



DowntownRaleigh
Alliance



Photo by AK Photography

Q1 2022 MARKET REPORT

DOWNTOWN RALEIGH SUMMARY AND HIGHLIGHTS:

As one of the most attractive markets in the U.S., Downtown Raleigh is poised to continue growing throughout 2022 and beyond. Downtown kicked off 2022 with new development activity and increasing project momentum. **Eight new projects have announced plans to break ground in 2022** in addition to the **12 projects already under construction**.

The downtown residential market continues to attract new residents and multi-family occupancy remained high at **95.8%** this quarter. The national interest in the Raleigh market has driven continued demand for downtown units. There has been a **+78% increase in the number of residential units under construction** in downtown from Q1 2021 to Q1 2022. Two new residential developments started construction this year: **The Acorn on Person Street** and **Park City South Phase I**, which will add **106 units** and **336 units**, respectively. There are currently **1,456 total residential units under construction** in downtown and **5,535 additional planned or proposed units**.

Downtown Raleigh's office market is an attractive place for companies looking for amenities and Class A space. **Pendo** has officially moved into the **top five floors** at the new office tower **301 Hillsborough at Raleigh Crossing**, which delivered in late 2021 and held its official grand opening this April. There is currently **144,410 SF of new office space under construction at 400H** and approximately **1.7 million SF of additional office space planned or proposed** in the downtown market.

20+
DEVELOPMENTS
UNDER CONSTRUCTION
OR PLANNING TO
BREAK GROUND
In 2022

95.8%
RESIDENTIAL
OCCUPANCY¹
as of Q1

1,456
RESIDENTIAL
UNITS
under
construction

¹CoStar

After a record-breaking 57 new storefront business openings and expansions in 2021, the storefront economy in Downtown Raleigh is continuing to show signs of growth and recovery. There were **four openings and expansions in the first quarter** and three storefront business closings. Notable storefront openings in the first quarter include the **new 3,800 SF location for the Raleigh Wine Shop**, a **1,500 SF expansion** from their old location. **Dose Yoga + Smoothie Bar** opened in Q1 and is the first storefront to open at the Smoky Hollow development. **Four new businesses have already opened or expanded in early Q2**, making a total of **eight new businesses opened or expanded YTD**. There are **18 more businesses announced as “coming soon”** to downtown. The full list of business openings, closings, and coming soon can be found on page 11.

As 2022 started, downtown food & beverage sales showed signs of impact from the Omicron variant of COVID-19 prevalent in January. While gross sales in January were lower than December sales, January 2022 remained significantly up from January 2021 and February 2022 sales were quick to rebound to the previous pace of recovery. With current data, average monthly sales for the first quarter show an **increase of +59% in sales from Q1 2021 to Q1 2022**.¹ March sales data is not yet available for full quarterly results, though, pedestrian and parking data available for March indicate a continued uptick of economic activity in downtown with the return of warmer weather and major street events.

Across six downtown pedestrian counter locations, average daily pedestrian traffic in Q1 experienced a similar effect from the Omicron variant with an impact to foot traffic levels in January and early February. Pedestrian traffic in March showed increases with warmer weather and decline of COVID-19 cases. Overall for the quarter, pedestrian traffic was up **+63% from Q1 2021**.

Revenue from downtown hotel rooms has continued to trend upward this quarter with a **+4% increase from Q4 2021 to Q1 2022**.¹ The hotel market has seen significant increases from last year with a **+48% increase in hotel room revenue from Q2 2021 to Q1 2022**.^{1*}

Three significant commercial real estate sales closed in the first quarter, accounting for **\$41.8 million in downtown real estate investment**. This includes the closing of the **\$35.5 million sale** for the 4.9 acre site of the new Salisbury Square development that plans to break ground in May. There was also a **\$2.57 million sale** of the 0.17 acre property at 220 W Davie St in the Fayetteville Street District and a **\$3.76 million sale** of 2.6 acres near the intersection of N. West St. and W. Peace St. in Glenwood South.²

+59%
INCREASE

In food & beverage sales from Q1 2021¹

+63%
INCREASE

In pedestrian traffic from Q1 2021

+48%
INCREASE

In hotel room sales revenue from Q2 2021¹

144,410
CLASS A OFFICE SF

Under Construction in Q1

\$41.8
MILLION

In commercial real estate sales in Q1

¹Wake County Tax Administration, DRA

²Triangle Business Journal

*Hotel revenue data for downtown is not available for Q1 2021

DEVELOPMENT UPDATES:

Overall, there is **\$5.16 billion** of investment in the current Downtown Raleigh development pipeline. This includes **\$765 million** in projects completed since 2020, **\$642 million** in projects under construction, and **\$3.75 billion** in proposed or planned developments.

\$765
MILLION
Completed
(since 2020)

\$642
MILLION
Under Construction
as of Q1

\$3.75
BILLION
in Proposed/Planned
Developments

\$5.16
BILLION
in Completed, Under Construction,
and Planned Developments

There are currently **12 significant development projects under construction in downtown** which includes **1,456 new residential units, 144,410 SF of new office space, 147,270 SF of retail space, and 259 hotel rooms**. The residential developments **615 Peace** and **Seaboard Station Block B** are the next downtown developments expected to deliver. All **24 condos at 615 Peace have pre-sold** and Block B will be the first phase of the Seaboard Station development to deliver and includes **298 apartments**. These two projects combined will add **322 new residential units** to downtown this year.



615 Peace under construction in April 2022



Park City South Renderings
(Source: Merge Capital and JDavis Architects)

Construction progresses on several other downtown residential projects including **The Platform, 400H, Dukes at Cityview, The Acorn on Person Street, and Park City South**. This quarter, **The Acorn on Person Street** broke ground and includes **106 apartments** with a later phase to include **138 hotel rooms**. **Park City South Phase I** also started this quarter and borders the 308-acre Dorothea Dix Park. The development includes **336 apartments** and **28,500 SF of first-floor retail** space. There will be two more phases for this project that will include more apartments and a mix of office and retail space. Construction also continues at the dual-brand **Hilton Garden Inn / Homewood Suites** hotel in the Fayetteville Street District which will add **259 hotel rooms**. Other current development projects include renovations on the historic and prominent storefronts at **214 and 216 Fayetteville St.** Renovation is also underway of the former Oakwood Cafe space in the Capital District for the new restaurant **Longleaf Swine BBQ**.

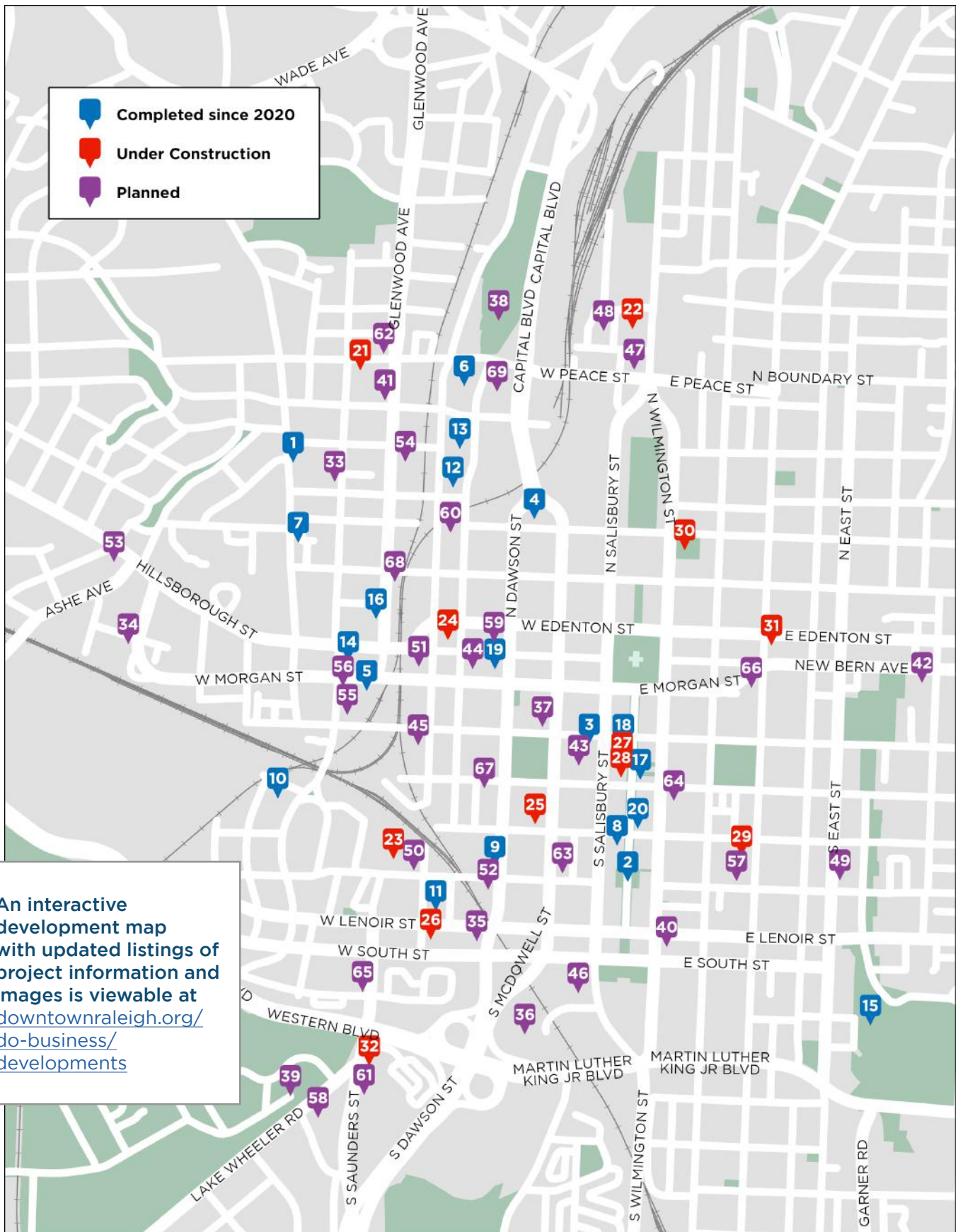
CONSTRUCTION HIGHLIGHT: 400H

400H started construction in late 2021 and is a 20-story mixed-use development with **242 residential units, 144,000 SF of office** space and **16,000 SF of retail** space. The project, located at 400 Hillsbrough St, will be the tallest building in the Glenwood South district when it completes in 2024.



Renderings of 400H

Q1 2022 DEVELOPMENT MAP



RECENTLY COMPLETED (SINCE 2020)					
#	NAME	Investment	SF	Units/Rooms	Type
2020					
1	CAMERON CREST	\$4,207,192	16,200 SF	6 units	Townhome
2	CITY PLAZA RENOVATION	\$3,100,000	N/A	N/A	Public Space
3	HARGETT WEST	\$4,000,000	25,500 SF	N/A	Office/Retail
4	LONGLEAF HOTEL	\$6,500,000	20,812 SF	56 rooms	Hotel/Retail
5	ORIGIN RALEIGH	\$22,702,726	71,794 SF	126 rooms	Hotel/Retail
6	PEACE (SMOKY HOLLOW PHASE I)	\$150,000,000	652,500 SF	417 units	Apartment/Retail
7	THE SAINT	\$23,000,000	53,199 SF	17 units	Townhome
8	SIR WALTER APARTMENTS (RENOVATION)	\$15,000,000	20,000 SF	18 new units	Apartment
9	SOUTH DAWSON RETAIL RENOVATIONS	\$471,857	9,746 SF	N/A	Retail
2021					
10	HEIGHTS HOUSE HOTEL	Not available	10,000 SF	9 rooms	Hotel
11	THE FAIRWEATHER	\$28,000,000	103,250 SF	45 units	Condo/Retail
12	THE LINE APARTMENTS (SMOKY HOLLOW)	\$95,000,000	271,589 Residential SF / 30,000 Retail SF	283 units	Apartment/Retail
13	421 N. HARRINGTON ST (SMOKY HOLLOW)	\$95,000,000	225,000 Office SF / 20,000 Retail SF	N/A	Office/Retail
14	TOWER TWO AT BLOC[83]	\$108,000,000	241,750 Office SF / 30,000 Retail SF	N/A	Office/Retail
15	JOHN CHAVIS MEMORIAL PARK IMPROVEMENTS	\$12,000,000	N/A	N/A	Public Space
16	AC HOTEL RALEIGH DOWNTOWN	\$25,000,000	88,454 Hotel SF / 3,860 SF Retail	147 rooms	Hotel
17	FIRST CITIZENS BANK BUILDING (RENOVATION)	\$9,000,000	N/A	N/A	Public Space
18	208 FAYETTEVILLE (RENOVATION)	Not available	18,000 Office SF / 9,000 Retail SF	N/A	Office/Retail
19	RALEIGH CROSSING PHASE I	\$160,000,000	287,252 Office SF / 12,100 Retail SF	N/A	Office/Retail
20	333 FAYETTEVILLE (RENOVATION)	\$750,000	N/A	N/A	Office
TOTALS:		\$764,631,775	840,948 Office SF / 196,838 Retail SF	786 units / 338 rooms	

UNDER CONSTRUCTION					
21	615 PEACE	\$7,000,000	30,300 Residential SF / 2,200 Retail SF	24 units	Condo/Retail
22	SEABOARD STATION BLOCK B	\$95,000,000	345,662 Residential SF / 30,000 Retail SF	298 units	Apartment/Retail
23	PLATFORM	Not announced	353,472 Residential SF / 26,740 Retail SF	442 units	Apartment
24	400H	\$175,000,000	144,410 Office SF / 16,935 Retail SF	242 units	Office/Apartment/Retail
25	HILTON GARDEN INN/HOMEWOOD SUITES	Not announced	260,890 SF	259 rooms	Hotel
26	DUKES AT CITYVIEW	Not announced	N/A	8 units	Townhome
27	214 FAYETTEVILLE (RENOVATION)	Not announced	31,206 Total SF	N/A	Retail
28	216 FAYETTEVILLE (RENOVATION)	Not announced	8,000 Retail SF / 17,000 Office SF	N/A	Retail
29	THE ACORN ON PERSON STREET	Not announced	N/A	106 units	Apartment
30	NC FREEDOM PARK	Not announced	N/A	N/A	Park
31	LONGLEAF SWINE (RENOVATION)	Not announced	1,879 SF	N/A	Retail
32	PARK CITY SOUTH PHASE I (*IN SITE PREP)	\$110,000,000	343,140 Residential SF / 28,500 Retail SF	336 units	Apartment/Retail
TOTALS:		\$641,500,000*	161,410 Office SF / 147,270 Retail SF	1,456 units / 259 rooms	

PLANNED & PROPOSED					
33	GLENWOOD SOUTH TOWNS	Not announced	30,993 SF	16 units	Townhome
34	865 MORGAN APARTMENTS	Not announced	438,856 SF	401 units	Apartment/Retail
35	320 WEST SOUTH	Not announced	351,394 SF	296 units	Apartment/Retail
36	CITY GATEWAY APARTMENTS (PHASE I)	Not announced	221,608 SF	286 units	Apartment/Retail
37	CIVIC CAMPUS PHASE I & II	Not announced	600,000 SF	N/A	Government
38	DEVEREUX MEADOW PARK	Est. \$16,000,000	N/A	N/A	Park
39	GIPSON PLAY PLAZA	Est. \$50,000,000	N/A	N/A	Park
40	HOME2 + TRU RALEIGH	Not announced	201,000 SF	190 rooms	Hotel
41	THE MADISON & 603 GLENWOOD	Not announced	114,000 Office SF / 12,000 Retail SF	200 units	Office/Apartment/Retail
42	NEW BERN AND SWAIN APARTMENTS	Not announced	47,518 SF	28 units	Residential
43	THE NEXUS	Not announced	1,500,000 SF	400 units / 264	Office/Apartment/Condo/Hotel/Retail
44	RALEIGH CROSSING PHASE 2	Not announced	Not announced	275 units	Apartment/Retail
45	RUS BUS (RALEIGH UNION STATION PHASE II)	\$200,000,000	50,000 Retail SF	320 units / 260	Transit/Apartment/Hotel/Retail
46	SALISBURY SQUARE (PHASE I & II)	\$300,000,000	175,000 SF	587 units	Office/Apartment/Retail
47	SEABOARD STATION BLOCK A	\$50,000,000	11,400 Retail SF	75 units / 149 rooms	Apartment/Hotel/Retail
48	SEABOARD STATION BLOCK C	\$125,000,000	56,000 Retail SF	220 units	Apartment/Retail
49	TRANSFER CO. FOOD HALL PHASE II	Not announced	8,200 SF	N/A	Office/Retail
50	WEST CABARRUS WAREHOUSES PHASE II	Not announced	289,261 Office SF / 14,306 Retail SF	N/A	Office/Retail
51	501 HILLSBOROUGH	Not announced	166,166 SF	233 units	Apartment/Retail
52	301 WEST CABARRUS	Not announced	N/A	184 units	Apartment
53	1317 HILLSBOROUGH	Not announced	13,268 Retail SF	16 units	Apartment/Retail
54	THE CREAMERY	Not announced	976,000 SF across 3 buildings	261 units	Office/Apartment/Retail
55	BLOOMSBURY MIXED USE	Not announced	3,700 Retail SF / 132,132 Residential SF	135 units	Apartment/Retail
56	TOWER THREE AT BLOC[83]	Not announced	277,500 Office SF / 7,500 Retail SF	N/A	Office/Retail
57	MARIOTT TOWNEPLACE SUITES	Not announced	N/A	138 rooms	Hotel
58	HAMMELL DR. DIX PARK DEVELOPMENT	\$600,000,000	Not announced	600+ units	Apartment
59	KIMPTON	Not announced	7,698 Retail SF	350 units / 179	Apartment/Hotel/Retail
60	ALEXAN GLENWOOD SOUTH	Not announced	N/A	187 units	Apartment
61	PARK CITY SOUTH PHASE II	Not announced	1,500 Retail SF	375 units	Apartment/Retail
62	THE YARD	\$1,100,000	14,000 Retail SF	N/A	Retail

63-69 ADDITIONAL PLANNED & PROPOSED PROJECTS CAN BE FOUND AT downtownraleigh.org/do-business/developments

TOTALS: ** **\$3,746,976,737*** **1,701,136 Office SF / 238,279 Retail SF** **5,535 units / 1,489 rooms**
6,625,987 Total SF

*Totals based on investment estimates
 **Totals for Planned & Proposed projects include projects not listed in table. See website for full list of these projects.

MARKET HIGHLIGHTS OFFICE



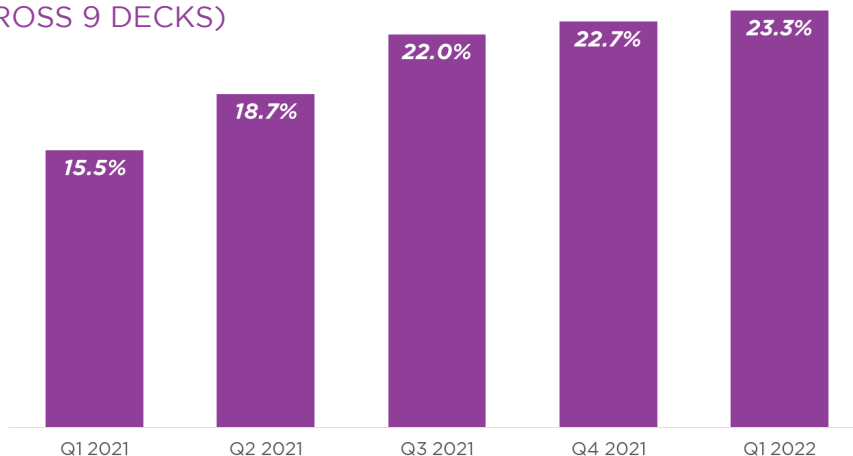
Rendering of the new mixed-use tower 400H

After three major office development deliveries in 2021, Downtown Raleigh is seeing increasing leasing activity and interest in its new Class A inventory. The national law firm Nelson Mullins recently leased the entire 14th floor (**26,300 SF**) of **301 Hillsborough at Raleigh Crossing**. They are joining Pendo, which occupies the top five floors of this new office tower. **Class A net absorption YTD is 169,394 SF** as the downtown office market remains an attractive place for companies looking for Class A space and amenities to attract workers to the office.¹ There is currently **144,410 SF of Class A office space under construction at 400H** and 1.7 million SF of planned or proposed office space.

+ PERFORMANCE INDICATOR: PARKING DECK OCCUPANCY³

Parking deck occupancy across the nine City of Raleigh downtown parking decks has been steadily increasing since the beginning of 2021. There has been a **50% increase from Q1 2021 to Q1 2022**. This is one indicator of workers returning to downtown offices.

AVERAGE DAILY PARKING DECK OCCUPANCY (ACROSS 9 DECKS)



DOWNTOWN RALEIGH Q1 2022 MARKET REPORT

OFFICE MARKET Q1 2022

Average Rent PSF
(Class A)¹

\$38.28

Average Rent PSF
(Total)¹

\$36.61

Class A Office
Net Absorption
YTD¹

+169,394 SF

Office SF
delivered in 2021²

754,002 SF

+50%

Increase in
Parking Deck
Occupancy³
FROM Q1 2021
TO Q1 2022

**#1 BEST CITY TO
LIVE IN FOR
YOUNG
PROFESSIONALS**

*GOBankingRates
February 2022*

**#1 BEST CITY
FOR WORKING
WOMEN**

*Apartment List and
Fishbowl March 2022*

¹JLL

²DRA

³City of Raleigh Parking,
DRA

MARKET HIGHLIGHTS RESIDENTIAL



Rendering of The Acorn on Person Street (Source: Cline Design)

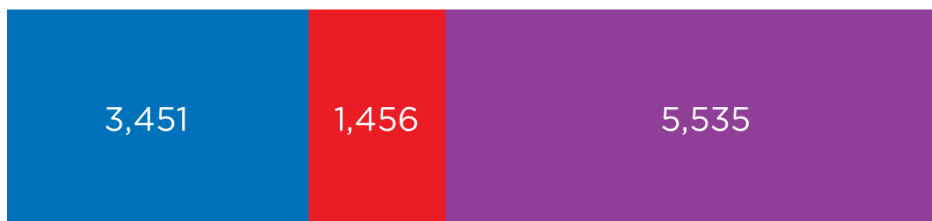
Downtown is an attractive destination for residents as Raleigh continues to see an increase in population and the Raleigh market has been named one of the hottest housing markets in the U.S. This can be seen in downtown with a high **95.8% multifamily occupancy** in the first quarter. Demand for downtown units continues to increase and there are currently **1,456 units under construction** across several downtown projects which will help meet this increased demand. Additionally, there is continued interest in downtown condos. The newest condo project, **615 Peace**, has pre-sold all 24 of its condos and is expected to deliver this fall. **The Fairweather**, the first urban condominium project in Downtown Raleigh since the 2008 recession, which completed in 2021, has also sold all 45 of its condo units.

The Acorn at Person Street and **Park City South** both began construction in Q1. The Acorn is in the Moore Square District and will have **106 new apartments** and a later phase of the project will include a Marriott hotel. Park City South will have **336 apartments** and borders Dorothea Dix Park. Construction is still underway on residential projects at **Seaboard Station Block B**, **Platform**, **400H**, and **Dukes at Cityview**.

DOWNTOWN RESIDENTIAL PIPELINE: HOUSING UNITS

Completed since 2015

Planned & Proposed



Under Construction

RESIDENTIAL MARKET Q1 2022

Occupancy¹
95.8%

Effective rent
per SF¹
\$2.32

Units under
construction²
1,456

322 in Q1 2021

Increase in units
under construction
from Q1 2021
to Q1 2022²
+78%

Units completed
since 2015²
3,451

¹CoStar

²DRA

#2 SOUTH'S BEST CITY ON THE RISE 2022

Raleigh
Southern Living
March 2022

#3 HOTTEST HOUSING MARKET IN THE U.S.

Raleigh
Zillow
January 2022

MARKET HIGHLIGHTS STOREFRONT

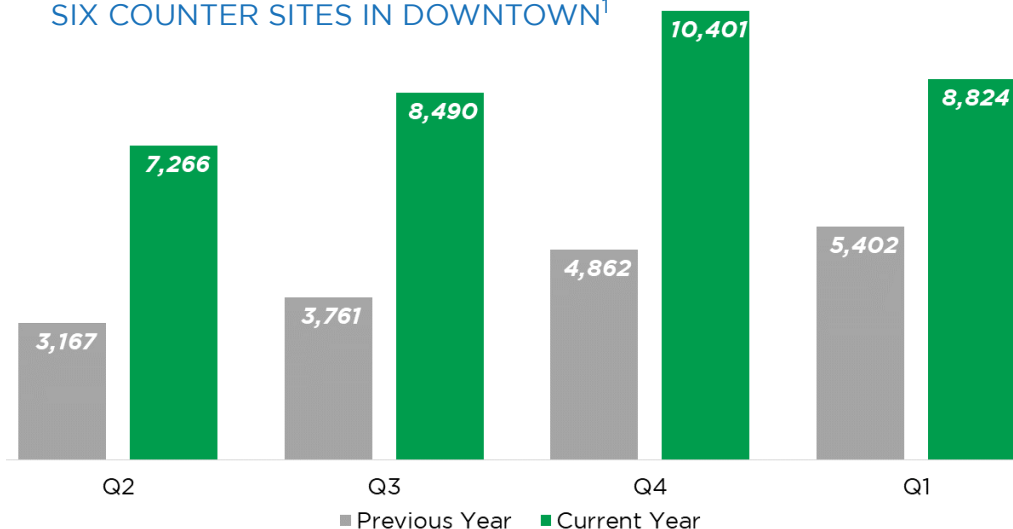


Dose Yoga + Smoothie Bar at Smoky Hollow

The storefront economy was impacted early in the first quarter with the Omicron variant, however, it gained momentum with new business openings and pedestrian traffic later in the quarter. There were **four new storefront openings or expansions** in the first quarter and four additional storefront businesses opened or expanded in early April, making a total of **eight new storefront businesses opened or expanded so far in 2022**. There were three business closings in the first quarter for a **net of one new storefront business**. There are currently **18 new businesses announced as coming soon**.

In the first quarter, **Dose Yoga + Smoothie Bar** opened as the first storefront business in the Smoky Hollow development, which includes The Line Apartments and the 421 N. Harrington office building. There are an additional **five new businesses** announced for Smoky Hollow that are in the process of upfitting their spaces.

+ PERFORMANCE INDICATOR: PEDESTRIAN DATA AVERAGE DAILY COMBINED COUNT ACROSS SIX COUNTER SITES IN DOWNTOWN¹



DOWNTOWN RALEIGH Q1 2022 MARKET REPORT

RETAIL MARKET Q1 2022

Retail SF
under construction
147,270 SF

New storefront
business
openings &
expansions (Q1)
4

New storefront
businesses YTD for
2022
8

#1 BEST CITY
TO START A
BUSINESS
Raleigh
LendingTree 2021

¹DRA

+63%
INCREASE
FROM
Q1 2021

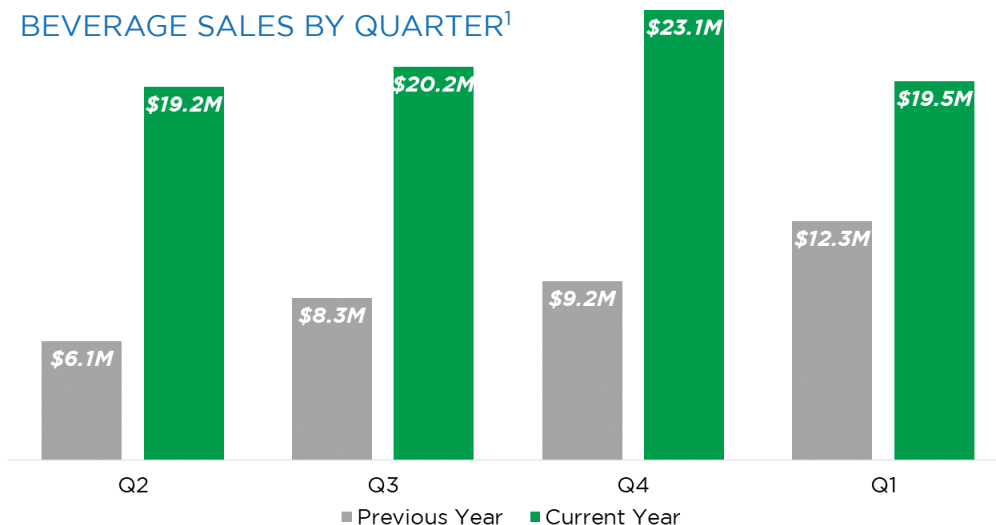
MARKET HIGHLIGHTS STOREFRONT



Inside the new Raleigh Wine Shop in Downtown Raleigh

Downtown food & beverage sales increased throughout 2021, but saw a small pause in recovery in early 2022 when the Omicron variant of COVID-19 was more prevalent. As case numbers have gone down, sales have already started to increase again. Even with the impact of this latest variant, most of **downtown still had sales above pre-pandemic levels** (in 2019). Additionally, Q1 2022 had a **+59% increase in sales from Q1 2021 to Q1 2022**.

+ PERFORMANCE INDICATOR: AVERAGE MONTHLY FOOD AND BEVERAGE SALES BY QUARTER¹



DOWNTOWN RALEIGH Q1 2022 MARKET REPORT

RETAIL MARKET Q1 2022

Average monthly food & beverage sales in Q1¹

\$19.5 MILLION

\$12.3 Million in Q1 2021

Restaurants & bars in downtown with outdoor seating

160+

Craft breweries & distilleries in downtown

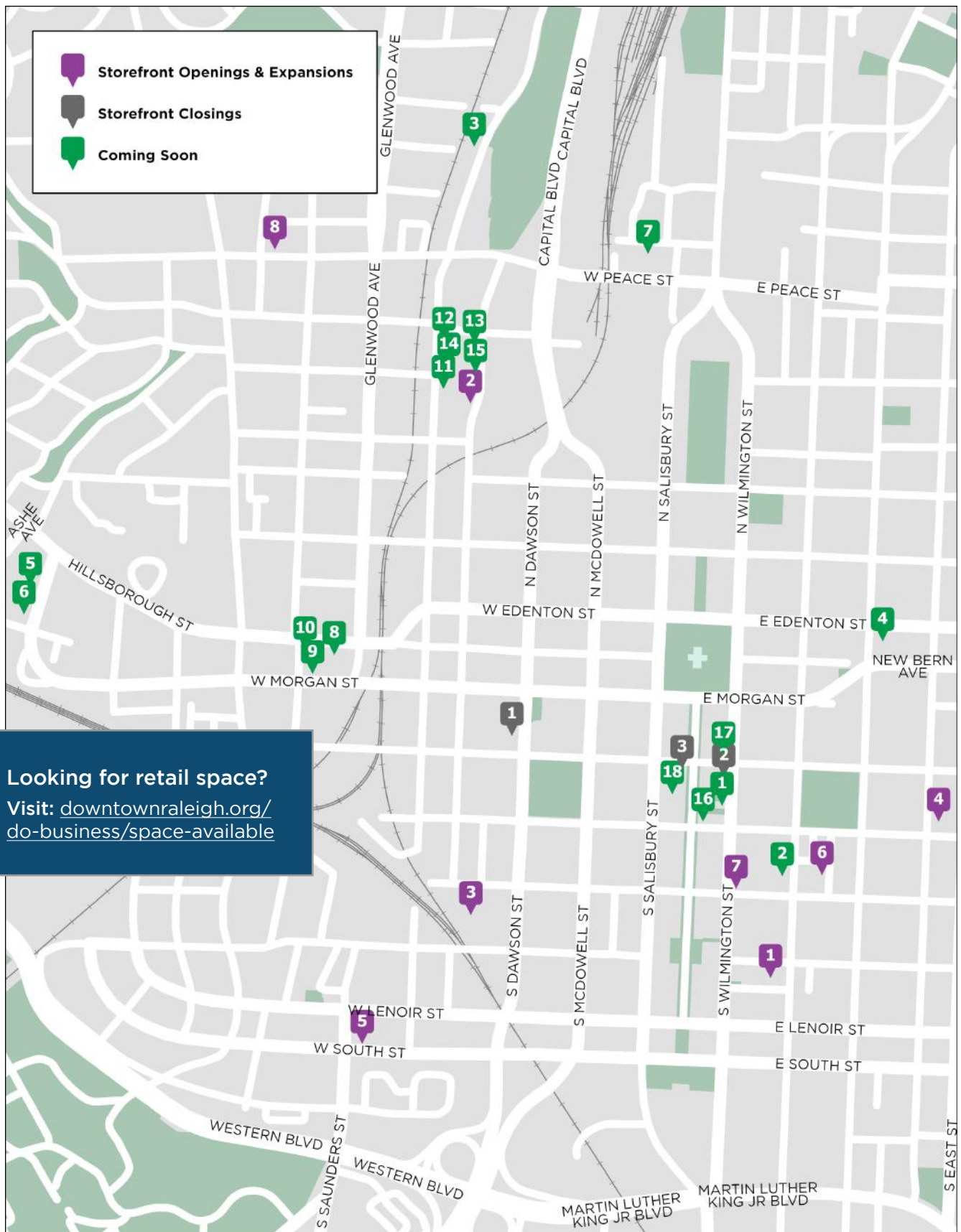
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¹Wake County Tax Administration, DRA

+59% INCREASE FROM Q1 2021

^{*}March sales data is not available so Q1 2022 data is incomplete

Q1 2022 STOREFRONT ACTIVITY



Looking for retail space?
Visit: [downtownraleigh.org/
do-business/space-available](https://downtownraleigh.org/do-business/space-available)

Q1 2022 STOREFRONT BUSINESS ACTIVITY

#	Business Openings in Q1	Type	Date
1	CrossFit Serve (Relocation/Expansion)	Service	January 2022
2	Dose Yoga and Smoothie Bar	Service	February 2022
3	The Venue	Restaurant/Bar	March 2022
4	Raleigh Wine Shop (Relocation/Expansion)	Retail/Bar	March 2022
Early Q2 Openings			
5	Vault Craft Beer	Bar/Taproom	April 2022
6	Copperline Plants	Retail	April 2022
7	9Round	Service	April 2022
8	Urban Pothos (Expansion)	Retail	April 2022
Business Closings in Q1			
1	Retro Modern Furnishings	Retail	February 2022
2	Anne's Apothecary	Retail	February 2022
3	CVS	Retail	March 2022
Coming Soon			
1	Amitie Macarons	Restaurant/Retail	2022
2	El Toro Loco Taqueria	Restaurant	2022
3	Rainbow Luncheonette	Restaurant	2022
4	Longleaf Swine	Restaurant	2022
5	Soul Taco	Restaurant	2022
6	Jew Fro	Restaurant	2022
7	Tacos El Patron 323	Restaurant	2022
8	321 Coffee	Restaurant	2022
9	YogaSix	Service	2022
10	First Watch	Restaurant	2022
11	Raleigh Midwood Smokehouse	Restaurant	2022
12	J Lights Market & Cafe	Restaurant	2022
13	Madre	Restaurant	2022
14	MilkLab	Restaurant	2022
15	The Crunkleton	Bar	2022
16	CrossFit Serve (Second Location)	Service	2022
17	The Vintage Co-op	Retail	2022
18	Original Selfie Museum	Experiential	2022

DOSE



THE *V*ENUE *Raleigh*



CROSSFIT
GALLERY



DOWNTOWN RALEIGH ALLIANCE'S STOREFRONT UPFIT GRANT

Downtown Raleigh Alliance has awarded **six businesses** with grant funds from the Storefront Upfit Grant program in 2022. A total of **\$42,500 was awarded** in this grant cycle to **Nashona, TG Floristry, Gathering Gallery, The Raleigh Wine Shop, Hartwell, and The Original Selfie Museum**. DRA launched this program in July 2021 to support business owners with upfit costs to start their business.

The program offers reimbursement grants at tiers of up to \$7,500, \$5,000, and \$2,500. Businesses that are 50% or more Minority-or-Woman-owned may apply for an additional \$2,500 in funding. The maximum funding available per eligible business is \$10,000. The next round of the Storefront Upfit Grant will be in Summer 2022. Learn more about the program at the following link:

downtownraleigh.org/do-business/incentives-and-business-resources/storefront-upfit-grant

MARKET HIGHLIGHTS

HOTEL & TOURISM



Dreamville 2022 brought in 80,000 visitors to Dorothea Dix Park April 1st-3rd (Photo: Garret Poulos and VisitRaleigh.com)

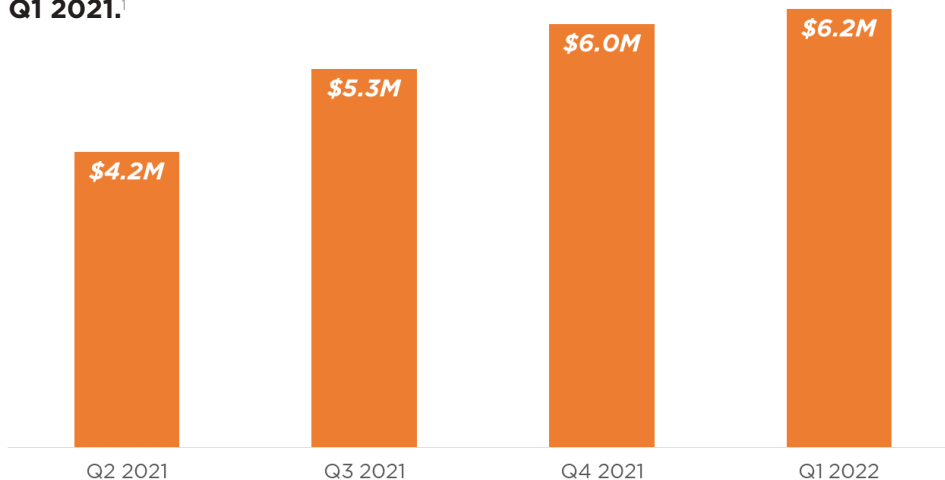
There were **156 new hotel rooms** added in 2021 and there are **259 rooms currently under construction** at the dual-brand Hilton Garden Inn / Homewood Suites hotel in the Fayetteville Street District. These rooms will be within immediate walking distance of the Raleigh Convention Center. Downtown Raleigh currently has over 1,600 hotel rooms, with 338 rooms built since 2020.

The City of Raleigh has resumed the process towards issuing a request for proposals from developers to build a **500-room, full-service hotel by the convention center**. This would be downtown's largest ever single hotel project and would help support the convention center and other major downtown events.

+ PERFORMANCE INDICATOR:

DOWNTOWN RALEIGH HOTEL ROOM SALES¹

In Q1, the average monthly hotel room sales revenue was **\$6.2 million** for Downtown Raleigh which is a **+4% increase from Q4** and a **48% increase from Q1 2021**.¹



DOWNTOWN RALEIGH Q1 2022 MARKET REPORT

HOTEL + TOURISM MARKET Q1 2022

259
hotel rooms
under
construction

1,600+
existing hotel
rooms in
downtown

156
new hotel
rooms added
in 2021

+48%
Increase in
average monthly
hotel room sales
revenue
**Q2 2021 TO
Q1 2022**¹

¹Wake County
Tax Administration, DRA

#1 MOST
AFFORDABLE
SOUTHERN
CITY FOR
2022 FAMILY
VACATION
Southern Living

NEWS & EVENTS

DREAMVILLE FESTIVAL 2022

Hip-hop artist J.Cole held his annual Dreamville music festival. The 2-day festival drew **80,000 visitors** to Dorothea Dix Park **from all 50 states**. The festival featured popular artists like Lil Wayne, Kehlani, Lil Baby, T-Pain, and many more. This was the first time Dreamville has been held since 2019 and was another major success for Downtown Raleigh.



Dreamville Festival 2022
(Photos: Garret Poulos and VisitRaleigh.com)

RFP FOR MOORE SQUARE EAST AND MOORE SQUARE SOUTH

The City of Raleigh is requesting proposals for the redevelopment of two city-owned sites by Moore Square. These two sites are called **Moore Square East** and **Moore Square South**. Moore Square East is located at 215 Person St. and also has frontage on Bloodworth St. Proposals for this site must include **affordable housing** in the plan, but can also include market-rate units. Moore Square South is located at 228-230 E. Martin St. in the parking lot adjacent to City Market. Proposals for this site do not need to include affordable units, however, they can be included. Proposals for the Moore Square South site must also incorporate the historic c.1915 Esso station that is currently located in that lot. The City prefers development plans that **compliment Moore Square and the historic structure of City Market**. Proposals are due June 27th and the City plans to choose the developer(s) in August.

CITY EXPLORING CONVENTION CENTER HOTEL AND TOWER

The City of Raleigh has resumed the process towards issuing a request for proposals (RFP) for two city-owned sites near the Convention Center and the Duke Energy Center for Performing Arts. JLL led a study on plans for these two lots in 2020, but plans were put on hold due to the pandemic. JLL previously recommended one hotel tower and one office tower, but due to changes in the market, the City is now exploring an addition of residential to the mixed-use tower on the second site. Both sites are around 1 acre and are zoned for 40 stories. This would be the largest hotel in Downtown Raleigh and would better support events at the convention center. Previously, the city designated \$30 million for the hotel, and \$230 million for the convention center expansion. This amount may change and will be determined as project discussions continue.



Former recommended site plan
from JLL and City of Raleigh

+500
new downtown hotel rooms

DOWNTOWN DEMOGRAPHICS¹



12,000+

Resident
Population

48,000

Downtown
Employees

32.9

Median Age

\$85,871

Average
Household
Income

60%

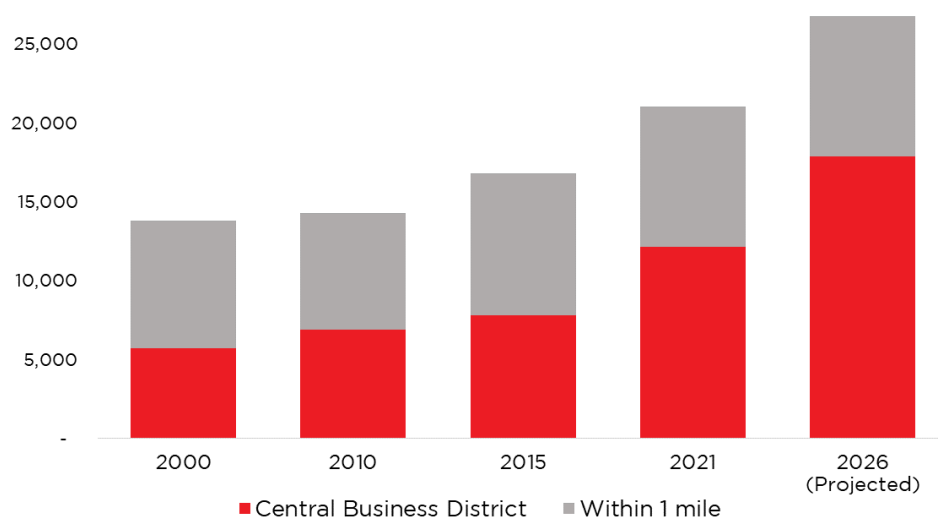
Bachelor's
Degree or
Higher

40%

Of population
between ages
20-34

¹ESRI, DRA

DOWNTOWN POPULATION GROWTH [2000-2026]



DOWNTOWN POPULATION BY AGE

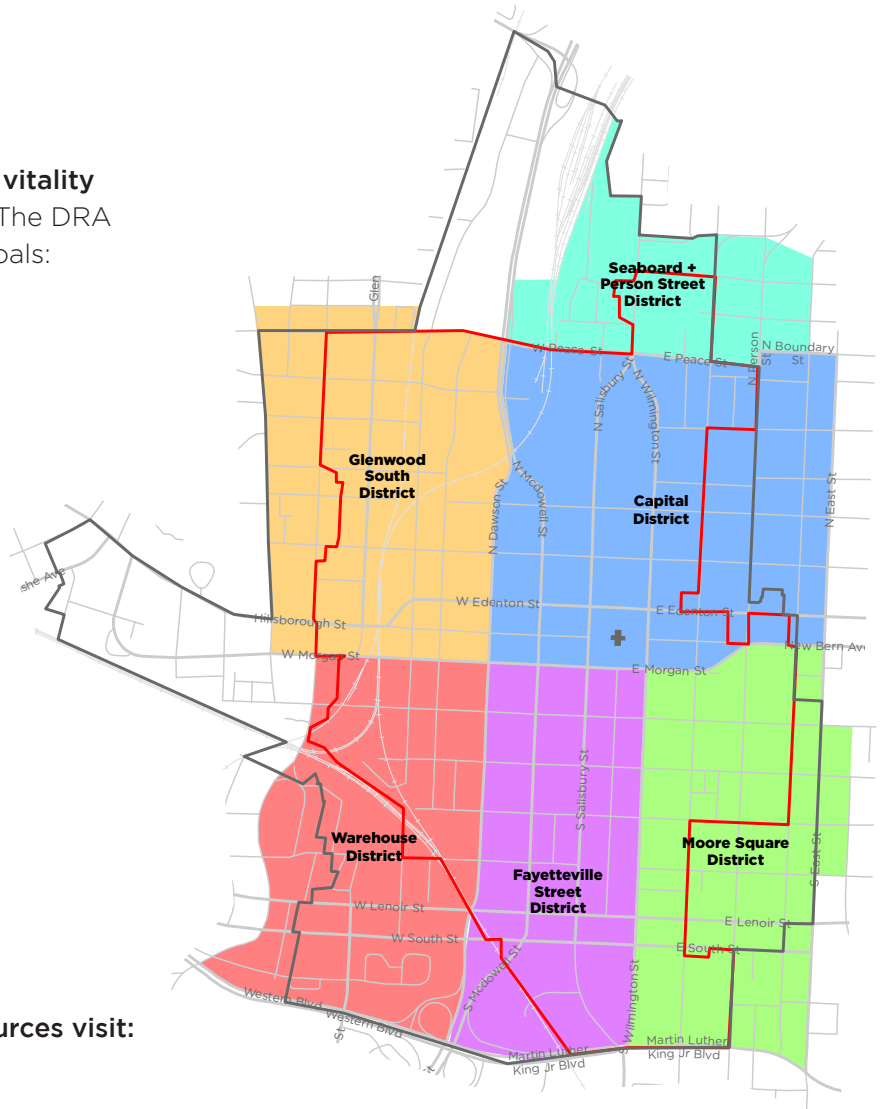




ABOUT DOWNTOWN RALEIGH ALLIANCE (DRA)

- 1 Building a culture of authentic engagement and inclusion with Downtown's diverse community;
- 2 Fostering a thriving and diverse storefront economy;
- 3 Facilitating strategic partnerships to produce positive, balanced activations across Downtown;
- 4 Improving physical connectivity and accessibility within and around Downtown;
- 5 Positioning the DRA as a reliable, responsive, representative, and mission-directed.

For additional information and resources visit:
downtownraleigh.org/do-business



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— Downtown Municipal Service District (MSD)



Photo by Patrick Maxwell



DowntownRaleigh
Alliance