

# LET'S TALK BUSINESS

Ideas for Expanding Retail and Services in Your Community

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## 2001 National Main Street Trends Survey

by the National Main Street Center of the National Trust for Historic Preservation

In its sixth annual survey of emerging trends in historic Main Street commercial districts, the National Trust for Historic Preservation's National Main Street Center has found compelling evidence of the continuing economic rebound of historic downtowns and neighborhood commercial districts.

The survey is distributed annually in January to approximately 1,200 organizations actively involved in revitalizing their historic downtowns and neighborhood commercial districts. Over 200 communities completed the 2000 survey, representing 24 states. Communities ranged in size from 300 to 600,000. The survey asks respondents to indicate how each of 16 economic indicators changed in 2000, from rental rates to numbers of locally-owned businesses.

Among the survey's major findings:

- Retail sales are up. For the third straight year, more than half of all survey respondents reported that retail sales volume in their older commercial districts was greater than in the previous year.
- Ground-floor occupancy continues to grow. Over half of all respondents reported higher ground-floor occupancy rates in 2000 than in 1999, building on a three-year trend. No respondents reported decreases.
- Retail is returning to Main Street. More than 60 percent of respondents reported that there were more retail businesses within their commercial districts in 2000 than in 1999.
- Special events are attracting more people. Over three-quarters of all respondents reported that more people attended festivals and events in their commercial districts in 2000 than in 1999.

- Property values and ground-floor rental rate are increasing. Almost two-thirds of respondents reported that property values within their older commercial districts increased in 2000 (only one percent of respondents reported lower property values). And over half of all respondents - seven percent more than the previous year - reported that ground-floor rental rates increased in 2000.
- Older commercial districts continue to nurture 'mom-and-pop' businesses. Fifty percent of survey respondents reported an increase in the number of independently owned businesses from 1999-2000.

### The internet's continuing role in shaping the future of historic Main Streets

For the fourth consecutive year, the category in which survey respondents reported the strongest growth involved the number of district businesses using the internet. This year, 81 percent of survey respondents reported that more businesses within their districts used the internet to conduct business in 2000 than in 1999 - building on similar increases in 1999 (84 percent) and 1998 (74 percent). As in previous years, it



● appears these businesses fall into one of three broad categories:

- Businesses which use the internet to provide better service to their existing local customers. For example, the Bailes-Cobb Department Store, in downtown Hartwell, Georgia, gives customers a \$20 store certificate in exchange for their email addresses. The store then notifies customers by email of new arrivals, sales, and specials ([www.bailescobb.com](http://www.bailescobb.com)).
- Businesses which use the internet to augment sales in their bricks-and-mortar stores or offices. Examples from this year's survey include DaLuca Music, in downtown Hatboro, Pennsylvania, whose online sales of used musical instruments online augment sales to local customers ([www.dalucamusic.com](http://www.dalucamusic.com)).
- Businesses whose sales are almost exclusively internet-based, with few local customers. For example, CIS Sports in downtown Jeffersonville, Indiana has an exclusive marketing arrangement with the manufacturer of Louisville Slugger baseball bats, gloves, golf clubs and other merchandise, which it sells to a worldwide customer base from its website ([www.cissports.com](http://www.cissports.com)).

### Victories and challenges

Each year, the Main Street Center asks survey respondents to list the greatest victories they've experienced in the past year, and the greatest challenges they still face.

Respondents reported a record number of 'victories' in 2000. Those mentioned most frequently included:

- Securing funding for capital improvements projects
- Developing housing within the district, particularly upper-floor housing development.
- Amending local zoning laws to encourage redevelopment within the older commercial districts, particularly to make it possible for a building to accommodate a mixture of uses (retail, residential, office, etc.)
- Developing senior housing
- Recruiting and developing new retail businesses
- Redeveloping large, 'white elephant' buildings

Respondents also reported a number of tough challenges. Those mentioned most frequently were:

- *Movie theater closings:* Several survey respondents reported that Main Street movie theaters have closed or are in danger of closing, facing increasing competition from multiplexes and increasing difficulty for independent movie theater operators to obtain first-run movies.
- *Sprawl development:* Many survey respondents reported that their commercial districts continue to be threatened by new commercial development on the edges of their communities, diluting retail sales and putting Main

Street businesses at increased risk.

- *Parking problems (both real and perceived):* Many respondents reported actual shortages of parking or, more typically, poor parking utilization (i.e., business employees using parking spaces intended for customers) .
- *Government offices moving out of the older commercial district:* More survey respondents reported that government offices were leaving their districts in 2000 than in any other year the Main Street Trends Survey has been conducted. Federal, state, and local government offices were mentioned, including a number of instances the US Post Office is relocating out of a town center.
- *Inadequate or erratic building code enforcement:* Survey respondents from throughout the country reported that local building codes are often inadequately enforced and that local code officials are either unwilling to enforce them or are unsure about how to enforce building codes for historic commercial buildings.
- *Increasing retail rental rates:* A number of survey respondents reported that rental rates for retail space are beginning to increase beyond the ability of retailers to pay them - a problem which could indicate market speculation on the part of property owners or which could suggest positive economic progress.
- *Problems with state departments of transportation:* Several respondents reported problems working with their state departments of transportation - ranging from problems with the placement of highway signs to problems with road standards incompatible with the physical configuration and needs of the older commercial district.

For more information, contact:

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**The Main Street Program** is a comprehensive revitalization program designed to promote the historic and economic redevelopment of traditional business districts in Wisconsin. The Wisconsin Main Street program was established in 1987 to encourage and support the revitalization of downtowns in Wisconsin communities. Each year, the Department of Commerce selects communities to join the program. These communities receive technical support and training needed to restore their Main Streets to centers of community activity and commerce. For more information see: <http://www.commerce.state.wi.us/CD/CD-bdd.html>

*Source: 2001 National Main Street Trends Survey by the National Main Street Center of the National Trust for Historic Preservation. All information (c) 2001 National Trust for Historic Preservation.*

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