

**DOWN
AUSTINTOWN
ALLIANCE**

Downtown Austin Storefront
Retail Business Report
October 2022



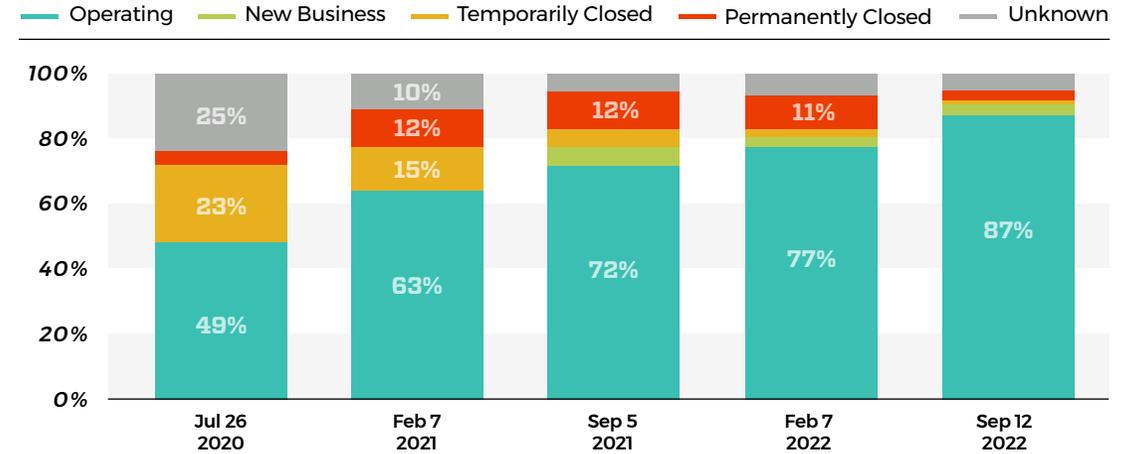
INTRODUCTION

Before the rise of COVID-19, stay-at-home orders and the temporary closure of businesses across the state, downtown Austin’s small storefront businesses and nightlife economy were thriving. Storefront businesses operating downtown enjoyed access to a growing daytime and nighttime population as the number of occupied residential units, office space and hotel rooms continued to expand annually. As stay-at-home orders went into effect and consumer demand slowed, small and local businesses that occupy downtown’s storefront spaces were dramatically impacted.

The Downtown Austin Alliance monitors the operating statuses of these businesses to better understand the impact and their contribution to the overall health and vibrancy of downtown. Downtown Austin has over 680 storefront businesses in the following sectors: drinks and entertainment, food places, retail goods and retail services. As a snapshot of downtown’s recovery, this report will reflect on past conditions and highlight the results of our most recent inventory of downtown storefront businesses.



BUSINESS OPERATING STATUS



KEY FINDINGS

- More than 85% of downtown’s storefront businesses are operating, representing the largest percentage since the start of the pandemic two years ago.
- 71 new businesses have opened downtown since February 2020.
- The total number of retail goods and services businesses dropped by 18% since February 2020. Downtown has 45 fewer retail businesses available for local shopping.
- 125 businesses have permanently closed in downtown since February 2020.
- Overall pedestrian activity in downtown continues to increase where visitor activity is at 95% of pre-pandemic levels and employee activity is at 62%.

THE STATE OF DOWNTOWN'S STOREFRONT RETAIL BUSINESSES

The Downtown Austin Alliance completed its second biannual effort to inventory all storefront retail and small businesses downtown. In August 2022, the inventory identified 595 operating businesses, including 21 new businesses out of 684 occupied storefronts. The number of businesses operating downtown has increased by 63 since our February 2022 count. This increase is good news for downtown as the city continues to build upon positive momentum as increased investment and consumer demand continue to grow.

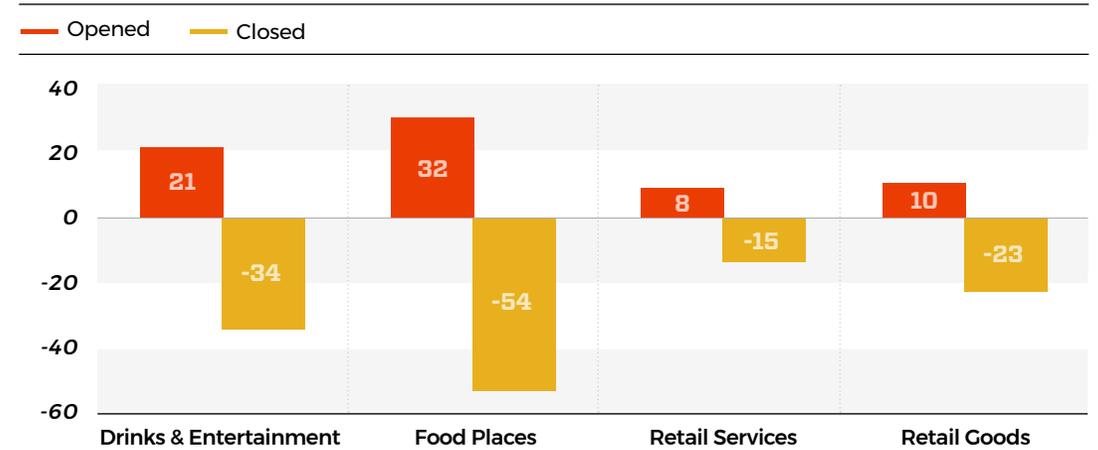
In total, we have identified 71 storefront businesses opening downtown since February 2020. Unfortunately, the inventory has also identified at least 125 businesses that have permanently closed their downtown locations since the pandemic began. The status of another 34 businesses also showed minimal signs of operating.

SHIFTS IN STOREFRONT SPACE UTILIZATION

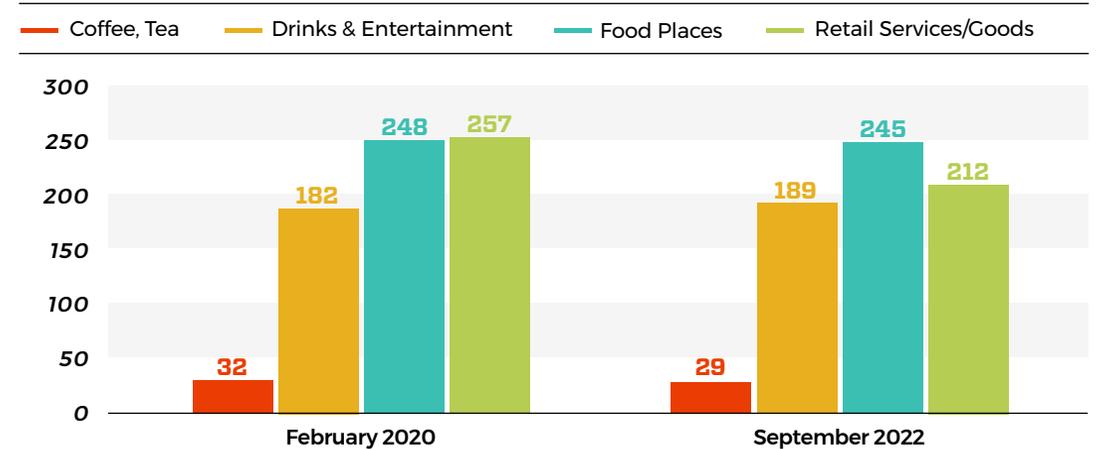
As the total operating status of downtown storefront businesses approaches pre-pandemic levels, there has been a shift in the total number and share of retail goods and services storefront businesses available for patrons. After two years of tracking downtown storefront businesses, the number of retail goods and services businesses has dropped by 45, or 18%, since February 2020. In addition to occupied storefront spaces noted in the inventory, there are an additional 135 vacant storefront spaces and 60 spaces currently under demolition, where the future use of these spaces is undetermined. These spaces, once occupied, can provide opportunities for more small and local businesses to locate downtown.



BUSINESS CHANGES SINCE FEBRUARY 2020 (by number of businesses)



BUSINESS OPERATING STATUS: THEN VS. NOW

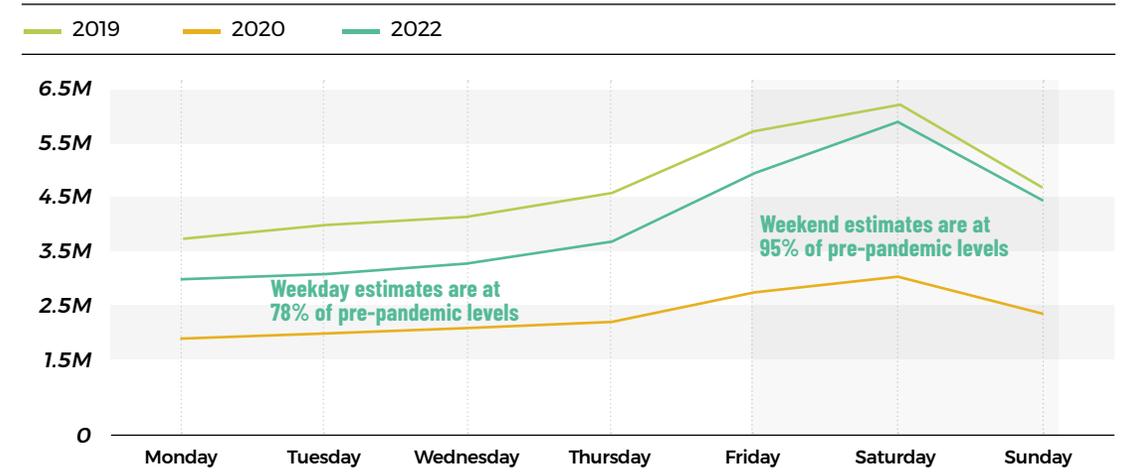


DOWNTOWN FOOT TRAFFIC IS UP

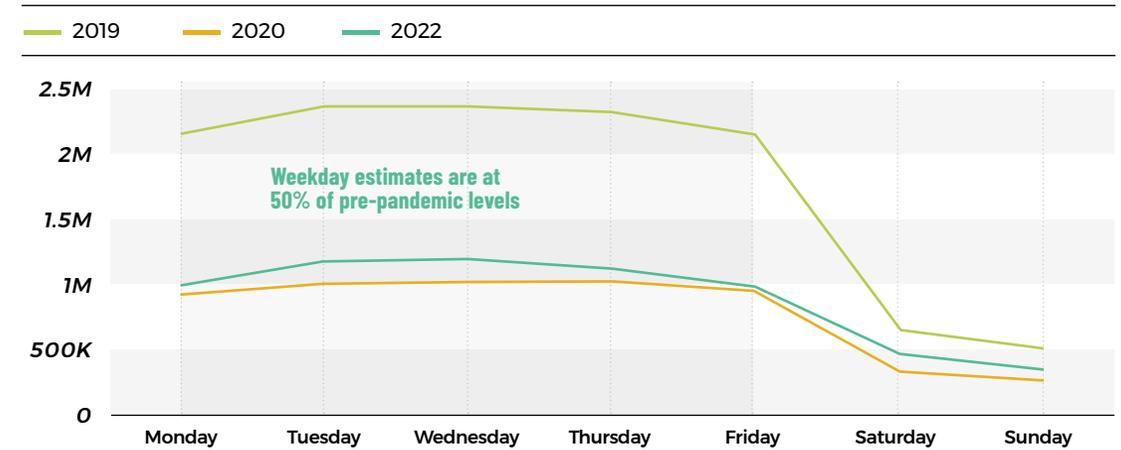
Employees continue to return to their downtown offices on a more consistent basis; downtown employment-related visits have reached 62% of pre-pandemic levels. Compared to this time last year, downtown saw, on average, 40,000 more employment-based visits every week. Visitors have historically represented the largest audience of pedestrian activity downtown and returned at 95% of pre-pandemic levels. Weeknights and weekends are the most popular choices for people spending time downtown. The trends of increased pedestrian activity downtown on evenings and weekends suggest that drink, entertainment and food places continue to be added to provide places to go when events, live music and public space activations are held downtown.



DOWNTOWN VISITOR VISITS BY DAY OF WEEK (YTD)



DOWNTOWN EMPLOYEE VISITS BY DAY OF WEEK (YTD)



DOWNTOWN CONTINUES TO SHOW POSITIVE SIGNS OF RECOVERY

Storefront retail businesses continue to evolve as downtown responds to changes in consumer behavior. Weeknights and weekends appear to be the most popular time for people to visit downtown. Trends in evening popularity are reflected in the composition of storefront businesses available to consumers since food, drink and entertainment businesses are leading the way in new business openings. Although several storefront retail businesses closed downtown in the last two years, new openings have shown positive signs as downtown continues to recover from the impacts of the pandemic.

In the last six months, 12 new businesses opened downtown and another eight are opening soon. Many of these businesses are along the waterfront, where nine development projects were recently completed. These waterfront projects bring a mix of residential, hotel, and office uses that continue to add to the vibrancy of downtown.



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Every dollar donated goes directly back into the community through cultural arts programs and the operations and maintenance of Republic Square.

Contact us at hello@downtownaustin.com

For media requests, contact:
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NEW BUSINESS OPENINGS SINCE FEBRUARY 2022

Asador Tacos on Rainey | *Eat*
Bally's | *Retail Service*
Barkin Creek | *Retail Goods*
Local Foods | *Eat*
Mugsy | *Retail Goods*
One Taco | *Eat*
Party & Go | *Retail Goods*
Rosen's Bagels | *Eat*
Stella Dallas | *Retail Goods*
Sugar Bronze | *Retail Service*
The 13th Floor | *Drink*
Which! | *Eat*

WATERFRONT REAL ESTATE DEVELOPMENT

44 East Ave | *Residential*
Natiivo | *Residential*
70 Rainey | *Residential*
The Quincy | *Mixed Use*
Austin Marriott | *Hotel*
300 Colorado | *Office*
Austin Proper | *Mixed Use*
Block 185 | *Office*
The Travis | *Residential*