



# RETAIL ANALYSIS OF HILLSBOROUGH STREET | 2023 |

HILLSBOROUGH STREET COMMUNITY  
SERVICE CORPORATION



# SUMMARY

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This report aims to inform community stakeholders about the strengths, weaknesses, opportunities and needs in the current retail market along the Hillsborough Street corridor. The goal of this reporting is to ensure Hillsborough Street stakeholders are aware of current retail trends, how they are changing over time, and how the community can capitalize on existing opportunities.

In the future, with regular reporting, we will be able to create a snapshot of the retail landscape so developers can track openings/closings, sales volumes, consumer shifts, and more. The data in this report is intended to serve as a baseline for measuring how future projects or initiatives affect economic indicators for the area. Based on our initial analysis, Hillsborough Street has a strong prepared food and beverage market but can improve its retail ecosystem by filling vacancies with locally-owned merchants, especially soft goods retailers.

Overall, Hillsborough Street will benefit from a more diverse retail community that caters to the needs of its main visitors – highly educated young professionals and college students.

*(Player's Retreat, Raleigh, Photo: HSCSC)*



# CURRENT CONDITIONS

The Hillsborough Street Corridor in Raleigh, North Carolina, presents a captivating and bustling destination with significant potential for growth. Bordering North Carolina State University’s campus, this three-mile long corridor boasts an impressive array of over 130 establishments, offering diverse opportunities for visitors and locals alike to indulge in various experiences.

Overall visitation trends point to Hillsborough Street’s popularity among the sizable local college-educated population. The median household income of visitors is \$73,500, and 60.5% of visitors hold a bachelor’s degree or higher - both metrics far exceed state averages.

According to CoStar data (n=31), the price per square foot for retail space on Hillsborough Street is just over \$31/sf in 2023. This figure has increased at a higher rate post pandemic, as depicted in the graph below.

\$73,500

Median HH income

60.5%

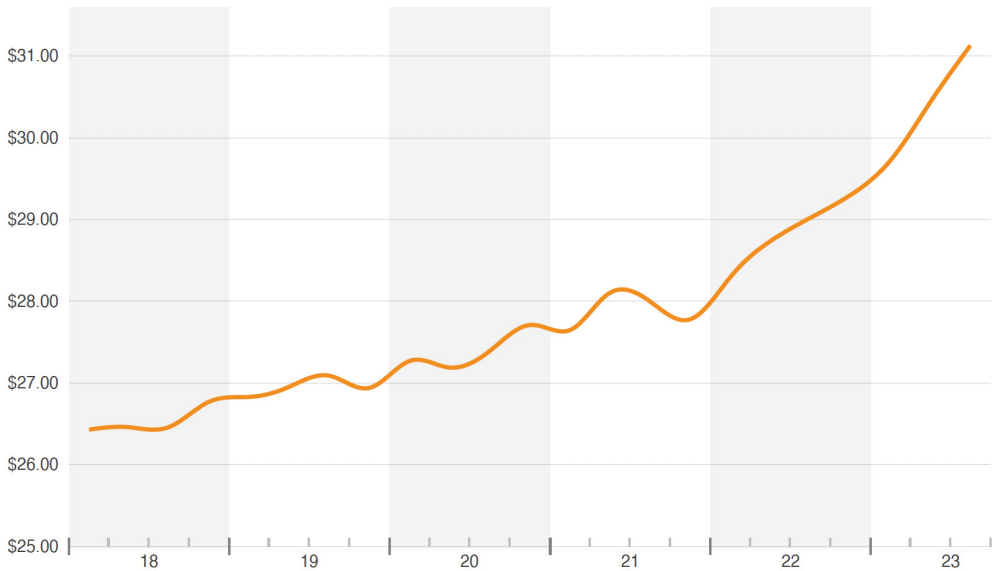
Visitors with a Bachelors

In this analysis, the retailers have been subdivided into 6 different categories:

- 1. Business Services (e.g., FedEx, Phone Repair, Needlepoint.com, etc.)
- 2. Prepared Food & Beverage (F&B) (e.g., Players Retreat, Mitch’s Tavern, etc.)
- 3. Personal Services (e.g., AB Threading, Sam & Bill’s Salon, etc.)
- 4. Conventional Retail (e.g., CVS, Hillsborough Street Mart, Reader’s Corner, etc.)
- 5. Venues (e.g., Royal Banquet Center)
- 6. Vacant Space

*\* Note that for the purposes of this report square footage was estimated in cases where published data was not available.*

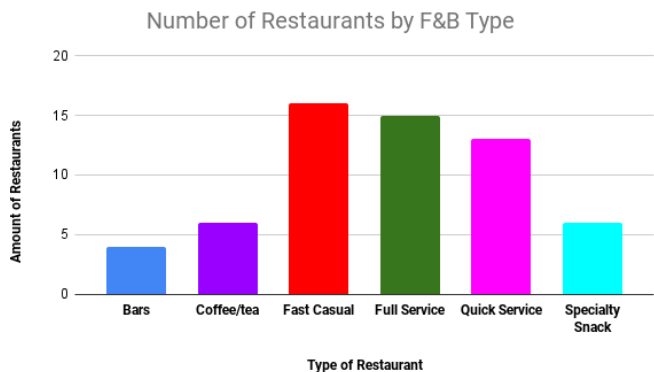
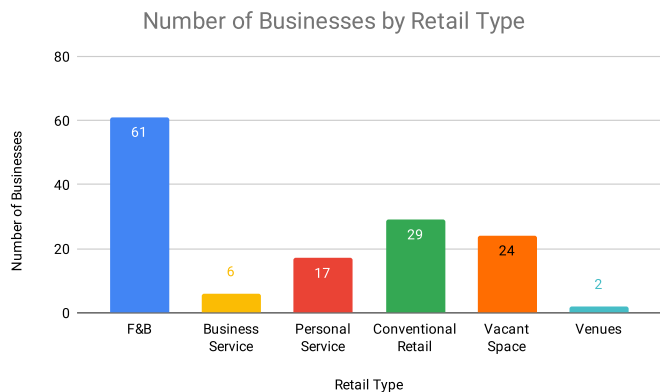
Average Market Rent PSF, 2018-2023



(Source: CoStar, Inc.)



# NUMBER OF BUSINESSES BY RETAIL TYPE



## DESCRIPTION OF RETAIL CATEGORIES

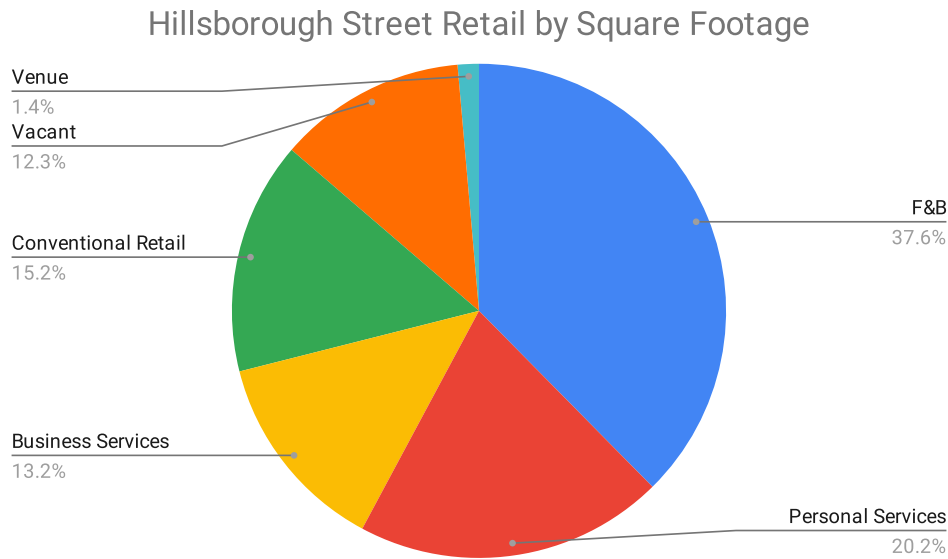
**1. Prepared Food & Beverage (F&B)** With 62 establishments comprising the F&B category, this sector stands as the vibrant heart of the Hillsborough Street corridor. A total of 185,252 square feet in space underscores the wide range of dining options available. From trendy cafes to savory eateries and delightful bistros, these F&B establishments serve as a draw for students, residents and visitors. Examples in the district include Chipotle, Mitch’s Tavern, The Players Retreat, etc. As displayed in the chart above (right), the corridor is heavily populated with restaurants in the Fast Casual, Full Service and Quick Service categories. Two categories that are underrepresented on Hillsborough Street include Bars and Fine Dining establishments, both are categories that would strengthen a nighttime economy.

**2. Conventional Retail** With 28 retail establishments spanning 75,263 square feet, this segment represents a treasure trove of shopping opportunities along Hillsborough Street. From boutiques to unique stores offering artisanal goods, the retail landscape adds an element of discovery to the Hillsborough Street experience. Examples in the district include Cycle Logic, Reader’s Corner, CVS, Target, etc.



(CVS Pharmacy, Raleigh, Photo: HSCSC)

# HILLSBOROUGH STREET RETAIL BY SQUARE FOOTAGE



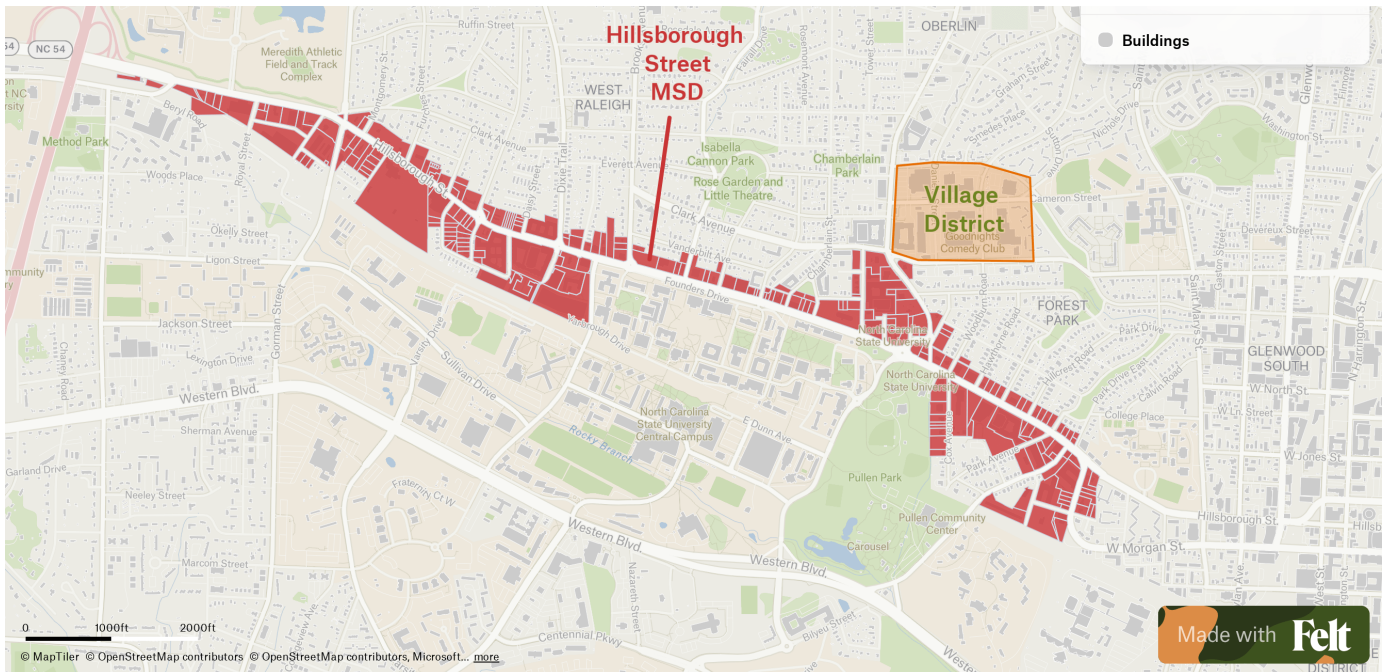
**3. Personal Services Category** Comprising 18 establishments across 99,852 square feet, the Personal Services category caters to the holistic well-being of Hillsborough Street visitors. From wellness centers to salons and spas, these establishments offer a respite from the daily grind, making the Hillsborough Street corridor an all-encompassing destination where visitors can rejuvenate their minds and bodies.

**4. Business Service** While the Business Service category showcases six establishments encompassing 67,322 square feet, there exists an untapped potential for further growth. As the corridor thrives on its proximity to the university, opportunities abound for savvy entrepreneurs to introduce innovative business services tailored to the dynamic needs of the student population and local businesses. A strategic approach to diversifying this category can enhance the overall appeal of the corridor as a one-stop destination for both leisure and practical necessities.

**5. Venue Spaces** The presence of two venue spaces, ComedyWorx and Royal Banquet Hall, totaling 6,858 square feet signifies the corridor's potential as a hub for community gatherings, cultural celebrations, and engaging events. With thoughtful planning and collaboration, these venues can become focal points for fostering a sense of community pride and inclusivity.

**6. Vacant Space** While the Hillsborough Street corridor thrives with its myriad of operational establishments, the presence of 23 vacant spaces totaling 60,836 square feet presents an exciting canvas for visionary investors and entrepreneurs. The vacant spaces offer an opportunity to introduce fresh concepts, unique boutiques, and novel experiences that can invigorate the retail landscape even further. By engaging with the local community and understanding their preferences, we can revitalize these spaces to complement the corridor's existing offerings, fostering an atmosphere of dynamic exploration and creativity.

# HILLSBOROUGH STREET VS. VILLAGE DISTRICT



The adjacency of the Hillsborough Street District (in the map above) to the Village District (orange area) holds significant importance in creating a diverse commercial landscape. While the Village District boasts numerous nationally known brands, Hillsborough Street is able to maintain focus on locally owned retail establishments. The proximity provides an opportunity for Hillsborough Street to distinguish itself as a unique destination. By prioritizing locally owned businesses, the district can showcase the authenticity and feel of a local community. Furthermore, supporting local businesses stimulates the local economy, contributing to job creation and fostering a sense of community pride. This allows Hillsborough Street to play a pivotal role in promoting entrepreneurship and providing a platform for small businesses to thrive.



(Cycle Logic, Raleigh, Photo: HSCSC)



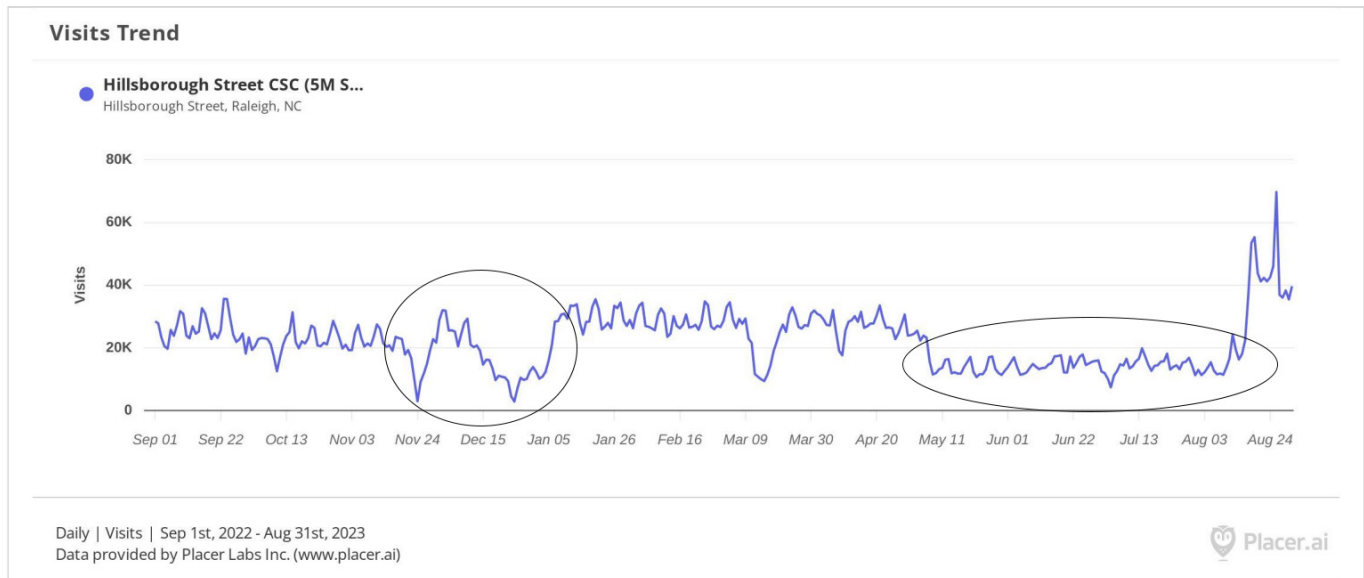
(Blend, Raleigh, Photo: HSCSC)



# HILLSBOROUGH STREET VISITOR TRENDS

## Visits Trend

Sep 1, 2022 - Aug 31, 2023



Foot traffic on Hillsborough Street is highly seasonal and correlates with the academic calendar. The two periods with the least foot traffic are the summer months and the holiday season (Thanksgiving/Christmas). During these times, students and University staff are not around, and the businesses within the community can feel it. Placer.ai data confirms these seasonal dips, as shown above. The mid-March drop that is not circled is the University's spring break holiday.

To help merchants address the seasonality of foot traffic, the Hillsborough Street Community Service Corporation (HSCSC) has developed programs to drive foot traffic to the corridor during the lull periods. For example, during the summer, the \$4 Food Walk is an event created by HSCSC that encourages food and beverage establishments to produce an item on their menu that they will sell for \$4. The event will

typically take place on Wednesdays and features buskers and other live entertainers.

Another event organized by HSCSC is the Holidays on Hillsborough event during the winter holidays. This event consists of merchants decorating their storefronts with Christmas lights to draw families from around the city to ride through the corridor and stop for a bite to eat or drink.

More events like the two mentioned would be great placemaking activators during the off-season periods to drive foot traffic. An example of an event that could be added to the list is a pop-up shop street fair that allows vendors from across the state to sell their goods within the community. Not only does this give vendors an idea of how business could be on Hillsborough Street, but it would also drive foot traffic.

# RECOMMENDATIONS

Based on the analysis of local and national retail trends, seven recommendations have been made to improve the retail quality of Hillsborough Street:

- 1. Prioritize Locally Owned Businesses** As stated previously in this report, the Hillsborough Street Community sits close by Village District. The Village District Community is home to a multitude of brand name retail options, such as Barnes & Noble, Great Outdoor Provision Co, Bailey's fine jewelry, etc. It would be challenging for Hillsborough street to compete with an established area like Village District and should focus it's efforts in finding local merchants and makers to fill the vacancies within the corridor.
- 2. Urban Design** Work with property owners and merchants to make the street a more welcoming and warm environment (e.g., facade improvement, landscaping, window displays, nighttime lighting, etc.) As new buildings are still in the design stage, planning outdoor seating and fleible retail spaces would be benfital to the community as a whole. Also, by using HSCSC grant funds, we can add to the street furniture on the street and uiltize additional space to capture as much of each parcel as we can. Property owners have the ability to renovate and upgrade the actual building to find the highest and best use for their areas.
- 3. Explore Experiential Retail** Adding more experiential retail like "retailtainment" concepts (examples: axe throwing, escape rooms, VR gaming). These drive



(Moore Sqaure, Raleigh, Photo: Visit Raleigh)



(Edge of Urge, Raleigh, Photo: Google Images)



(Deco Raleigh, Photo: Osterlund Archetetics, PLLC)



# RECOMMENDATIONS

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traffic and complement the entertainment venues. This creates an “Instagrammable” destination that younger demographics seek out. The interactive experiences lead to increased social media engagement and free promotion. This would offer students and locals alike a diverse experience that isn’t utilized in the surrounding areas.

**4. Venue Spaces** Live music, stand up comedy, open mic nights etc. are all examples of events that venue spaces could utilize to add to Hillsborough Street. While being the least represented retail category, having more venue spaces within the corridor would allow students and people within the neighborhood to have an outing that offers a variety of opportunities. This would allow students below the age of 21 to spend time with peers and feel connected with the community. Examples of spaces around Raleigh include Lincoln Theatre, Pour House, Goodnight’s Comedy Club, etc.

**5. Boutique Soft Goods/Gift Shop** Hillsborough Street lacks places for students and people living in the surrounding neighborhoods to buy clothes, gifts and other soft goods. Many have to look to Village District, North Hills and Crabtree Valley mall to buy any of the items listed above. Whether it be boutiques or something Wolfpack affiliated, something to encourage people in the area to stay on the street to shop would be a great addition. Examples of local soft good retailers in

the Raleigh area include Deco Raleigh, Edge of Urge, etc.

**6. Health Foods** Fast casual restaurants with healthy options near college campuses provide students with convenient access to nutritious meal options. With busy academic schedules, students often opt for quick and easy meals between classes or late at night. Health foods are a popular growing sector of retail and would add diversity to the food options already available on Hillsborough Street. Fast casual establishments that offer fresh salads, grain bowls, smoothies, and other balanced fare allow students to fuel their bodies properly amidst hectic lifestyles. The proximity enables students to incorporate healthy eating habits into their daily routines. Beyond benefiting students, these eateries bring wholesome and affordable dining choices into the surrounding community.

**7. Nighttime Economy** A vibrant nightlife and bar district along-side NC State’s campus provides multifaceted value, both tangible and intangible, to the surrounding community. Students benefit from having a centralized leisure zone where they can socialize, meet new people, hear live music, and experience the diverse culinary options a local bar scene offers. Business owners profit from the steady clientele students provide, leading to a thriving entertainment hub. While certainly not without its challenges, if managed responsibly, a neighborhood dedicated to after-hours gatherings can become an asset.

# CONCLUSION

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Based on this analysis, Hillsborough Street's retail landscape reveals a vibrant corridor with room for growth. While food and beverage establishments thrive, enhancing the mix with more nightlife, soft goods, experiential retail, health foods, and community events can further invigorate the area. Additionally, filling vacant spaces with niche, locally-owned businesses will nurture Hillsborough Street's unique character. With data-driven recommendations and collaborative action among stakeholders, this bustling district can reach its full potential as a welcoming hub for students, residents and visitors alike to live, work, and play. Thoughtful development will ensure Hillsborough Street continues flourishing for years to come.

(NCSU Belltower, Raleigh, Photo: HSCSC)







The Hillsborough Street Community Service Corporation (HSCSC) is an independent, 501 (c)(3), not-for-profit, municipal service district created in the fall of 2009 by the City of Raleigh in partnership with NC State University and the property owners, merchants, and residents on and around Hillsborough Street. The HSCSC territory is a 3-mile long corridor on both sides of Hillsborough Street, from St. Mary's School to the I-440 Beltline, including W. Morgan Street and a few side streets. The territory includes diverse businesses, organizations, institutions, and residential options. The organization's mission is to make the Hillsborough Street community a distinct destination in Raleigh by providing services and programs that improve the economic sustainability of the territory's businesses and increase the market value of its properties.

The information in this report has been secured from sources HSCSC believes to be reliable. However, HSCSC makes no representations or warranties, expressed or implied, as to the accuracy of the information.

Questions or comments? Contact Hayes Boone, HSCSC Economic Development & Engagement Specialist, at [hayes@hillsboroughstreet.org](mailto:hayes@hillsboroughstreet.org).

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Hillsborough Street Community Service Corporation  
2416 Hillsborough Street  
Raleigh, NC 27607  
(919) 800-0135  
[liveitup@hillsboroughstreet.org](mailto:liveitup@hillsboroughstreet.org)

