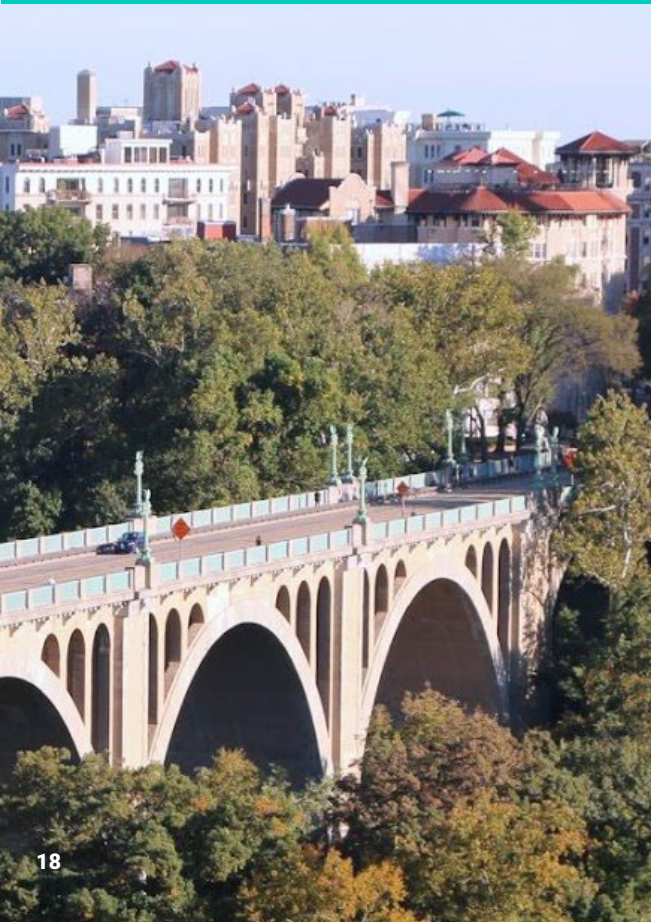
Customer traffic in Woodley Park is not expected to substantially change in the near future, with limited nearby development or other commercial changes anticipated over the next five years.

Increasing competition from emerging retail clusters around DC may have a small impact on retailers in Woodley Park. However, Woodley Park’s primary customer sources – nearby residents, Zoo visitors, and hotel guests – are attracted by the proximity of the neighborhood and expected to continue visiting Woodley Park at their current rate. The local spending capacity or customer mix of the area is also not expected to meaningfully change, as virtually no nearby development is current planned or proposed over the next five years.



Competitive Advantages

Woodley Park is a traditional and historic Main Street corridor with an affluent local population, low retail vacancy rate, and desirable location near several key attractions and a Metro station.



11,302

Residents
(½ Mile Radius)



\$121,062

Median Household
Income



95%

Retail
Occupancy Rate



26,401

Average Daily
Traffic Count



2.2 Million

Annual National
Zoo Visitors



2,019

Hotel Rooms

Reliable Customer Traffic from Nearby Hotels

Woodley Park is adjacent to two major hotels and conference centers, which provides the commercial corridor with a steady stream of customer traffic.

Proximity to National Zoo and Rock Creek Park

Businesses in Woodley Park are able capture spending from National Zoo visitors, many of whom use the Woodley Park Metro station to get to the Zoo. The corridor also features easy access to Rock Creek Park, located just south of Woodley Park.

Stable Retail Activity and Low Vacancies

Most storefronts in Woodley Park are currently leased. The area has maintained consistently high retail occupancy rates over the past decade, resulting in an active and vibrant commercial environment.

Location Along Major Commuting Corridor

Over 26,000 vehicles pass through Woodley Park each day, providing high visibility for businesses and allowing for commuter spending.

Strong Metro Access

The Woodley Park Metro station is located directly in the commercial corridor, proving easy access to Woodley Park from across the region.

Affluent Local Population

Residents within the primary market area of Woodley Park have a high spending capacity, with a median household income of over \$120,000.

Implications for Main Street Programming and Operations

Strong opportunities exist for Woodley Park Main Street to fully capitalize on their proximity to nearby attractions, while accommodating the highly seasonal nature of commercial activity.



Leverage proximity to hotels and the National Zoo by strengthening existing partnerships

Woodley Park's retailers and nearby attractions provide significant mutual value to each other and have similarly large stakes in the long-term quality of the neighborhood. Woodley Park Main Street should continue strengthening relationships with the National Zoo, as well as with hotel leadership, and highlight these attractions as key assets to prospective businesses.



Enhance placemaking and aesthetic conditions through streetscape improvements, public art, signage, and façade improvements

Most visitors to Woodley Park businesses visit the neighborhood out of convenience. By improving the physical infrastructure of the corridor, Woodley Park Main Street can appeal to more destination visitors, while capturing an even greater share of local residents, hotel guests, and Zoo visitors.



Prioritize programming and technical assistance during off-peak winter months

Customer traffic from nearby hotels and the National Zoo notably declines from November through mid-March, leaving businesses at risk of decreased cash flows during the winter. The Main Street should explore strategically aligning events and promotions with these periods of slower customer traffic to help the corridor enjoy a more stabilized stream of business throughout the year.



Embrace Woodley Park's healthy retail conditions and traditional Main Street environment by focusing on core Main Street services

As a newly established organization overseeing a healthy and compact commercial corridor, Woodley Park Main Street should remain focused on providing quality core Main Street services: providing technical assistance to local businesses, organizing events, creating an inviting atmosphere, and forging partnerships across different sectors. Local stakeholders should also be educated about these core services in order to spread clear awareness about what the Main Street can and cannot do with its limited current capacity.





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