

## Retail Market Analysis

### City of Bethlehem Walnut Street & Downtown Update

Gibbs Planning Group August 8, 2022

#### Executive Summary

This study finds the downtown Bethlehem and Walnut Street area have a combined demand to support up to 150,000 square feet of additional retail space, generating up to \$56 million in new commercial sales. This demand equates to 45-55 new stores and restaurants, or the expansion of existing businesses.

**Walnut Street:** The Walnut Street site can support approximately 32,000 sf total of new retail space equating to 12 to 20 stores and restaurants generating up to \$13 million in annual sales. The Walnut site has a demand for 21,000 sf of retail shops and 18,000 sf of restaurants. New businesses could include home furnishings, specialty foods, a gourmet grocery, breweries, full-service and quick casual restaurants. Note, the Walnut Street's 32,000 retail demand is included as part of the Historic District's 151,000 potential growth (not in addition to).

**Downtown:** The Historic District can support up to 151,000 square feet (sf) of new or repurposed retail space, equating to 45 to 55 stores and restaurants generating up to \$56.3 million sales annually. Businesses could include apparel, home furnishings, hardware, a gourmet market, breweries, full-service and quick casual restaurants.

The 2022 downtown demand represents a 25 percent decrease from our 2020 estimate of 207,000 new retail demand. The reduction reflects increased retail internet spending, reduced in office work time and increased preferences for casual wear at home. Additionally, demand for hardware, groceries, restaurant carry-out and home furnishings has increased in the downtown area, as well as nationally.

#### Walnut Street – 32,000 sf Total New Demand

**9,400 sf** Home-Office Furnishings & Garden (3-5 Stores)

**7,200 sf** Specialty Grocery (1 Market)

**4,300 sf** Specialty Foods- Cheese, Meats, Produce, etc. (2-3 Stores)

**21,000 sf Total Retailers** (7-10 Stores)

**2,100 sf** Breweries, Pubs

**4,500 sf** Full-Service Restaurants (2-3 Restaurants)

**2,800 sf** Quick Casual Restaurants (1-3 Restaurants)

**2,300 sf** Bakery, Coffee, Ice Cream, etc. (2-3 Stores)

**12,000 sf Total Restaurants** (5-10 Restaurants)

#### Downtown Historic District – 151,000 sf Total New Demand

**14,400 sf** Apparel, Jewelry, Gifts, Shoes (4-6 Stores)

**31,000 sf** Home & Office Furnishings , Hardware, Garden (6-10 Stores)

**16,700 sf** Specialty Grocery Store (1-2 Stores)

**6,000 sf** Specialty Foods- Cheese, Meats, Produce, etc. (2-3 Stores)

**26,000 sf** Other Retailers (10-14 Stores)

**94,000 sf Total Retailers** (25-30 Stores)

**5,300 sf** Breweries & Pubs (2-3 Pubs)

**13,600 sf** Full-Service Restaurants (5-6 Restaurants)

**20,000 sf** Quick Casual Restaurants (7-8 Restaurants)

**18,400 sf** Bakery, Coffee, Ice Cream, etc. (6-8 Stores)

**57,300 sf Total Restaurants** (20-25 Restaurants)

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<i>Retail Category</i>	<i>Total Demand</i>	<i>Estimated Sales Yr.</i>	<i>Est. Sales sf/ yr.</i>	<i>Est. New Supportable SF</i>	<i>No. of New or Expanded Businesses</i>
<b>Retailers</b>					
Florists	\$8,473,000	\$362,000	\$265	1,400 sf	1 Store
Furniture Stores-Home & Office	\$65,618,700	\$1,810,800	\$560	3,200 sf	1-2 Stores
Specialty Grocery Store	\$287,823,000	\$3,725,700	\$520	7,200 sf	1 Market
Home Furnishings Stores	\$47,121,600	\$1,134,500	\$375	3,000 sf	1-2 Stores
Garden Stores	\$12,725,600	\$474,700	\$265	1,800 sf	1 Store
Cheese, Meats & Produce	\$24,478,000	\$1,261,800	\$295	4,300 sf	2-3 Stores
<b>Retailer Totals</b>	<b>\$446,244,000</b>	<b>\$8,769,500</b>	<b>\$380</b>	<b>21,000 sf</b>	<b>7-10 Stores</b>
<b>Restaurants</b>					
Breweries & Pubs	\$23,808,500	\$777,700	\$370	2,100 sf	1-2 Pubs
Full-Service Restaurants	\$132,028,000	\$1,768,000	\$390	4,500 sf	2-3 Stores
Quick Casual Restaurants	\$142,032,700	\$822,300	\$290	2,800 sf	1-3 Stores
Bakery, Coffee, Ice Cream, etc.	\$37,397,200	\$733,900	\$315	2,300 sf	1-2 Stores
<b>Restaurant Totals</b>	<b>\$335,266,300</b>	<b>\$4,102,000</b>	<b>\$341</b>	<b>11,700 sf</b>	<b>5-10 Stores</b>
<b>Retailer &amp; Restaurant Totals</b>	<b>\$781,510,300</b>	<b>\$12,871,500</b>	<b>\$365</b>	<b>32,600 sf</b>	<b>12-20 Stores</b>

*Figure 5: Walnut Street retail demand for new or expanded businesses*