

# Raleigh-Durham retail market trends

## Second Quarter 2021

Raleigh-Durham retail vacancy improved in the second quarter, falling 30 bps year-over-year to 7.5%. The removal of Cary Towne Center from inventory was primarily responsible for the change. Cary-based Epic Games acquired the long-struggling 914,000-sf mall in December 2020 and is moving forward with redevelopment plans for a new headquarters site that will include a mix of uses.

Adding to a trend of obsolete retail space being positioned for redevelopment, Cary's oldest Mall—South Hills Mall and Plaza—recently hit the market for sale for the first time since it was constructed in the 1960s. In Raleigh's Six Forks Road submarket, Kane Realty Corporation began demolition of the former JCPenney site at North Hills. The project will feature the Triangle's first RH Gallery and will include 1 million sf of retail, office and multifamily space.

At the end of the second quarter, a variety of data were pointing to reasons for optimism moving forward. Placer.ai's mall index indicated that traffic at U.S. enclosed malls had risen to within eight percentage points of June 2019 levels. The National Retail Federation revised its forecast for annual retail sales upward to \$4.56 trillion, and Coresight reported that store closures have slowed while openings have increased.

While the \$2.5 trillion in savings that consumers put aside during the COVID-19 pandemic supported demand in the first half of the year, the Delta variant has tempered the retail recovery. July retail sales came in well below expectations, declining 1.1%. After months of gains, consumer sentiment tumbled to 70.2 in early August, the lowest level since December 2011, amid growing concerns about rising COVID-19 cases and inflation.

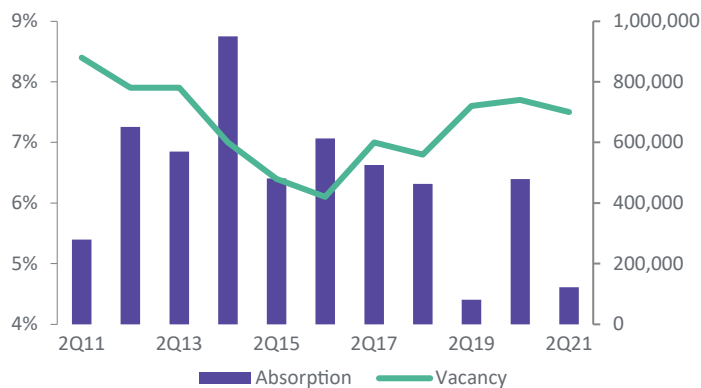
### Quick stats

	Q2 2021	Q2 2020
<b>Vacancy</b>	7.5%	7.8%
<b>Absorption (TTM)</b>	122,451 sf	479,102 sf
<b>Deliveries (TTM)</b>	607,369 sf	338,399 sf
<b>Under construction</b>	532,035 sf	478,159 sf
<b>Avg. asking rate (NNN)</b>	\$19.80 psf	\$20.03 psf
<b>Unemployment</b>	4.3%	8.1%

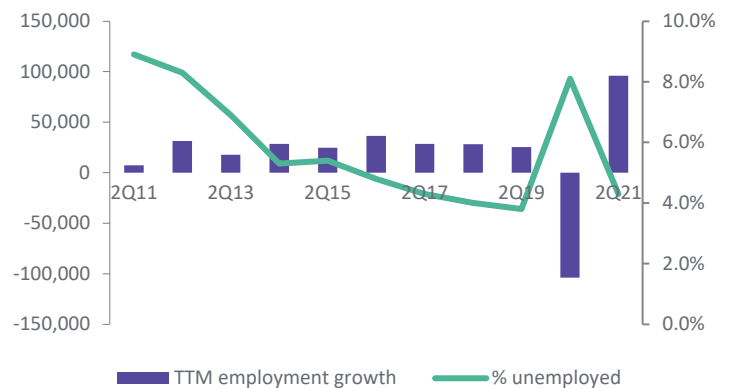
### Ranked #1

Wake County surpassed Mecklenburg County in 2020 to become the most populous county in North Carolina.

### Vacancy and absorption (trailing 12 months)



### Raleigh-Durham employment (trailing 12 months)



Get more market information

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### Market by the numbers

BY SUBMARKET	VACANCY			NET ABSORPTION		
	Inventory	Vacant SF	Vacant %	2Q21	Last 12 Mos.	SF Underway
West Raleigh	953,354	57,912	6.1%	(1,987)	(29,666)	-
US 70/Glenwood Avenue	5,062,076	456,479	9.0%	(33,168)	(57,317)	-
Six Forks Road	2,055,153	212,293	10.3%	8,636	(44,356)	-
Wake Forest/Falls of Neuse Road	2,498,952	180,808	7.2%	(23,616)	(61,375)	-
US 1/Capital Boulevard	6,345,068	426,659	6.7%	87,437	145,271	138,244
Downtown Raleigh	787,025	114,447	14.5%	-	36,111	105,699
Village District	635,120	46,500	7.3%	2,990	12,869	-
Eastern Wake	3,933,581	244,131	6.2%	(8,807)	5,859	48,387
Southern Wake	4,054,284	181,940	4.5%	5,401	11,223	24,538
Cary	6,724,729	426,962	6.3%	27,310	121,976	199,854
I-40/RTP	1,014,662	48,812	4.8%	7,779	29,642	9,613
Central Durham	905,762	178,552	19.7%	(19,094)	(37,092)	5,700
North Durham	3,535,843	301,495	8.5%	(2,200)	2,429	-
South Durham	5,153,914	355,275	6.9%	(51,801)	(67,503)	-
Orange County	2,786,054	230,483	8.3%	11,073	56,412	-
<b>Totals</b>	<b>46,445,577</b>	<b>3,462,748</b>	<b>7.5%</b>	<b>9,953</b>	<b>124,483</b>	<b>532,035</b>

[View submarket map](#)

### New/expanding retailers

Tenant	Submarket	Comments
Wegmans	US 1/Capital Boulevard	Opened new 98,000-sf store in Wake Forest; fourth Triangle location
Lowe's Home Improvement	Southern Wake County	Opened new store in Holly Springs, adjacent to planned Wegmans store on NC Hwy. 55
Barnes & Noble	Village District	Backfilling former Pier 1 location at the Village District
B&B Theatres	Cary	Taking over former Stone Theatres location at Park West Village
Vow'd Weddings	Six Forks Road	Tennessee-based bridal shop leased space at North Hills for first North Carolina location
Williams-Sonoma	Cary	Leased space for 5,504-sf store at Fenton, currently under construction
Pottery Barn	Cary	Leased space for 13,910-sf store at Fenton, currently under construction

### Closing/contracting retailers

Tenant	Submarket	Comments
Disney Store	US 70/Glenwood Avenue	Closed Crabtree Valley Mall store
Fitness Connection	US 70/Glenwood Avenue	Closed 30,177-sf gym at Pleasant Valley Promenade
Crook's Corner	Orange County	Famed Chapel Hill restaurant will close after 40 years in business