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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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BRIEFING: COUNTYWIDE RETAIL MARKET ASSESSMENT

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INTRODUCTION

Retail is a major economic sector and a building block of Complete Communities in Montgomery County, supporting nearly 70,000 jobs and occupying approximately 37.7 million square feet of real estate. Stores, restaurants, and services meet everyday needs and help animate public spaces. In 2025, Montgomery Planning commissioned an update to the 2017 Retail Market Strategy Study to respond to changes in the retail market following the COVID-19 pandemic, including accelerated e-commerce, hybrid work, new food-service models, greater demand for experiences and gathering places, and stronger regional competition.

This updated report, prepared by Econsult Solutions, Inc. (ESI) and The Riddle Company, assesses the state of the market with these challenges in mind. It examines supply and demand across 12 submarkets and along key commercial corridors, provides an assessment of development and consumer trends, and considers the impact of regulatory barriers. The goal of the assessment is to provide refreshed data and new findings to inform master plans, development review, economic-development policy, and implementation of the complete communities and corridors envisioned in *Thrive Montgomery 2050*. This document provides a summary of key findings from the assessment and implications for master plans underway.

MARKET OUTLOOK

Overall, Montgomery County's retail market remains stable, but it has entered a more mature phase. High household incomes and substantial consumer spending support a retail market that is strong by

regional and national standards. However, the projected slowing rates of population growth and changes in consumer behavior mean that significant expansion of the retail supply in the future is unlikely. Developers delivered around 2.5 million square feet of retail space from 2015 through 2025, while nearly the same amount was demolished—a plateau in total supply likely to persist over the next decade. Where the county experienced strong retail growth in both suburban greenfields and urban centers in past cycles, future investment will likely be more incremental and place-specific: renovating or repositioning existing centers, reconfiguring storefronts and adding outparcels, replacing obsolete space, and incorporating retail into mixed-use projects in select submarkets.

MAJOR FINDINGS

1. Retail opportunity depends on the submarket

Countywide averages conceal substantial differences in rents, demand, access, building quality, and redevelopment feasibility. For example, Bethesda Row achieves rents near or above $100 per square foot for prime small spaces, while average centers in parts of East County may achieve less than $15 per square foot. West County centers such as Cabin John Village and Potomac Place report less than 3% vacant space, while vacancy rates in nearby Friendship Heights have climbed above 25% following the closure of large-format stores. Long-term vacancies persist in the Woodmont Triangle area of Downtown Bethesda as property owners consider redevelopment, while obsolete retail spaces sit vacant in other areas where low rents do not support reinvestment. This market assessment emphasizes the varied economic conditions across Montgomery County and promotes a place-based lens for retail planning and policy.

Urban nodes in Bethesda, North Bethesda, and Downtown Silver Spring offer the strongest opportunities for new retail within large-scale and mixed-use development. High incomes and tight supply support the performance of established centers in West County, although limited population growth favors preservation, reinvestment, and smaller additions at selected locations. In Wheaton/Glenmont, parts of East County, and other lower-density corridors and activity centers, lower achievable rents constrain major reinvestment and redevelopment despite continued demand for existing businesses. This assessment highlights the importance of realistic, unique plans for each retail node rather than applying one model across the county.

2. Existing retail space requires active stewardship

Older neighborhood and strip centers provide comparatively affordable space for local, immigrant-owned, and community-serving businesses. Some remain well occupied and meet daily needs but earn too little rent to finance renovations needed to maintain properties in a state of good repair. Without workable sources of reinvestment, physical conditions can decline even where tenant and customer demand hold steady.

These spaces and the businesses occupying them have intangible community value beyond their tangible economic value. This assessment builds on Montgomery Planning's Retail in Diverse Communities study, which identified diverse retailers that serve as economic drivers, community anchors, and informal support networks for immigrant populations and communities of color.

Active stewardship of these important spaces begins with support for routine maintenance and targeted improvements to storefronts, signage, circulation, pedestrian connections, and shared public areas. Small-business assistance, leasing guidance, and access to capital address the needs of tenants alongside the physical needs of the property. Flexible zoning and permitting can introduce active uses and innovative business models into buildings that no longer meet conventional retail demand.

Other properties demand a different course. Freestanding department stores and select discount department stores face increasing risk of obsolescence, while long-term leases, anchor-tenant covenants, and financing terms may control the timing and range of options available to owners. When reuse is impractical, phased redevelopment, subdivision of large sites, and right-sizing demolitions can reposition these properties for housing, retail, services, and public space. Financial incentives may be necessary to support these transitions.

3. Retail is changing in both use and form

The COVID-19 pandemic accelerated technological and economic trends in retail. E-commerce accounted for 16.4% of national retail sales in 2025, and online sales continue to take a greater share of total retail sales. Physical stores increasingly function as showrooms, service locations, pickup points, and nodes in a broader distribution network. Omnichannel operations and buy-online-pick-up-in-store service require staging areas, short-term parking, and direct curb access. These requirements affect site circulation and street operations even as stores shrink their sales floors.

Hybrid work has also changed when and where people shop. Flexible schedules have increased weekday trips for groceries and daily needs, while lower office occupancy has reduced the dependable five-day customer base in some employment centers. Retailers now favor “seven days a week” locations that draw from residents, workers, and visitors. Dense residential areas and mixed-use districts remain attractive because they can support activity across more hours of the day and week, while neighborhood centers have benefitted from a greater number of smaller-volume trips.

These trends, which younger generations of consumers have more intensely adopted, point to a changing composition of retail—away from traditional durable goods and toward consumables and services. Spending on groceries and dining accounts for around half of projected growth in household retail spending through 2030. Grocery stores remain important anchors for neighborhood centers, while smaller formats and pickup services create additional options for existing storefronts and mixed-use projects. Fast-casual and counter-service restaurants, international cuisine, prepared foods, and digital ordering are expanding alongside conventional full-service dining. Restaurants increasingly treat food as entertainment through open kitchens, tastings, events, and other social experiences. Their smaller footprints can fit into existing storefronts, but successful operation still depends on ventilation, loading, waste handling, pickup space, and convenient automotive and multimodal access.

Health and wellness, personal services, pet care, medical services, fitness, and entertainment are also occupying space once associated with merchandise retail—but often face challenges in zoning and permitting. These uses benefit from the visibility and access prized by traditional retailers and can generate repeat visits that support surrounding businesses. While they can present design challenges

such as blank walls or window screening, they also diversify the demand drivers for retail centers. Pop-ups, rotating events, outdoor dining, and programmed public spaces extend activity beyond individual storefronts and help retail centers compete with online shopping and regional destinations. Once seen as experimental, placemaking is now central to retail strategies.

As these trends dovetail with planning priorities and limited land availability, a growing share of new retail space is expected to be delivered through mixed-use residential development. Montgomery Planning's Mixed-Use Development Trends study found that mixed-use projects accounted for nearly half of the commercial and multifamily space delivered in the 2010s and approached 60% of the approved development pipeline, mostly in residential projects with ground-floor retail. This retail market assessment finds the same pattern: While retail in mixed-use formats comprises less than five percent of total countywide supply, it accounted for nearly one-quarter of the retail space delivered since 2015. The assessment finds that higher-density mixed-use development is financially viable only in selected submarkets. Separate Montgomery Planning analysis of the slowdown in apartment permitting raises an additional concern about the future delivery of retail space within residential projects. Together, these findings suggest a need for policy alignment and expanded incentives to promote mixed-use development.

COUNTYWIDE POLICY DIRECTION

1. Plan for distinct retail types

Planning for unique space types can focus retail toward locations with sufficient demand, visibility, access, and surrounding activity. Destination districts, mixed-use centers, neighborhood centers, corridor nodes, and large-format retail sites need different approaches suited to their demand and operational characteristics. One-size-fits-all does not work in retail.

Plans that envision transformation of retail spaces can benefit from the individualized approach advocated in this retail market assessment. At major redevelopment sites, retail space can be sized and phased around new housing and the surrounding customer base, with attention to competition from established commercial centers. Along commercial corridors, the findings favor strengthening established retail nodes and improving connections to nearby transit and neighborhoods, with the amount and form of new retail determined by conditions at each node.

This approach allows plans to recognize preservation and reinvestment as appropriate outcomes in lower-rent markets while enabling new supply where redevelopment is viable. Ground-floor retail requirements warrant caution: Strong urban nodes may support continuous storefronts, while other locations may perform better with more concentrated retail frontages and a broader range of active uses, while others may not be able to support new retail at all.

2. Prioritize existing centers and businesses

County policy can balance redevelopment with reinvestment tools and support for businesses, such as façade and site improvements, small-business assistance, shared-parking strategies, flexible phasing, and relocation or retention measures where affordable commercial space is at risk. Properties approaching functional obsolescence may require adaptive reuse, partial demolition, or

phased redevelopment—but improvements to existing low-cost spaces should be considered contributive to supply and the overall health of the retail market.

3. Connect planning to retail operations

Land use and development review decisions directly affect deliveries, customer pickup, parking, signage, outdoor dining, ventilation, waste management, and other factors critical to retail success. These operational requirements must be considered when sites are planned and buildings are designed. Montgomery Planning's Urban Loading and Delivery Management Study documents the conflicts created when loading facilities and curb regulations no longer fit current delivery patterns. Its recommendations for loading-management districts, revised off-street standards, loading plans, and curb management provide an existing implementation framework for the operational changes described in this assessment.

Flexible zoning and permitting can also help older properties respond to changing demand, from accommodating temporary uses to permitting a broader mix of service and medical uses, subdividing oversized storefronts and adding outparcels, and allowing housing where it can support reinvestment. Efficient approvals matter because retailers and developers compare Montgomery County with other regional jurisdictions when selecting locations.

Together, these planning and policy directions point to a place-based agenda for a mature retail market: maintain useful space, direct new construction toward viable locations, enable adaptation.

Implications for current planning work

Findings from this assessment are particularly relevant for four areas with active or upcoming master plans.

Wheaton

The assessment focuses on Wheaton together with Glenmont given similar conditions, demographics, and Red Line access. Its findings will inform aspects of the Wheaton Plan, where the plan area is comprised of two distinct retail markets: a fine-grained cluster of small businesses with international flavor in the Wheaton Arts & Entertainment District, and the Westfield Wheaton regional mall.

Half of the retail supply in the assessment's Wheaton/Glenmont submarket comes in the form of neighborhood centers and urban storefronts, often beset by difficult economics in a submarket where population and household counts are projected to remain nearly flat. Local business face challenges from federal immigration and workforce conditions, while building owners struggle to generate rents sufficient for ongoing maintenance and improvement. The assessment finds a district with a unique identity to leverage, but with threats of disinvestment indicated by rent trends, the physical condition of buildings, and divided property ownership.

Westfield Wheaton, meanwhile, comprises the other half of the submarket's 2.9 million square feet of retail. The mall remains well-occupied despite broader trends away from enclosed malls putting pressure on the property as a financial asset; the Wheaton Plan may consider a range of futures for the site as it exits recapitalization.

The retail assessment findings suggest an emphasis on reinvestment in aging neighborhood centers, support for local businesses, and preparation for the mall's long-term evolution. Current conditions support continued demand for existing business but provide limited potential for broad expansion. Select transit-oriented and underused sites, however, could support additional retail as part of mixed-use development over time in the right locations.

Friendship Heights

Headline vacancy rates above 25% reflect the transition of large opportunity sites, such as the Saks Fifth Avenue location on Wisconsin Avenue, which offer potential to reposition the district around mixed-use development and a broader retail mix. The broader Bethesda/Chevy Chase/North Bethesda submarket remains one of the county's strongest—capturing nearly one-third of retail space delivered since 2015—and new Friendship Heights storefronts achieve rents near the top of the countywide range.

This retail assessment reinforces the Friendship Heights Sector Plan's focus on opportunity sites and district connectivity with an important market qualification: The transition from its former department-store model to a submarket of smaller-format stores, food and beverage, personal services, and daily-needs businesses will depend on a growing customer base, multimodal access and pedestrian connections across the plan area, and support for redevelopment of the opportunity sites.

Germantown

The retail study finds that existing big-box stores, supermarkets, and neighborhood centers can meet near-term demand. Further retail development will depend on the volume, pace, and location of housing development. The clearest opportunities for expanded retail in the Germantown submarket lie in daily-needs services and a broader range of full-service dining, including a limited number of higher-price options. Given the limited availability of transit, automobile access is still very important to retailers in the Upcounty market. Walkable mixed-use nodes remain appropriate at planned growth sites.

The Germantown Sector Plan Amendment revisits a 2009 vision built around office growth, major transit investment, and dense mixed-use development that developed more slowly than anticipated. Additional submarket-specific findings from the retail assessment reinforce the importance of phasing. Near-term planning can focus retail in a limited number of visible, accessible hubs. Additional storefront space will become viable as housing and activity are delivered.

Kensington

Independent restaurants, antiques, specialty shops, and historic character combine to create a unique and stable retail submarket where limited projected population growth and nearby competition constrain the market for major new retail. The near future for Kensington's retail will extend the small, food-oriented additions embodied by Knowles Station and Crossroads at Kensington.

The assessment promotes a continued emphasis on adaptive reuse of commercial and industrial buildings for food, beverage, personal services, and specialty retail in future planning efforts. Better

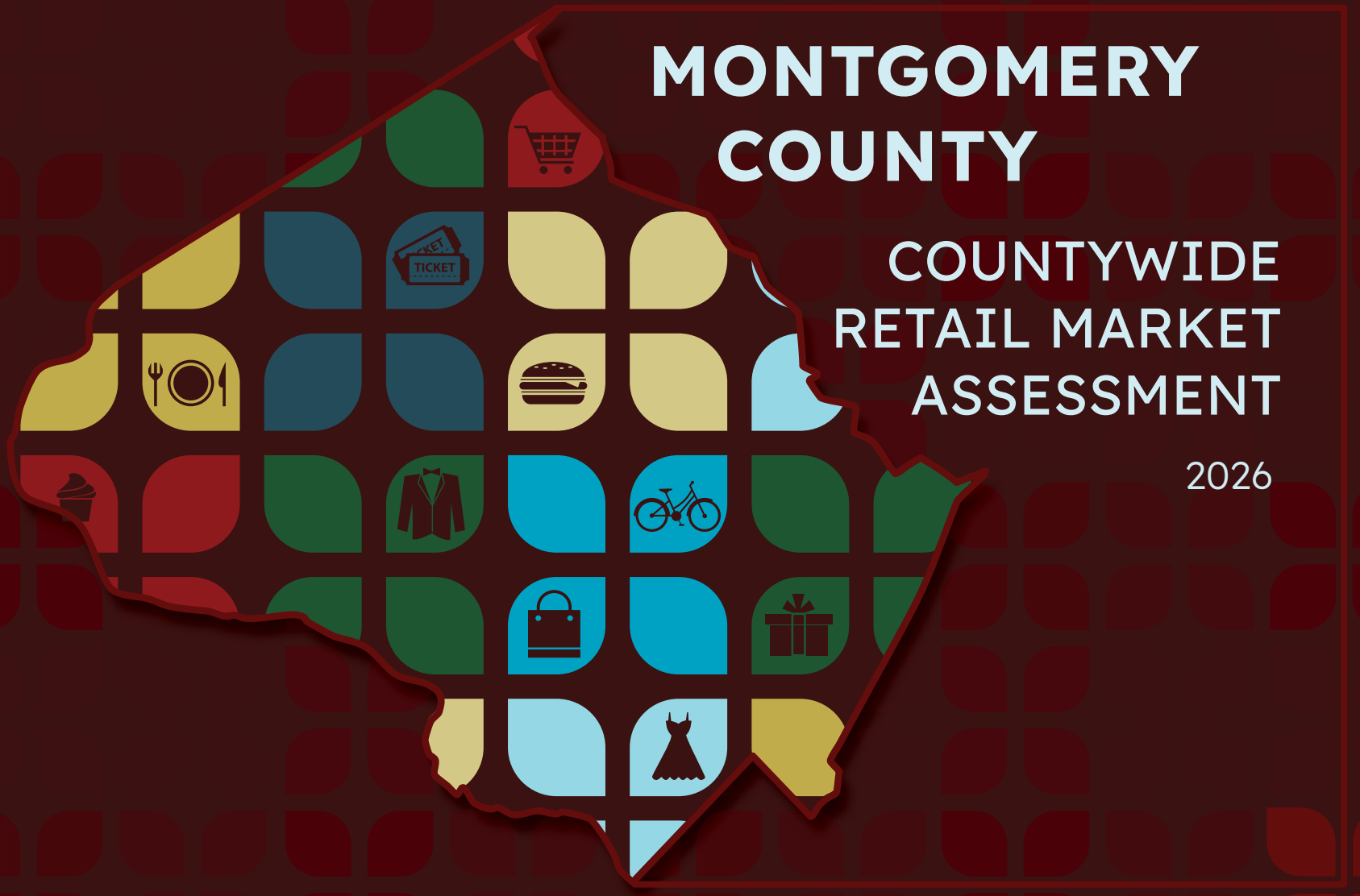
connections between Antique Row, the West Howard district, nearby shopping centers, and the MARC station area could help these businesses function as a more coherent destination while retaining the scale and character that distinguish Kensington from larger submarkets.

Conclusion

Montgomery County enters the next decade with solid projections for household spending, extensive and diverse retail inventory, and continued demand for well-located stores, restaurants, and services. Yet economic growth has slowed, leasing activity has become more volatile, viability varies sharply by submarket, and retail centers face stronger regional competition. The challenge ahead is to leverage the fundamental strengths of a mature market while proactively responding to the shifts brought on by e-commerce, hybrid work, and changing consumer preferences. These forces will continue to reshape demand and the size, design, and operation of physical retail space.

The county's retail strategy can respond through close attention to **place and feasibility**, supported by **flexibility in policy**, **improved speed-to-market**, and **targeted incentives**. Strong mixed-use markets can accommodate targeted new space, while older neighborhood centers require maintenance, business support, and selective reinvestment. Obsolete large-format properties need flexible paths to reuse or redevelopment—and often financial incentives to overcome the complexities unique to retail properties. Across these settings, effective planning will depend on aligning retail expectations with housing growth, transportation access, development economics, and the day-to-day requirements of operating a business.

The next decade presents an opportunity to improve the quality, accessibility, and usefulness of the county's retail supply. Investment in existing centers and well-located new development can support a wider range of businesses and give residents more convenient access to goods, services, and places to gather. These outcomes connect retail competitiveness to the complete communities envisioned in *Thrive Montgomery 2050*.



MONTGOMERY COUNTY

COUNTYWIDE RETAIL MARKET ASSESSMENT

2026

ACKNOWLEDGMENTS

Client Team

Maryland-National Capital Park and Planning
Montgomery Planning

M-NCPPC

Consultant Team

ESI ECONSULT SOLUTIONS INC.

Econsult Solutions, Inc. (ESI) helps cities, institutions, and regions navigate decisions that matter with analysis that is defensible, actionable, and built to hold up under scrutiny. The firm provides economic impact analysis, fiscal modeling, real estate economics, benefit-cost analysis, and policy assessment to support decisions with fiscal, political, and community consequences. Based in Philadelphia and serving clients nationwide, ESI works at the intersection of economics, policy, and planning.

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1 Introduction

PURPOSE OF REPORT

The findings and recommendations presented in this report are intended to inform both near-term planning efforts and long-range policy development.

This *Countywide Retail Market Assessment* was commissioned by the Montgomery County Planning Department (Montgomery Planning) as part of its ongoing efforts to strengthen Montgomery County's retail competitiveness and identify opportunities to enhance, diversify, and expand its retail supply and offerings. The study updates the *Montgomery County Retail Strategy Study 2017* and is an assessment of the changes in the retail sector over the past decade, particularly those accelerated by the COVID-19 pandemic, the continued expansion of e-commerce, and evolving consumer preferences.

The report provides a comprehensive, data-driven assessment of the current retail landscape across Montgomery County, including its submarkets and select commercial corridors. It identifies key considerations for supporting competitive, viable, and resilient retail environments based on an analysis of market conditions, submarket performance, consumer trends, regulatory frameworks, and direct feedback from retail development professionals and brokers. These considerations are intended to guide planning and economic development policy and support the implementation of *Thrive Montgomery 2050*, the County's General Plan, which emphasizes economic competitiveness, environmental health and resilience, and racial equity and social justice.

Collectively, the study is intended to equip Montgomery Planning and its partners with the information and tools needed to enhance the county's ability to attract and retain retail investment, support small businesses, and strengthen the role of retail as both an economic driver and a contributor to community identity and vitality.

Scope of the Assessment

This *Countywide Retail Market Assessment* is a multidimensional analysis of retail conditions, trends, and performance across Montgomery County and within its distinct submarkets. The study addresses both traditional retail categories and emerging segments such as food and beverage, entertainment, and experiential retail. This study also considers the implications of changing consumer expectations, digital retail trends, and the physical design and regulatory frameworks that influence retail outcomes.



Approach and Engagement

Understanding retail market conditions and future implications for land use and planning requires a multifaceted and holistic approach.

This report was supported by blending data analysis, field work, and industry trend and policy research as well as engaging with retail brokers, developers, planners, place-based organizations, and economic development professionals, among others to gain an on-the-ground perspective.

Data Analysis: Build a clear baseline of supply and demand countywide and across submarkets.

- Esri reports on demographics, income and household spending
- Retail inventory by property type and key tenants (CoStar, LoopNet)
- Business inventory by type (Data Axle)
- Benchmarking against peer counties and mapping of key retail clusters and new development

Trends Research: Test how changing consumer behavior is reshaping retail demand and space needs.

- Review of industry reports and articles
- Ground-truth with stakeholder feedback
- Pre- and post-pandemic e-commerce shifts
- Generational preferences
- Food, beverage and entertainment trends

Engagement Methods: Ground the data in what brokers, owners, and businesses see on the ground.

- Focus group interviews with brokers, property owns, businesses, and economic development professionals
- One-on-one interviews
- Emailed survey and correspondence

Corridors and Land Use Considerations: Assess how land use, development patterns, and regulations shape retail conditions and opportunities across the county.

- Evaluation of corridor density, mix, and transit
- Zoning, parking and design standards overview
- Barriers and opportunities for development
- Context of *Thrive Montgomery 2050*
- Implications for future planning

POLICY AND PLANNING CONTEXT

This study is grounded in and guided by Montgomery County's broader planning and economic development framework, particularly the priorities set forth in *Thrive Montgomery 2050*, the County's General Plan adopted in 2022. *Thrive Montgomery 2050* envisions a more connected, equitable, and resilient county, with strategies centered around compact growth, corridor-focused development, placemaking, and economic diversification. The plan recognizes retail as a critical component of complete communities and emphasizes the need for vibrant, walkable centers that support both economic activity and social interaction.

The *Montgomery County Retail Strategy Study 2017* serves as a foundational reference for this updated analysis. The 2017 study provided a detailed assessment of retail supply and demand across the county, identifying overall market balance while highlighting specific geographic and categorical gaps, particularly in neighborhood goods and services. It also examined key trends such as the rise of e-commerce and the importance of design quality, walkability, and placemaking. While many of the findings in the 2017 report remain relevant, significant structural changes in the retail landscape since then, especially those accelerated by the COVID-19 pandemic, necessitate a comprehensive reassessment of market conditions, development, and consumer behavior.





***Thrive Montgomery 2050*: Retail-Oriented Goals**

Promote cost-effective infill and adaptive reuse strategies to retrofit single-use commercial sites such as retail strips, malls, and office parks into mixed-use developments.

Private investment in diverse housing types and neighborhood-serving retail will fill in missing amenities and lead to more Complete Communities.

Identify and integrate elements needed to complete centers of housing, retail, and office development and plan to **make 15-minute living a reality for as many people as possible.**

Retrofit centers of activity and large-scale older facilities such as shopping centers, abandoned federal campuses, office parks, and other single-use developments to include a mixture of uses and diversity of housing types and to provide a critical mass of housing, jobs, services, and amenities necessary for vibrant, dynamic *Complete Communities*.

Components of the Assessment Report

National Retail Trends

An examination of e-commerce's long-term impacts on space demand, urban design, and the viability of different retail formats. An analysis of the economic and placemaking role of food and beverage, social gathering spaces, and entertainment-oriented retail, including trends in operations and consumer preferences.

Data Collection and Market Analysis

An evaluation of retail supply, demand, rents, leasing, and new development, including analysis by retail type, geography, and submarket characteristics.

Submarket and Regional Assessment

Identification of Montgomery County's retail submarkets, assessment of their relative strengths and challenges, and comparison with peer jurisdictions in the Washington, D.C. metropolitan region.

Corridor-Focused Retail Frameworks

Evaluation of retail along key commercial corridors in relation to zoning, form, and supportive land uses, with recommendations tailored to Montgomery County's urban-to-rural transects.

Policy and Planning Considerations

Guidance to support a more adaptable and competitive retail environment, including considerations for regulatory reform, investment priorities, and place-based interventions.

DATA LIMITATIONS

Understanding retail market conditions and trends across a county as large and diverse as Montgomery County is not a straightforward process.

Data for retail market indicators is not available from one publicly available resource.

Unlike publicly available data sources, such as the American Community Survey (ACS), used to inform demographic trends, affordability, and housing development, or the Bureau of Labor Statistics (BLS), used to inform employment and wage trends, there is no equivalent resource to use to ascertain and analyze the health of the retail sector. Sources of retail market indicators, such as vacancy rates, average lease rates, and pace of development, are much more reliant on self-reported data from the private sector, including brokers, property managers, and developers, which can result in inconsistencies in data provided at the countywide and submarket level.

Understanding the full landscape of the retail market is also nuanced, since the sector is more transactional by nature, positioned at the intersection of real estate developers, property owners, retailers and service providers, and the customer base. And, given the competitive nature of dealmaking, much of the information behind leasing agreements is confidential.

This evaluation of the general health of the retail market in Montgomery County and how it can support the success and viability of retail development and diversification entailed a holistic study of the retail landscape. It was accomplished by leveraging data where possible, but also relied upon the on-the-ground knowledge and experience of brokers, developers, economic development stakeholders, and retailers themselves. Understanding the state of the retail market, which is complex and nuanced, necessitates recognizing that some data sources have limitations.

Key Sources of Data Used for this Study

CoStar is the most comprehensive source of commercial real estate data and a reliable source for understanding development trends (e.g., total square footage of real estate built over a given time period), although at the countywide level, with approximately 38 million square feet of retail space, there is some margin of error. CoStar data are sourced from owners, brokers, and other real estate professionals and are subject to a lack of responsiveness, inconsistencies, and misreporting.

While this study reports rent and vacancy trends, determining a true countywide vacancy rate is not feasible. CoStar's vacancy rate represents space that is currently on the market (e.g., listed by brokers), but does not necessarily include vacant space that is not on the market or contained within abandoned properties. Some space may be unoccupied, but has a lease in place, so would not be classified as vacant. Therefore, CoStar's reported vacancy rate of 6.0 percent, or around 2.3 million square feet of vacant space, underrepresents the true vacancy rate.

CoStar also inconsistently reports the amount of retail space within mixed-use buildings. To account for these issues, mixed-use buildings were identified in CoStar, and the retail space was researched and verified by referencing other sources, such as developer brochures, websites, and tenant announcements, although discrepancies still emerged.

SDAT (Maryland Department of Assessments and Taxation) Parcel Data includes countywide parcel data, including land use category, assessed values, parcel size, ownership information, and square footage of improvements, among other fields. While these data show spatial distribution of retail parcels and total square footage of improvements within the retail land use category, these data were less reliable for identifying retail space in mixed-use properties; therefore, CoStar was deemed to be more inclusive and used as the primary source for quantifying total countywide retail supply.

Data Axle is a comprehensive source of business data by NAICS (North American Industry Classification System) that was used to determine the total number and type of retail businesses in the county. Again, at a high level, these data are useful for understanding general distribution of businesses, but with some limitations. Sometimes classifications are incorrect (e.g., a fast-food restaurant misclassified a full-service restaurants); also home-based businesses are included in the dataset, so using the data to identify retail clusters is less reliable. Given the scope of this study, it was infeasible to conduct a thorough audit of the data.

Esri is an aggregator of Census and ACS data, as well as data from other sources such as Data Axle and credit card data, that can be summarized for a custom geographic study area (such as a market or trade area). Prior to 2017, Esri provided the *Retail MarketPlace* report which provided annual consumer spending by category for households living within a market area and the approximate annual sales of businesses located within the market area. These data supported a "supply-gap analysis" to show where there was a potential undersupply or oversupply of retail by category (e.g., leakage of household spending outside of the market area). With the proliferation and continued expansion of e-commerce, Esri deemed the data unreliable and discontinued production. Therefore, the report does not provide a quantitative retail-gap analysis; nevertheless, a more holistic approach to evaluating gaps in retail supply and future demand is presented.

Note: CoStar supply and vacancy data were pulled in 2026; Esri demographic and spending estimates and Data Axle business counts reflect 2025. Individual tables and figures identify the applicable source year.

RETAIL DEVELOPMENT IN MONTGOMERY COUNTY

This analysis establishes a foundation for understanding the current retail market position of Montgomery County and for identifying gaps and opportunities to support its long-term competitiveness.

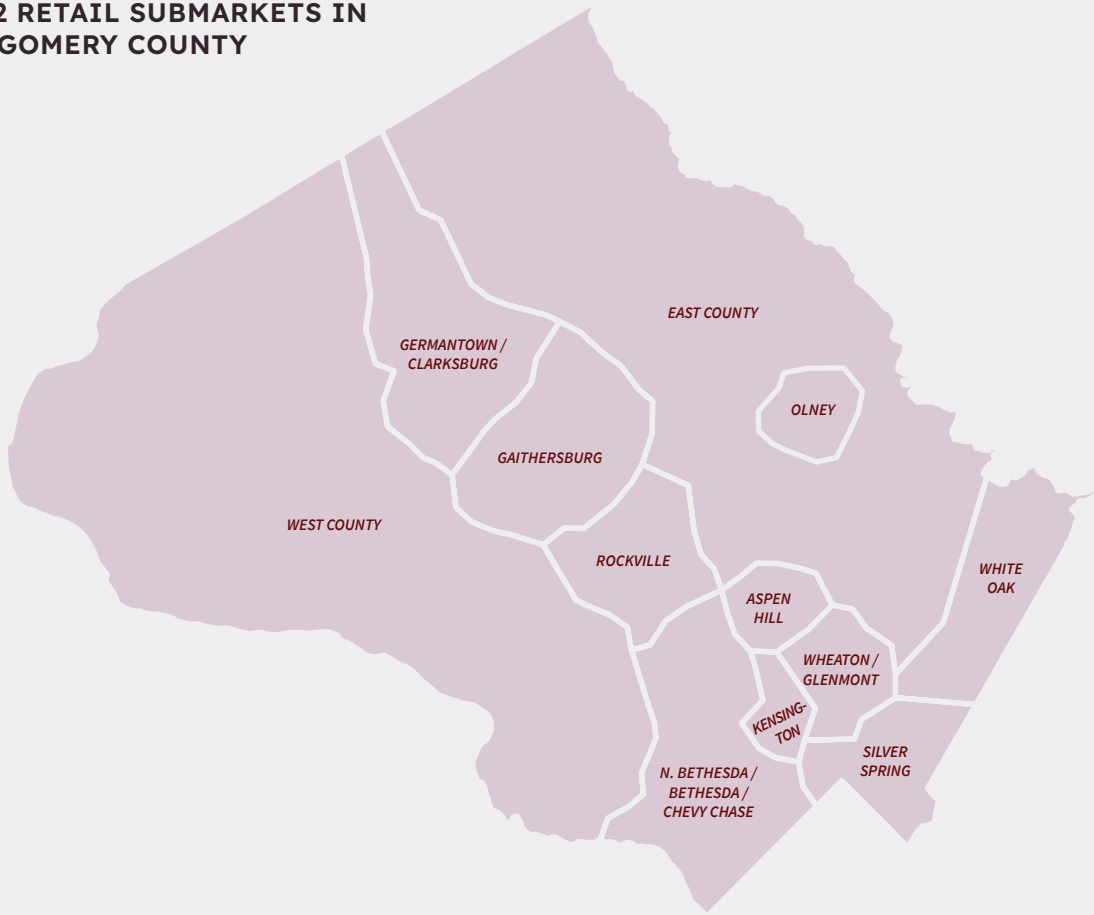
Montgomery County has experienced considerable change in retail real estate over the past eight years, generally following national trends. Mixed-use projects are becoming increasingly popular, particularly in areas with higher-density commercial districts like Silver Spring and Bethesda, as well as along the Rockville Pike corridor. Mixed-use properties are considered more sustainable and efficient, contributing to higher retail occupancy and higher real estate values while helping to reduce reliance on vehicle trips. Many significant retail centers located at major intersections and anchored by large users have been redesigned and repurposed to accommodate current consumer demand for places that offer live, work, and play opportunities, such as Pike & Rose. Likewise, a focus on walkability is also impacting commercial nodes like the downtowns of Bethesda and Silver Spring and communities like Clarksburg.

There are several large retail centers and regional shopping malls in the county. While a few have been or are being redeveloped, such as Lakeforest Mall in Gaithersburg, others, like Westfield Wheaton Mall, face uncertain futures.

Competition within the regional retail market is significant. Understanding the economic fundamentals of the county's 12 designated submarkets is therefore essential to identifying how and where Montgomery County can compete, as well as where intervention may be needed to address market barriers. Competition occurs both among submarkets within the county and between Montgomery County and retail destinations throughout the broader region. Regional competitors include walkable retail environments such as Georgetown in Washington, D.C.; Old Town Alexandria, Virginia; and Downtown Frederick, Maryland, as well as destination-oriented environments such as The Wharf in Washington, D.C., and high-end retail clusters in and around Tysons, Virginia.

According to Esri, Montgomery County compares favorably with other counties in the Washington, D.C., metropolitan area in terms of aggregate household spending, supported by the county's higher-than-average household incomes and population growth. However, strong demographics alone will not ensure competitiveness in the near- and long-term. Additionally, market conditions in the county are not monolithic. There are some submarkets that do not have the market strength to support mixed-use development or redevelopment of obsolete retail centers, and there is a need to preserve existing retail space that provides locally accessible retail and services for surrounding communities.

THE 12 RETAIL SUBMARKETS IN MONTGOMERY COUNTY



OUTLOOK

THE COUNTY'S RETAIL MARKET IS STABLE, WITH OPPORTUNITIES FOR TARGETED NEW INVESTMENT

Montgomery County's strong population base, projected growth, and substantial household purchasing power provide a stable foundation for continued retail activity. However, future retail investment is expected to be more targeted and incremental than in previous development cycles, with greater emphasis on renovating and repositioning existing retail space, developing smaller-scale retail formats, and incorporating retail space into mixed-use developments.

THE COUNTY SHOULD NOT EXPECT A MAJOR EXPANSION OF THE RETAIL SUPPLY

A significant expansion of the county's total retail supply is unlikely over the next decade given finite demand from residents and workforce, and a lack of strong visitation demand generators, as well as replacement and/or repurposing of obsolete retail centers (e.g., demolition of Lakeforest Mall).

FUTURE RETAIL DEVELOPMENT AND INVESTMENT WILL BE SMALLER IN SCALE AND INVOLVE REPURPOSING OF EXISTING RETAIL CENTERS

Given competition from within the region, increasing market share of e-commerce, and a shift or even reduction of retail footprints, future retail investment will include expansion of mixed-use supply (residential above ground-floor commercial space), smaller outparcel and neighborhood strip center development, and reinvestment in existing neighborhood centers.

NEW RETAIL DEVELOPMENT AND INVESTMENT WILL FOLLOW POPULATION GROWTH

Retail development generally follows residential growth, and market pressure for new retail investment will occur in the parts of the county with the most proposed residential development. Although the amount of retail development that will occur countywide over the next decade is inherently uncertain, recent development patterns and projected population growth suggest that the expansion of the retail supply will likely follow the pace of development in the last five years, including the replacement of a portion of the existing space, as opposed to the rapid growth of the 2010s.

THERE IS FINITE DEMAND FOR NEW MIXED-USE CENTERS

While major planned (or potential) catalytic mixed-use development projects, such as VIVA White Oak, and the former Lakeforest Mall and White Flint Mall sites, should incorporate retail uses, these uses should be complementary to other residential and office uses within the project site. There is risk in developing a major regional retail destination which would create competition for other existing commercial districts, including Pike & Rose, Rockville Town Center, Downtown Bethesda, and Downtown Silver Spring, among others.

REINVESTMENT TOOLS AND INCENTIVES ARE NEEDED TO SUPPORT EXISTING CENTERS IN SOME SUBMARKETS

Despite strong occupancy in some older retail centers, including in the Wheaton/Glenmont and East County submarkets, some will continue to fall into disrepair since achievable rents are too low to support reinvestment by property owners. These centers are crucial amenities for the local communities. Reinvestment tools, policies, and resources merit consideration.

SOME LARGER SCALE DISCOUNT AND DEPARTMENT STORES ARE AT RISK OF OBSOLESCENCE

Over the next decade, large-format stores such as Walmart, Target, and Home Depot will continue to capture significant market share in suburban markets and remain viable; however, freestanding department stores and some discount department stores increasingly risk obsolescence and vacancy. Incentives and zoning flexibility can support redevelopment in the event of decline.

Planning Implications for Retail and Competitiveness

The following "Key Considerations" provide the planning context of retail market support and demand, retail supply and real estate, competitiveness and regulatory environment, and land use, design, accessibility, and visibility, and how these factors will impact opportunities for retail support and activation throughout the county.

As presented in this report, there is not a one-size-fits-all approach and evaluating retail development opportunities and challenges must be framed at a submarket, corridor, or nodal level level. However, if there is an overarching theme, given the ever-evolving nature of retail in the wake of changing household preferences, technology, and proliferation of e-commerce—both in terms of goods and service providers and the types of physical spaces they require—zoning and land use policies will need to be flexible and adaptive.

MARKET SUPPORT AND DEMAND

DEMOGRAPHIC FUNDAMENTALS ARE POSITIVE

Countywide market fundamentals overall are strong with projected population growth, high incomes, and high levels of educational attainment.

OPPORTUNITY DEPENDS ON THE SUBMARKET

The county is not monolithic. Some submarkets may need funding and incentives to sustain and expand the existing retail supply. Some markets lack sufficient demand to justify significant new retail supply, particularly those near stronger markets.

ECONOMIC UNCERTAINTIES PERSIST

Uncertainty about downsizing the federal workforce and the lack of robust private-sector growth affects how investors and retailers view the county as a whole and might cause reservations for future investments, at least in the near-term.

EXPECT MORE RESTAURANTS AND EXPERIENTIAL RETAIL

With the proliferation of e-commerce, retail tenanting has shifted to more food and beverage, especially fast-casual restaurants—since they are more cost-effective to operate—personal services (e.g., salons, barbers), health and wellness (e.g., fitness centers, yoga, and personal training), pet care, and health care (e.g., family practice, physical therapy, dentistry).

RETAIL VACANCY IS NOT ALWAYS FROM LACK OF DEMAND

Retail vacancy is not necessarily an outcome of poor or declining market conditions or unreasonable landlord requirements. Businesses close for many reasons, and in some cases, it is more cost effective for landlords to keep existing tenants than for space to turn over.

MIXED-USE DEVELOPMENT ONLY WORKS IN CERTAIN SUBMARKETS

Not all older retail strip centers benefit from market conditions that support reinvestment or even redevelopment. Achievable residential and retail rents must be at the higher end of the market to support new higher-density mixed-use development.

MANY FACTORS INFLUENCE RETAIL RENTS

Achievable retail rents are based on a range of variables, including submarket conditions, size of the space, lease terms, role of a tenant (e.g., anchor tenants often pay less rent on a per square foot basis), accessibility, building condition, ownership structure, common area amenities, and co-tenancy, among other factors. For example, the strongest submarkets, such as Downtown Bethesda, may achieve rents near $100 per square foot, while average quality retail centers in East County may achieve rents of less than $15 per square foot.

KEY NUMBERS TO KNOW

DEMAND METRICS

104,000 (+11%)
NET COUNTY POPULATION GROWTH (2010-2025)
REPRESENTING 17% OF D.C. METRO POPULATION GROWTH

98,000 (+9%)
PROJECTED COUNTY POPULATION GROWTH (2025-2040)
REPRESENTING 12% OF D.C. METRO PROJECTED GROWTH

62%
POPULATION AGED 25+ WITH AT LEAST A BACHELOR'S DEGREE IN MONTGOMERY COUNTY (2025)
REPRESENTING 56% OF D.C. METRO BACHELORS DEGREE HOLDERS

$823M (+12%)
PROJECTED GROWTH IN SPENDING BY COUNTY HOUSEHOLDS ON FOOD & BEVERAGE (2025-2030)
REPRESENTING 13% OF D.C. METRO HOUSEHOLD FOOD & BEVERAGE SPENDING GROWTH

Source: Esri (2025), CoStar (2026), MWCOG (2025)

RETAIL SUPPLY AND REAL ESTATE

AVERAGE QUALITY RETAIL SPACE IS NATURALLY OCCURRING AFFORDABLE SPACE

While some neighborhood strip centers are in below average condition, these centers often provide affordable space for local small businesses that serve nearby communities. In some cases, they are performing, but do not generate enough rental income for reinvestment or upgrades.

RETAIL IS GETTING SMALLER IN SCALE

Retailers are downsizing store space and pivoting to omnichannel models, including superstore brands. Given the county's existing supply and increasing market share of e-commerce, future retail development—even in lower density areas—will be smaller in scale with a focus on food and beverage (grocery and dining) and personal services (health, wellness, and beauty).

MAINTAINING THE EXISTING SUPPLY IS CRUCIAL

The pace of retail development in the county has been slowing over the last decade, even before the COVID-19 pandemic. New retail space will be needed to remain competitive and an increasing share of the new supply will be contained within mixed-use buildings. Reinvestment in aging and obsolete retail centers should be viewed as contributive to the overall supply.

THE OVERALL SUPPLY MAY REMAIN CONSTANT

The total retail supply has effectively reached equilibrium. While around 2.5 million square feet of space have been developed over the last decade, representing less than eight percent of the total supply, almost the same amount of space has been demolished during the same time period.



KEY NUMBERS TO KNOW

SUPPLY METRICS

37.7 Million SF
TOTAL RETAIL SUPPLY IN MONTGOMERY COUNTY (2025)

14.6% OF D.C. METRO SUPPLY

+2.5 Million SF
NEW RETAIL BUILT IN MONTGOMERY COUNTY (2015-2025)

18.5% OF NEW D.C. METRO SUPPLY

2.3 Million+ SF
VACANT RETAIL SPACE ON THE MARKET IN MONTGOMERY COUNTY (2025)

20.0% OF VACANT D.C. METRO SUPPLY

12.7 Million SF
TOTAL DIRECT LEASING ACTIVITY IN MONTGOMERY COUNTY (2020-2025)

37.0% OF TOTAL LEASING ACTIVITY IN D.C. METRO

Source: Esri (2025), CoStar (2026), MWCOG (2025)

COMPETITIVENESS AND REGULATORY ENVIRONMENT

THE COUNTY COMPETES WITH RETAIL CENTERS THROUGHOUT THE D.C. METROPOLITAN AREA

Montgomery County faces increased competition from areas across the Washington, D.C. metropolitan area. Retailers, investors, and developers seek out the most cost effective and administratively efficient jurisdictions. Adding regulatory requirements can add time for approvals and increase overall cost, which some investors view as an additional tax. Tenants interested in a market will go where it is easiest to do business.

THE QUALITY OF RETAIL CONTRIBUTES TO COUNTYWIDE COMPETITIVENESS

Montgomery County has a robust supply of existing retail space, but risks a loss of competitiveness without continued reinvestment, diversification, and replacement. The competitive position and fiscal health of Montgomery County and State of Maryland may be impacted in a scenario of stagnation.

FLEXIBILITY IS CRITICAL

Zoning and land use policies need to be flexible and adaptive to support shifts in retail offerings and preferences (e.g., enable more food delivery service; provisions for veterinarian services, which is a use not permitted in some zoning districts; allowing auto dealerships with a storefront model). To support reinvestment in existing retail centers, there should be flexibility for allowing a mix of uses, including housing, outparcel development, or even temporary uses.

RETAIL PLANNING SHOULD ALIGN WITH ECONOMIC DEVELOPMENT

Retail competitiveness, development, and reinvestment should be a major component of a future economic development strategy for the county.

SOMETIMES REDEVELOPMENT IS CONSTRAINED BY LEASES

The desire to reinvest and redevelop may not always be feasible in a preferred timeline. Anchor tenants may have lease covenants that restrict or prohibit certain uses, or even redevelopment.

MIXED-USE DEVELOPMENT IS NOT ONE-SIZE-FITS-ALL

Mixed-use projects should be strategically located and designed with ground-floor spaces that are easily accessible and have suitable frontage and visibility, adequate ceiling heights, and infrastructure to accommodate retail operations (e.g., loading zones, ventilation systems, etc.).



LAND USE, DESIGN, ACCESSIBILITY, AND VISIBILITY

PLANNING FOR AUTOMOBILES IS STILL NEEDED

While pedestrian accessibility is appropriate for select nodes and districts, automobile accessibility is still crucial for most parts of the county—and is necessary for most retailers to be successful. Accommodation of parking should still be a consideration in planning, bearing in mind that there is no one-size-fits-all parking framework that works for all types of development.

WHERE POSSIBLE, LINK WITH TRANSIT

New investments in public transit, including the Maryland Department of Transportation Maryland Transit Administration (MDOT MTA) Purple Line and MCDOT's Flash Bus Rapid Transit system will impact how retail should be designed, developed, and integrated with these systems. Retail that targets transit users should focus on convenience, daily needs, and food and beverage, while larger retailers and districts will still need to integrate varied parking solutions.

STRUCTURED PARKING IS NOT ALWAYS FEASIBLE

Typically, only high-end development can support the cost of structured parking without additional subsidies or incentives. From a design standpoint, structured parking is better suited for destination retail districts and centers (such as Pike & Rose), but daily needs and convenience retailers typically seek spaces that have highly visible and accessible at-grade parking.

PARKS AND TRAILS ALSO RAISE RETAIL DEMAND

Planning efforts should link retail with parks and trails, allowing for greater flexibility for temporary uses and structures (e.g., shipping containers as structures, food trucks, seasonal outdoor cafes, and the like).













2 Retail Trends and Market Realities

Sources for Retail Trends and Market Realities: CBRE, Colliers, Colliers Retail Market Statistics, Consumer Edge U.S. Grocery Outlook, Cushman & Wakefield, EY, Grocery Dive, ICSC, JLL Retail, McKinsey & Company: State of Grocery, McKinsey & Company Retail Insights, National Grocers Association Consumer Trends Research, National Restaurant Association, National Retail Federation, Private Label Manufacturers Association, Progressive Grocer Research Reports, Retail Dive, U.S. Department of Agriculture U.S. Bureau of Labor and Statistics. The Grocery subsection was comprised through review of a variety of sources including Consumer Expenditure Survey of the U.S. Bureau of Labor Statistics, the McKinsey - State of the Consumer 2026, and the JLL Global Consumer Experience Survey, Colliers and multiple reports and articles from ICSC.

NATIONAL TRENDS: CONSUMERS AND SPENDING

How, where, and when consumers shop continues to change.

Age and lifestyle influence where, when, and how consumers shop. While consumer behavior and spending preferences share similarities across generations, important differences exist. Understanding these shifts can help businesses adapt to changing customer preferences and inform how communities plan for future retail development.

Consumer preferences for food, retail, communication, and technology vary across generations, creating opportunities for businesses and property owners to adjust their offerings and tenant mix, particularly in a diverse market like Montgomery County.

Retail plays an important economic and social role in communities. Changes in consumer spending, e-commerce, and shopping preferences, some accelerated by the COVID-19 pandemic, continue to influence retail development and investment. These trends create opportunities for communities and property owners to adapt existing retail environments to meet changing needs.

The following summarizes national consumer, industry, and real estate trends relevant to long-term retail planning, development, and investment. This information was assembled from reports and data produced by public and private organizations including the National Retail Federation, the International Council of Shopping Centers, the U.S. Census Bureau, the U.S. Department of Commerce, the U.S. Department of Agriculture, the National Grocers Association, Colliers International, CBRE, Jones Lang LaSalle, McKinsey & Company, and Numerator.

Broader Trends

National retail spending continues to grow, although inflation and economic uncertainty are influencing purchasing decisions. According to the U.S. Census Bureau, retail sales increased approximately 3.5 percent in 2025, reaching roughly $7.5 trillion. E-commerce accounted for 16.4 percent of total retail sales. The National Retail Federation (NRF) forecasts retail sales growth of 4.4 percent in 2026, using its narrower definition of retail sales, which excludes automobile dealers, gasoline stations, and restaurants.[1,2]

Consumers continue to prioritize value and convenience, placing pressure on retailers to offer competitive pricing, flexible purchasing options, and efficient delivery.

Consumer Spending Trends

52 percent of respondents to a 2025 consumer survey reported switching to store-brand products or less-expensive alternatives in response to economic pressures.[3]

The global secondhand apparel market accounts for approximately 10 percent of total apparel spending and is projected to grow twice as fast as the broader apparel market through 2030.[4]

Store brands reached a record 21.3 percent dollar share of food and nonfood product sales across measured U.S. retail outlets in 2025.[5]

E-Commerce and Experiential Shopping

The continued expansion of e-commerce and associated distribution infrastructure is influencing demand for physical retail space. Retailers are increasingly integrating digital and physical sales channels, investing in online marketing, and adapting stores to support multiple purchasing and fulfillment options.

E-Commerce Trends

U.S. retail e-commerce sales reached approximately $1.23 trillion in 2025, increasing 5.4 percent from 2024. E-commerce represented 16.4 percent of total retail sales, up from 16.1 percent in 2024.[5]

NRF's 2025 forecast projected annual growth of 7 to 9 percent in online and other non-store sales. This measure includes non-store sales beyond e-commerce and is not directly comparable with Census Bureau e-commerce estimates.[6]

Retailers are experimenting with inventory-light showroom formats that allow customers to examine products in person, customize purchases, and arrange home delivery.

E-commerce growth does not eliminate the need for physical retail. Retailers are adopting omnichannel strategies that integrate online ordering, in-store shopping, curbside pickup, and delivery. Some digitally native retailers are also opening physical locations to complement their online operations and offer in-person customer experiences.

Technology continues to influence retail operations and customer engagement. Artificial intelligence, digital inventory management, and integrated purchasing systems can help retailers personalize shopping experiences, manage inventory, and improve order fulfillment.

Convenience remains a major consideration for consumers. Physical retail locations increasingly serve multiple functions, including product discovery, customer service, purchasing, returns, and fulfillment.

1 U.S. Census Bureau (2026). Quarterly Retail E-Commerce Sales: Fourth Quarter 2025, March 10, 2026. Annual 2025 retail sales growth, e-commerce sales and market share.
2 National Retail Federation (2026). NRF Forecasts 4.4% Annual Retail Sales Growth with New Economic Model, March 18, 2026.
3 Salsify (2025). 2025 Consumer Research Report, p. 6. Survey of 1,910 respondents.
4 ThredUp and GlobalData (2026). 2026 Resale Report, April 2, 2026. Global secondhand apparel market estimates and projections.
5 Private Label Manufacturers Association (2026). Store Brand Facts. Circana Unify+ data covering December 29, 2024, through December 28, 2025.
6 National Retail Federation (2025). NRF Forecasts 2025 Retail Sales to Hit $5.42 Trillion, Despite Economic Uncertainty, April 2, 2025. Forecast for online and other non-store sales

Retailers are adopting omnichannel strategies so shoppers can create a seamless experience across digital and physical channels, with the ability to research online and purchase in-store (or vice versa) without friction.

Generational shifts are influencing retail strategies, with Gen Z and younger Gen Alpha emerging as a key demographic. Values are increasingly influencing purchasing. Sustainability is a priority especially for younger generations, including where and how items are sourced.

Social networks have increasing influence today, compared to traditional advertising. The two younger generations participate in social networks at a much higher rate than Baby Boomers.

Customer experience is influencing sales. Seventy-five percent of shoppers are likely to spend more after receiving high-quality service from store personnel, indicating upsell and cross-sell opportunities.

Appearance is increasingly important. The rise of social media is giving businesses less control of how they are represented and perceived. Retailers and restaurants need to use compelling imagery to shape public perception about their offerings, whether on their menus, websites, or own social media sites. Imagery needs to deliver a visual punch.

Retailtainment is expanding in response to consumers' preference for experiences over products. Stores are becoming immersive, appealing to shoppers' desire for something unique, aesthetically pleasing, inviting, and visually stimulating.

Planning for the Future

E-commerce growth is resulting in the reimagination of retail and land use. It will require a shift toward the creation of flexible retail spaces and "urban logistics hubs" (last-mile centers). This shift is increasing delivery traffic and congestion. This may require updates to local zoning and land use policies and a need to adapt transportation models to integrate e-commerce with a focus on delivery efficiency.

E-commerce is transforming traditional brick-and-mortar retail by shifting focus from general merchandise like apparel and furniture to other sectors including pharmacies, daycare, and personal services (barbers, salons, medical) that cannot be done online.



Impacts on Community Planning

Logistics and Land Use Change: E-commerce has significantly increased the demand for industrial space dedicated to fulfillment and warehousing. The surge in last-mile delivery has led to an increased demand for urban logistics hubs situated near residential areas. This may necessitate the rezoning of commercial areas to accommodate this growing need.

Retail Real Estate Transformation: As communities adapt to changing consumer behaviors, retail and ground-floor space could be rezoned for flexible, temporary, and nontraditional uses, including logistics and distribution. Large-format "big-box" stores that are underperforming may present opportunities for redevelopment into retail or residential spaces that cater to current needs. Additionally, these locations could be transformed into last-mile delivery centers, enhancing service efficiency and accessibility.

Retail as an "Experience": The integration of placemaking activities (public art and walkable environments) intended to attract consumers interested in social engagement within physical retail spaces, may require amendments and/or exceptions to existing zoning regulations.

Traffic and Infrastructure Strain: The rise in delivery vehicles is contributing to increased traffic congestion, noise, and air pollution. Enhancing curb space management and optimizing loading zones can be used to address these challenges. *The Urban Loading and Delivery Management Study* and *Montgomery County Curbside Management Guide* (both from Montgomery County Planning, 2026) offer policies for managing curb space including dedicated loading zones for e-commerce and ride-hailing services.

Retailers are increasingly adopting "BOPIS" (buy online, pick-up in-store) strategies, necessitating new vehicular circulation patterns on site to accommodate short-term parking facilitating quick pick-up access for customers.

Food, Beverage, and Dining

The expansion of fast-casual, limited, and counter service concepts with an increasing focus on international cuisine, quality, design, and experience has shaped expectations for convenience restaurants beyond conventional fast-food (e.g., McDonald's). These trends have been catalyzed by the preferences of younger generations and the desire for high-quality, yet affordable dining options given increasing restaurant inflation. Dining is evolving beyond food to become entertainment. Restaurants offer chef-led tastings, interactive cooking classes, open kitchens, and culinary theater-type experiences. These create memorable, social-media-friendly moments that command premium pricing and drive customer engagement.

Demand for locally sourced food is also rising especially among higher-income households, which ties into awareness around sustainability, buying local, and overall freshness.

Sustainability is a crucial driver, with emphasis on local sourcing, environmental responsibility, and ethical practices in order to attract customers who are conscious of community impact.

The demand for affordable and value-oriented grocery options is increasing across all income levels due to economic pressures. As consumers look for cost savings, they do still indulge in certain items like sweet treats and baked goods, striking a balance between economy and enjoyment.

Consumers are increasingly "down spending" when they do dine out, sharing meals and ordering wine by the glass rather than by the bottle, and limiting extras, such as top-shelf liquors.

Restaurant inflation is outpacing grocery inflation, yet restaurant and foodservice industry sales were estimated to reach $1.4 trillion in 2025, driven by consumers seeking dine-in experiences, and conveniences like takeout and delivery. Sales are expected to continue to grow at a slightly slower pace in 2026.

According to the U.S. Department of Agriculture, spending on food-away-from-home exceeded food-at-home in 2025. This trend is expected to continue through 2026. In 2026, prices for all food are forecast to increase 3.0 percent. Prices for food-at-home are forecast to increase 2.5 percent, and prices for food-away-from-home are forecast to increase 3.6 percent.

Use of digital ordering and payment technologies is increasing at all price points. QR code menus, mobile ordering apps, contactless payments, and loyalty programs are now standard tools for smoother, faster service and stronger customer engagement.

Planning for the Future

The rise in fast-casual dining is increasing the demand for high-traffic, accessible, and small-footprint facilities, particularly premium corner locations. This is forcing planners to address vehicular congestion for drive-throughs, consider the redesign of curb space for delivery pickup, and reevaluate zoning and development regulations to support such accommodations in plans for mixed-use and transit-oriented projects. Measures for enhanced pedestrian and bike safety infrastructure to accommodate walk-up and "digital-first" prototypes in densely populated areas should also be evaluated.

Impacts on Community Planning

Drive-Through and Traffic Management: The demand for fast-casual drive-throughs may require planners to rethink traffic patterns and, in some cases, limit new drive-throughs in dense, high traffic areas. Current zoning regulations control these as a conditional use in specific districts, with strict regulation of spacing and safety standards.

Zoning Regulations: Older zoning standards may not address current needs of fast-casual, high turnover dining, including parking requirements. *Thrive Montgomery 2050* emphasizes compact growth with fast-casual restaurants an important element. Commercial and Residential zones now permit a wide variety of uses, including restaurants as anchors of apartment buildings, allowing adaptability for market changes. Flexible zoning that allows coordinated vehicle access, shared driveways, interparcel connections, and fewer well-designed curb cuts, smaller footprints, encouraging mixed-use, and walkability should be considered.

Infrastructure Challenges for Loading and Delivery: The increasing volume of takeout and delivery in fast-casual dining is presenting new challenges in densely populated areas. Addressing this may necessitate redesign of public roads and sidewalks to reduce conflicts among delivery vehicles, other vehicles, and pedestrians. Some of this is addressed in the County's plan, *Urban Loading and Delivery Management.* Policies and practices should be re-evaluated periodically to ensure they are effective.

Mobility: Fast-casual growth is driving the need for enhanced pedestrian and bicycle infrastructure, as well as the integration of amenities like outdoor seating and public art to encourage social hubs.

Smaller Footprints: Consumer preference for quick service is increasing demand for smaller facilities that fit existing urban sites and for infill improvements to public spaces and parks. Further, smaller spaces often reduce parking needs.

Grocery

While online grocery delivery services continue to expand their market share, especially driven by younger consumers, brick-and-mortar grocery stores have also expanded.

Consumer spending on groceries at discount grocers including warehouse clubs and supercenter tenants such as Costco, BJ's Wholesale Club, Walmart and Target account for 26.4 percent in 2025 compared to 56 percent at traditional grocers such as Safeway, Giant, and Harris Teeter. Spending at traditional grocers is declining (down from 72.2 percent in 1997) and rising at discount grocers (up from 9.4 percent in 1997).

Nearly 45 percent of Gen Z and 42 percent of Millennials order groceries online every week and over half of them have increased how often they shop for groceries online in the past year. They tend to spend more when they shop online.

The fastest growing grocery brands nationally in 2025 include (in order of growth): Aldi, Sprouts, Publix, Grocery Outlet, and Whole Foods. All but Grocery Outlet and Publix have a presence in Montgomery County.

Baby Boomers and the Silent Generation are the primary shoppers at traditional supermarkets, valuing in-store service, product quality, and community connection.

Conversely, **Gen Z and Millennials tend to shop at large-format stores** (e.g., Target, Walmart) online for convenience and affordability.

Many younger consumers are relying on groceries to cook at home to save money. But for Gen Z, grocery stores have also become destinations where they seek culinary "status symbols," trending brands, and unique products.

Younger and working consumers demonstrate higher shopping frequency and are increasingly purchasing single-portion protein items and ready-to-eat meals intended for same-day consumption.

Consumers are willing to pay up to five percent more on average for convenience and they will in many cases choose one product or service over another if it is more convenient.

Grocers are enhancing opportunities to sell local products. Research shows that shoppers prefer stores that feature locally grown, raised, or produced products.[7]

Artisanal, local, regional, and unique items allow grocers to differentiate themselves by building trust, fostering community connection, and offering curated products that big-box retailers cannot replicate.

Diversification allows retailers to add higher-margin items and increase foot traffic. Traditional stores are increasing offerings with grab-and-go and prepared foods, as well as in-house cafes and sandwich bars.

Price conscious consumers are increasingly visiting multiple grocery stores to purchase their groceries, taking advantage of deals and loyalty programs while comparing prices between grocers.

Some consumers are trading down when grocery shopping, substituting nationally recognized brands for less expensive alternatives. Grocers are responding by offering more private-label brands for budget-conscious shoppers.

Private label market share in grocery continues to increase. Store brands in 2025 outperformed national brands with 3.3 percent sales growth, compared to 1.2 percent for national brands.[8]

Grocers increasingly support alternative payment options, from Buy-Now-Pay-Later (BNPL) to mobile wallets, as shoppers gravitate to flexible tools to manage tight budgets.

Grocery store foot traffic has experienced sustained, resilient growth from 2023 through early 2026. However, the average dwell time for in-store shopping has slowly declined post-pandemic, driven by value-seeking behavior, inflation-driven smaller, frequent trips, and trips to multiple stores.

A report from Placer.ai (April 2026) indicates that **grocery visits are increasingly "mission-driven,"** with over 40 percent of trips nationwide lasting under 15 minutes as consumers prioritize speed and efficiency.[9]

Saturdays and Sundays remain the most popular days for large, in-store "stock-up" shopping trips. Recent research indicates a structural shift where weekdays are increasingly preferred for daily needs, driven by flexible work schedules.

Grocery-anchored retail centers continue to show strength, with low new real estate supply and steady demand supporting higher rents and reduced vacancies.

Despite ongoing challenges in the capital markets, **investment in grocery-anchored shopping centers is experiencing robust demand so far in 2026,** driven by their reputation as stable, "internet-resistant," and necessity-based assets.

The vacancy at grocery-anchored centers nationwide was 3.5 percent in 2025, compared to an average of 5.8 percent across all centers.

The top 20 chains control approximately two-thirds (more than 65 percent) of the market. Walmart alone maintains over 21 percent of all U.S. grocery sales. Among chains with a regional presence, those with the highest foot traffic include Aldi, Giant, Safeway, Walmart, Harris Teeter, Trader Joe's, and Whole Foods.[10]

7 The Food Marketing Institute, *Power of Produce Report* 2024, *Power of Produce Report* 2026

8 PLMA *2026 Private Label Report*

9 Placer.ai Search The Anchor; Placer.ai, "5 Grocery Growth Drivers in 2026," February 19, 2026 (https://www.placer.ai/anchor/reports/grocery-growth-drivers-in-2026)

10 Sales data for individual stores are unavailable. Foot traffic source: Placer.ai

Planning for the Future

Grocery trends are significantly influencing urban planning by promoting smaller, localized, and mixed-use formats that enhance accessibility, stimulate economic growth, and improve walkability. This includes a shift from stand-alone stores to "smaller format" stores (7,000 square feet to 10,000 square feet) tailored for dense urban cores. It also results in an increase in "grocery-anchored" residential development, and the integration of "click-and-collect" spaces. These changes may require more flexible zoning to accommodate parking and the adaptive reuse of older retail spaces.

Impacts on Community Planning

Smaller and Localized Formats: Small-format stores are ideal to support infill and transit-oriented development projects—reducing parking demand and enhancing walkability.

Mixed-Use Development: Increasingly, grocery stores are being integrated into the ground-floor retail component of mixed-use residential development projects. This can have an impact on requisite loading infrastructure, including minimum garage heights, truck turning radii, and can give rise to the need for structured and dedicated parking.

"Click-and-Collect" and Pick-up Design: The rise in online ordering is forcing communities to address the need for efficient curbside pickup. This may require rethinking parking requirements and adapting traditional parking lots into multifunctional, smaller, and more aesthetic spaces.

Small Site Innovation: For high-density areas, planners point to models like the Bethesda Place Safeway to demonstrate how a full-service grocery can fit into small, urban footprints.

Montgomery County has recently updated several regulatory frameworks to accommodate new grocery store models:

Incentive Zoning: Effective January 1, 2026, ZTA 25-05 (Ordinance 20-21) established a new incentive zoning system that allows developers to obtain additional density in exchange for providing public benefits. The updated system uses tiers tied to floor area ratio (FAR), replacing the previous points-based system. Under the Neighborhood Services and Mixed Use category, developments can qualify for additional density by providing neighborhood-serving retail, including grocery stores, subject to minimum space and public accessibility requirements that vary by tier.[11]

Flexibility in Parking and Height: Zoning adjustments now allow for more creative parking solutions, such as above-ground structured parking for grocers to overcome physical site constraints.



11 Montgomery County Council, ZTA 25-05, Ordinance 20-21; Montgomery Planning, Incentive Density Implementation Guidelines for CR and CRT Zones, Section 3, Neighborhood Services and Mixed Use, p. 58 (adopted November 2025).

GENERATIONAL TRENDS

Understanding today's consumer is a never-ending process.

Economics, age, geography, even politics all influence spending. Different generations behave differently. All generations are adapting to changing economic conditions, with a notable shift in purchasing habits.

Understanding shopping patterns across age groups helps urban planners create more effective spaces. For example, Millennials and Gen Z are projected to drive 60 percent of retail sales growth by 2030, making their specific preferences critical. Most Millennials prefer living in walkable urban areas with access to retail and employment.

Gen Z and Millennials increasingly dominate market share, driven by online purchases from social platforms and marketplaces, while also prioritizing discount stores for value and loyalty programs. Baby Boomers maintain high spending power on experiences, luxury, and healthcare, whereas Gen X spends significantly on consumer packaged goods (CPG) and dependent care and shows strong engagement with beauty and digital tools.

This section on generational trends is intended to highlight some of those differences because these shifts can directly influence economic growth, urban development, and local revenue. Highlights include: the economic position of different generations, how they shop, where they shop, and why they shop.



Generation Z, Born 1997–2012 (21% of U.S. Population)

Digital Natives Who Grew up with Cell Phones, Prioritize Personalization and Value

Generation Z (Gen Z), the youngest adult shoppers with rising spending power, are redefining retail expectations. Gen Z may not outspend Millennials yet, but they are the next most dominant consumer force.

They are hyper-connected, highly informed, and expect brands to offer seamless, meaningful interactions, both online and in-store.

Gen Z leads in online shopping for various categories, including groceries, apparel, and children's products, often on marketplaces like Amazon, TikTok Shop, and SHEIN.

While Gen Z mostly shops online, they still have an appetite for in-store shopping and experiences.

Gen Z are 82 percent more likely than the average consumer to say social media and digital advertising influence their purchasing decisions.

Gen Z increasingly utilizes AI as a personal stylist tool, which influences what they purchase. This includes tools such as Sephora Virtual Artist, Amazon's Personal Shopper tool, and Levi's Virtual Stylist.

Gen Z adults are more likely than any other generation to view shopping as a social activity, likely because "third places" are disappearing at a growing rate, such as local diners, and independent bookstores, local cafes and recreation centers, largely due to rising rents.[12]

They prioritize experiences over material things, and they are far more likely to scroll and shop on their phones than browse in-store.

They are fiercely brand aware, yet ready to abandon brands for private labels and sustainable and local products.

They are cautious with money, yet quick to spend when the purchase carries emotional weight or appeal. A significant majority (73 percent) are willing to pay 10 percent or more for sustainable products.

More than half of Gen Z consumers are worried about their financial situation in the year ahead. In response, young shoppers are changing their spending habits, including spending around 40 percent less on clothing.

More than half (54 percent) of Gen Z consumers and 44 percent of Millennials choose secondhand products over new ones. They use resale platforms such as OfferUp and ThredUp as well as consignment stores for apparel and accessories.

Gen Z is redefining retail expectations, influenced in part by their digital prowess and values, including a focus on sustainability.







12 American Enterprise Institute (https://www.aei.org/domestic-policy/americas-third-places-are-disappearing-and-why-it-matters/)
Source: U.S. Census (2023, 1-Year estimates)

Millennials, Born 1981–1996 (22% of U.S. Population)

The Experience-Driven, Omnichannel Generation

Millennial retail spending trends show a strong focus on value-driven purchases, prioritize buying from local businesses, experiential entertainment, wellness, and convenience while being price-conscious, largely driven by their roles as parents and urban homeowners.

Millennials heavily use online marketplaces and mobile payments and show a strong preference for convenience-driven shopping.

They are deliberate, multi-channel researchers and use “buy now, pay later” for flexibility. Forty-five percent of Millennials carefully budget their finances, a higher rate than any other generation.

Despite being digitally savvy, they often prefer a hybrid approach, using mobile for research and physical stores for purchases. Eighty-five percent of Millennials have shopped online in the past 12 months, while 82 percent have shopped in-store.

Where Millennials live reflects their life stage and influences their buying patterns. While the largest share still lives in urban areas (42 percent), many have moved to the suburbs (36 percent), likely in search of more space as their families grow.

Millennials tend to be more influenced by their peers as compared to Gen Z who can be reached through “influencers” and are more likely to use social networks and social media to get advice on products or services and stay current on new products and retail including restaurants.

Convenience is a priority because they are juggling busy family lives. Millennials value affordability, and tech-enabled efficiency, as this cohort seeks instant gratification. They save time and effort by using online ordering, fast delivery, and user-friendly apps to get food, goods, and services when and how they want them.

Millennials spend more on apparel and groceries than other generations, largely because they are in their “family-forming years” and are managing growing households. Millennials spend a smaller portion of their income on consumer products and services than any other generation.

Half of Millennials prefer spending on experiences rather than material goods and often prioritize products that tell a story or offer an experience.

The Millennial generation is the most concerned about a brand or retailer’s sustainability and environmental impact. Forty-three percent of Millennials prefer to buy from local markets, and 59 percent are more likely to purchase a product just because a small business was selling it.

Fifty-eight percent of Millennial shoppers say a brand or retailer’s trustworthiness is an important factor in purchase decisions, compared with 85 percent of Gen Z shoppers. Among Millennials, Apple is the most popular brand, followed by Amazon for online shopping, while Nike is their top clothing brand. Millennials also shop trend-forward retailers like Abercrombie & Fitch, Aritzia, H&M, and Zara, plus online platforms like Amazon and Shopbop.

Millennials spend more on groceries and apparel than any other generation and are willing to pay more for sustainable products.







Source: U.S. Census (2023, 1-Year estimates)

Generation X, Born 1965–1980 (19% of U.S. Population)

The Research-Driven Shoppers, the "Forgotten" Generation

Generation X (Gen X) comprises a significant market for retailers. They account for approximately 31 percent to 34 percent of U.S. retail spending, despite representing only about 19 percent to 20 percent of the U.S. population.

Many are in their peak earning years, and they drive the highest revenue per shopper and command the largest share of spending in consumer packaged goods (CPG), general merchandise, and quick-service restaurants, outspending every other generation.

Known as the "Sandwich Generation," Gen X manages households that often include both children and aging parents, influencing a wider range of purchasing decisions.

Gen Xers are digital adopters who combine the practicality of Boomers with the tech savviness of Millennials. While they use social media, only 13 percent prefer to purchase directly through apps. They value the ability to see products in person, especially for clothing, home goods, and electronics.

Gen X is skeptical of marketing and values authenticity. They are research-driven: research products online; read reviews; value quality and convenience; and are heavily influenced by brand trust and competitive pricing. They are also highly pragmatic, loyal shoppers who have a strong preference for in-store shopping (73 percent).

Gen X is fiercely loyal to brands that deliver quality and reliability. They are willing to pay more for products that last and often stick with familiar brands. While they are more loyal to brands than Gen Z, they also show a growing interest in small, independent brands, including food/dining.

Geographically, Gen X is most likely to live in the suburbs. They want the ease of shopping that older shoppers require, but they use tech and social media more like younger shoppers. Gen X consumers demand seamless shopping environments and express little tolerance for common in-store pain points. Customers expect real-time inventory accuracy, consistent staffing, and clear communication from the retailers and brands they shop with.

They find time-saving tools like curbside pickup, reorder reminders, and online appointment scheduling appealing. They use technology and AI to simplify life, such as smart devices for automatic reordering, and are highly engaged with beauty products.

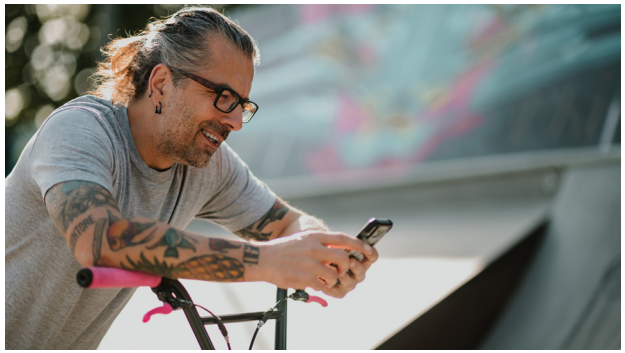
Empty nest Gen X households spend more on pet care (+15 percent) and less on household products and groceries, signaling a transition of "family" focus toward pets.

Amazon is their top online destination, while Walmart, Target, and Costco are primary in-store destinations. Gen X shoppers frequently visit T.J. Maxx, Marshalls, Old Navy, and Nordstrom Rack for clothes and home goods. They also like resale. Gen X's revenue per shopper for in-store secondhand apparel doubles that of Gen Z and exceeds Millennials.

Gen X leads in spending across categories including apparel, home improvements, and dining.







Source: U.S. Census (2023, 1-Year estimates)

Baby Boomers, Born 1946–1964 (19% of U.S. Population)

Loyal Shoppers Who Value Service and Convenience

Baby Boomers (Boomers) account for approximately 33.7 percent of total U.S. retail sales, a 10-point decrease from 2020. As this generation's household size and income level shrink, its cohorts are most likely to cut back on nonessential spending.

As they move further into retirement years, Boomer shopping behavior is shifting—reshaping how and where they shop. Wealthier Baby Boomers are less likely to change their habits, but Boomers who are financially constrained are more likely to adapt their spending, particularly in nonessential categories including dining out and travel.

Baby Boomers usually shop on weekdays during off-peak hours to avoid weekend crowds, preferring a more planned, in-store experience, with only 10.7 percent favoring Saturdays for shopping.

Boomers dress for comfort, not to make a statement. Ninety-four percent say comfort drives their clothing choices. Compared with younger generations, they are less likely to view clothing as self-expression and place even less value on nostalgic or sustainably made fashion.

Baby Boomers are health-conscious and willing to spend on products and services that support their well-being, seeing them as investments in their health. This includes both food and fitness.

While most Boomers are active on platforms like Facebook, they are less likely to rely on social media for purchase decisions. Instead, they trust brand reputation and customer reviews.

More than 80 percent of Boomers use search engines and retailer websites to research products before visiting a store. Despite embracing digital tools, Baby Boomers still prefer shopping in-store for the personalized service and immediate access to products. They want to see, touch, and test products.

Baby Boomers are more brand-loyal than other generations, tending to stick with brands they trust. Twenty-six percent rarely or almost never switch from a favorite brand, making them 30 percent more likely than Gen Z to stay brand-loyal.

Boomers prioritize value, durability, and comfort, choosing quality over trends. With substantial buying power, they favor in-store shopping, strong customer service, and deals that help make retirement income go further.

The top retailers for Baby Boomers are Walmart (17 percent of spend), Amazon (9 percent), Costco (5 percent), Kroger (4 percent), and Home Depot (3 percent).

With increased longevity, there is a growing trend toward spending on luxury wellness and healthcare services.







Source: U.S. Census (2023, 1-Year estimates)

RETAIL REAL ESTATE

National Trends

Even after the COVID-19 pandemic, U.S. net retail absorption (leasing and occupancy) continues to be volatile. 2025 began with significant negative absorption caused by numerous store closures during the first half but saw a recovery in the second half. Overall net absorption remained restricted due to high numbers of move-outs and ongoing, though less severe, weakness. Net new construction is still limited, as retail space being built has decreased, partly due to elevated construction costs and financing challenges.

> Key drivers of retail demand include grocery, discount, and service-oriented retailers. Limited new construction is increasing competition for existing retail space, while retailers continue to adjust their store footprints and formats in response to changing consumer preferences.[13]

Grocery is leaning towards smaller store sizes in part driven by increased online grocery shopping, a desire for convenience, and the growth of smaller formats (local, Aldi, Lidl, Whole Foods Daily Shop).

Demand for immediate delivery is forcing retailers to rethink distribution, including the last mile, creating opportunities for warehousing.

National retail vacancy rates remained historically low in 2025 despite increased store closures and uneven leasing activity. According to JLL, the national retail vacancy rate stood at 4.3 percent at year-end. Limited new construction and a recovery in leasing activity during the second half of the year helped maintain relatively tight market conditions.[14]

A surge in bankruptcies has led to thousands of retail closures, as stores and restaurants use Chapter 11 to address higher costs, shrinking margins, and changing consumer habits.

Larger spaces occupied by junior and big-box tenants are experiencing the highest level of closure and include the many bankrupt retailers (Forever 21, Joann Fabrics).

Tenant fit-out budgets are becoming more limited, often restricted to more permanent infrastructure.

Rising costs for equipment, infrastructure (e.g., ventilation), and materials are driving demand for secondary space, especially among food-related tenants.

Lease structures are shifting; terms are shrinking from what were traditionally 10 and 5 years to 3 and 5 years; percentage rent leases are increasingly common, especially among retail segments with higher sales volatility.

Mixed-use projects with residential, retail, and commercial/hotel uses are the new normal for development particularly in urban markets.







13 CBRE, U.S. Real Estate Market Outlook 2026: Retail.
14 JLL, U.S. Retail Market Dynamics, Q4 2025.

Montgomery County Trends

Retail real estate trends in Montgomery County are generally consistent with national trends. Overall, broker and investor real estate market reports for Montgomery County in 2025 indicate resilience and steady growth, though at a slower pace than before the COVID-19 pandemic. There is increased demand for "seven days a week" locations and for dense environments including strong daytime populations, especially for food (restaurants and grocers) and entertainment-oriented tenants. Challenges surrounding federal institutions, tariffs, and a shrinking workforce are having an impact on the local economy including retail leasing—tenants expanding in the region are being cautious about new lease executions.

The county maintains a strong mix of national and local tenants, especially in "neighborhood goods and services" with ethnic eateries and markets, and local boutiques featuring apparel and home goods.

New developments and repositioned projects in Montgomery County are targeting and attracting a diverse mix of retailers, including supermarkets, specialty grocers, restaurants, and entertainment venues.

Based on conversations with brokers and retail professionals, **real retail vacancy rates are inconsistent across the county,** ranging anywhere from near 5 percent in certain submarkets to higher rates in more urban nodes like Downtown Silver Spring and Downtown Rockville, and even higher where redevelopment is underway, such as Chevy Chase/Friendship Heights—which is more than 25 percent, likely due to multiple properties currently being repositioned and redeveloped.

Tenants who focus on experience are increasingly being courted by retail centers, including those focused on creating a valuable "experience" for shoppers.

Following national trends, the **use of creative lease terms is rising,** including lower base rents with exaggerated escalations, percentage rent deals with escalations, and even license agreements.

Many retail leases, especially in malls and larger centers, now include a percentage rent clause.

Lease terms for new retail developments in Montgomery County generally range from 5 to 10 years, with common renewal options of 5 years.

Across the county there are several large-scale, mixed-use projects underway or in planning stages. These developments integrate retail with office, residential, and other uses to create vibrant community hubs. Projects to watch include: VIVA White Oak, White Flint Mall redevelopment in North Bethesda, and a transit-oriented, mixed-use project anchored by the University of Maryland Institute for Health Computing near the North Bethesda Metrorail station.

Grocery-anchored neighborhood shopping centers represent the predominant retail format within the county, reflecting sustained and significant demand for these sites.

Areas including Bethesda, Silver Spring, and Gaithersburg continue to experience significant investment and growth within the retail sector. Additionally, Bethesda serves as a central location for retail real estate firms.





CONCLUSIONS AND KEY TAKE-AWAYS

Spending Shifts: The ways in which consumers of different generations spend are changing the retail real estate landscape, pushing developers, landlords, and retailers to shift from transactional selling spaces to dynamic, lifestyle-driven properties. Landlords are tailoring tenant mixes to support the residents' needs with an emphasis on grocery stores, fitness studios, pet services, and family-oriented offerings.

This may require more flexible zoning and, in some areas, increased density. It may also necessitate rethinking of minimum parking ratios and requirements.

Experiential Spaces and Activations: Younger generations (Gen Z and Millennials) prioritize experiences over products. Wellness and sustainability are also priorities. Because these consumers can buy virtually anything online, a physical storefront must offer a distinct reason to visit. Retail real estate is being used differently, transitioning square footage for experiential activations, such as interactive pop-up shops, rotating exhibits, high-end food and beverage concepts, and retail brand collaborations.

These types of uses may require more flexibility for permitting, parking, loading, and even accessibility. This may also require communities and owners to rethink the integration of public space within the built environment.

"Phygital" Environments: Rising demand for seamless integration between online and in-store spaces is making "phygital" retail essential. To capture the attention of Gen Z, Gen Alpha, and to a lesser degree, Millennials, retail stores will need to incorporate technology such as AR virtual fitting rooms and interactive mirrors, in-app store navigation and mobile payments.

New developments will need to be designed to accommodate high speed connectivity with flexible infrastructure.

Redefining Retail: Retail used to be strictly defined as the sale of physical merchandise or consumer services to an end-user for personal consumption. The definition of retail has expanded to include a variety of medical and wellness uses (urgent care, dermatology centers, outpatient surgery). The demand for "medtail" (medical-oriented uses) and wellness-oriented uses is rising, driven largely by Baby Boomers and older Gen X who prioritize longevity and healthcare. These uses are increasingly replacing former big-box spaces (drug stores, apparel stores, and discount department stores).

This may also require planners and communities to think differently about what they will accept, approvals, licensing, and parking (e.g., total number of spaces in consideration of shared parking).





3 County Overview

DEVELOPMENT CONTEXT

Over time, development patterns in Montgomery County have expanded outward from the Washington, D.C. border along its corridors to accommodate population and economic growth. Early crossroads became hubs of commerce, including Bethesda, Gaithersburg, Rockville, and Silver Spring. In the mid 20th century, regional master plans recommended protecting wedges—agriculture, open space, and low density residential areas—and concentrating development along corridors, reinforcing the arterial road network that was expanding to serve suburban residential and commercial development patterns. Most of these auto-centric corridors extend from the Washington, D.C. street system, including Wisconsin Avenue (MD 355); Georgia Avenue (MD 97); Connecticut Avenue (MD 185), which intersects with University Boulevard (MD 193), a cross-county arterial that leads to Prince George's County; and 16th Street, which intersects with Colesville Road (U.S. 29) at the D.C.-Maryland border, another cross-county arterial route.

Later in the 20th century, Washington Metropolitan Area Transit Authority expanded the Metrorail system into suburban areas to improve commuting to and from Washington, D.C. The location of Metrorail stations in and near the hubs of Montgomery County has enhanced these population centers with new opportunities for growth.

In response to market shifts, walkable communities that include a mix of homes, work environments, retail space, and outdoor amenities have been completed in Montgomery County and others are in the works. These nodes advance recommendations of the County's current general comprehensive plan. Changes in consumer behavior have also affected the relics of past development; some continue to serve market demand; some are prime for new ventures; and some will vex market actors for a long time.

Past planning and market forces have shaped an auto-oriented suburban landscape. However, though such realities continue to influence the evaluation of market potential today, Montgomery County is setting the stage for shifting from "pavement to places," supporting the development of holistic communities.



DEMOGRAPHIC AND ECONOMIC CONDITIONS

By 2024, with nearly 1.1 million residents, Montgomery County has become the most populous county in Maryland and is one of the more prosperous suburban jurisdictions in the Washington, D.C. metropolitan area. The historic expansion of retail development in the county can be attributed to strong demographic indicators, including population growth, high levels of educational attainment, strong household purchasing power, along with stable and higher paying employment opportunities. Since 1970, Montgomery County's population has effectively doubled from 520,000 in 1970 to just over 1,076,000 in 2025; with this growth came a boom in housing and commercial development. Montgomery County will remain competitive for retail development and tenanting given its continued growth and strong market indicators. However, shifts in age and household composition will impact retail preferences and the market will need to be responsive to these changes. Additionally, from an employment standpoint, the county has not fully recovered from the economic downturn during the COVID-19 pandemic and private-sector employment is at its lowest since 2014. This contraction, coupled with the uncertainties around federal government employment and cutbacks, impacts how the county is perceived by retailers and site selectors.

Population Trends

Montgomery County gained more than 104,000 net new residents between 2010 and 2025, an increase of 10.7 percent, lower than the rate of growth in the Washington, D.C. MSA (18 percent), but generally comparable to the rate of national growth (10 percent). Population projections show that growth will continue although at a slower rate, forecasting a gain of approximately 100,000 net new residents by 2040, and another 70,000 by 2055. Continued growth of population indicates persistent market pressure for more housing and points to opportunities for expansion and diversification of the retail supply.

Key Retail Market Indicators

+ Positive

Historic Population Growth
+10.7 percent; +104,000 since 2010.

Projected Population Growth
<0.6 percent annual compound rate, below recent U.S. metropolitan average; +98,000 by 2040.

Household Income
High median household income, $134,936, exceeding the state median of $103,503 by more than 30 percent.

Educational Attainment
High levels of educational attainment. 62 percent of residents aged 25+ have a bachelor's degree or higher, compared to 45 percent statewide.

- Negative

Age Trends
The county is getting older. From 1980 to 2024, the 65+ population grew from 9 percent to 18 percent, while the population under 35 dropped from 55 percent to 42 percent.

Employment Trends
Too much dependency on government job growth. Since 2001, the number of government jobs has grown by 20 percent, while the number of private-sector jobs has remained roughly even.

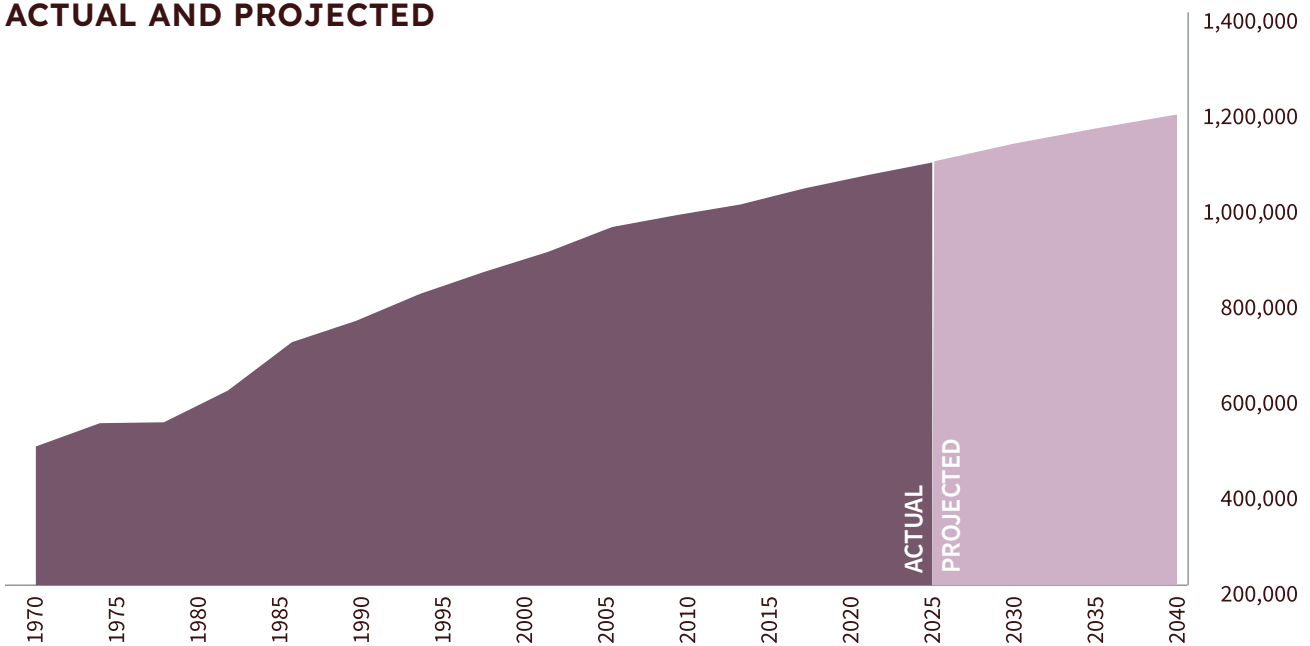
⊖ Neutral

Home values
Values are high indicating a strong market, but the high cost of land can narrow opportunities for more affordable space and retail diversification, especially given increasing development costs.

Household Sizes
Average household size has remained stable at 2.7 persons per household, although there has been a general shift in preferences away from larger homes.

Source: Esri (2025)

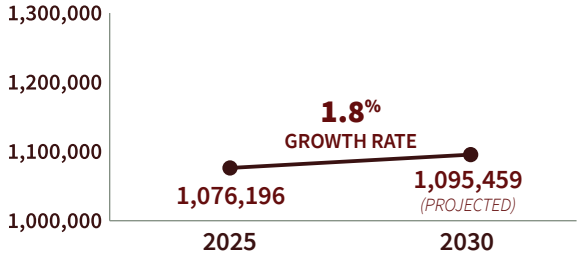
POPULATION TREND, 1970-2040 ACTUAL AND PROJECTED



Source: U.S. Census; Montgomery Planning (2026)

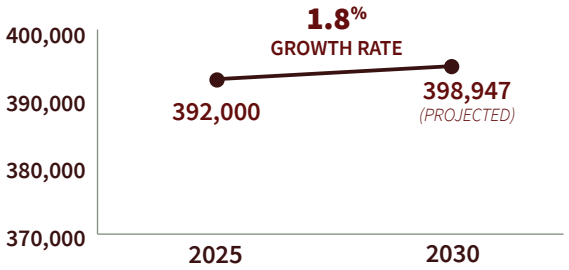
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **1,066,937**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.7**

MEDIAN HOUSEHOLD INCOME **$134,936**

MEDIAN HOME VALUE **$694,229**

Household Income

Montgomery County has a median household income of approximately $135,000, slightly higher than the median for the Washington, D.C. metropolitan area ($127,000). Nearly two-thirds of households in the county earn more than $100,000 per year, and one-third of households earn more than $200,000. By 2030, the median household income is projected to increase to $157,000, and nearly 40 percent of households are projected to earn more than $200,000 annually. These higher earning households demonstrate demand for higher-end retail and dining—a key indicator for retailers and developers.

Educational Attainment

Montgomery County residents have high levels of educational attainment on average, which indicates it is attractive to white-collar professionals (75 percent of employed residents work in white-collar professions). Approximately 62 percent of county residents aged 25 years or older have a bachelor's degree or higher, and more than half of those with a bachelor's degree also have a graduate or professional degree. Highly educated individuals are more likely to spend disposable income on entertainment and cultural programming, impacting the types of businesses most likely to succeed in the county.

Age Trends

The population of Montgomery County has steadily aged in recent decades, as long-standing residents have remained with fewer young households moving into the county due to the high cost of housing and attractiveness of other parts of the D.C. metro area. Since 2010, the median age of the population has increased from 38.4 years to 40.4 years, and it is expected to climb to 41.2 years by 2030. Meanwhile, the percentage of the population that is 65 years or older has doubled from nine percent in 1980 to 18 percent in 2024, and the percentage of the population that is 34 or younger has decreased from 55 percent in 1980 to 42 percent in 2024. This aging population has ramifications for retail business, as older people tend to spend more on necessities such as healthcare and housing and less on consumer goods.

Employment

Montgomery County is a major employment center for the region, but its job market has experienced slow growth over the last decade. Nearly 10 percent of private-sector jobs were lost during the COVID-19 pandemic-related disruptions. By 2024, the county still had approximately four percent fewer private-sector jobs than in 2019. Government employment did not experience a significant decline during the pandemic and continues to increase; however, the disruption of the federal workforce in 2025-2026 threatens to affect this historically stable employment sector, clouding the future economy of Montgomery County.

Source: Esri (2025)

RETAIL SUPPLY

Rentable Building Area Built Since 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

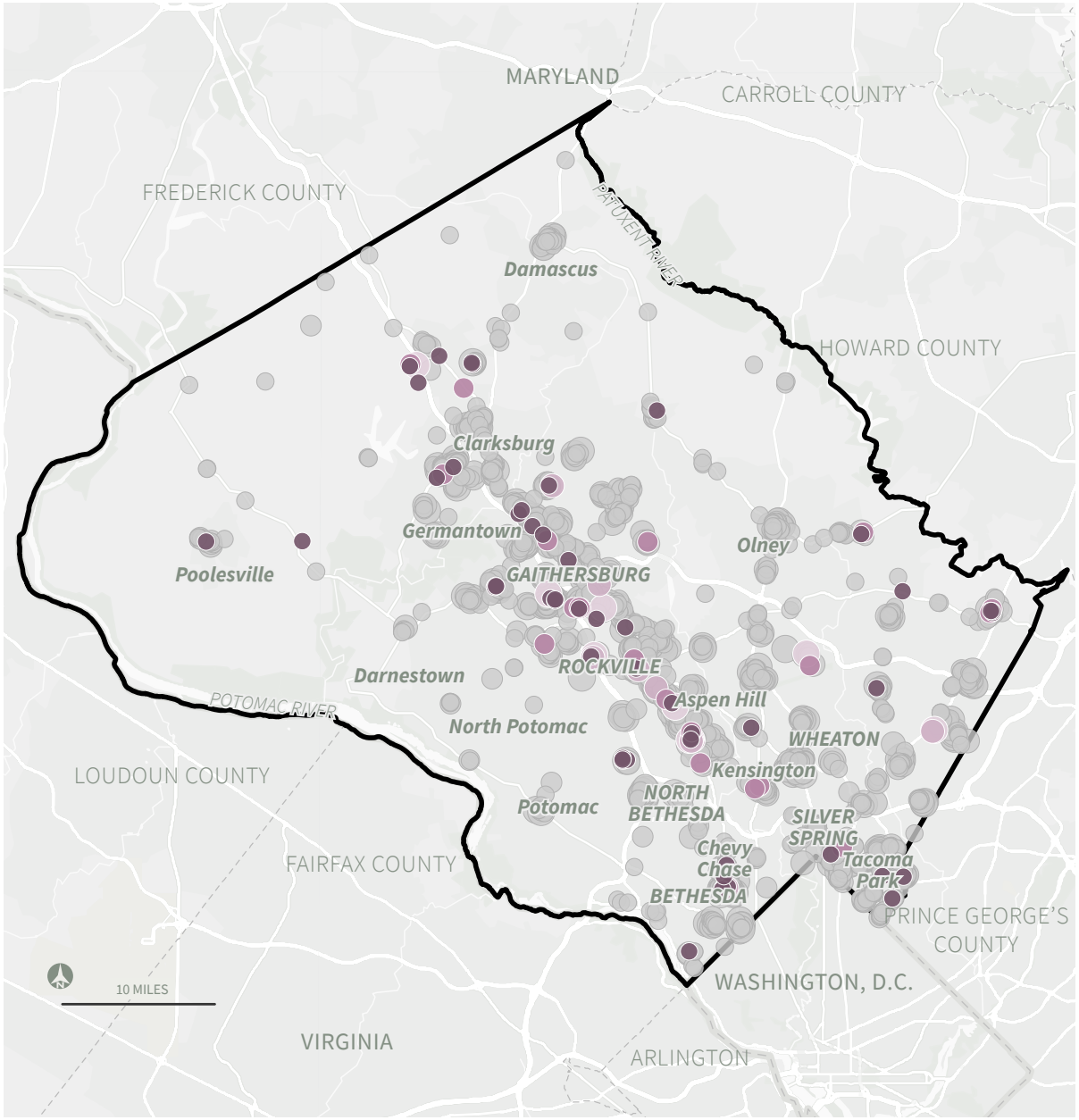
Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Montgomery County includes approximately 37.7 million square feet of retail space (also referred to as retail supply). This amount reflects existing space, not space that has been demolished. More than three quarters was built before 2000, with a substantial amount added between 1960 and 1999, in conjunction with robust residential growth in the county. Nearly a third of the retail supply was built during the 1960s and 1970s, when many large-scale conventional shopping malls were delivered; among them: Westfield Wheaton (1960); White Flint Mall (1977); Westfield Montgomery Mall (1968); and Lakeforest Mall (1978). With the closure and demolition of White Flint Mall and Lakeforest Mall, the inventory of retail space was reduced by nearly two million square feet. The period of lowest delivery of new retail space since the 1950s was the 2010s, when residential growth was slow. This decrease in retail development activity can also be attributed to the increase in supply of big-box retail delivered in the 1990s and 2000s, shifting consumer preferences, and the continued rise of e-commerce. Overall, it can be anticipated that the average amount of retail space per net new resident will shrink over the next decade.

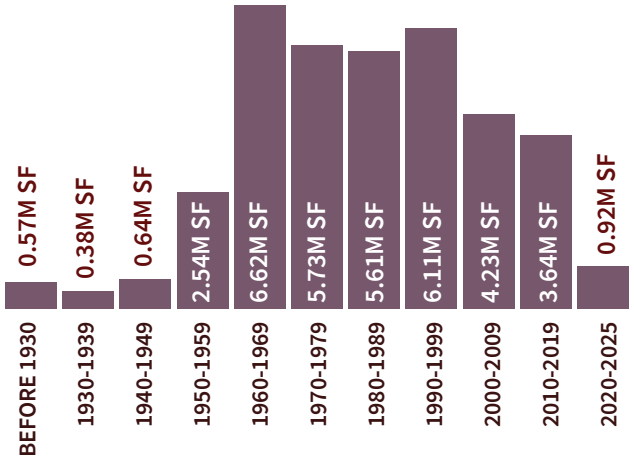
Retail space in mixed-use buildings accounts for approximately 4.6 percent (1.7 million square feet) of the county's supply, which includes much of the newest supply. Though the overall majority of current supply is "conventional" (e.g., single-use buildings, inline strip centers, shopping malls, and regional centers)—as most retail completed during the last 10 years is as well—the increase of retail supply in mixed-use properties has been delivered at a faster rate, indicating a shift in and diversification of the retail supply.

The distribution of the retail supply generally follows major arterial corridors in the county, particularly along MD 355, which captures the largest share overall, including new supply delivered over the last 10 years.



RETAIL SUPPLY BUILT BY DECADE

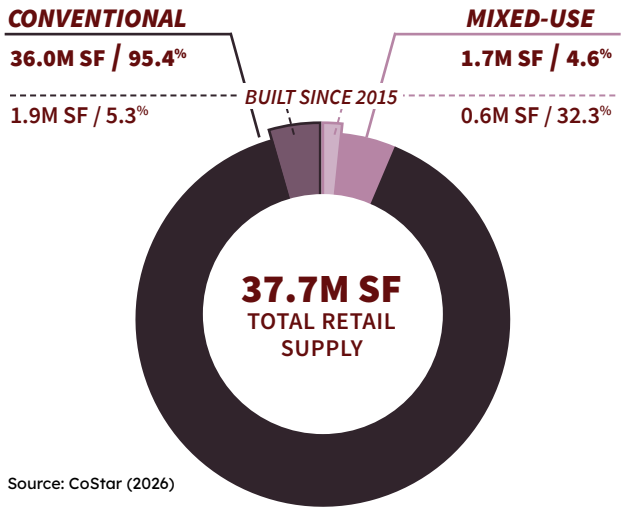
Excludes 135 properties for which the year built is unknown



Source: CoStar (2026)

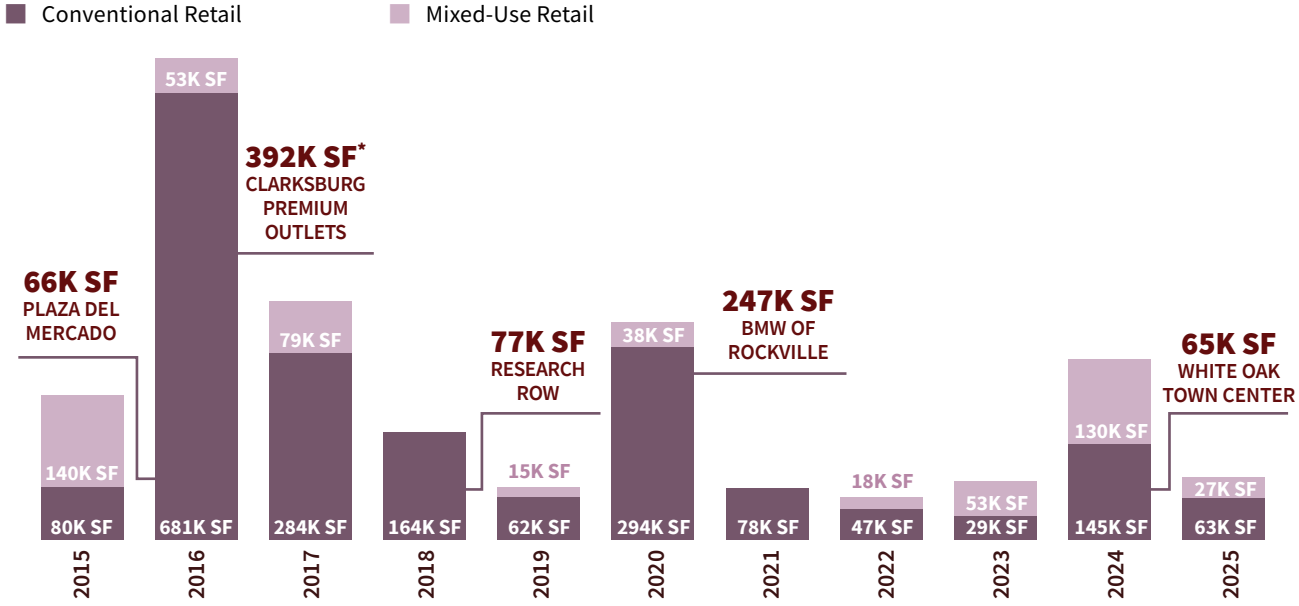
RETAIL SUPPLY

CONVENTIONAL VS. MIXED-USE



Source: CoStar (2026)

ANNUAL COMPLETION OF RETAIL SUPPLY, 2015-2025



* 45,000 square feet added to Clarksburg Premium Outlets in 2018.

Over the last decade, about 2.5 million square feet of new retail space has been added in Montgomery County, including retail space in mixed-use buildings. Around one third of this new supply was provided in five development projects:

Clarksburg Premium Outlets (2016, 2018)
2016: 392,000 square feet
2018: 45,000 square foot addition
Total: 437,000 square feet

Plaza Del Mercado (2016)
66,000 square feet

Research Row (2018)
77,000 square feet

BMW of Rockville (2020)
247,000 square feet

White Oak Town Center (2024)
65,000 square feet

The retail supply in mixed-use buildings nearly doubled during this period, with largest increases occurring in 2015, 2016, and 2024, notably:

Pike & Rose (2014, 2015, 2016)
390,000+ square feet, 864 units

1015 Ripley Street (2015)
9,091 square feet, 28 units

BLVD Forty Four (2015)
15,982 square feet, 263 units

The Darcy (2015)
8,089 square feet, 88 units

Galvan at Twinbrook (2015)
95,260 square feet, 356 units

4909 Auburn (2024)
12,500 square feet, 167 units

Atwell on Spring (2024)
25,050 square feet, 375 units

The Milton at Twinbrook Quarter (2024)
92,000 square feet, 452 units

Based on an analysis of CoStar data, despite recent additions to the mixed-use retail supply, the majority of retail development completed over the last decade (1.9 million square feet of 2.5 million square feet) consists of single-use buildings and sites designed for auto-oriented access, including outparcels, pad sites, and smaller retail strip centers.

More than one-third of new retail buildings are less than 5,000 square feet in size, many of which are occupied by fast-food and fast-casual restaurants with drive-through service. More than 40 percent of new retail buildings are between 5,000 square feet and 20,000 square feet in size, tenanted primarily by pharmacies, fitness centers, or smaller grocers, occupying a larger stand-alone building, or a strip shopping center. More than half of the single-use retail space is contained within a handful of properties, including Clarksburg Premium Outlets (437,000 square feet) and BMW of Rockville (247,000 square feet).

NEW SINGLE-USE RETAIL SUPPLY, BUILT SINCE 2015

< 5K SF	5K - 10K SF	10K - 20K SF	20K - 50K SF	> 50K SF
FREESTANDING FAST-FOOD RESTAURANT	FAMILY RESTAURANT PHARMACY FITNESS FACILITY	SMALL FORMAT GROCERY SMALL STRIP CENTER	NEIGHBORHOOD CENTER (VILLAGE CENTER)	OUTLET MALL AUTO DEALERSHIP LIFESTYLE CENTER



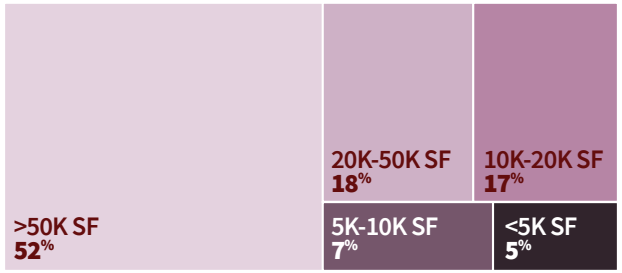




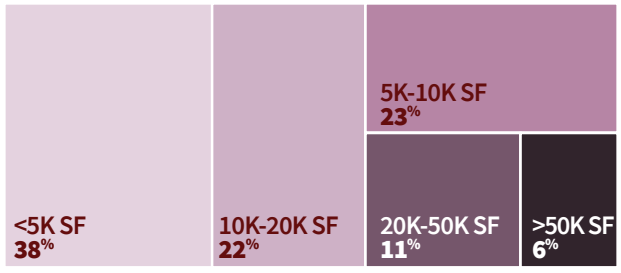
DISTRIBUTION OF SPACE BUILT SINCE 2015

Note: totals do not sum due to rounding

DISTRIBUTION OF SPACE BY TOTAL SF



DISTRIBUTION OF PROPERTIES BY SIZE

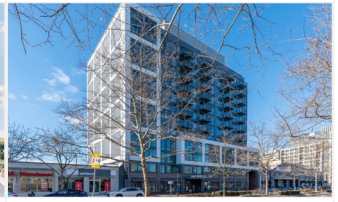


Source: CoStar (2026)

Since 2015, just under 600,000 square feet of mixed-use retail supply has been delivered in the county. The amount of retail space, design, and configuration relative to the number of units varies significantly. The Galvan at Twinbrook has 356 residential units and Milton at Twinbrook Quarter has 452 residential units; each of these properties includes more than 90,000 square feet of retail space anchored by grocery stores. The BLVD Forty Four is smaller in scale with only 16,000 square feet of commercial space, subdivided into spaces of 5,000 square feet or less.

Note: The submarkets identified below represent the submarkets defined for this report (see page 50).

REPRESENTATIVE MIXED-USE PROPERTIES, BUILT SINCE 2015

Submarket BETHESDA/CHEVY CHASE/N. BETHESDA	Submarket BETHESDA/CHEVY CHASE/N. BETHESDA	Submarket ROCKVILLE	Submarket ROCKVILLE	Submarket SILVER SPRING	Submarket BETHESDA/CHEVY CHASE/N. BETHESDA
Galvan at Twinbrook	**Milton at Twinbrook Quarter**	**BLVD Forty Four**	**The Laureate**	**Atwell on Spring**	**The Camille**
95K SF RETAIL 356 UNITS BUILT: 2015	**92K SF RETAIL** 452 UNITS BUILT: 2024	**16K SF RETAIL** 263 UNITS BUILT: 2015	**28K SF RETAIL** 268 UNITS BUILT: 2023	**25K SF RETAIL** 375 UNITS BUILT: 2024	**15.3K SF RETAIL** 181 UNITS BUILT: 2023
					
KEY RETAIL TENANTS SAFEWAY (63K SF) ETHAN ALLEN ADVENTIST REHABILITATION 14 SPACES	**KEY RETAIL TENANTS** WEGMANS (90K SF) 2 SPACES	**KEY RETAIL TENANTS** PANERA WORLD OF BEER ASIAN FOOD HALL VINO & HOPS	**KEY RETAIL TENANTS** INSPIRE NAIL BAR WESTSIDE WINE CELLAR & BEER MEDICAL OFFICES	**KEY RETAIL TENANTS** MOM'S ORGANIC MARKET	**KEY RETAIL TENANTS** MATTRESS FIRM

Source: CoStar (2026)

Supply: Business Inventory

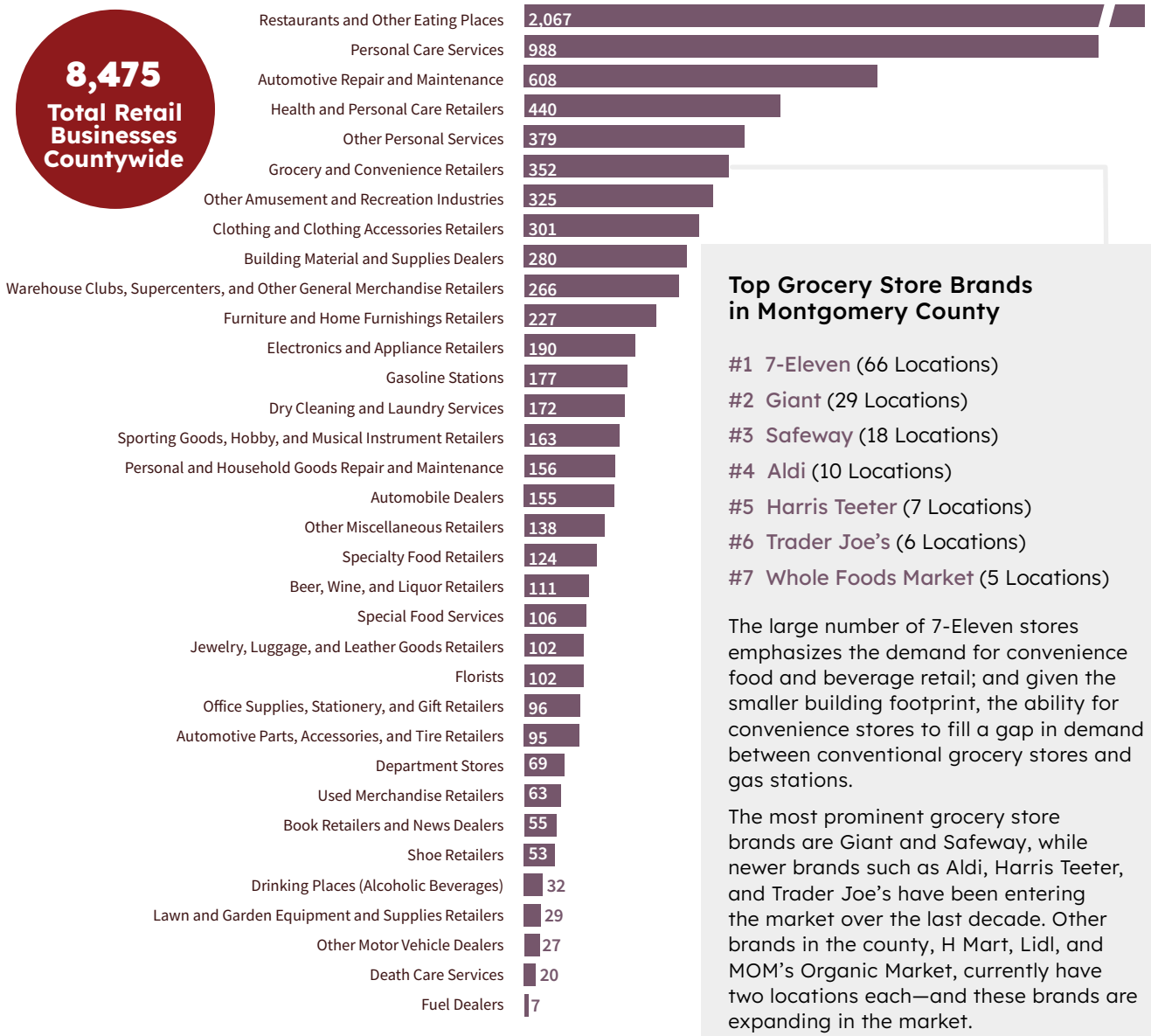
According to Data Axle, there are nearly 8,500 retail-oriented businesses in Montgomery County, including conventional retailers, such as apparel, grocery, and home goods stores, (Retail Trade) eating and drinking places (Food Services), automotive and personal services (Other Services), and health clubs and personal fitness (Other Amusement and Recreation Industries). This does not include the full universe of businesses that might occupy retail spaces such as real estate offices, healthcare (e.g., dentists and family practice), or financial services (e.g., banks and accounting services). This data source is less reliable for identifying retail clusters, since it also includes home businesses and tenants of office space; however, it helps inform the scope of businesses located in the county and how developers and property owners should position the retail space they have to offer to align with and accommodate demand.

More than 2,000 restaurants operate in Montgomery County, the most common retail business type comprising nearly one-quarter of all retailers in the county. For Retail Trade businesses, the most common are health and personal care services (e.g., salons, barbers, and beauty), health and personal care retailers (e.g., cosmetics, vitamins, and medical supplies), grocery and convenience services, and clothing stores. While Data Axle does not provide historic data; its focus on food and beverage and personal services is consistent with the tenant mix of new retail centers. With the continued growth of e-commerce, retail will continue to shift toward more of these types of tenants and fewer stores offering soft goods like apparel.

Nearly two-thirds of Amusement and Recreation businesses in Montgomery County are health clubs, gyms, yoga studios, and personal fitness businesses. This sector is expected to grow over the next ten years.

RETAIL BUSINESSES IN MONTGOMERY COUNTY
BY NAICS CODE

8,475
Total Retail Businesses Countywide



Top Grocery Store Brands in Montgomery County

#1 7-Eleven (66 Locations)
#2 Giant (29 Locations)
#3 Safeway (18 Locations)
#4 Aldi (10 Locations)
#5 Harris Teeter (7 Locations)
#6 Trader Joe's (6 Locations)
#7 Whole Foods Market (5 Locations)

The large number of 7-Eleven stores emphasizes the demand for convenience food and beverage retail; and given the smaller building footprint, the ability for convenience stores to fill a gap in demand between conventional grocery stores and gas stations.

The most prominent grocery store brands are Giant and Safeway, while newer brands such as Aldi, Harris Teeter, and Trader Joe's have been entering the market over the last decade. Other brands in the county, H Mart, Lidl, and MOM's Organic Market, currently have two locations each—and these brands are expanding in the market.

Source: Data Axle (2025)

RETAIL REAL ESTATE

Leasing, Vacancy, Product

Early in the 2010s, the retail real estate market in Montgomery County experienced robust growth. In the late 2010s and early 2020s, however, the volume and size of deliveries, and leasing activity declined. This coincides with an uptick in the average vacancy rate when, in 2018, the county rate exceeded the Washington, D.C. regional CoStar Market rate. As the retail market continues to shift to meet changing consumer preferences, key market indicators may continue to fluctuate at higher rates than in the previous decade.

Many variables affect asking and effective rents

Size of space: large tenants needing large spaces pay far less per square foot.

Destination tenants: those that drive traffic, such as popular grocery brands like Trader Joe's or Whole Foods, often secure lower rates per square foot.

Lease terms: longer lease durations give tenants greater leverage to negotiate reduced rent.

Type of lease: newer properties typically have a triple-net (NNN) lease agreement in which tenants pay all expenses (utilities, insurance, property tax), including an extra common area maintenance (CAM) charge on top of the rent. Other lease types include modified gross (MG) where the tenant pays some expenses or full-service (FS) where the tenant pays little to no expenses. In many cases, the base rent is adjusted depending on the amount of additional expenses incurred by the tenant. For example, in a triple net lease agreement, the owner may adjust the rent downward as part of the negotiation if expenses are high resulting in a more competitive aggregate expense (rent + expenses) to the tenant.

Escalation clauses: rents "typically" increase after a certain time period which is stipulated in the lease (for example, three percent increase after two years).

Free rent: landlords offer free rent to retailers primarily to attract tenants quickly, secure long-term leases, and avoid the high costs associated with vacant spaces. This incentive also helps tenants cover initial costs, while allowing landlords to maintain higher face-value rental rates in financial reports.

Percentage rents: landlords are increasingly offering a hybrid model with below-market base rents supplemented with a percentage of sales by the tenant; the agreed percentage rate often has inflection points built into the lease and drops as revenue increases.

Tenant improvements: the cost to make a retail space move-in ready (renovations, fixtures and finishes, etc.), which can be paid by the owner or tenant, has an influence over rent. For example, owners may negotiate a higher lease rate if they agree to increase the amount of tenant improvements.

Age and condition of property: quality of space influences the rent potential, but also configuration.

Visibility and location: in a shopping center, spaces with higher visibility, including corner spaces, achieve higher rents.

Type of property: free-standing properties often have different lease structures compared to inline space (e.g., space in a shopping center) and mixed-use buildings.

Ownership structure: local owners tend to be more adaptable than institutional or public ownership.

Market cycles: time periods of high vacancy can result in a "buyer's market" resulting in rates below market, driven by a landlord's objective to achieve maximum occupancy; the reverse scenario, a landlord's market, generally leads to higher rents.

Overview

Tracking vacancy, rental rates, and leasing activity is challenging due to the variability and confidentiality of the lease transactional process, including reluctance from brokers and owners to share transaction information. This reticence derives from a desire to secure the highest rent achievable and an assumption that disclosing lower rates or discounts could lead to consistently reduced rental prices.

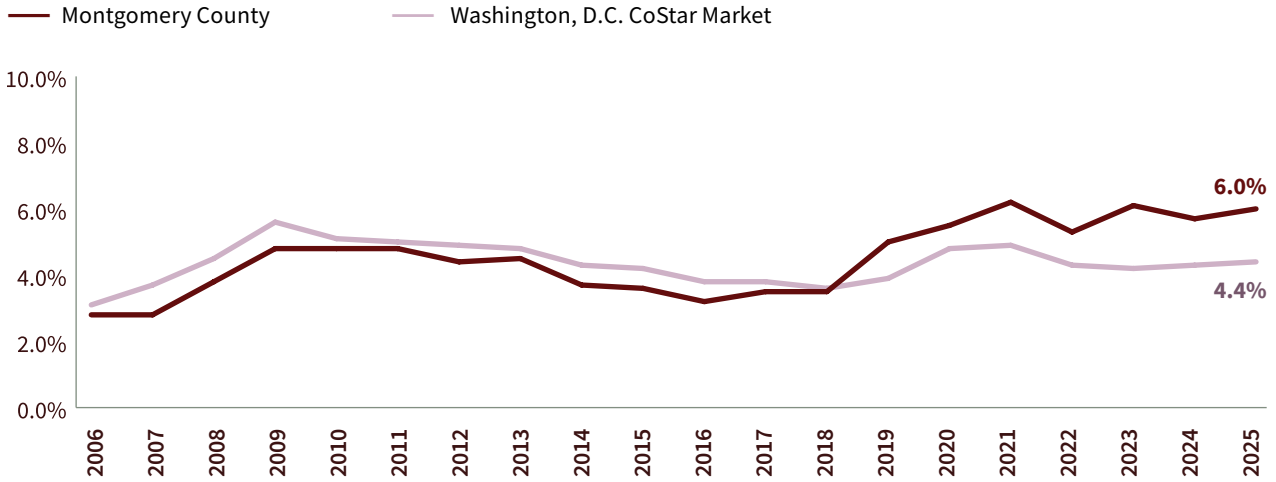
Vacancy

Determining a total vacancy rate is challenging across such a large and diverse market with nearly 38 million square feet of retail space.

Brokers and communities alike often rely on CoStar to monitor rental and vacancy rates. While it serves as a helpful benchmark when comparing similar markets, the data may not always be complete, accurate, or up to date regarding lease and vacancy rates. CoStar's leasing data is compiled through surveys and interviews with owners and brokers. Here again, the hesitancy to disclose data may affect its accuracy.

Some brokers and owners track and report retail vacancy (and occupancy) against overall square footage of a property. This approach works for projects that are primarily retail (such as retail strip centers) but is less reliable for mixed-use properties with ground-floor commercial space. Retail occupancy and vacancy rates in mixed-use projects should be calculated solely against the total retail area. For example, in a 100,000 square foot building with 10,000 square feet of commercial space, if 5,000 square feet of the retail space is vacant, true retail vacancy is 50 percent, not five percent as shown when using total building size. While CoStar offers tools for accurate rates, there is some margin for error.

AVERAGE RETAIL VACANCY RATE 2006-2025



Source: CoStar (2026)

To evaluate leasing activity and vacancy for this study, we used multiple methods to accommodate data limitations. Sources included CoStar data, broker surveys covering specific submarkets, aggregation of active leasing data from brokers and public platforms such as LoopNet, and interviews with owners and brokers recognized as experts in various submarkets.[1] Throughout this process, the study team identified significant inconsistencies within the collected data.

Despite these limitations, the average rents and vacancy rates from CoStar and asking rents from broker listings and LoopNet were documented for Montgomery County, CoStar's Washington D.C. market, and each Montgomery County submarket as a way to show relative market performance with the understanding that specific rents will vary significantly on a property-by-property basis.

1 Interviews with brokers and owners: AMR Commercial, Combined, Cushman, Federal Realty, H&R Retail, KLNB, Rappaport

Rent Overview

The wide range of lease rates throughout the county reflects the diversity of market conditions, product, and historic development patterns. This diversity is also reflected in the retail real estate inventory, the retail offerings, pricing, and leasing, which is why concluding a countywide average competitive lease rate is a less meaningful metric for evaluating retail performance and potential. CoStar reports an All Service Type Lease to determine a market average recognizing there are various lease types that can influence the rent. This average lease rate is best used to evaluate trends as opposed to determining a rent for an individual space, property, or submarket.

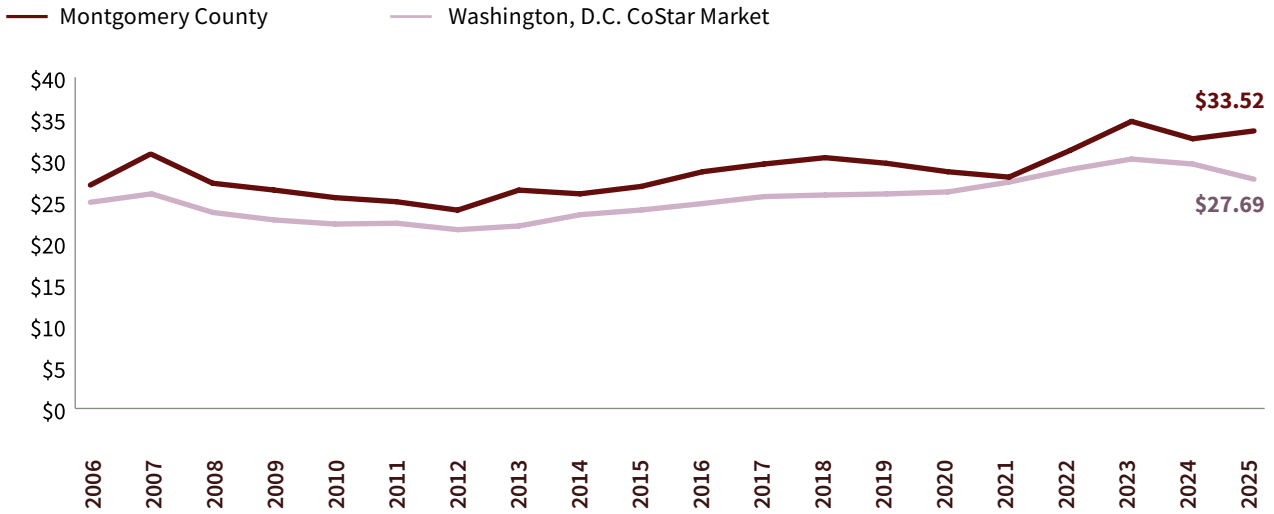
As an example, the Chevy Chase/Friendship Heights node at the southern end of the Bethesda/ Chevy Chase/North Bethesda submarket, which shares a boundary with Washington, D.C., is distinct from Downtown Bethesda and North Bethesda. According to brokers, asking rents today for new space are around $60 per square foot (NNN) for inline space. As more projects are completed, many brokers anticipate rents to increase to closer to $80 per square foot (NNN), with the potential to increase even higher depending on the tenant. This reflects the strong demand in this desirable market, a neighborhood with above average household income ($200,000 and higher within one half mile).

Downtown Bethesda, located in a high-income area with limited retail space, is among the region's most sought-after markets for small retailers and restaurants. According to brokers and Bethesda Urban Partnership (BUP) there is a "waiting list" of tenants seeking sites, thus when a tenant does close there is an eager group of tenants willing to sign a lease. Strong demand has raised lease rates, with some sites exceeding $100 per square foot. Many of these sites are small (under 2,000 square feet); smaller spaces can command higher square foot rent.

Another example exists in the West County submarket, an area that is less densely populated with wealth distributed across the submarket. Notable projects like Potomac Place and Cabin John Village in Potomac are nearly fully occupied, with less than three percent available space. Although specific lease rates are not provided here, broker conversations indicate these rates are at the high-end of the market. Like in Bethesda, limited inventory and low vacancy rates contribute to rising rental costs.

Average retail rents in the county have historically been positioned slightly above the regional average. Despite a decline leading into the pandemic, retail rent in the county rebounded strongly. In 2023, the average asking rent was $34.67, the highest recorded since at least 2006.

AVERAGE ALL SERVICE TYPE LEASE RATE 2006-2025



Source: CoStar (2026)

Leasing Activity

After consistent positive net absorption throughout much of the 2010s, leasing activity in Montgomery County has been more volatile in the post-pandemic period. Deal sizes have generally become smaller, reflecting both the slower pace of new retail development and a broader shift toward right-sized tenant footprints. Recent years of contraction have alternated with years of positive net absorption, indicating adjustment rather than structural decline.

Several major retail closures between 2016 and 2026 have had measurable impacts on absorption trends. Notably, the 2023 closure of Lakeforest Mall in Gaithersburg; the loss of Lord & Taylor, the last anchor at White Flint Mall in North Bethesda, after which the demolition that began in 2015 was completed in 2020; and the ongoing repositioning of Westfield Montgomery Mall, including the closure of its Sears store in 2019. These large closures and subsequent demolitions reflect national shifts away from traditional department store-anchored shopping malls and reduced the county's overall retail supply resulting in substantial net negative absorption in 2019.

While these contractionary periods signal a structural change in how retail is developed and (or) maintained, they differ materially from the cyclical downturn experienced during the Great Recession from 2007 to 2009. Unlike that period, recent years have not produced consecutive years of negative absorption. Following the Great Recession, the county entered a prolonged expansionary phase, with consistent positive absorption through much of the 2010s and a pronounced mid-decade peak driven by both new development and backfilling of previously vacant space.

NET RETAIL SUPPLY ABSORPTION, 2006-2025



Source: CoStar (2026)

The alternating pattern of positive and negative absorption in the post-pandemic period suggests that some retail demand was deferred amid uncertainty rather than permanently lost. Over the long term, the data indicates that retail performance in Montgomery County is both responsive to macroeconomic shocks and structural industry change as well as a general decline in the expansion of new supply in recent years. Increasing demand for retail persists, although market conditions and projects suggest that the supply will expand at a much slower pace than during the 2010s, with a greater emphasis on necessity-based retail and experiential formats positioned to align with evolving consumer preferences.

MONTGOMERY COUNTY HOUSEHOLD SPENDING

Note: Totals may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	157	156	$18,174	$19,921	*$1,747*	$7,124,213,043	$7,947,321,310	*$823,108,267*
Apparel & Services	160	158	$3,905	$4,282	*$377*	$1,530,697,634	$1,708,390,642	*$177,693,008*
Entertainment & Recreation	155	154	$6,385	$6,993	*$608*	$2,502,756,811	$2,789,813,075	*$287,056,264*
Household Furnishings & Equipment	157	156	$2,824	$3,093	*$269*	$1,106,963,871	$1,233,824,622	*$126,860,751*
Household Operations	162	160	$3,525	$3,860	*$335*	$1,381,631,537	$1,539,944,407	*$158,312,870*
Computers & Technology	162	160	$429	$471	*$42*	$168,261,565	$187,821,483	*$19,559,918*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$7,124,213,043**	**$7,947,321,310**	***$823,108,267***
Total Average Annual Household Spend	**$18,174**	**$19,921**	***$1,747***
Spending Potential Index	**157**	**156**	***-1***
Food at Home	$4,477,694,305	$4,994,990,206	*$517,295,901*
Average Annual Household Spend	$11,423	$12,520	*$1,098*
Food Away from Home	$2,646,518,738	$2,952,331,104	*$305,812,366*
Average Annual Household Spend	$6,751	$7,400	*$649*
Alcoholic Beverages	**$445,790,500**	**$497,200,911**	***$51,410,411***
Average Annual Household Spend	$1,137	$1,246	*$109*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

90% Fast-Food

71% Family Style Restaurant/Steakhouse

45% Take-Out/Drive-Through

22% Fine Dining

12% Home Delivery

OUTLOOK FOR

MONTGOMERY COUNTY

- Overall, the outlook for retail spending by Montgomery County households is positive with spending projected to increase by nearly $1.6 billion (+11.5 percent), in 2025 dollars, across the major retail spending categories over the next five years.
- Food and beverage spending will account for about 52 percent of projected retail-spending growth, indicating continued opportunities for new restaurants, grocery stores, and food markets.
- Spending on Apparel & Services and Entertainment & Recreation has more potential for leakage due to competition throughout the Washington, D.C. metro area, travel destinations, and e-commerce.

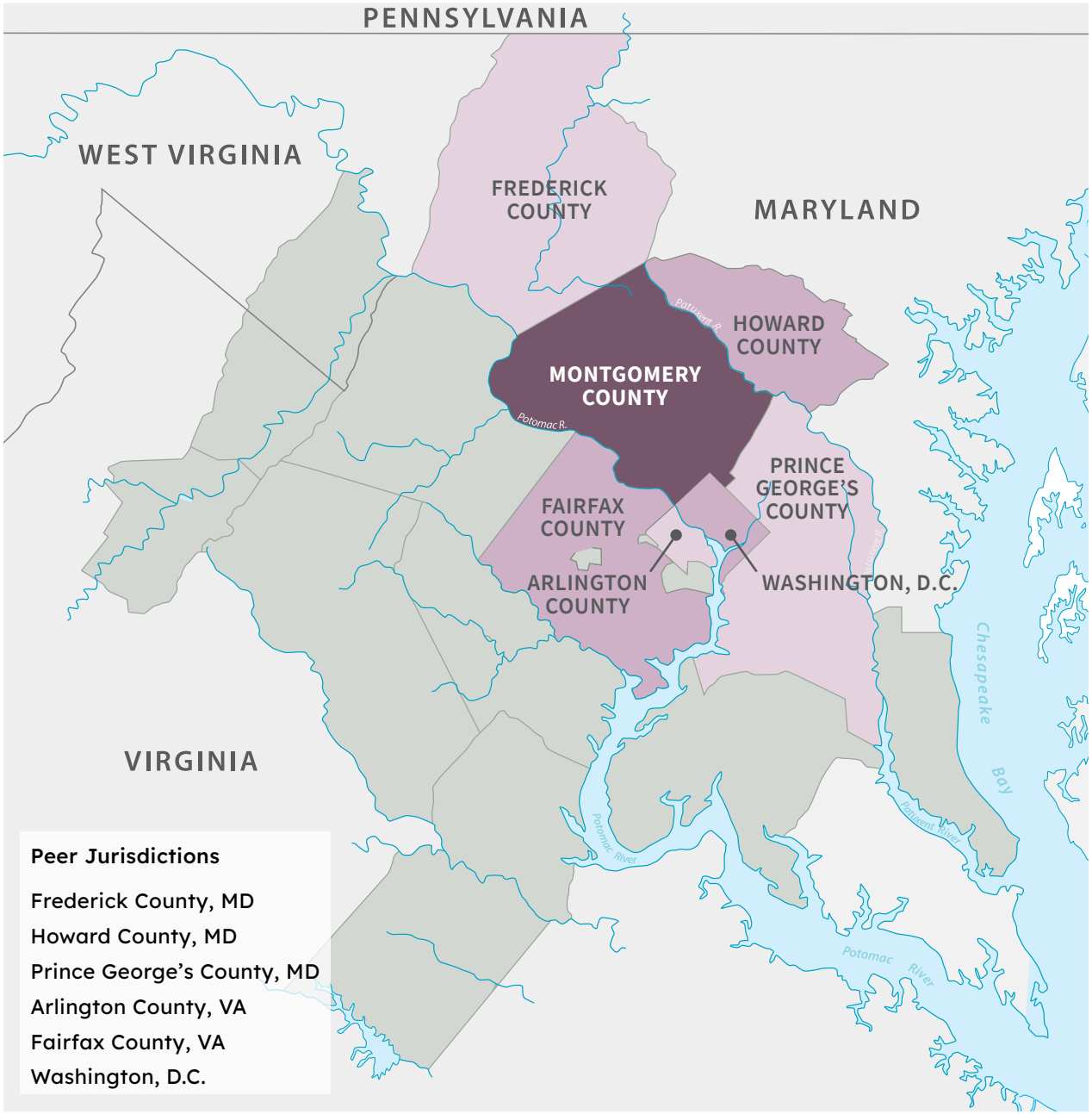
Source: Esri (2025)

BENCHMARKING MONTGOMERY COUNTY

Given the past and projected population growth along with household purchasing power, from 2025 to 2030 the projected retail demand in Montgomery County is the highest among the peer jurisdictions.

Montgomery County primarily competes for retail with bordering jurisdictions since households routinely cross county and state lines for shopping, dining, and entertainment. A review of socioeconomic characteristics, demographic trends, and retail supply dynamics across these peers helps frame the relative strengths of the county and structural challenges it faces, while informing achievable policy and development goals.

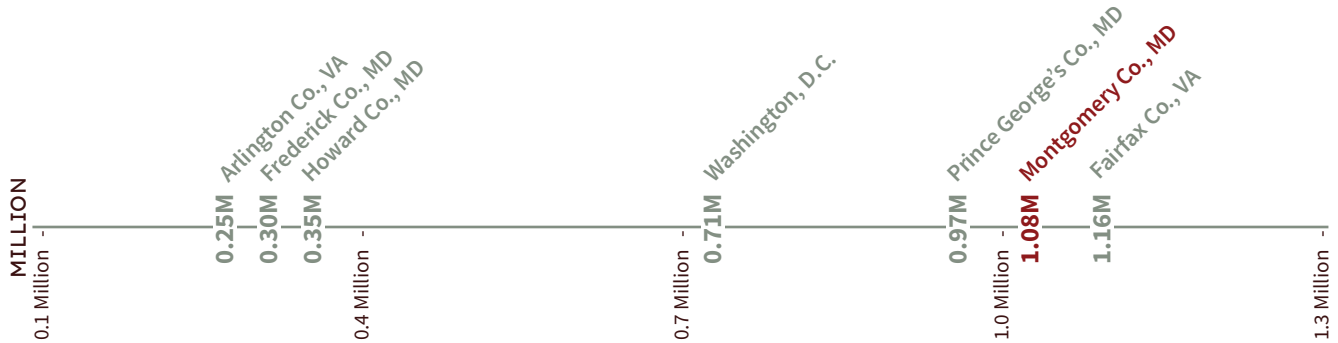
Overall, Montgomery County performs strongly among its competitive set, ranking within the top tier of peer jurisdictions across most demographic and economic indicators. The primary area in which the county underperforms relative to select peers is population growth rate; however, this slower growth must be viewed in context. Montgomery County already has the second-largest population in the region, trailing Fairfax County by approximately 80,000 residents; and given its size and market maturity, more moderate growth rates are expected. The county leads its peers in the volume of retail space delivered since 2015, a level of development activity that signals sustained confidence from both developers and retailers despite comparatively slower population growth. Market participants continue to view Montgomery County as a premier retail location within the region, supported by its high household incomes, established commercial nodes, and strong purchasing power.



DEMOGRAPHIC INDICATORS

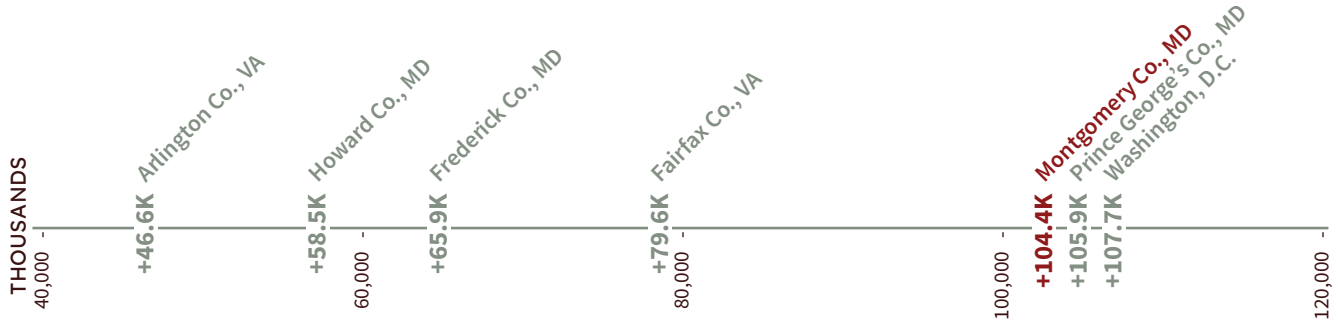
2025 TOTAL POPULATION

The estimated 2025 population of Montgomery County is just under 1.1 million, ranking it the second most populous among its peers; Fairfax County, Virginia is the most populous jurisdiction.



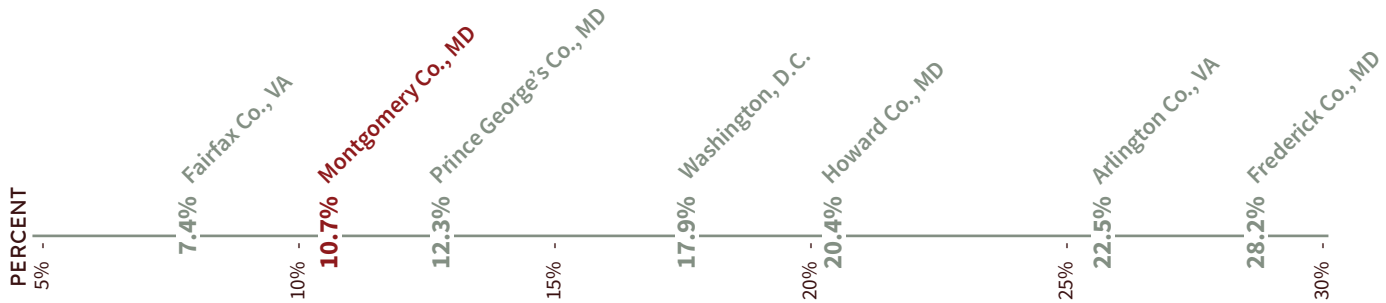
2010-2025 NET POPULATION CHANGE

Montgomery County gained roughly 104,400 residents, ranking it third in net population growth, after Washington, D.C. and Prince George's County, Maryland.



2010-2025 PERCENT POPULATION CHANGE

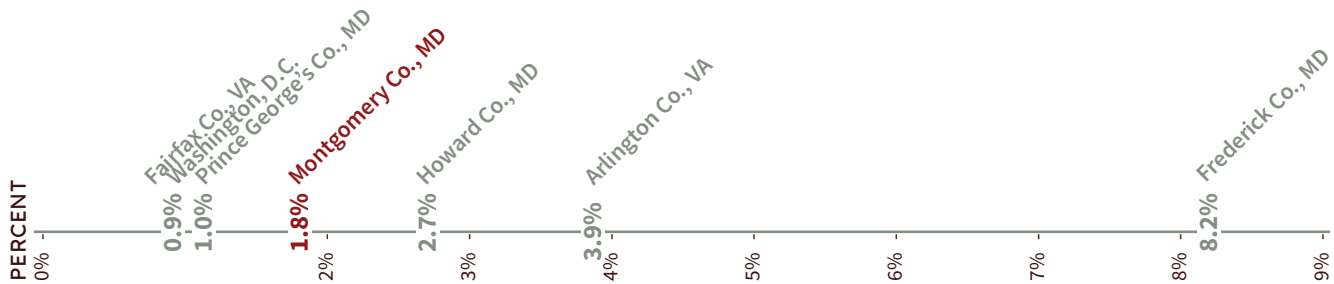
From 2010 to 2025, the population of Montgomery County grew by 10.7 percent, a slower rate than most peer jurisdictions except Fairfax County, Virginia, which posted the slowest growth.



Source: Esri (2025)

PROJECTED POPULATION GROWTH RATE, 2025-2030

The population of Montgomery County is projected to grow by 1.8 percent, a faster rate than Washington, D.C., Fairfax County, Virginia, and Prince George's County, Maryland, but slower than outlying counties in Maryland and Arlington County, Virginia.



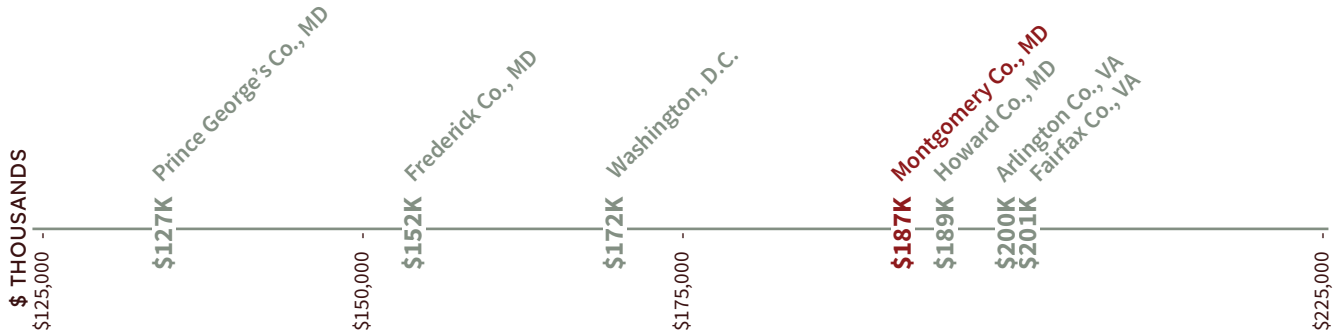
2025 MEDIAN AGE

Montgomery County's median age of 40.4 years is the highest among the seven comparison jurisdictions, exceeding Howard County, Maryland at 39.9 years and Fairfax County, Virginia at 39.3 years.



AVERAGE HOUSEHOLD INCOME

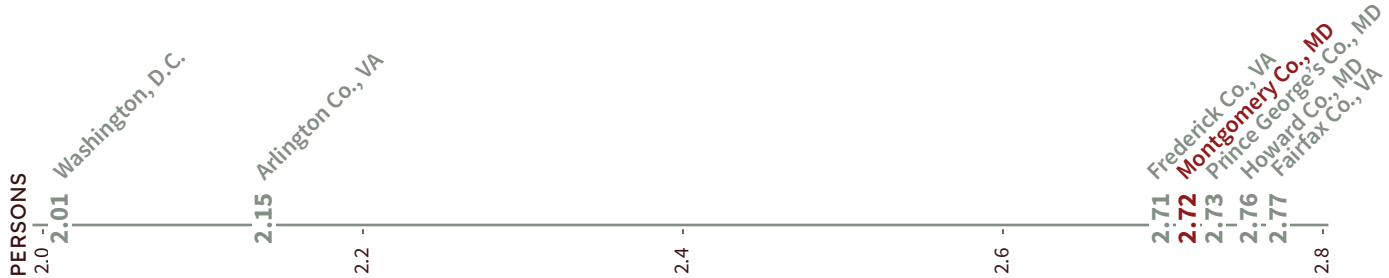
At $187,000, the Montgomery County average household income places fourth among peer jurisdictions, three have a higher average, three have a lower average household income.



Source: Esri (2025)

2025 AVERAGE HOUSEHOLD SIZE

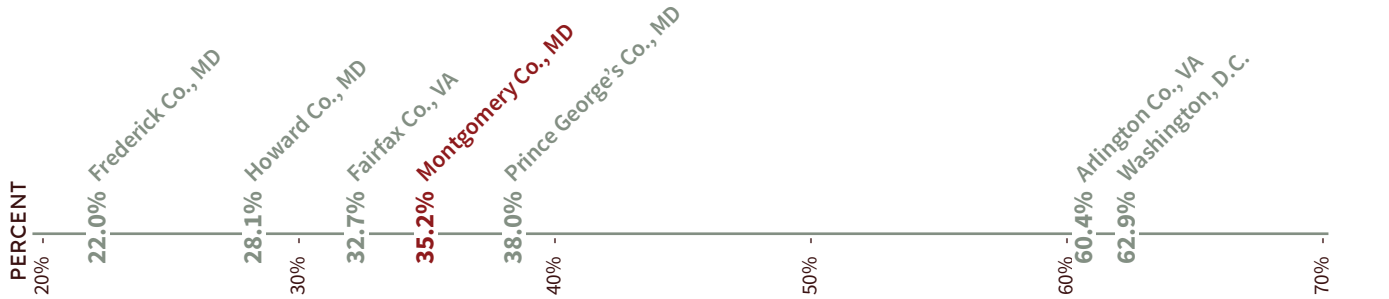
On average, Montgomery County households have 2.72 persons, which is fairly consistent with most peer jurisdictions; the more urban jurisdictions, Arlington County, Virginia and Washington, D.C., have smaller average household sizes.



2025 RENTER OCCUPIED HOUSING

Excludes vacant units.

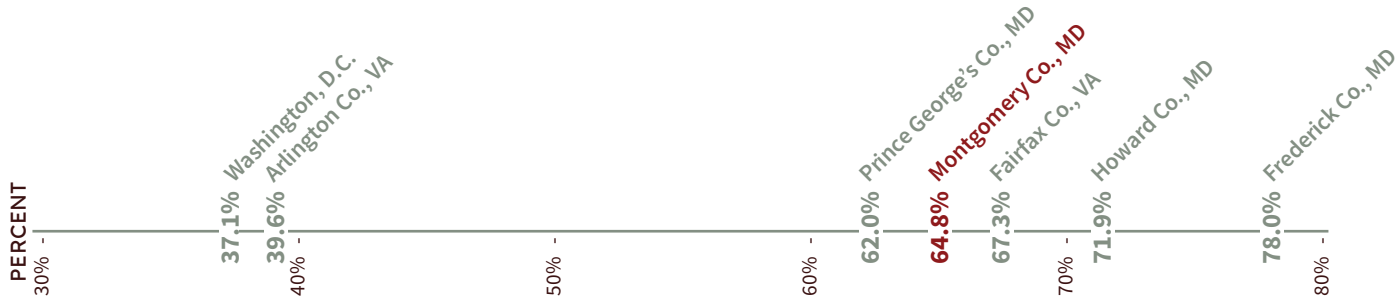
Approximately 35.2 percent of housing units in Montgomery County are occupied by renters, which is higher than most suburban peer jurisdictions; the urban jurisdictions, Arlington County, Virginia and Washington, D.C., have the highest rates of renter-occupied housing among the peer jurisdictions.



2025 OWNER OCCUPIED HOUSING

Excludes vacant units.

Approximately 64.8 percent of housing units in Montgomery County are owner-occupied, ranking it fourth among peer jurisdictions; the urban jurisdictions of Arlington County, Virginia and Washington, D.C. have far lower rates.



Source: Esri (2025)

RETAIL DEVELOPMENT INDICATORS

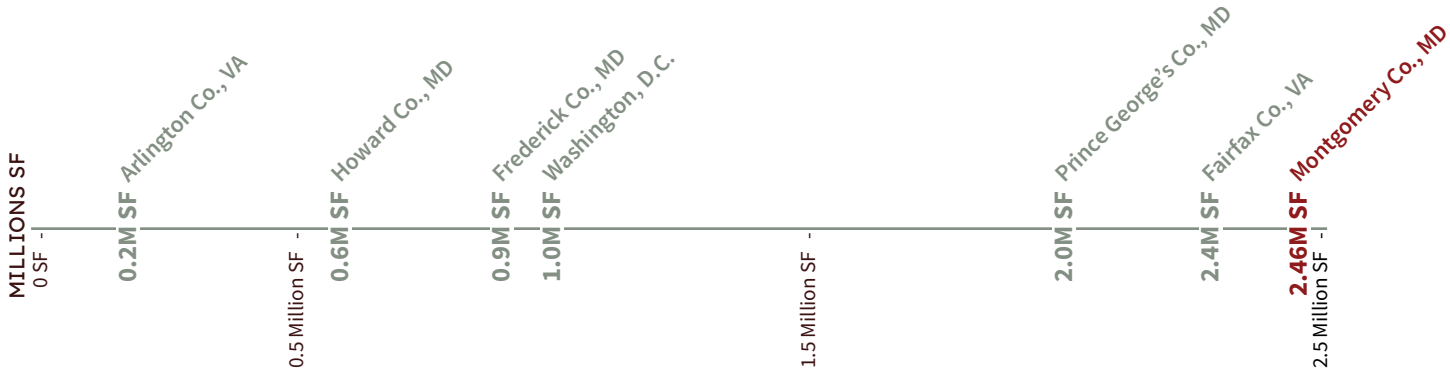
TOTAL RETAIL SUPPLY

Montgomery County has the third highest amount of retail supply among D.C. metro area peer jurisdictions; with Prince George's County having 2 million square feet more and Fairfax County having 6.3 million square feet more.



RETAIL SUPPLY BUILT SINCE 2015

Montgomery County has far outpaced its peer jurisdictions in new retail supply built since 2015 with nearly 2.5 million square feet added; Prince George's County Maryland gained nearly two million square feet during the same time period, and approximately one million square feet of supply was added in Washington, D.C.



Source: CoStar (2026)

RETAIL DEVELOPMENT INDICATORS

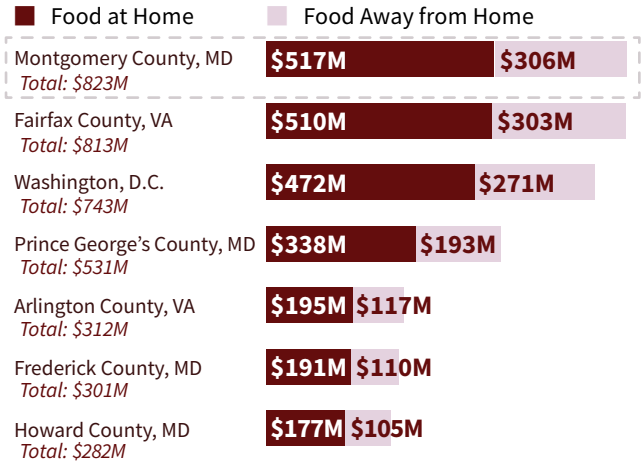
Comparisons were drawn between the peer jurisdictions in consumer spending growth projected from 2025 through 2030 in several key retail categories. These categories are: Food-related spending; Apparel and Services spending; Computer and Technology spending; and Entertainment and Recreation spending. Across all these key categories, Montgomery County shows the highest projected growth in spending.

BENCHMARKING CONCLUSIONS

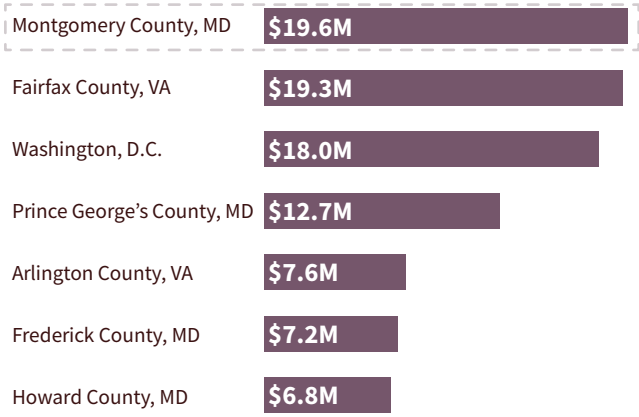
Projected spending growth across retail categories strengthens Montgomery County's competitive position as one of the region's largest and most stable consumer market. Although some peer jurisdictions have stronger rates of retail spending growth given faster projected population growth, Montgomery County consistently generates the greatest net increase in demand, given its established large population and household buying power. For retailers and developers, this translates into greater sales depth and more dependable revenue potential. The county's scale, high household incomes, and broad purchasing power create a favorable environment for continued retail investment.

A key finding is the consistency of projected growth across both necessity-based and discretionary categories. Gains in grocery and dining expenditures support neighborhood-serving retail and food and beverage operators, while projected increases in apparel, technology, and entertainment reflect sustained discretionary spending strength. Together, these patterns indicate a well-balanced and resilient consumer base capable of supporting both traditional retail formats and experiential concepts.

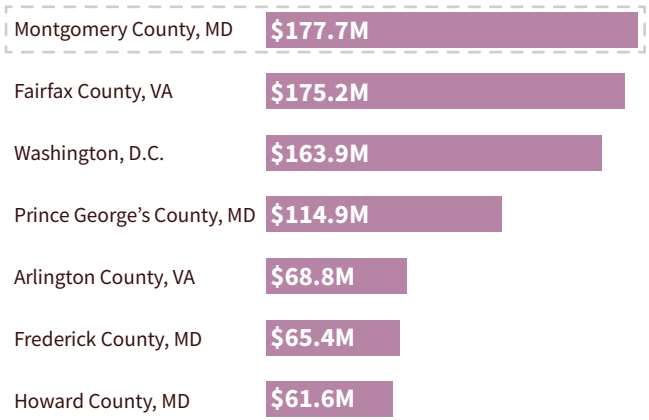
PROJECTED GROWTH IN FOOD SPENDING, 2025-2030



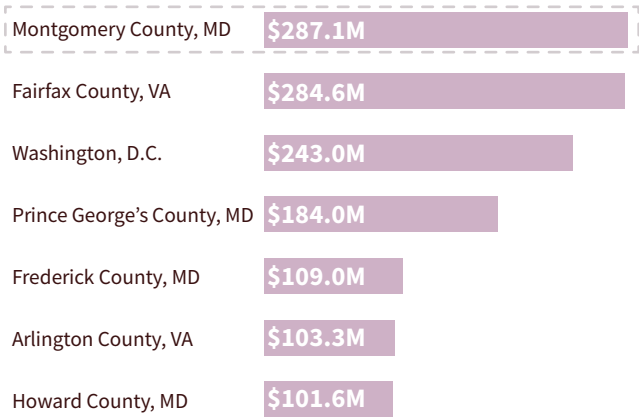
PROJECTED GROWTH IN COMPUTER AND TECHNOLOGY SPENDING, 2025-2030



PROJECTED GROWTH IN APPAREL AND SERVICES SPENDING, 2025-2030



PROJECTED GROWTH IN ENTERTAINMENT AND RECREATION SPENDING, 2025-2030



Source: Esri (2025)



Submarket Assessment

OVERVIEW

About the Submarket Profiles

While Montgomery County as a whole shows positive retail market indicators, understanding challenges and opportunities for new retail growth and development—and the implications for future land use and economic policy—requires a more granular study of market conditions at the local level. The submarket profiles offer a snapshot of retail market conditions, including unique characteristics, development, roadways, household demand, and relevant data. The intention is to provide a high-level outlook on the future of retail within each submarket to inform future planning efforts.

The narrative highlights the significant role of highways and roads in influencing development and supporting infrastructure. Current and planned real estate projects are noted where applicable. Key market indicators typically tracked by retail professionals include demographics (age, gender, ethnicity, and household structure), population (base, projected growth, and daytime population), socioeconomic status (income levels, education, and employment statistics), and physical features and infrastructure (maps, boundaries, and real estate supply).

Current household spending trends and projections are also highlighted, along with the Spending Potential Index (SPI) for key retail categories prioritized by the county, including food, apparel, entertainment, and household expenditures. Esri's methodology for calculating household spending data involves modeling, analyzing, and blending information from the U.S. Bureau of Labor Statistics (BLS) Consumer Expenditure Surveys (CE), which track consumer spending, income, and demographic characteristics. The SPI is determined by comparing the average amount spent per household on a product or service in a specific local area to the national average, where a score of 100 indicates alignment with the U.S. average.

The inventory of grocery stores (full-service, local, and international), food and beverage businesses, and general retail uses was determined utilizing Data Axle. Key grocery brands were identified to show competitive market positioning, but this is not intended to be a complete list. The volume of eateries is too robust to mention all of them, so the narrative includes a summary of types in each planning area with a few examples.

Each profile includes retail anchors and grocery brands located within each planning area. We list the national and regional grocery brands present in each submarket by name, though the list does not reflect cases where a grocer operates multiple locations within the same submarket. The other listed retail anchors are major tenants that usually occupy the largest spaces and draw significant foot traffic, which supports nearby smaller retailers. In less dense areas, we also include anchor tenants outside shopping centers when they help demonstrate the market's strength and viability.

Every effort was made to verify project information; however, due to the evolving nature of development, some details may be outdated. The information presented was compiled from direct research, Data Axle, and development pipeline reports, as well as Esri, American Community Survey (ACS), and CoStar.

Note: The submarket boundaries used in this study are based on those established for the *2017 Montgomery County Retail Market Strategy Study* and are intended to support comparison over time. They do not correspond directly to Montgomery County planning districts or municipal boundaries. In particular, the Bethesda/North Bethesda/Chevy Chase, Gaithersburg, and Rockville submarkets extend beyond the jurisdictional limits associated with those place names. As a result, a property's inclusion in a submarket may not align with the municipality or city identified in its mailing address.

A glossary of terms used in this section can be found on page 118.



RETAIL SUBMARKETS

For consistency, the submarkets evaluated for this report are based on the retail submarkets that were established by Montgomery Planning for the *2017 Montgomery County Retail Market Strategy Study*; they do not represent they do not represent municipal boundaries or planning districts.

KEY CONSIDERATIONS FOR SUBMARKET EVALUATION

Demographics: Is there projected residential growth to support new retail?

Daytime Population: Is there a concentration of employment to support certain types of retail uses?

Average Household Size: Does the market need to cater to individuals and couples or larger families with children?

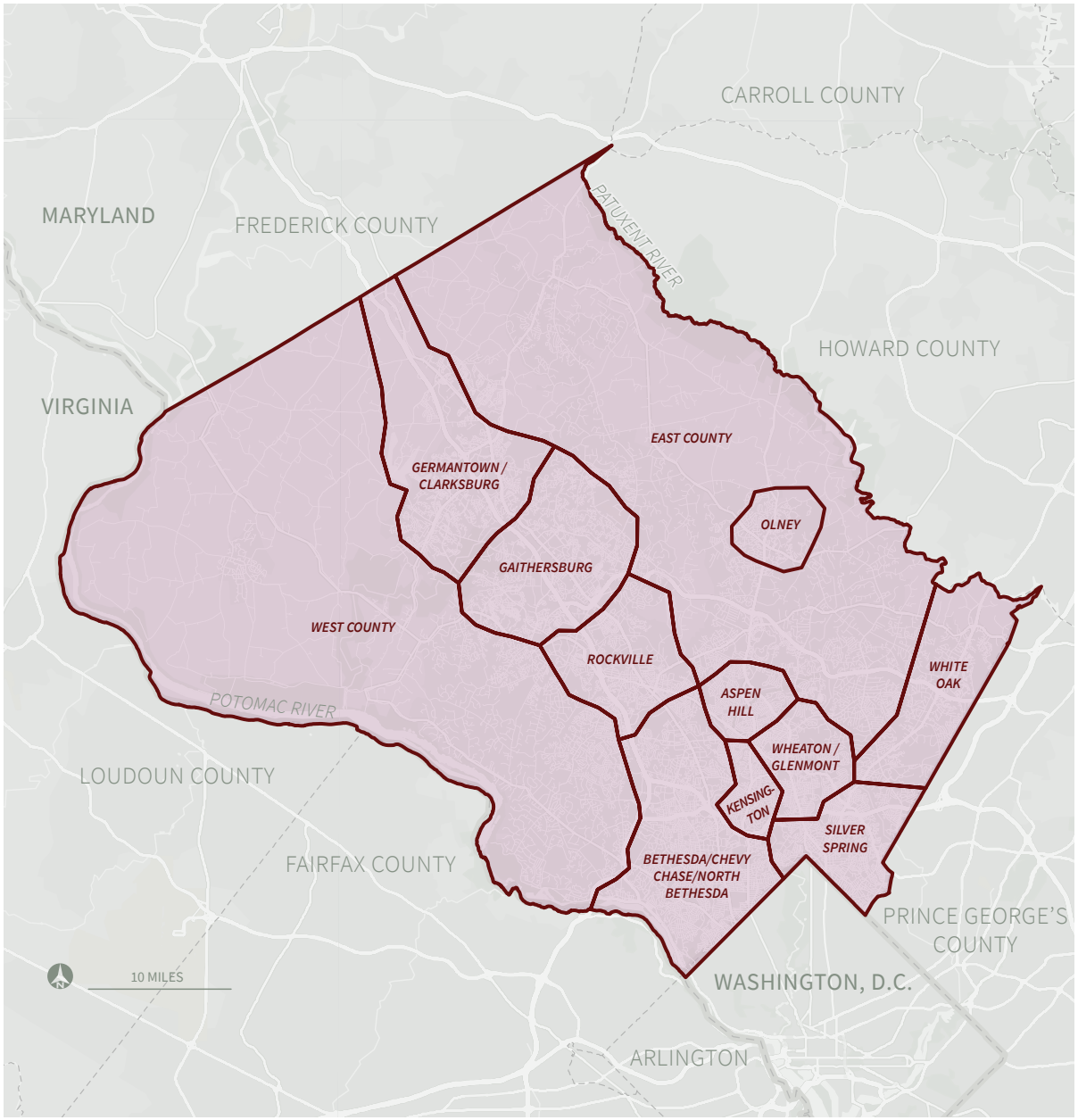
Median Household Income and Median Home Value: What are the general socioeconomic conditions, buying power, and preferences?

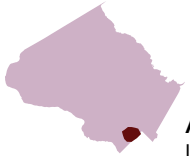
Retail Supply: What is the relative size of the existing supply and has there been recent development?

Retail Centers, Nodes and Anchors: Where is the retail supply concentrated and what are the types of brands that demonstrate consumer preferences in the market?

Household Spending: Which retail categories are expected to grow over the next five years and how does this spending compare with national averages (Spending Potential Index, "SPI")?

Food Spending: How does spending on "food at home" (groceries) compare to "food away from home" (dining out)?





ASPEN HILL

Aspen Hill is a suburban community located just six miles north of Washington, D.C. with a population of 50,674. It is one of the most diverse places in the county, with a foreign-born population of just over 30 percent. The community is characterized by mixed-density suburban areas consisting of single-family residences, townhouses, and units in multifamily buildings. A majority of homes are owner-occupied.

Aspen Hill includes several highly rated parks and recreation facilities, including Matthew Henson Stream Valley Park and Trail, Northwest Branch Park, Aspen Hill Park, and the Aspen Hill Club.

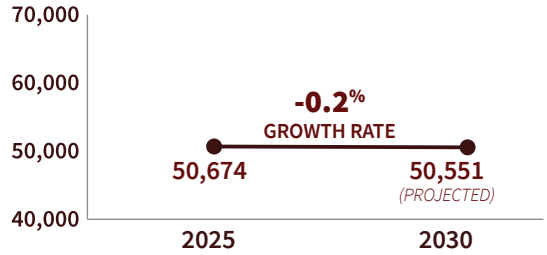
Accessibility
Aspen Hill is well connected to arterial routes, making travel around the Washington, D.C. metropolitan area convenient. Major roads include Georgia Avenue (MD 97) and Connecticut Avenue (MD 185), providing easy north-south access to surrounding areas and Washington, D.C., as well as major highways like I-495 (the Capital Beltway) and MD 200 (The Intercounty Connector). Veirs Mill Road (MD 586) and local roads like Randolph Road and Aspen Hill Road also serve as primary connectors within the community and between adjacent submarkets. Nearby, the Glenmont Metrorail Station, the northeastern terminus of the Red Line, has large parking lots for commuters and is served by several bus routes (both WMATA Metrobus and MCDOT Ride On).

Retail Demand
Retail demand in Aspen Hill remains stable, with little sign of meaningful growth. Aspen Hill is also one of three submarkets projected to lose population by 2030. While the expected declines in population and households are modest—0.2 percent and 0.8 percent, respectively—they indicate that the current retail inventory, which is easily accessible to residents and workers, is adequate to meet existing and near-term demand.

Many residents favor fast-food and takeout or drive-through options over other choices, including fine dining. The Spending Potential Index for both food at home and food away from home is above the national average (116, 124) but well below that for the county (154, 164). Similar patterns exist for potential spending across the majority of other retail categories including apparel, entertainment and recreation, and household operations and home furnishings.

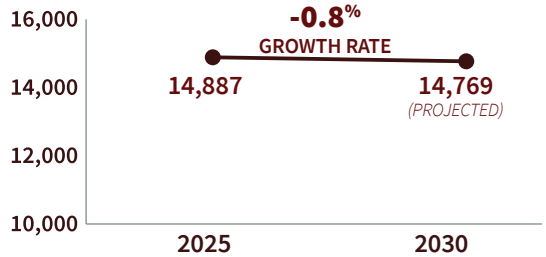
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **31,753**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **3.4**

MEDIAN HOUSEHOLD INCOME **$104,197**

MEDIAN HOME VALUE **$513,300**

Source: Esri (2025)

RETAIL IN ASPEN HILL

RETAIL REAL ESTATE DATA TRENDS

825.4K SF	2.2%	4.8K SF	0.2%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers
Aspen Hill Shopping Center, Aspen Manor, Northgate Plaza, Randolph Crossing, Stoneymill Square, and Veirs Mill Village

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Retail
AutoZone, Floor & Decor, Home Depot, Kohl's, Michaels

Grocers
Full-Service: Giant, Safeway
Local/Specialty/International: Korean Korner, Lotte Plaza Market, Rodman's Discount

Non-Retail
Matthew Henson State Park, Leisure World, Manor Country Club, Argyle Country Club

The Retail Landscape

Neighborhood strip centers comprise the majority of the retail supply within the Aspen Hill submarket. These centers are concentrated along the two primary commercial corridors in the submarket: Georgia and Connecticut Avenues. They are clustered at key intersections, such as Connecticut Avenue and Georgia Avenue, and the intersection of Veirs Mill Road and Randolph Road.

Shopping centers and strip malls in the submarket provide the community with both local and national retailers, including anchors like Kohl's, Home Depot, and Michaels. Dining options range from fast-casual spots such as Chipotle, Panera Bread, Taco Bell, and Wingstop to Outback Steakhouse. There are also several international retail options including eateries, boutiques, personal services, and a Brazilian bakery.

Residents have several grocery options including full-service supermarkets like Giant and Safeway, local chain, Rodman's Discount Store, noted for its diverse selection of food and wine, and small grocers providing international goods such as Lotte Plaza Market (specializing in Asian and international foods), Korean Korner, and La Mixteca.

Recent and Potential Development

The Aspen Hill submarket has a total of 825,400 square feet of retail space. Only one property was developed since 2015, a building containing 4,800 square feet, currently occupied by a laundromat.

Retail expansion is constrained by the concentration of residential neighborhoods and the limited amount of available land in the submarket.

Source: CoStar (2026)

RETAIL LOCATIONS* IN ASPEN HILL

1. **ASPEN HILL SHOPPING CENTER**
2. **ASPEN MANOR**
3. **NORTHGATE PLAZA**
4. **RANDOLPH CROSSING**
5. **STONEYMILL SQUARE**
6. **VEIRS MILL VILLAGE**

Rentable Building Area Built Since 2015

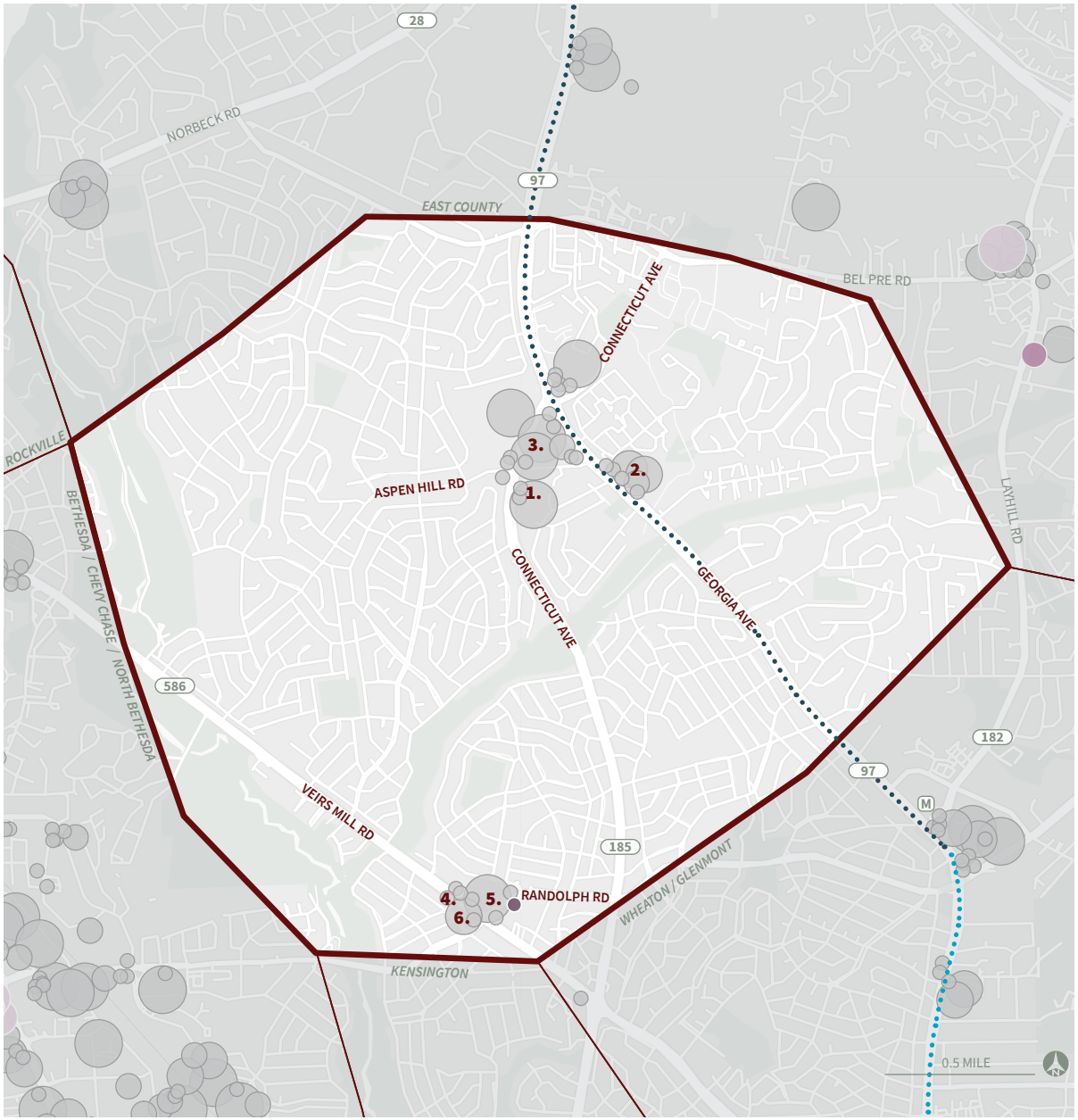
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

- Upper MD 97 (Georgia Avenue)
- Lower MD 97 (Georgia Avenue)



* Approximate location.
† As identified for this study in Section 5.

ASPEN HILL HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

Spending Potential Index 100 = National Average	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	119	120	$13,713	$15,431	*$1,717*	$204,150,533	$227,895,374	*$23,744,841*
Apparel & Services	118	120	$2,898	$3,261	*$363*	$43,146,339	$48,161,862	*$5,015,523*
Entertainment & Recreation	112	113	$4,581	$5,156	*$574*	$68,207,332	$76,148,415	*$7,941,083*
Household Furnishings & Equipment	116	118	$2,080	$2,340	*$260*	$30,961,158	$34,557,745	*$3,596,587*
Household Operations	118	120	$2,529	$2,845	*$317*	$37,643,748	$42,024,318	*$4,380,570*
Computers & Technology	120	122	$317	$356	*$40*	$4,713,024	$5,261,086	*$547,062*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food	**$204,150,533**	**$227,895,374**	***$23,744,841***
Total Average Annual Household Spend*	**$13,713**	**$15,431**	***$1,717***
Spending Potential Index	**119**	**120**	***1***
Food at Home	**$128,223,851**	**$143,131,703**	***$14,907,852***
Average Annual Household Spend	$8,613	$9,691	*$1,078*
Food Away from Home	**$75,926,682**	**$84,763,671**	***$8,836,989***
Average Annual Household Spend	$5,100	$5,739	*$639*
Alcoholic Beverages	**$12,178,091**	**$13,598,189**	***$1,420,098***
Average Annual Household Spend	$818	$921	*$103*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

91% Fast-Food

71% Family Style Restaurant/Steakhouse

43% Take-Out/Drive-Through

16% Fine Dining

15% Home Delivery

OUTLOOK FOR

ASPEN HILL

- There is limited market opportunity to expand the retail supply given moderate local buying power and lack of projected population growth.
- The market added less than 5,000 square feet over the last decade, indicating that the existing supply is sufficient to accommodate demand.
- The existing shopping centers primarily serve the local community with few regional destinations, although Home Depot and Floor & Decor serve a broader market.
- Given current market conditions, larger-scale redevelopment is not supported. Future planning efforts should support the reinvestment and maintenance of existing retail space to ensure convenient access for the surrounding community.

Source: Esri (2025)



BETHESDA/CHEVY CHASE/NORTH BETHESDA

Bethesda, Chevy Chase, and North Bethesda are neighboring communities that contribute to the diverse retail offerings within the county.

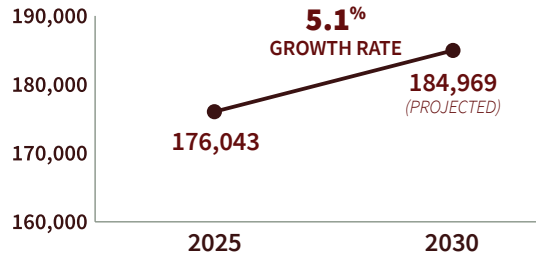
Bethesda and Chevy Chase are both long-established, affluent suburbs with urban shopping nodes. Downtown Bethesda is a walkable urban center with a mix of commercial, retail, and residential spaces. Its wide range of restaurants, shops, and arts and cultural attractions makes it a regional destination. Chevy Chase has an upscale retail mix that has evolved from strictly ultra-high-end fashion retailers into a more balanced blend of premier shopping, dining, and everyday neighborhood conveniences. North Bethesda, just north of the Capital Beltway, benefits from excellent transit and highway access that supports its thriving multimodal, mixed-use environment. Key destinations include Pike & Rose and the Mansion and Music Center at Strathmore.

Accessibility
The area benefits from excellent public transit options, featuring six Metro stations and numerous bus routes. This transit system is supported by a robust network of roads that facilitate easy access to the market and serve as vital commuter routes. Several north-south roads connect the submarket to northern destinations and I-495, including Rockville Pike (MD 355), Connecticut Avenue (MD 185), and Old Georgetown Road (MD 187). In the southern region, Massachusetts Avenue (MD 396) and River Road (MD 190) serve as significant commuter routes into Washington, D.C.

Retail Demand
Household spending surpasses county averages for all retail categories, from essentials like food and clothing to discretionary items such as home goods and furnishings, food away from home, and entertainment. Household Spending Potential also exceeds national levels by at least 10 percent in every category.

2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **260,519**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.3**

MEDIAN HOUSEHOLD INCOME **$164,348**

MEDIAN HOME VALUE **$1,027,150**

Source: Esri (2025)

RETAIL IN BETHESDA/CHEVY CHASE/NORTH BETHESDA

RETAIL REAL ESTATE DATA TRENDS

10.3M SF	27.3%	848.3K SF	34.6%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Retail Centers in North Bethesda
Congressional Plaza, Federal Plaza, Georgetown Square, Montrose Crossing Shopping Center, Pike & Rose, Twinbrook Center, Twinbrook Marketplace, Westfield Montgomery Mall, and Wildwood Shopping Center

Retail Centers in Downtown Bethesda
Bethesda Row, Bethesda Square, Bradley Shopping Center, The Shoppes at Bethesda, Westbard Square, and The Shops at Sumner Place

Retail Centers in Chevy Chase/Friendship Heights
The Collection at Chevy Chase, and The Shops at Wisconsin Place

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Grocers
Full-Service: Aldi, Giant, Lidl, Safeway, Trader Joe's, Whole Foods Market, Wegmans
Local/Specialty/International: Balducci's, Bethesda Co-Op, Montgomery Farm Women's Co-Op, MOM's Organic Market

Retail
Anthropologie, Barnes & Noble, Bloomingdale's, Home Depot, Room & Board, Target

Non-Retail
Bethesda Theater, IPIC Theaters, The Mansion and The Music Center at Strathmore, National Institutes of Health, Walter Reed National Military Medical Center, several country clubs

The Retail Landscape

Rockville Pike, a primary commercial corridor, runs the length of this submarket. Several distinct retail nodes serve the area: Friendship Heights, which extends to Washington, D.C.; Downtown Bethesda; and North Bethesda, some directly intersecting with Rockville Pike. Each of these nodes has unique characteristics defined by the built environment: the range of retail supply types (e.g., retail centers, mixed-use properties, single-tenant net lease); the types of residential and commercial properties within and adjacent to the node; the transportation infrastructure, including right-of-way attributes, access to public transit; and public space, and other amenities including parks.

The submarket has strong choices for shopping, from a variety of neighborhood and regional centers to walkable urban environments such as Downtown Bethesda and Chevy Chase/Friendship Heights Village, a destination-oriented retail area.

There are 25 full-service grocers, 20 local/specialty/international grocers, and 24 convenience and discount stores which have limited fresh food availability. Restaurants and eateries range from limited- and full-service restaurants to fast-casual, takeout, and fine-dining establishments, including local favorites. A broad offering of cuisine ranges from American to diverse international fare, including Asian, Ethiopian, Indian, Italian, Mediterranean, Latin, and South American.

Recent and Potential Development

This submarket has captured nearly 35 percent of all new retail supply added countywide since 2015. Since then, 848,000 square feet of new retail space has been delivered across 31 properties, five of which—representing 307,558 square feet—are auto dealerships. Approximately 70 percent of the total new space was delivered in two projects: 340,000 square feet in Phase II of Pike & Rose; and a 247,000 square foot auto dealership (BMW of Rockville, which is within this submarket though it is situated within the City of Rockville and has a Rockville address). Another 296,000 square feet of the new retail supply is within mixed-use multifamily properties.

This submarket has seen significant mixed-use development—particularly in multifamily deliveries including Galvan at Twinbrook, The Milton at Twinbrook Quarter, The Henri at Pike & Rose, Bell at the Pike, Ritz-Carlton Residences, and Strathmore Square. The delivery data signals a strong development trend of ground-floor retail in Class A multifamily properties (between 150 and 350 units).

This submarket offers a distinctive mix of urban-style residences and is a strong condominium market. The multifamily sector includes a mix of market-rate and luxury rental and condominium buildings, along with several transit-oriented properties. Examples in the Bethesda/Chevy Chase area include: 8001 Woodmont, anchored by Trader Joe's; Sophia in the Woodmont Triangle; and the planned Claiborne Condominiums. Representative projects in North Bethesda include Ravel and Royale on Strathmore Square, part of the transit-oriented development adjacent to the Grosvenor-Strathmore Metro Station; Arrowwood at The Quad; PerSei and The Henri, both at Pike & Rose; and Bell at the Pike.

Three projects could transform the dynamics of their respective areas. In Friendship Heights, the former 26-acre Geico headquarters campus, which the company occupied for 65 years, is approved for redevelopment into a mixed-use neighborhood with housing, townhomes, and a park. Also in this area, the former Saks Fifth Avenue, a stand-alone department store with a large footprint, has been identified as an "opportunity site" in the ongoing Friendship Heights Sector Plan. In North Bethesda, the 44-acre former White Flint Mall site is in the early stages of redevelopment, with plans for a mixed-use neighborhood featuring residential, retail, and green space, in alignment with the Montgomery County White Flint Sector Plan.

Source: CoStar (2026)

RETAIL LOCATIONS* IN BETHESDA/CHEVY CHASE/NORTH BETHESDA

RETAIL CENTERS IN NORTH BETHESDA

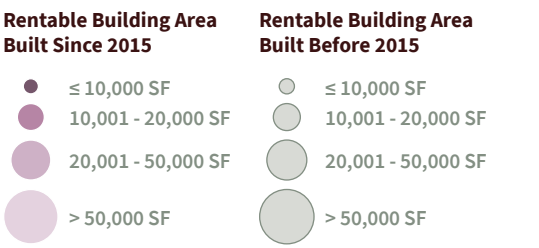
1. CONGRESSIONAL PLAZA
2. FEDERAL PLAZA
3. GEORGETOWN SQUARE
4. MONTROSE CROSSING SHOPPING CENTER
5. PIKE & ROSE
6. TWINBROOK CENTER
7. TWINBROOK MARKETPLACE
8. WESTFIELD MONTGOMERY MALL
9. WILDWOOD SHOPPING CENTER

RETAIL CENTERS IN DOWNTOWN BETHESDA

10. BETHESDA ROW
11. BETHESDA SQUARE
12. BRADLEY SHOPPING CENTER
13. THE SHOPPES AT BETHESDA
14. WESTBARD SQUARE
15. THE SHOPS AT SUMNER PLACE

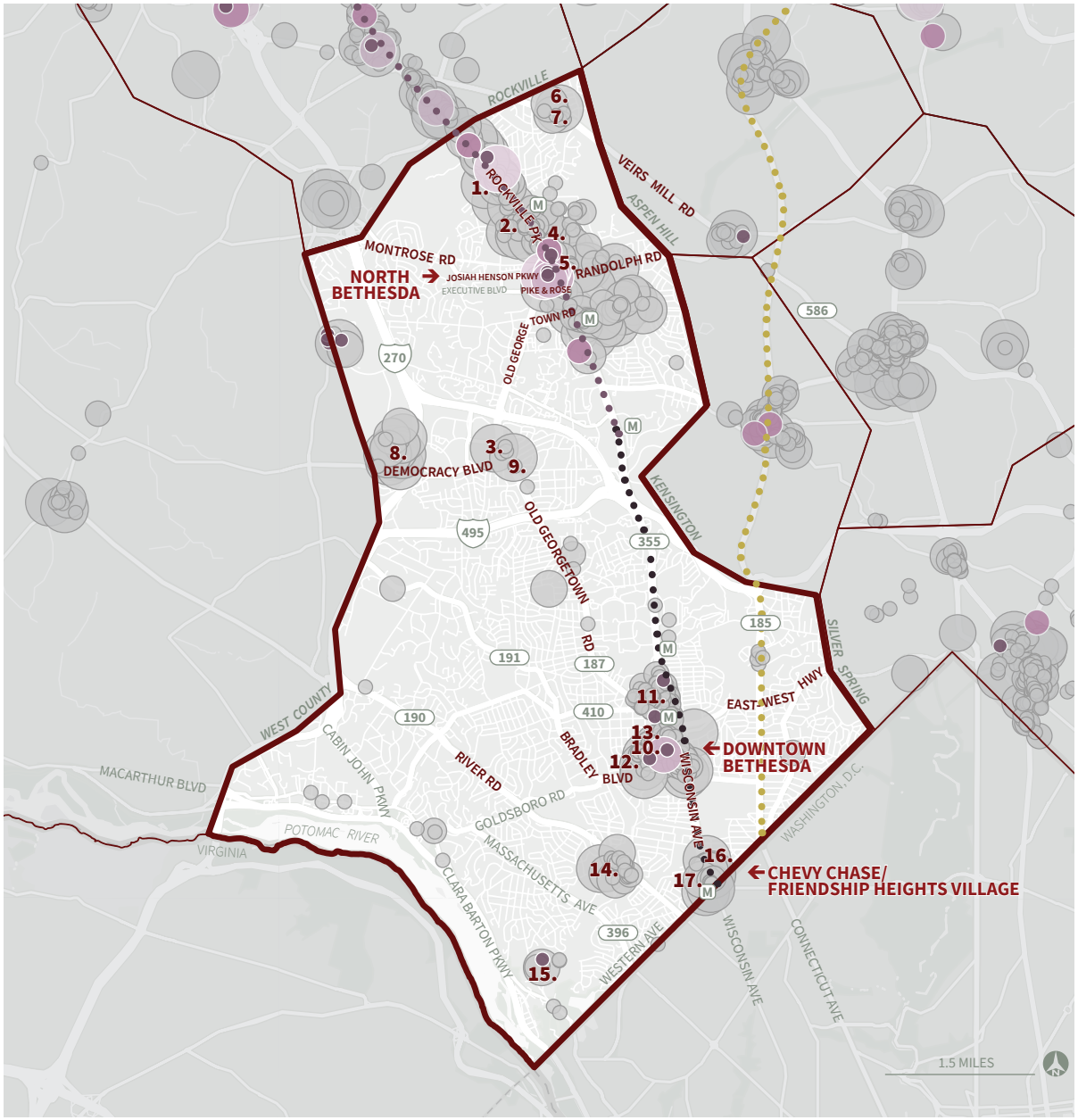
RETAIL CENTERS IN CHEVY CHASE/FRIENDSHIP HEIGHTS

16. THE COLLECTION AT CHEVY CHASE
17. THE SHOPS AT WISCONSIN PLACE



COMMERCIAL CORRIDORS†

- Lower MD 355 (Wisconsin Avenue, Rockville Pike)
- Middle MD 355 (Rockville Pike, Hungerford Drive)
- MD 185 (Connecticut Avenue)/MD 193 (University Boulevard)



* Approximate location.
† As identified for this study in Section 5.

BETHESDA/CHEVY CHASE/NORTH BETHESDA HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

Spending Potential Index 100 = National Average	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	210	200	$24,261	$25,654	*$1,393*	$1,805,740,710	$2,022,508,835	*$216,768,125*
Apparel & Services	215	205	$5,253	$5,561	*$307*	$391,006,653	$438,397,915	*$47,391,262*
Entertainment & Recreation	209	199	$8,597	$9,061	*$464*	$639,884,695	$714,378,442	*$74,493,747*
Household Furnishings & Equipment	212	202	$3,761	$3,965	*$204*	$279,924,722	$312,587,868	*$32,663,146*
Household Operations	218	208	$4,766	$5,021	*$255*	$354,699,946	$395,841,877	*$41,141,931*
Computers & Technology	217	208	$577	$611	*$34*	$42,965,047	$48,187,012	*$5,221,965*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$1,805,740,710**	**$2,022,508,835**	***$216,768,125***
Total Average Annual Household Spend	**$24,261**	**$25,654**	***$1,393***
Spending Potential Index	**210**	**200**	***-10***
Food at Home	**$1,134,535,726**	**$1,270,613,752**	***$136,078,026***
Average Annual Household Spend	$15,243	$16,117	*$874*
Food Away from Home	**$671,204,984**	**$751,895,084**	***$80,690,100***
Average Annual Household Spend	$9,018	$9,537	*$519*
Alcoholic Beverages	**$115,626,040**	**$129,274,828**	***$13,648,788***
Average Annual Household Spend	$1,553	$1,640	*$86*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

89% Fast-Food

69% Family Style Restaurant/Steakhouse

44% Take-Out/Drive-Through

25% Fine Dining

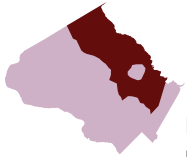
12% Home Delivery

OUTLOOK FOR

BETHESDA/CHEVY CHASE/NORTH BETHESDA

- With strong market conditions and a drive for density in the urban nodes, expanded retail supply will be delivered primarily on the ground floor of mixed-use developments. However, including ground-floor commercial space in every high-density residential project may not always be ideal, as factors like parking, accessibility, and visibility can greatly affect how well these spaces perform.
- In 2025, consumer dining trends favored fast-food, family-style restaurants, and steakhouses, reflecting broader national patterns in away-from-home dining.
- Retail amenities near transit and trail connections should be bolstered. The focus should be on food and beverage, personal services, and convenience retail, which typically require smaller spaces.
- As retail activity continues to concentrate in this submarket, strong accessibility is essential to sustain its performance and regional competitiveness. Maintaining that strength requires a comprehensive access strategy that includes public transit, parking, walkability, and placemaking.

Source: Esri (2025)



EAST COUNTY

East County is a diverse unincorporated area in the northeastern portion of Montgomery County. It is characterized by several small, historic village centers and census designated places such as Ashton, Burnt Mills, Calverton, Cloverly, Colesville, Damascus, Laytonsville, Sandy Spring, and Spencerville, which are largely residential. For consistency, the East County submarket boundary used in this report is the same boundary utilized for the *Montgomery County Retail Strategy 2017* report. (It is not the same as the Community Boundary as used by Montgomery Planning.)

East County is generally a rural area with exurban and suburban communities concentrated mostly in the southeastern portion of the submarket. Suburban scale commercial centers serve the submarket with general, daily needs and are mostly located along Georgia Avenue, Bel Pre Road, Briggs Chaney Road, Layhill Road, Olney-Sandy Spring Road, and Ridge Road. (The Olney submarket is central within the East County submarket, contributing to the retail supply available to residents of the area.)

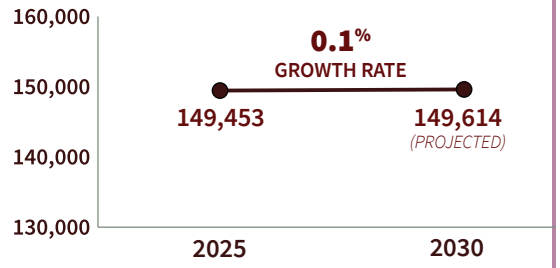
Accessibility
The submarket is served by north-south commuter routes including Columbia Pike (U.S. 29), New Hampshire Avenue (MD 650), Georgia Avenue (MD 97) and Olney-Laytonsville/Olney-Sandy Spring Road (MD 108). Local roads like Old Columbia Pike and Layhill Road facilitate commuter traffic in this area connecting to other major roadways. These roads serve as vital links to the greater Baltimore–Washington metropolitan area. The Intercounty Connector (MD 200) is an important east-west connection. Other east-west roadways include Norbeck Road (MD 28), and local routes East Randolph Road, and Briggs Chaney Road, connecting East County communities to county submarkets to the west and eastward to I-95.

Retail Demand
The area realized a 12.6 percent growth rate from 2010 to 2020 (133,036 to 149,819). Population growth slowed slightly between 2020 and 2025, declining by 0.2 percent from 149,819 to 149,453. However, the population is projected to increase modestly by 0.1 percent through 2030. The residential market, while small, boasts a homeownership rate of 85 percent and an average household income of $190,105.

The Retail Landscape
Retail development in East County reflects both suburban expansion and rural conservation. A significant portion of the retail is concentrated in street-level, single-story buildings, with some located in community “business districts.” There are also several strip and neighborhood centers, a majority of which are under 100,000 square feet including Ashton Village Center, Clarksburg Village Center, Cloverly Village Center, Damascus Center, Layhill Shopping Center, Laytons Village Shopping Center, Plaza del Mercado, and Red Mill Shops. Several of these centers are located on or adjacent to Upper Georgia Avenue, a primary commercial corridor. Several others are clustered at or near roads that intersect with Georgia Avenue and New Hampshire Avenue. Typically, these centers are occupied by neighborhood-serving retailers, anchored by grocery stores and include a variety of local and national fast-casual and limited-service restaurants.

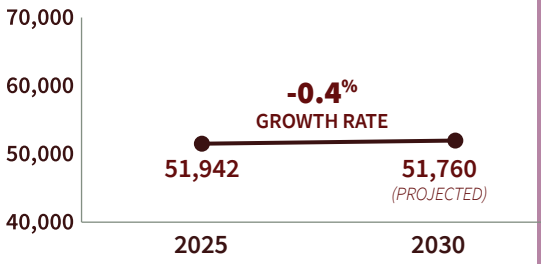
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **115,681**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.8**

MEDIAN HOUSEHOLD INCOME **$155,297**

MEDIAN HOME VALUE **$661,274**

Source: Esri (2025)

RETAIL IN EAST COUNTY

RETAIL REAL ESTATE DATA TRENDS

2.4M SF*	6.3%	140.5K SF	5.7%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

* 2.36M rounded up

RETAIL CENTERS/NODES

Shopping Centers
Ashton Village Center, Clarksburg Village Center, Cloverly Village Center, Colesville Center, Damascus Shopping Center, Layhill Shopping Center, Laytons Village Shopping Center, Leisure World Plaza, Plaza del Mercado, Red Mill Shops, and Rock Creek Village Center

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Retail
AutoZone, CVS, Dollar Tree, LA Fitness, Orangetheory Fitness, Walgreens

Specialty
Boyds Wine, Elder Pine Brewing, Fallen Oak Brewing, Lone Oak Brewing

Grocers
Full-Service: Aldi, Giant, Harris Teeter, Safeway, Weis Markets
Local/Specialty/International: European Market, Indus Food, and Roots Market

Non-Retail
Olney Indoor Swim Club, We Rock Kids Gym, SBA Performing Arts, Damascus Public Library, Sandy Spring Museum, Montgomery Country Club, Adventure Park at Sandy Spring, National Capital Trolley Museum

Added to the retail offerings in the submarket over the past decade were several convenience stores, freestanding food-service uses, a PNC Bank branch, and an auto repair shop. CVS opened two new locations, one in 2016 and the other in 2018. LA Fitness opened in Plaza Del Mercado with the completion of a substantial addition and redevelopment.

Recent and Potential Development
Since 2015, just over 140,000 square feet of retail space has been added in the East County submarket across twelve properties. All of these deliveries have been conventional, smaller scale suburban retail projects, with no notable mixed-use properties completed during this period. The largest recent project, a 66,000 square foot addition to the Plaza del Mercado on Bel Pre Road, made way for the addition of LA Fitness and Aldi, which anchor this recently redeveloped shopping center.

To the southeast, VIVA White Oak, a large mixed-use property, may catalyze additional investment in the southeastern portion of the East County submarket over the next decade.

Recent land development in the submarket has been mostly for residential use, including infill for single-family homes, and raw land for townhome communities.

Many locales within East County have adopted community plans and overlay zones which limit uses, densities, and building heights. One example, the Sandy Spring/Ashton Rural Village Overlay Zone, was enacted to ensure projects are built at a “village scale” in the business districts of each of these communities.

Reflecting a commitment to manage growth, the Laytonsville Town Council enacted a temporary moratorium on the review and approval of applications for large-scale residential and commercial projects in May 2024, then extended it through late 2025.

The Damascus Placemaking Festival in 2024 temporarily converted one block of Main Street into a pedestrian-oriented public space, attracting more than 2,000 participants and renewing momentum to implement the 2006 Damascus Master Plan. The final report for the festival recommended a Streetscape Improvement Plan; the State of Maryland subsequently authorized a $100,000 capital grant and County Council approved the Damascus Main Street Sector Plan Amendment as part of Montgomery Planning’s FY27 work program. This effort demonstrates the potential for retail centers in rural settings to evolve into more walkable, people-oriented places.

The U.S. 29 Flash BRT runs along Columbia Pike near the submarket’s southeastern edge, linking communities around Calverton and Colesville to Burtonsville and Downtown Silver Spring. County policy favors compact, mixed-use infill near rapid transit, but East County’s flat population projections and largely rural land base limit how much of that growth will occur here. New retail is more likely to come from small-scale infill at existing commercial nodes than from transit-oriented development.

Source: CoStar (2026)

RETAIL LOCATIONS* IN EAST COUNTY

1. ASHTON VILLAGE CENTER
2. CLARKSBURG VILLAGE CENTER
3. CLOVERLY VILLAGE CENTER
4. COLESVILLE CENTER
5. DAMASCUS SHOPPING CENTER
6. LAYHILL SHOPPING CENTER
7. LAYTONS VILLAGE SHOPPING CENTER
8. LEISURE WORLD PLAZA
9. PLAZA DEL MERCADO
10. RED MILL SHOPS
11. ROCK CREEK VILLAGE CENTER

Rentable Building Area Built Since 2015

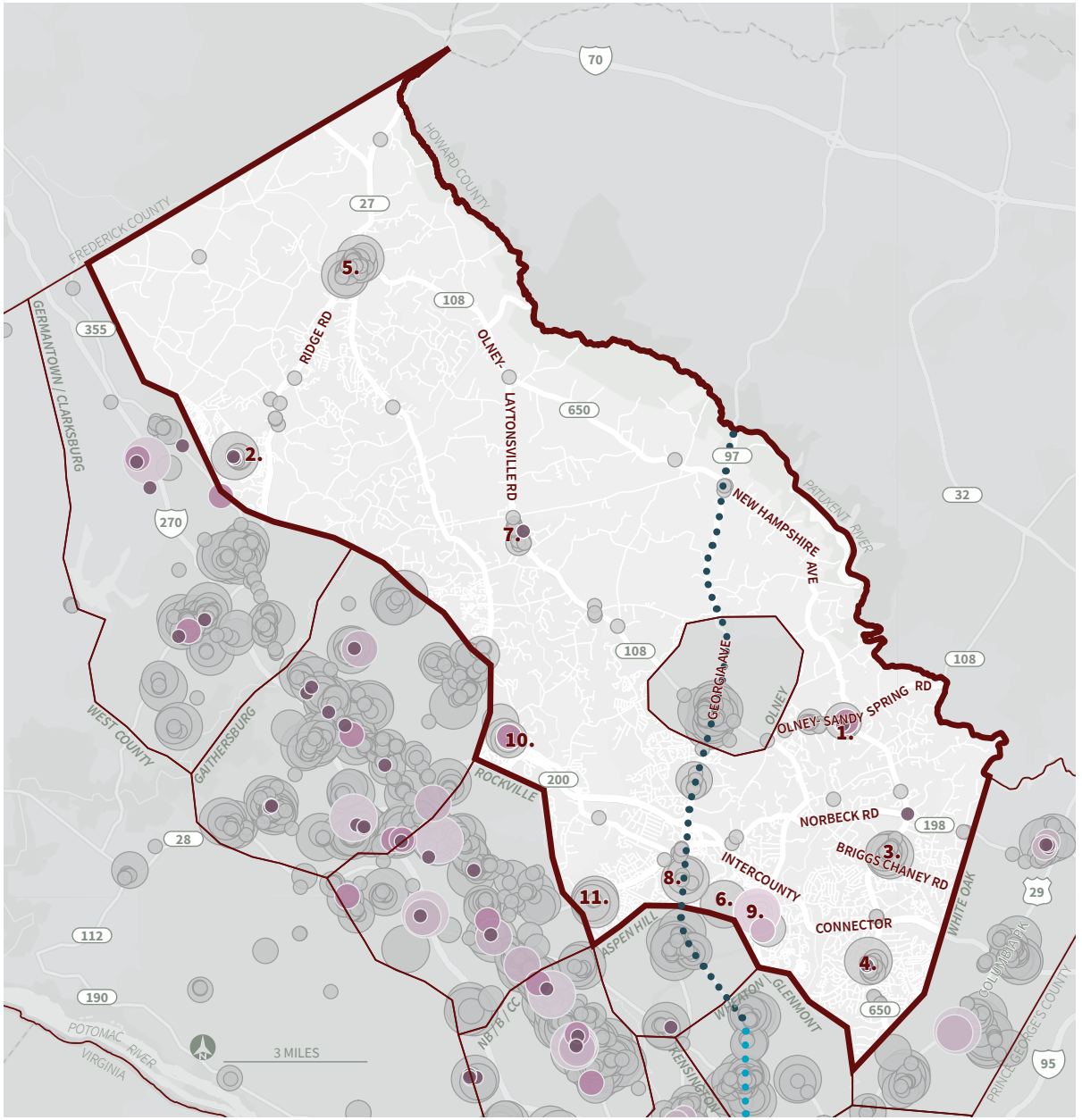
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDOR†

••••••••• Upper MD 97 (Georgia Avenue)



* Approximate location.
† As identified for this study in Section 5.

EAST COUNTY HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

Spending Potential Index 100 = National Average	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	153	153	$17,704	$19,644	*$1,941*	$919,555,252	$1,016,798,681	*$97,243,429*
Apparel & Services	154	154	$3,760	$4,172	*$412*	$195,326,952	$215,957,545	*$20,630,593*
Entertainment & Recreation	159	159	$6,527	$7,243	*$716*	$338,999,829	$374,873,310	*$35,873,481*
Household Furnishings & Equipment	157	158	$2,872	$3,187	*$315*	$149,184,155	$164,976,638	*$15,792,483*
Household Operations	163	163	$3,598	$3,992	*$394*	$186,870,269	$206,627,458	*$19,757,189*
Computers & Technology	154	154	$415	$460	*$46*	$21,550,015	$23,830,819	*$2,280,804*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$919,555,252**	**$1,016,798,681**	***$97,243,429***
Total Average Annual Household Spend	**$17,704**	**$19,644**	***$1,941***
Spending Potential Index	**153**	**153**	***0***
Food at Home	**$576,796,091**	**$637,812,161**	***$61,016,070***
Average Annual Household Spend	$11,105	$12,322	*$1,218*
Food Away from Home	**$342,759,160**	**$378,986,520**	***$36,227,360***
Average Annual Household Spend	$6,599	$7,322	*$723*
Alcoholic Beverages	**$59,954,589**	**$66,295,278**	***$6,340,689***
Average Annual Household Spend	$1,154	$1,281	*$127*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

90% Fast-Food

72% Family Style Restaurant/Steakhouse

46% Take-Out/Drive-Through

23% Fine Dining

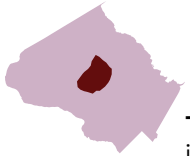
11% Home Delivery

OUTLOOK FOR

EAST COUNTY

- Given limited projected population growth and transitions in housing density from suburban to rural, there is limited opportunity for new retail development beyond smaller single-use buildings (e.g., fast-food, gas station).
- Future planning efforts should focus on reinvestment and maintaining the existing supply, including Olney as the primary retail node in this part of the county.
- In the northern and northwestern portions of East County, future retail, including entertainment, should focus on uses that are compatible with rural communities, including farm stands, garden supplies, breweries, wineries, event spaces, and hospitality (e.g., bed and breakfast).

Source: Esri (2025)



GAITHERSBURG

The City of Gaithersburg, situated in the center of Montgomery County, is among the largest cities in Maryland, with a population of approximately 70,000. The submarket, which includes the city and extends beyond its boundaries, has 145,460 residents. The population in the submarket is projected to grow by 2030, though slightly, to just over 147,000. Several new projects in the development pipeline may accelerate residential growth and, consequently, retail demand.

With over 4,000 businesses, Gaithersburg is a key economic cluster in Montgomery County. Business types in the submarket range from locally owned restaurants and stores to world-renowned tech and bio-tech firms. The presence of federal agencies in and around Gaithersburg, such as the National Institute of Standards and Technology (NIST), serves as a draw for federal contractors, as well as firms in aerospace, technology, biotechnology, and defense, including Lockheed Martin, Northrop Grumman, IBM, and WESTAT. AstraZeneca recently announced a $2 billion state-of-the-art facility, which is expected to create 100 new jobs in the county as well as the retention of 400 roles, plus 1,000 construction jobs. These organizations contribute significantly to Gaithersburg's appeal as a destination for STEM professionals and employers.

Accessibility
I-270 provides north-south regional access, with several interchanges that reach into neighborhoods and local business areas. MD 355 parallels I-270 and is where much of the commercial space in the submarket is concentrated. Quince Orchard Road, Great Seneca Highway, and Shady Grove Road have concentrations of commercial space (office and shopping centers) as well. A significant node of commercial and mixed-use space in the southwestern portion of the submarket is accessible via I-370.

The northwestern terminus of the Metrorail Red Line is the Shady Grove Station which has sizable parking lots. The MARC Brunswick Line makes three stops in the submarket—Olde Towne Gaithersburg, Metropolitan Grove, and Washington Grove—linking the submarket with points west in Maryland and West Virginia and south to Washington, D.C.

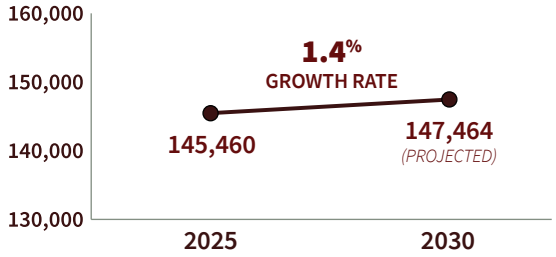
Retail Demand
The population of the area has strong buying power, supported by a relatively high median household income of $109,305 and a daytime population of 142,869. The population and the number of households are both expected to grow from 2025 to 2030 (1.4 percent, 0.9 percent respectively), which suggests continued opportunity to support new retail development.

The Retail Landscape
Gaithersburg features several retail destinations and clusters. Olde Towne Gaithersburg, the city's historic commercial center, blends historic charm with modern amenities and offers unique shops and dining options. RIO Lakefront is another major destination, with 760,000 square feet of retail, dining, and entertainment space. A large portion of the retail inventory is located along MD 355 (Upper Rockville Pike, also known as Frederick Road), a primary commercial corridor that runs north-south through the county, and at several intersections including where MD 124 and MD 355 cross.

Retail is also concentrated in several areas across the submarket, including near the Kentlands development at Quince Orchard Road and Great Seneca Highway, at Sam Eig Highway and Fields Road, and along Montgomery Village Avenue in the northeast portion of the submarket.

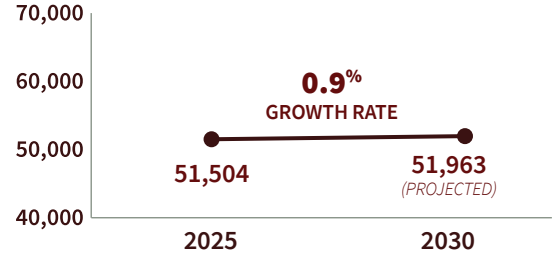
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION 142,869

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE 2.8

MEDIAN HOUSEHOLD INCOME $109,305

MEDIAN HOME VALUE $539,363

Source: Esri (2025)

RETAIL IN GAITHERSBURG

RETAIL REAL ESTATE DATA TRENDS

6.9M SF	18.3%	359.4K SF	14.6%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers
270 Center, Diamond Square, Downtown Crown, Gaithersburg Square, Kentlands Market, Lakeforest Mall (Redevelopment Site), Montgomery Village Center, and Rio Lakefront

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

National/Big-Box
Barnes & Noble, Container Store, Dick's House of Sport, HomeGoods, The Kellogg Collection, Kohl's, Lucky Strike Bowling, Marshalls, Michaels, Nordstrom Rack, PetSmart, Sephora, Target

Local
Mayan Monkey Brewery, Emporium Antiques of Olde Towne Gaithersburg, El Guero Mexicano, Gaithersburg Farmers Market, Sixty Vines, Locally Crafted, Rue & Roe, Saints Row Brewing

Grocers
Full-Service: Aldi, Costco, Giant, Harris Teeter, H Mart, Lidl, MOM's Organic Market, Safeway, Weis Markets, Whole Foods Market
Local/Specialty/International: Lotte Plaza Market, Megamart Gaithersburg

Residents in this submarket have access to a wide range of grocers, including full-service brands across price points—such as Aldi, Costco, Harris Teeter, H Mart, and Whole Foods—as well as local options like Megamart and Lotte Plaza Market. Commercial centers including Diamond Square, Downtown Crown, Quince Orchard Plaza, and Kentlands Market Square offer a mix of local and national retailers, dining, and entertainment. Major anchors include Barnes & Noble, Cinépolis Luxury Cinemas, The Container Store, Dave & Buster's, Dick's House of Sport, HomeGoods, Lucky Strike Bowling, Michaels, and Saints Row Brewing.

Food and beverage options run the gamut from local and national fast-casual and limited-service restaurants to a mix of local and national full-service brands. Examples include Café Sophie, Chick-fil-A, Coastal Flats, Copper Canyon Grille, Dogfish Head Ale House, Firebirds Wood Fired Grill, Guapo's, IHOP, Il Porto, McDonald's, Panera Bread, Ruth's Chris Steak House, the Silver Diner, and Yard House.

Recent and Potential Development
Since 2015, nearly 360,000 square feet of new retail space has been added in the submarket, with more than one-third of this space contained within a single building occupied by Life Time (fitness center). With the exception of the retail space at Spectrum Majestic (approximately 27,000 square feet), the remaining retail space has consisted of conventional suburban style development, including outparcel fast-casual eateries, coffee shops, and family restaurants, neighborhood retail strip centers, and grocery stores, including Lidl and Megamart.

RIO Lakefront underwent a $30 million redevelopment in 2020. Further, several new investments are planned as part of the long-term redevelopment plan for RIO, including nearly 1,000 new residential units. The former Lakeforest Mall is also being redeveloped; current plans call for transformation of the nearly 100-acre site into a mixed-use destination with 250,000 square feet of large-format retail, 220,000 square feet of additional commercial space, and 1,600 housing units. These two projects are expected to catalyze further redevelopment and investment in the northern and eastern sections of the Gaithersburg submarket.

Planning
In 2025, Gaithersburg launched several planning studies. The first, completed in December 2025, *Understanding Gaithersburg's Market Future: Retail, Industry Opportunities, and Multifamily Demand*, suggests the city will need approximately 560,000 square feet of new or refreshed retail space by 2040 to meet demand, replace aging buildings, and maintain a healthy vacancy rate.

The second study, *Build Gaithersburg 2040*, a major initiative to comprehensively update two critical elements of *The City Master Plan: Land Use and Transportation*. The project serves as a long-term roadmap to guide the city's physical development, zoning, public property use, and infrastructure decisions over a 15-year period looking out to the year 2040.

The *Build Gaithersburg 2040* effort recognizes the City has changed following the Great Recession, the COVID-19 pandemic, and the ending of the Corridor Cities Transitway (a proposed BRT line connecting Germantown to the Shady Grove Metro station), none of which were predicted in the current approved Land Use and Transportation Elements. Prior to *Build Gaithersburg 2040*, the city adopted its *Strategic Plan*, the *Lakeforest Mall Master Plan*, the *Housing Element*, and *Retool Gaithersburg*, which establishes policies and goals reflected in this current endeavor. The primary goal is to build a vibrant, inclusive community that supports diverse housing and economic growth.

Source: CoStar (2026)

RETAIL LOCATIONS* IN GAITHERSBURG

1. **270 CENTER**
2. **DIAMOND SQUARE**
3. **DOWNTOWN CROWN**
4. **GAITHERSBURG SQUARE**
5. **KENTLANDS MARKET SQUARE**
6. **LAKEFOREST MALL (REDEVELOPMENT SITE)**
7. **MONTGOMERY VILLAGE CENTER**
8. **RIO LAKEFRONT**

Rentable Building Area Built Since 2015

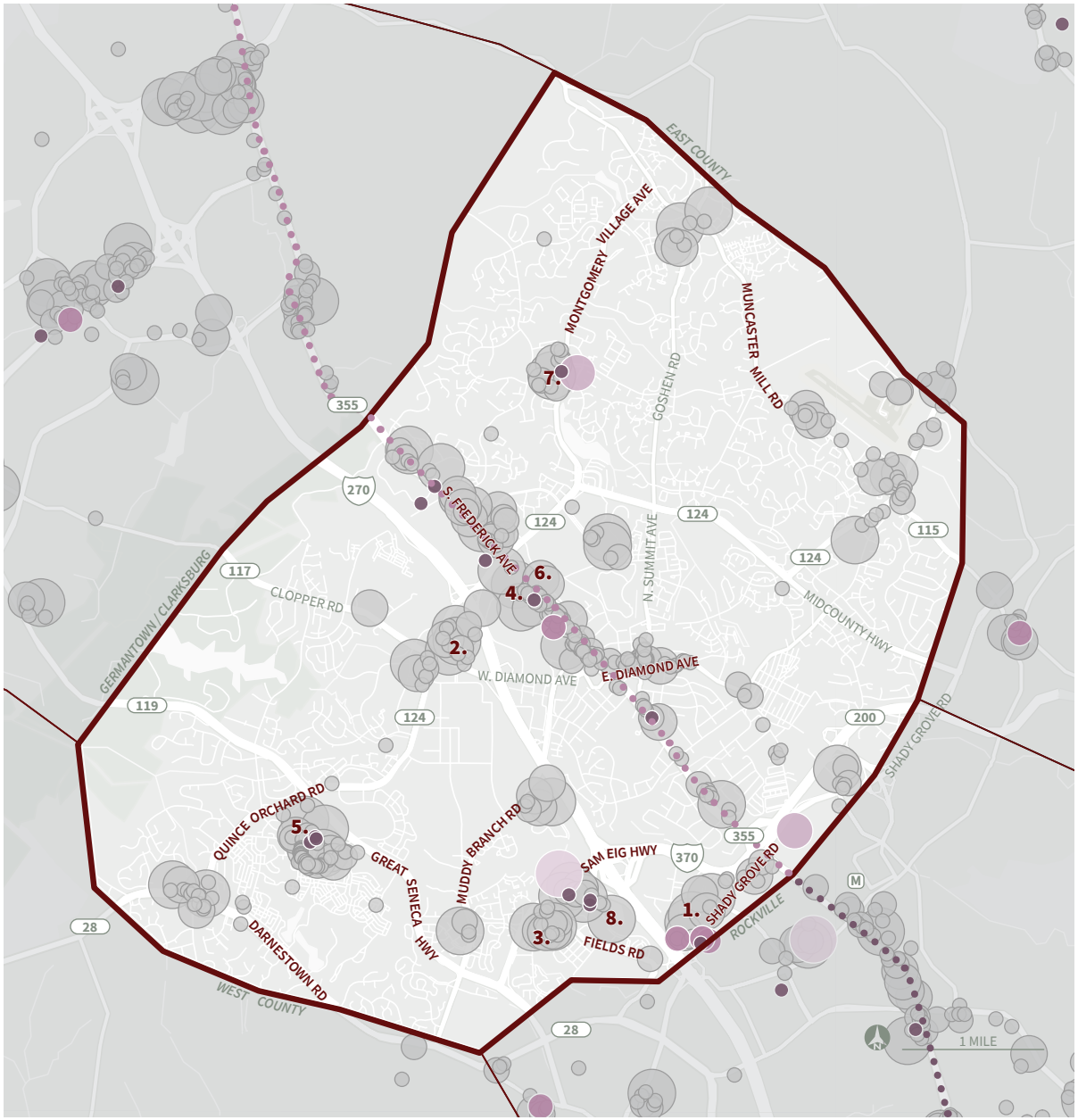
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

MD 355 (North and South Frederick Avenue)



* Approximate location.
† As identified for this study in Section 5.

GAITHERSBURG HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	125	126	$14,407	$16,119	*$1,712*	$742,041,636	$837,603,820	*$95,562,184*
Apparel & Services	126	128	$3,091	$3,459	*$368*	$159,216,346	$179,744,168	*$20,527,822*
Entertainment & Recreation	120	121	$4,932	$5,521	*$589*	$254,040,188	$286,899,096	*$32,858,908*
Household Furnishings & Equipment	123	124	$2,201	$2,464	*$262*	$113,381,199	$128,022,423	*$14,641,224*
Household Operations	126	127	$2,716	$3,040	*$324*	$139,885,590	$157,980,002	*$18,094,412*
Computers & Technology	129	130	$340	$380	*$40*	$17,505,394	$19,762,308	*$2,256,914*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$742,041,636**	**$837,603,820**	***$95,562,184***
Total Average Annual Household Spend	**$14,407**	**$16,119**	***$1,712***
Spending Potential Index	**125**	**126**	***1***
Food at Home	**$468,082,816**	**$528,354,240**	***$60,271,424***
Average Annual Household Spend	$9,088	$10,168	*$1,080*
Food Away from Home	**$273,958,820**	**$309,249,580**	***$35,290,760***
Average Annual Household Spend	$5,319	$5,951	*$632*
Alcoholic Beverages	**$44,895,952**	**$50,713,116**	***$5,817,164***
Average Annual Household Spend	$872	$976	*$104*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

91% Fast-Food

71% Family Style Restaurant/Steakhouse

44% Take-Out/Drive-Through

19% Fine Dining

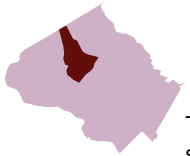
14% Home Delivery

OUTLOOK FOR

GAITHERSBURG

- Given modest projected population growth and ongoing retail development activity, adding nearly 360,000 square feet since 2015, there will be increasing demand for new retail development in this submarket, including within mixed-use communities. Future retail uses should be smaller in scale with community-serving uses, including food and beverage, personal services, and convenience retail.
- Redevelopment of the former Lakeforest Mall site would have a positive impact on the market, including the North Frederick Avenue (MD 355) commercial corridor. Given existing supply and competition, future retail uses should be positioned to serve the residential components of the development with pedestrian access and connectivity.
- Certain big-box uses may not be viable over the next 10 years (e.g., department stores) and zoning flexibility should be considered to support future redevelopment.

Source: Esri (2025)



GERMANTOWN/CLARKSBURG

The **Germantown/Clarksburg** submarket is located in the north-central part of the county.

Germantown features a mix of residential neighborhoods, suburban retail centers, office parks, research and development facilities, and public institutions. It lies north of Gaithersburg and borders Boyds and Montgomery Village. It is one of the most populous census designated communities in Maryland and serves as the civic, cultural, and economic hub of the Upcounty region. Development in Germantown follows historical patterns, with much of the retail located along Germantown Road and Frederick Road (MD 355).

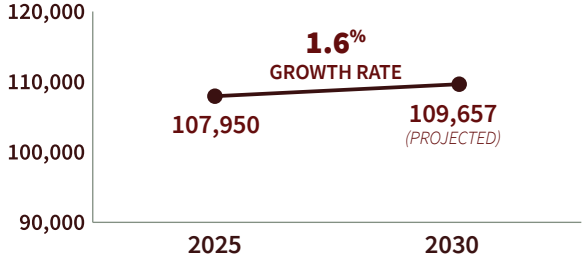
Clarksburg is approximately four miles north of Germantown. Located on I-270, it serves as a commuter town with easy access to Germantown, Frederick, and Washington, D.C. In Clarksburg, suburban development abuts rolling hills and farmland. In recent years, the community has shifted from primarily building single-family homes to a focus on mixed-use development and multifamily housing.

Accessibility
The submarket is well served by major commuter routes, including I-270 and Frederick Road (MD 355), with access to MD 200, I-495 (the Capital Beltway), and regional routes such as Clarksburg Road (MD 121), Germantown Road (MD 118), Middlebrook Road, and Ridge Road (MD 27).

Retail Demand
The Germantown/Clarksburg submarket demonstrates strong fundamentals. The daytime population stands at 85,336. The residential population is projected to grow by 1.6 percent from 107,950 in 2025 to 109,657 in 2030. The number of households is expected to increase by 0.9 percent during the same period from 37,168 to 37,519. Additionally, the area boasts strong household income, with a median household income of $120,406. This indicates the market could support additional retail uses and a mix of full-service dining options, including one or two at a higher price point.

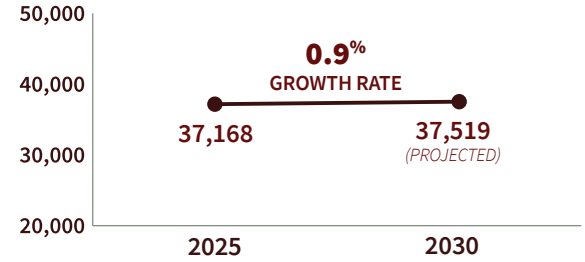
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **85,336**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.9**

MEDIAN HOUSEHOLD INCOME **$120,406**

MEDIAN HOME VALUE **$552,225**

Source: Esri (2025)

RETAIL IN GERMANTOWN/CLARKSBURG

RETAIL REAL ESTATE DATA TRENDS

3.3M SF	8.7%	505.1K SF	20.6%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Clarksburg Premium Outlets, Clarksburg Town Center (In Development), Cloppers Mill Village, Fox Chapel Shopping Center, Germantown Commons, Germantown Square Shopping Center, Kingsview Village Center, Middlebrook Square, Milestone Center, Neelsville Village Center, Shoppes at Town Center, and Century Station

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

National/Big-Box
AutoZone, Euro Motorcars, Best Buy, CVS, DSW, Kohl's, PetSmart, Planet Fitness, Michaels, Target, T.J. Maxx, Walmart Supercenter, and a variety of retail outlets

Grocers
Full-Service: Aldi, Giant, Safeway, Wegmans
Local/Specialty/International: El Ray Latino Market, GW Supermarket, Lancaster Dutch Market, Naanfe Market

Non-Retail
Little Seneca Lake, Black Hill Regional Park, Little Bennett Park, Hyattstown Mills Art Project, Burnt Hill Farm and Winery, BlackRock Center for the Arts, Holy Cross Germantown Hospital, Montgomery College Germantown Campus

The Retail Landscape
Retail in the submarket is concentrated in neighborhood goods and services, general merchandise, and limited entertainment uses such as Topgolf. The area is well served by grocery options, including national brands such as Aldi, Giant, Safeway, and Wegmans, along with several local and specialty ethnic stores.

Despite growth in food and beverage options over the past decade, this market remains dominated by regional and national fast-casual and limited-service restaurants, along with some local eateries. This includes popular brands such as Chick-fil-A, Cava, Fresh Baguette, and Mezeh Mediterranean, as well as several local eateries such as Woodside Deli, Royal Bakery & Deli, and Dreamtreats Cakes. Full-service restaurants are few, typically family-focused (Carrabba's Italian Grill, Outback Steakhouse, Picca Pollo A La Brasa), at price points lower than those in nearby southern areas of the county or Frederick. A prominent retail anchor is the Clarksburg Premium Outlets just off I-270 with a mix of high-end (Boss, Ferragamo) and mainstream stores (Ann Taylor, Nike) as well as a mix of fast-casual and limited-service eateries.

Most local and regional retail centers and single-tenant net-lease properties are concentrated along two major corridors in the Germantown portion of the submarket: Upper MD 355, one of the county's primary commercial corridors, and Germantown Road, including intersecting roads such as Great Seneca Highway and Middlebrook Road. Retail options in Clarksburg are more limited, with the largest centers being Clarksburg Premium Outlets and Neelsville Village Center, a Giant-anchored center offering neighborhood services, retail shops, and fast-casual dining.

Recent and Potential Development
During the past decade, more than 500,000 square feet of new retail space was added in the submarket. The vast majority of this supply is the approximately 437,000 square foot Clarksburg Premium Outlets (the original 392,000 square foot shopping center was built in 2016 and in 2018 a total of 45,000 square feet were added for communal areas and dining facilities, including Market Hall). Other new retail development has consisted of single-tenant properties including AutoZone, 7-Eleven, and CVS, and several small daycare facilities.

Several ongoing projects in Clarksburg are set to reshape the community. The focus is the commercial section of Clarksburg Town Center, a mixed-use, pedestrian-oriented development with residential, retail, and community spaces. Recent amendments to the Clarksburg Town Center have shifted its strategy away from dense office development toward more flexible uses, including reduced commercial density and additional multifamily housing. The commercial area will now feature over 100,000 square feet of retail space, including a 56,000 square foot Weis Markets and other neighborhood retail options.

The former COMSAT laboratories, a 200-acre site near I-270, is slated to serve as the centerpiece of the Clarksburg Gateway Sector Plan. The site is expected to be redeveloped into a mixed-use community with residential and commercial space, potentially adding new retail options and, because of its proximity to Clarksburg Premium Outlets, establishing another retail hub in the county.

Source: CoStar (2026)

RETAIL LOCATIONS* IN GERMANTOWN/CLARKSBURG

1. CLARKSBURG PREMIUM OUTLETS
2. CLARKSBURG TOWN CENTER (IN DEVELOPMENT)
3. CLOPPERS MILL VILLAGE
4. FOX CHAPEL SHOPPING CENTER
5. GERMANTOWN COMMONS
6. GERMANTOWN SQUARE SHOPPING CENTER
7. KINGSVIEW VILLAGE CENTER
8. MIDDLEBROOK SQUARE
9. MILESTONE CENTER
10. NEELSVILLE VILLAGE CENTER
11. SHOPPES AT TOWN CENTER AND CENTURY STATION

Rentable Building Area Built Since 2015

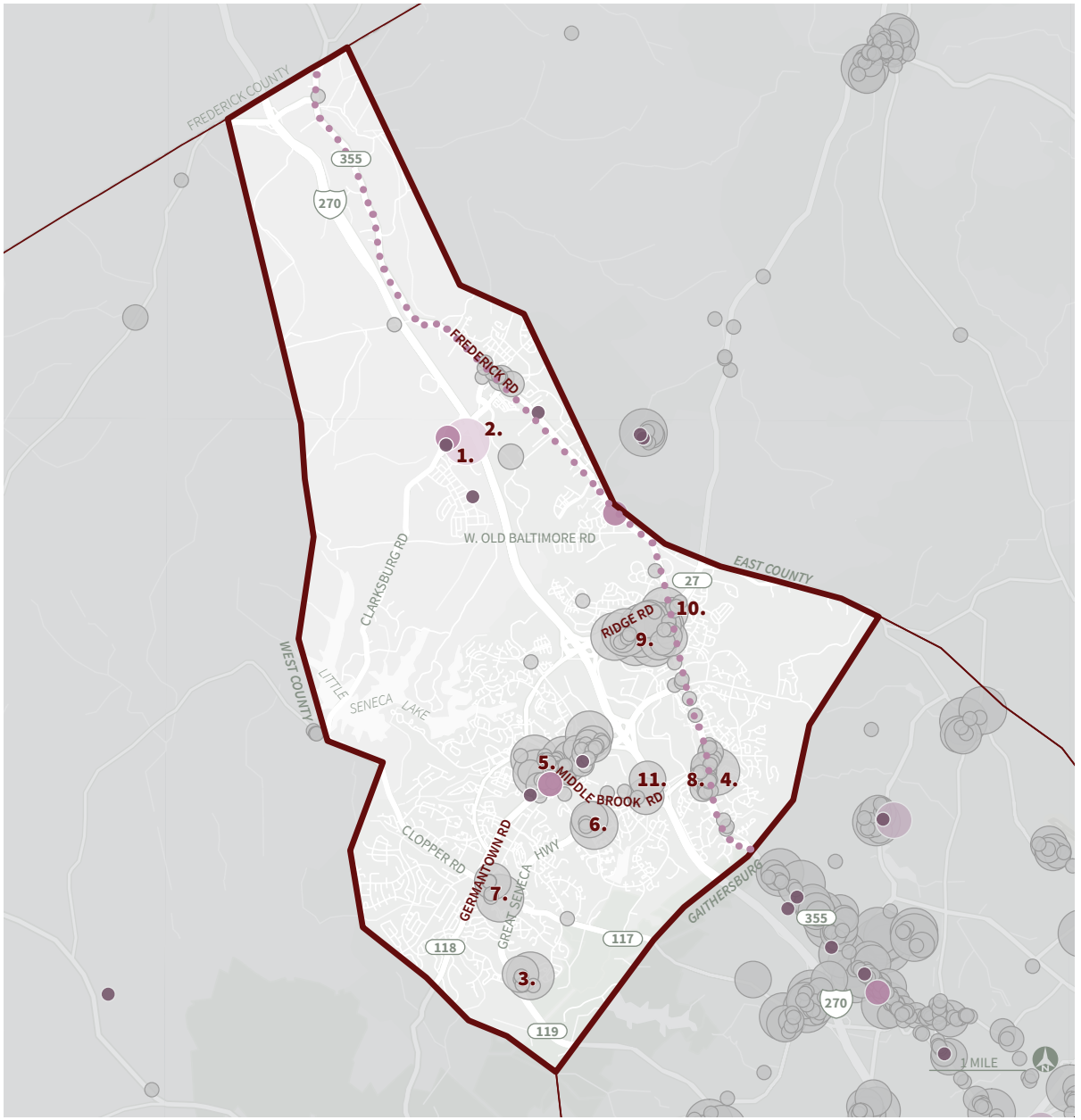
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

Upper MD 355 (Frederick Road)



* Approximate location.
† As identified for this study in Section 5.

GERMANTOWN/CLARKSBURG HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	128	129	$14,831	$16,575	*$1,744*	$551,250,103	$621,874,129	*$70,624,026*
Apparel & Services	132	133	$3,224	$3,605	*$381*	$119,833,666	$135,252,921	*$15,419,255*
Entertainment & Recreation	126	128	$5,192	$5,805	*$613*	$192,979,407	$217,789,850	*$24,810,443*
Household Furnishings & Equipment	127	128	$2,342	$2,619	*$277*	$87,034,506	$98,248,799	*$11,214,293*
Household Operations	130	131	$2,861	$3,199	*$338*	$106,355,351	$120,032,863	*$13,677,512*
Computers & Technology	131	132	$352	$394	*$32*	$13,093,649	$14,776,812	*$1,683,163*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$551,250,103**	**$621,874,129**	***$70,624,026***
Total Average Annual Household Spend	**$14,831**	**$16,575**	***$1,744***
Spending Potential Index	**128**	**129**	***1***
Food at Home	**$346,237,417**	**$390,577,928**	***$44,340,511***
Average Annual Household Spend	$9,315	$10,410	*$1,095*
Food Away from Home	**$205,012,686**	**$231,296,200**	***$26,283,514***
Average Annual Household Spend	$5,516	$6,165	*$649*
Alcoholic Beverages	**$33,014,890**	**$37,230,929**	***$4,216,039***
Average Annual Household Spend	$888	$992	*$104*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

92% Fast-Food

74% Family Style Restaurant/Steakhouse

49% Take-Out/Drive-Through

20% Fine Dining

14% Home Delivery

OUTLOOK FOR

GERMANTOWN/CLARKSBURG

- The existing retail supply, including several major big-box anchors and supermarkets, can satisfy immediate retail demand. The viability of future retail development in this part of the county will depend on the amount and pace of future housing development.
- Future residential subdivisions should include retail and services that meet local needs while remaining accessible to a wider market to stay competitive.
- While developing walkable, mixed-use nodes should be encouraged, the viability of retail in the Germantown/Clarksburg submarket will be driven by a suburban, automobile-centric customer base.

Source: Esri (2025)



KENSINGTON

Kensington, population 23,227, is a small community with an historic downtown. Located northwest of Silver Spring, northeast of Bethesda, west of Wheaton, and south of Rockville, it functions as a bedroom community for those commuting to Washington, D.C. and across the region. A distinguishing feature is the Kensington Historic District, a national historic district in Kensington. Designated in 1980, it contains the original town's core, incorporated in 1894.

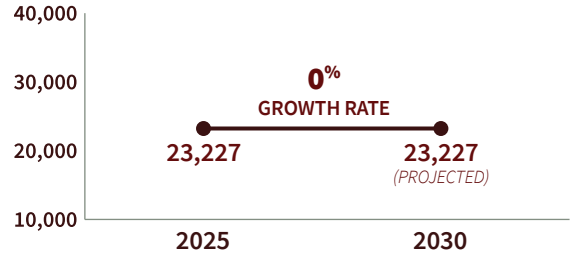
Accessibility
Connecticut Avenue is the main north-south route through the submarket; University Boulevard intersects at the commercial core of Kensington and provides access to points east and southeast in the county and region. For regional access, I-495 interchanges with Connecticut Avenue just south of the submarket. MCDOT Ride On and WMATA Metrobus run routes along many local roadways in Kensington. The MARC Brunswick Line, which travels between Martinsburg, WV and Washington, D.C., makes 15 weekday stops at the Kensington Station, plus one flag stop on Fridays; ample parking is provided at and near the station.

Retail Demand
Residents tend to be well educated and employed. According to Esri's 2025 demographic estimates, 68 percent of residents have a bachelor's degree or higher, and median household income is $164,720, both above statewide levels. Homeownership is also relatively high, with 84 percent of homes owner-occupied. Household spending is generally in line with countywide levels across retail categories and remains well above the national average. However, projected spending growth through 2030 is limited in most categories, with comparatively stronger growth in computers and entertainment-related spending, including toys, games, and hobbies.

The lack of projected population growth limits opportunities for retail expansion.

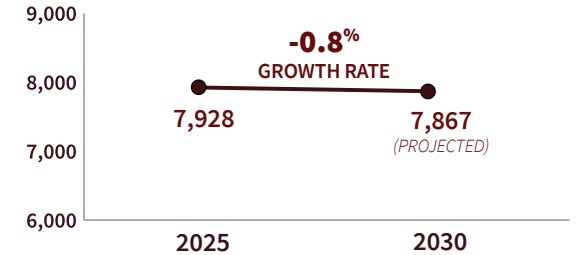
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION 21,004

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE 2.9

MEDIAN HOUSEHOLD INCOME $164,720

MEDIAN HOME VALUE $775,615

Source: Esri (2025)

RETAIL IN KENSINGTON

RETAIL REAL ESTATE DATA TRENDS

538.4K SF	1.4%	21.3K SF	0.9%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers
Crossroads at Kensington, Kensington Shopping Center
Shopping Nodes
Kensington Antique Row, West Howard Antique District

KEY ANCHORS

Retail
Babycat Brewery, CVS, Kensington Antique Row, Knowles Station Wine & Co., and Strosniders Hardware

Grocers
Full-Service: Safeway
Local/Specialty/International: Grocery Lanka, Old Town Market, Tag Team Kitchen, The Kensington Farmers Market

Non-Retail
The Church of Jesus Christ of Latter-day Saints Washington, D.C. Temple, Kensington Train Station, Kensington Historic District, Kaiser Permanente Kensington

The Retail Landscape

Kensington is known for its many small shops and restaurants. “Antique Row” on Howard Avenue and the West Howard Antique District are regional destinations with a mix of antiques and gift stores, art shops, bookstores, apparel and design boutiques, jewelry stores and home furnishing stores.

Retail in the submarket is clustered along two primary commercial corridors in the county, Connecticut Avenue and University Boulevard. This includes shopping centers and destinations such as the Crossroads at Kensington, Kensington Shopping Center, and Kensington Antique Row.

Today, thirty-five restaurants and eateries contribute to Kensington’s dining scene. Several full-service and casual establishments draw visitors from across the region, and most are popular locally owned businesses. These include Babycat Brewery, Knowles Station Wine & Co., Red Ginger, Stella Point Grille, and Talia’s Cuzina. Additional restaurant openings are expected to further strengthen Kensington’s dining options. Within the submarket there are a few national and regional chains, largely well-known fast-casual brands including Baskin Robbins, Chipotle, Dunkin’, Five Guys, Moby Dick House of Kabob, and Starbucks.

Residents can shop for fresh food and wine at five local and full-service grocers: Grocery Lanka, Old Town Market, Tag Team Kitchen, The Kensington Farmers Market, and Safeway. Additionally, there is a 7-Eleven convenience store.

Recent and Potential Development

Two properties were developed for multi-tenant retail space since 2015, collectively adding 21,300 square feet in the submarket. Both properties are occupied by food service businesses.

The Knowles Station, at 10414 Detrick Avenue, accounts for about half of the new retail square footage. A Class B multi-tenant property, it is presently occupied by a fast-casual eatery and full-service restaurant.

Crossroads at Kensington accounts for the other half of the retail space delivered since 2015. This multi-tenant retail property came online in 2025, and is currently tenanted by fast-casual restaurant options including Buffalo Wild Wings GO.

The Flats at Knowles Station is a planned development that will include approximately 11,000 to 15,000 square feet of new retail space and 100 multifamily units, although the development timeframe has not been determined.

Source: CoStar (2026)

RETAIL LOCATIONS* IN KENSINGTON

1. **CROSSROADS AT KENSINGTON**
2. **KENSINGTON ANTIQUE ROW**
3. **KENSINGTON SHOPPING CENTER**
4. **WEST HOWARD ANTIQUE DISTRICT**

Rentable Building Area Built Since 2015

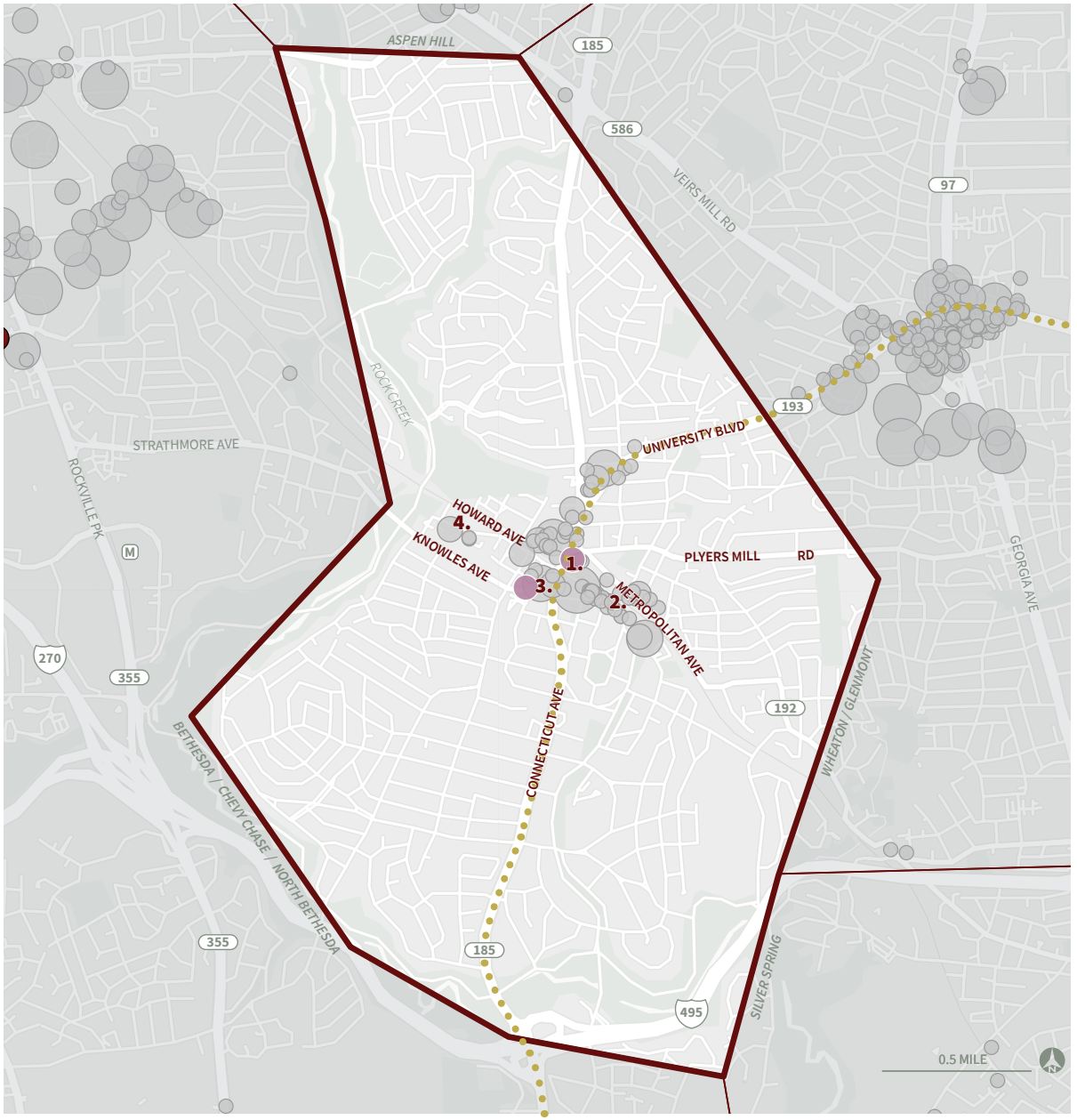
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

MD 185 (Connecticut Avenue)/Route 193 (University Boulevard)



* Approximate location.
† As identified for this study in Section 5.

KENSINGTON HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	163	163	$18,849	$20,877	*$2,028*	$149,430,951	$164,237,251	*$14,806,300*
Apparel & Services	164	164	$4,013	$4,445	*$432*	$31,811,396	$34,968,361	*$3,156,965*
Entertainment & Recreation	168	168	$6,906	$7,650	*$744*	$54,747,252	$60,178,651	*$5,431,399*
Household Furnishings & Equipment	168	168	$3,031	$3,357	*$326*	$24,025,731	$26,406,473	*$2,380,742*
Household Operations	175	175	$3,840	$4,254	*$414*	$30,442,867	$33,465,913	*$3,023,046*
Computers & Technology	162	162	$440	$487	*$47*	$3,488,013	$3,834,024	*$346,011*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$149,430,951**	**$164,237,251**	***$14,806,300***
Total Average Annual Household Spend	**$18,849**	**$20,877**	***$2,028***
Spending Potential Index	**163**	**163**	***0***
Food at Home	**$93,184,321**	**$102,422,678**	***$9,238,357***
Average Annual Household Spend	$11,754	$13,019	*$1,265*
Food Away from Home	**$56,246,630**	**$61,814,573**	***$5,567,943***
Average Annual Household Spend	$7,095	$7,857	*$763*
Alcoholic Beverages	**$9,876,322**	**$10,855,321**	***$978,999***
Average Annual Household Spend	$1,246	$1,380	*$134*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

89% Fast-Food

70% Family Style Restaurant/Steakhouse

44% Take-Out/Drive-Through

24% Fine Dining

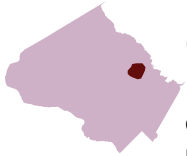
11% Home Delivery

OUTLOOK FOR

KENSINGTON

- Demand for larger scale retail development is limited given the lack of projected population growth and access to existing retail amenities in Kensington and in adjacent markets including Rockville, Bethesda and Chevy Chase.
- Diversifying retail offerings, especially food, beverage, personal services, and specialty stores, should focus on repurposing existing commercial and industrial spaces.

Source: Esri (2025)



OLNEY

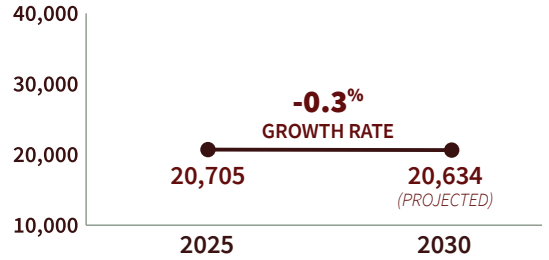
Olney is a census-designated place (CDP) in Montgomery County located approximately 15 miles north of Washington, D.C. Olney transitioned from a largely agricultural community into a residential one during the 1960s through the 1980s following Washington metro area expansion. The community retains green spaces rooted in its agricultural past, including Rachel Carson Conservation Park and several dog-friendly parks. Amenities like the Olney Theatre Center and Olney Manor Recreation Park have become regional destinations.

Accessibility
The primary routes are Georgia Avenue (MD 97), Olney-Sandy Spring Road (MD 108), and Norbeck Road (MD 28). Olney is car-dependent, with most errands requiring a drive, as there is no direct Metro station. These routes connect to other major arteries and provide vital access to residential areas, amenities and shopping centers, and commuting. These routes also provide access to the Intercounty Connector (MD 200), I-95, and I-270, for travel to nearby cities including Bethesda, Rockville, Silver Spring, Gaithersburg, Washington, D.C., and the Baltimore Washington International Thurgood Marshall Airport.

Retail Demand
This suburban community of just over 20,000 residents has evolved into a desirable residential market with a median household income of $172,289. There is no projected population growth in this submarket, limiting opportunities for retail expansion.

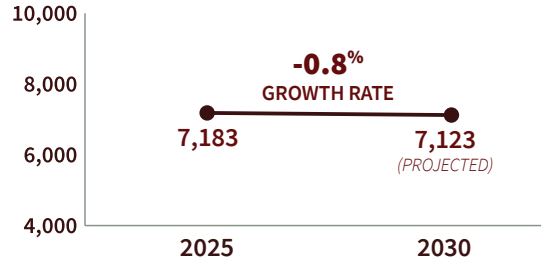
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **19,535**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.8**

MEDIAN HOUSEHOLD INCOME **$172,289**

MEDIAN HOME VALUE **$667,866**

Source: Esri (2025)

RETAIL SUPPLY IN OLNEY

RETAIL REAL ESTATE DATA TRENDS

719.4K SF	1.9%	0 SF	0%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Olney Village Center, Fair Hill Shops, The Shoppes of Olney, and Olney Shopping Center

KEY ANCHORS*

Retail
CVS, Gold's Gym, HomeGoods, T.J. Maxx

Grocers
Full-Service: Giant, Harris Teeter, Safeway

Non-Retail
Olney Theatre Center, Field of Screams and Winter City Lights, Rachel Carson Park, Olney Manor Park

The Retail Landscape
Retail is primarily concentrated at the node where Georgia Avenue, Olney Laytonsville/Olney Sandy Spring Road, and Spartan Road intersect. Several shopping centers create a retail cluster that serves the community including Olney Village Center with three major anchors, Giant, HomeGoods, and T.J. Maxx; and the Fair Hill Shops anchored by Harris Teeter. Complementing these are several other smaller centers serving the needs of residents with a mix of national and local tenants from Orangetheory Fitness and Pure Barre to local barbers and a dance studio.

The community has several grocers including the Giant and Harris Teeter referenced above as well as a stand-alone Safeway. National fast-casual and casual chains dominate the food and beverage scene, including Café Rio Fresh, Cava Mezze, Chick-fil-A, Chopt, IHOP, Ledo Pizza, Panera, Popeyes, Starbucks, and Smoothie King. There are also specialty food shops such as Baskin Robbins and Cold Stone Creamery. Local eateries fill an important niche, diversifying the offerings including the Maryland-based The Green Turtle Sports Bar, the GrillMarx Olney Steakhouse & Raw Bar, Mama Lucia, and Olney Grill.

Despite its small size, the submarket has several strong national retail and big-box retail tenants including HomeGoods, T.J. Maxx, CVS, Mattress Warehouse, and Gold's Gym, providing a strong draw for more local service businesses. The predominant business mix in Olney consists of medical offices and related businesses and other personal and professional services.

Recent and Potential Development
The retail inventory in Olney totals just under 720,000 square feet, with no new development since 2015. The supply is composed primarily of older but well-maintained strip centers, including Fair Hill Shops, Olney Village Center, and Shoppes of Olney, along with outparcel single-use buildings.

The planning framework established by Montgomery County Planning for Olney reinforces the concept of Olney as a satellite community. The zoning rules concentrate commercial development within a central "satellite town" area to preserve the surrounding agricultural and residential areas. Olney can support reinvestment and tenanting within existing retail centers, while the current planning framework limits substantial additions to retail supply. Consequently, local owners and developers have concentrated on renovating and repositioning existing retail properties. One example is First Washington Realty's renovation of Olney Village Center, which included façade upgrades and sidewalk improvements to enhance walkability and ADA compliance. Another example is the Giant that opened in 2019. This $21 million redevelopment replaced a vacant former Shoppers Food Warehouse.

Source: CoStar (2026)

RETAIL LOCATIONS* IN OLNEY

1. **FAIR HILL SHOPS**
2. **OLNEY SHOPPING CENTER**
3. **OLNEY VILLAGE CENTER**
4. **SHOPPES OF OLNEY**

Rentable Building Area Built Since 2015

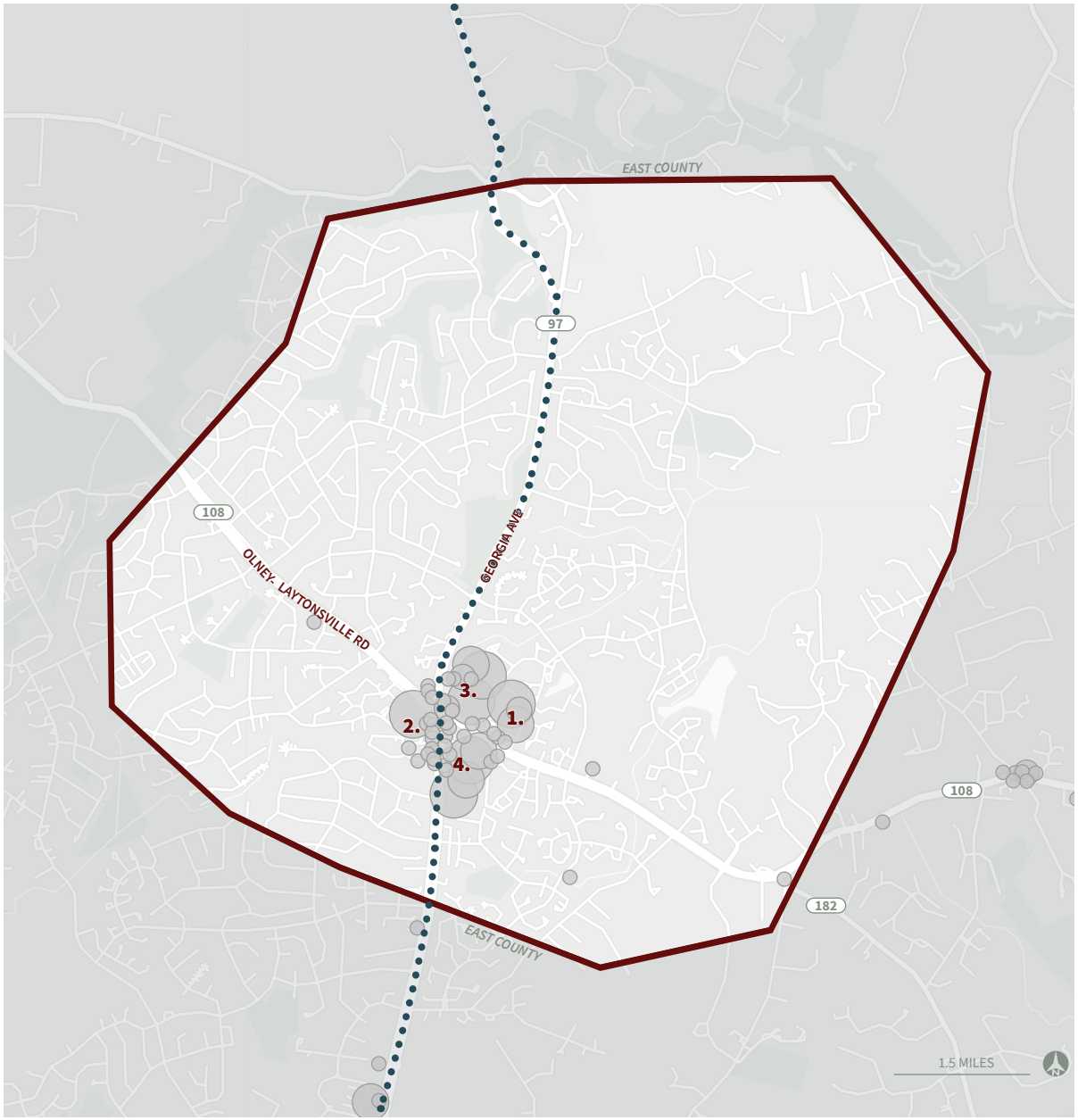
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

MD 97 (Upper Georgia Avenue)



* Approximate location.
† As identified for this study in Section 5.

OLNEY HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	164	166	$19,017	$21,213	*$2,196*	$136,600,030	$151,098,449	*$14,498,419*
Apparel & Services	166	167	$4,056	$4,524	*$468*	$29,134,252	$32,225,020	*$3,090,768*
Entertainment & Recreation	170	171	$6,968	$7,772	*$805*	$50,049,251	$55,361,770	*$5,312,519*
Household Furnishings & Equipment	168	170	$3,044	$3,395	*$351*	$21,861,424	$24,182,042	*$2,320,618*
Household Operations	176	178	$3,874	$4,322	*$447*	$27,829,137	$30,782,630	*$2,953,493*
Computers & Technology	163	164	$443	$494	*$51*	$3,182,464	$3,520,142	*$337,678*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$136,600,030**	**$151,098,449**	***$14,498,419***
Total Average Annual Household Spend	**$19,017**	**$21,213**	***$2,196***
Spending Potential Index	**164**	**166**	***2.0***
Food at Home	**$85,267,187**	**$94,315,527**	***$9,048,340***
Average Annual Household Spend	$11,871	$13,241	*$1,370*
Food Away from Home	**$51,332,843**	**$56,782,921**	***$5,450,078***
Average Annual Household Spend	$7,146	$7,972	*$825*
Alcoholic Beverages	**$8,998,026**	**$9,953,578**	***$955,552***
Average Annual Household Spend	$1,253	$1,397	*$145*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

89% Fast-Food

71% Family Style Restaurant/Steakhouse

45% Take-Out/Drive-Through

24% Fine Dining

11% Home Delivery

OUTLOOK FOR
OLNEY

- With more than 700,000 square feet of retail space and a local population of just over 20,000, Olney should continue to be positioned as the primary retail hub for communities throughout East County.
- Since Olney serves a broader customer base including communities throughout East County, parking accessibility will be critical for maintaining the marketability of existing retail spaces and tenants.
- Given the ample existing retail supply and no new development over the last decade, future planning strategies should focus on maintaining and reinvesting in existing space as well as enhancing connections to residential areas.

Source: Esri (2025)



ROCKVILLE

The **Rockville** submarket includes the City of Rockville, the county seat. Situated approximately 12 miles northwest of Washington, D.C., this area has evolved into a diverse suburban community. The City of Rockville serves as the geographic anchor of the I-270 Technology Corridor. According to Rockville Economic Development, Inc., within the Rockville city limits there are over 200 technology, life sciences, cybersecurity, and advanced technology companies.

The area is a desirable residential market, driven in part by its strong accessibility and mix of amenities. The median home value exceeds $700,000, which reflects the strong residential demand. New development tends to center on large residential projects. Examples include The Farmstead District (by EYA), the final phase of King Farm, with modern homes and strong walkability, and the proposed redevelopment of Rockshire Village Center, the plans for which include new townhomes, along with new commercial and office spaces intended to serve as a neighborhood-focused amenity.

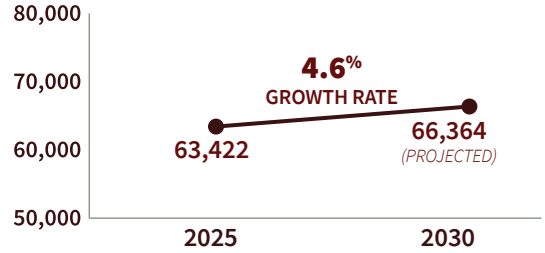
Rockville features amenities and entertainment uses that contribute to its position as a destination in the county. In addition to Rockville Town Center, sports and entertainment facilities like the Rockville Ice Arena, Sofive Soccer Center, and kid-friendly locations like Hyper Kids and Zavazone draw visitors from across the region. Complementing this is a network of open space, trails, and parks.

Accessibility
Rockville is well connected by a network of major roads, corridors, and public transit. Major roads in the submarket include the historic Rockville Pike/ Hungerford Drive (MD 355), which runs through the center of the City of Rockville, and I-270 runs on the western side of the submarket and connects it to the Capital Beltway (I-495), Sam Eig Highway (I-370), and communities to the north such as Gaithersburg and Frederick. Key local arterials like Randolph Road, Shady Grove Road, Gude Drive, and Research Boulevard serve major business and residential areas like Downtown Rockville and King Farm, and connect to adjacent submarkets and across the Washington, D.C. metropolitan area.

Retail Demand
The population growth rate in the submarket is predicted to be 4.6 percent from 2025 to 2030 bringing the total residential base to 66,364. The residential growth combined with the daytime population of 102,143 will positively impact retail demand especially for neighborhood goods and services and food and beverage.

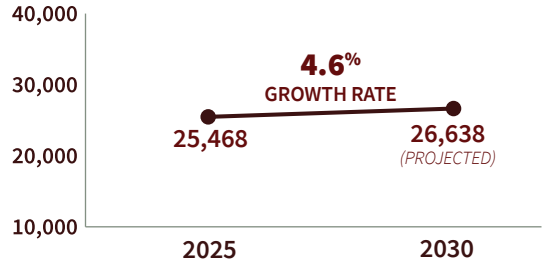
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **102,143**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.5**

MEDIAN HOUSEHOLD INCOME **$128,610**

MEDIAN HOME VALUE **$718,557**

Source: Esri (2025)

RETAIL IN ROCKVILLE

RETAIL REAL ESTATE DATA TRENDS

3.1M SF	8.2%	252.5K SF	10.3%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Falls Grove Village Center, King Farm Village Center, Ritchie Center, Rockville Town Center, The Square at Rockville, Wintergreen Plaza, and Woodley Gardens Center

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Retail
Ace Hardware, AutoZone, Bray & Scarff, A Game of Rooms, CVS, Cooper's Hawk Winery & Restaurant, Gold's Gym, Habitat ReStore, HomeGoods, Mattress Warehouse, Orangetheory Fitness, Potomac Squash Club, Regal Rockville, Walgreens, and Sports Zone

Grocers
Full-Service: Food Lion, Giant, Harris Teeter, Safeway, and Trader Joe's
Local/Specialty/International: Aria Halal Super Market, Great Wall Super Market, Patel Brothers, 7-Eleven

Non-Retail
Adventist HealthCare, Children's National Hospital, F. Scott Fitzgerald Theater, Maryland Institute for Bioscience, Montgomery County Circuit Court, Montgomery College, Rockville Economic Development, Rockville Ice Arena, Rockville Little Theater, Rockville Town Center, libraries (Montgomery County, Rockville Memorial), Universities at Shady Grove Conference Center

The Retail Landscape

Rockville Pike (MD 355), one of the primary commercial corridors in Montgomery County, runs through the submarket. The retail supply along the corridor is extensive. Over 60 percent of retail space in Rockville is concentrated along Rockville Pike, continuing the corridor from the Bethesda/Chevy Chase/North Bethesda submarket. This consists of several regional and neighborhood shopping centers such as Ritchie Center, Wintergreen Plaza, and Rockville Town Center. Complementing these centers are single-tenant net-lease properties, including multiple car dealerships such as DARCARS (Volvo, Pre-Owned, Chrysler Dodge Jeep Ram), Herson's (Honda and Kia) and Ourisman (Chevrolet, Lexus), several service providers, and an assortment of eateries. Additionally, retail clusters are present near dense development areas and major roads that intersect with Rockville Pike, such as Veirs Mill Road and Gude Drive to the east and west.

Retail expansion opportunities along Rockville Pike are limited. The potential for enhancing retail is in the redevelopment of and reinvestment in older shopping centers, which are often characterized by single-story buildings with parking fields in front. Mixed-use projects represent a significant opportunity for revitalization in the area.

Dining options are a combination of local and national fast-casual and limited-service chain restaurants, and a mix of local and ethnic eateries. This includes several locally based ones such as Lebanese Taverna and Cava. Larger, full-service restaurants are typically situated near major commercial centers, benefiting from a robust residential and daytime population.

Recent and Potential Development

Rockville has had a diverse expansion of its retail supply, adding 253,000 square feet. This includes several anchor tenants: Trader Joe's at Travilah Square (13,000 square feet) and Onelife Fitness at Research Row Shopping Center (77,000 square feet). The remainder of new space is primarily located in higher-density mixed-use buildings and single-tenant net lease properties including banks and fast-food and fast-casual restaurants.

Several significant developments have influenced the retail market in the past two decades. One such project is King Farm, a large, planned, mixed-use community that straddles the Rockville and Gaithersburg submarkets. King Farm has significantly transformed Rockville's retail landscape, moving away from traditional strip centers and integrating commercial properties within residential zones, creating a pedestrian-friendly environment. It is recognized for its pedestrian focus and diverse housing options, including townhomes, condominiums, and single-family homes. The community has shuttle and pedestrian access to the Shady Grove Metrorail Station.

Another is The Square (formerly Rockville Town Square), a 675,000 square foot mixed-use property located in Rockville Town Center featuring retail, office, and residential space. The pedestrian-friendly location offers public gathering areas and entertainment events and serves as a neighborhood hub for the community. It is anchored by the Rockville Memorial Library and a mix of retail and dining options, a Trader Joe's, which opened in June of 2025, and attractions including VisArts and the Rockville Science Center.

Source: CoStar (2026)

RETAIL LOCATIONS* IN ROCKVILLE

1. **FALLS GROVE VILLAGE CENTER**
2. **KING FARM VILLAGE CENTER**
3. **RITCHIE CENTER**
4. **ROCKVILLE TOWN CENTER**
5. **THE SQUARE AT ROCKVILLE**
6. **WINTERGREEN PLAZA**
7. **WOODLEY GARDENS CENTER**

Rentable Building Area Built Since 2015

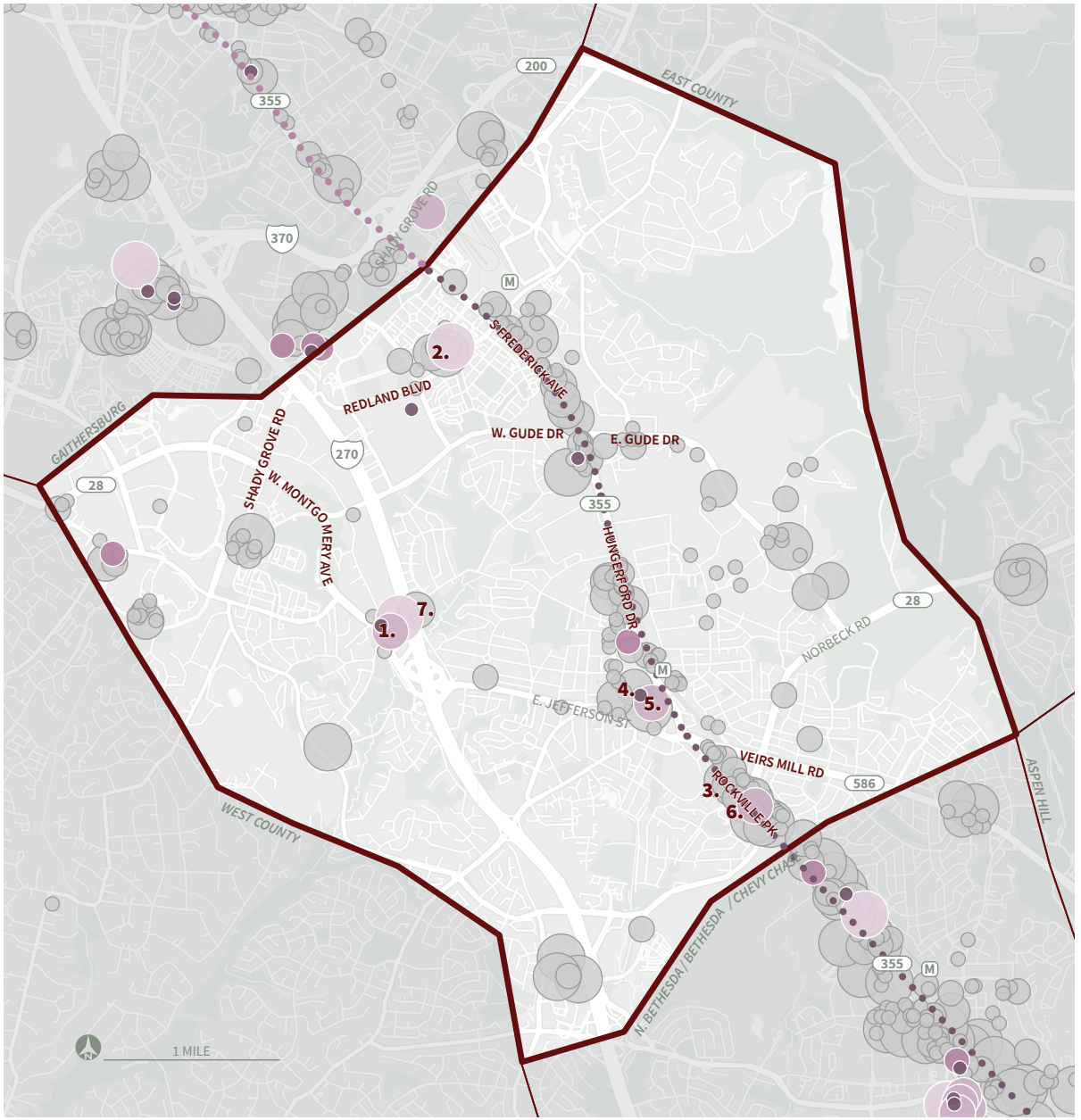
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

- Middle MD 355 (Rockville Pike, Hungerford Drive, South Frederick Avenue)



* Approximate location.
† As identified for this study in Section 5.

ROCKVILLE HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	140	139	$16,184	$17,841	*$1,657*	$412,165,497	$475,242,291	*$63,076,794*
Apparel & Services	143	142	$3,495	$3,853	*$358*	$89,003,521	$102,633,764	*$13,630,243*
Entertainment & Recreation	137	136	$5,618	$6,197	*$578*	$143,088,027	$165,062,507	*$21,974,480*
Household Furnishings & Equipment	140	139	$2,459	$2,712	*$252*	$62,630,186	$72,229,811	*$9,599,625*
Household Operations	144	143	$3,093	$3,412	*$319*	$78,782,395	$90,893,002	*$12,110,607*
Computers & Technology	147	146	$385	$424	*$39*	$9,809,036	$11,312,102	*$1,503,066*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$412,165,497**	**$475,242,291**	***$63,076,794***
Total Average Annual Household Spend	**$16,184**	**$17,841**	***$1,657***
Spending Potential Index	**140**	**139**	***-1.0***
Food at Home	**$258,126,184**	**$297,594,384**	***$39,468,200***
Average Annual Household Spend	$10,135	$11,172	*$1,036*
Food Away from Home	**$154,039,313**	**$177,647,907**	***$23,608,594***
Average Annual Household Spend	$6,048	$6,669	*$621*
Alcoholic Beverages	**$26,015,434**	**$30,019,567**	***$4,004,133***
Average Annual Household Spend	$1,021	$1,127	*$105*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

89% Fast-Food

69% Family Style Restaurant/Steakhouse

43% Take-Out/Drive-Through

23% Fine Dining

12% Home Delivery

OUTLOOK FOR
ROCKVILLE

- Rockville has more than three million square feet of existing retail space primarily along the Rockville Pike corridor and at intersections with the corridor. Future retail planning should focus on reinvestment or redevelopment of commercial sites along the corridor.
- Higher-density multifamily development plays a crucial role in supporting retail demand. However, due to the existing retail supply, not every higher-density building can effectively accommodate retail uses. To attract and retain retail tenants, it is essential to consider parking accommodations.
- Given Rockville Pike's high traffic volume, shift pedestrian-scale retail to parallel streets, including North Washington Street and North Stonestreet Avenue, for smaller, pedestrian-scale neighborhood retail uses and placemaking efforts such as patio dining.

Source: Esri (2025)



SILVER SPRING

The **Silver Spring** submarket has one of the most diverse populations in Montgomery County. According to Esri's 2025 demographic estimates, just over 63 percent of residents identified as Black, Hispanic/Latino, or Asian, a slight increase over the past decade. Roughly one-third of residents in Silver Spring were born outside of the United States—more than double the national average.

In Silver Spring, 43 percent of all housing units are situated in high-density buildings that contain twenty or more units. In contrast, traditional detached homes make up only 30 percent of the housing stock in this submarket. Downtown Silver Spring, situated in the southwest corner of the submarket along the northeastern boundary of Washington, D.C., is one of the most densely populated areas in the submarket and county. Ongoing planning initiatives have prioritized high-density, mixed-use development. Over the past decade, Downtown Silver Spring has evolved into a walkable, transit-oriented hub, with a mix of retail, arts and entertainment, restaurants, offices, and civic spaces.

Accessibility

The submarket is easily accessible by public transit with the Silver Spring Red Line Metrorail Station and adjacent Paul S. Sarbanes Transit Center located downtown which accommodates more than 30 bus bays for Metrobus, Montgomery County Ride On, and the University of Maryland shuttle. Accessibility will be further enhanced with the opening of the Purple Line (scheduled to open late 2027) which will connect more communities and facilitate easier commutes.

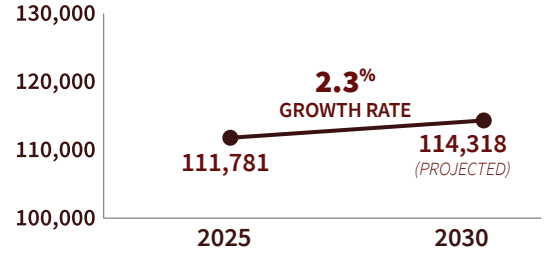
Several corridors converge in Silver Spring, many continuing from the Washington, D.C. street system, providing access for commuters and visitors to points throughout the metro region. Major connectors include Georgia Avenue (MD 97), 16th Street (MD 390), which intersects with Colesville Road (U.S. 29), New Hampshire Avenue (MD 650), and University Boulevard (MD 193) leading to Prince George's County. These arterials have interchanges with the Capital Beltway (I-495) near the I-95 interchange for interstate travel. Additional important local routes include Wayne Avenue and Randolph Road.

Retail Demand

Silver Spring has 111,781 residents. The population is projected to reach 114,318 by 2030, an increase of just over 2 percent. The submarket's daytime population is estimated at slightly more than 100,000. Future retail demand will be supported by new mixed-use housing and commuter spending.

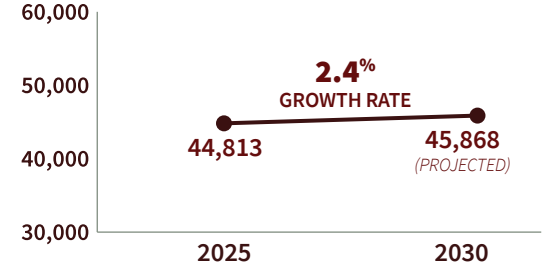
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **100,457**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.5**

MEDIAN HOUSEHOLD INCOME **$109,109**

MEDIAN HOME VALUE **$696,465**

Source: Esri (2025)

RETAIL IN SILVER SPRING

RETAIL REAL ESTATE DATA TRENDS

3.8M SF	10.0%	126.0K SF	5.1%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Blair Park Shopping Center, Downtown Silver Spring, Ellsworth Place, Flower Avenue Center, Hillandale Shopping Center, Piney Branch Shopping Center, Seminary Place, and Woodmoor Shopping Center

KEY ANCHORS

* List represents brands with stores in the submarket; may have multiple locations.

Retail and Entertainment
AFI Silver Theater, Burlington, CVS, Dave & Buster's, DSW, H&M, Marshalls, Men's Wearhouse, Michaels, Regal Majestic, T.J. Maxx, Uniqlo, Sligo Motors, Union Auto Sales

Grocers
Full-Service: Aldi, Giant, Safeway, Trader Joe's, Whole Foods Market
Local/Specialty/International: Global Grocery, Halal Meat & Grocery, Sniders, Takoma Park Grocery Store, Takoma Park Farmers Market, and convenience stores

Non-Retail
Montgomery County Community Recreation Center, Round House Theatre Education Center, Silver Spring Stage, Libraries (Long Branch Library, Silver Spring Library, Takoma Park Library), NOAA Central Library, Silver Spring Civic Building

The Retail Landscape

Retail in Silver Spring is concentrated along three of the primary commercial corridors in the county: Georgia Avenue, Colesville Road, and University Boulevard. The largest cluster is found in Downtown Silver Spring, primarily along Georgia Avenue and the intersecting streets: Bonifant Street, Sligo Avenue, and Silver Spring Avenue.

Additional retail nodes can be found along University Boulevard where it intersects with Colesville Road (Four Corners), Piney Branch Road, New Hampshire Avenue, and the Prince George's County boundary. The area also features several shopping malls, including Downtown Silver Spring and Ellsworth Place, offering a blend of fashion, food, and neighborhood goods and services.

Over fifty percent of retail inventory, totaling more than 2.1 million square feet, was constructed before 1975. This includes single-use retail buildings and multiple strip retail and neighborhood centers, such as the Blair Park Shopping Center, Dale Shopping Center, Hampshire Langley Shopping Center, Rock Creek Shopping Center, Takoma Walk, and Woodmoor Shopping Center. Nearly 175 of the existing retail spaces built prior to 1975 are under 4,000 square feet, with approximately 100 being less than 2,000 square feet. (This is an estimate as CoStar records prior to 1975 are incomplete.) This situation limits leasing options for many contemporary tenants who require larger spaces.

The existing retail supply includes a wide range of offerings from local businesses, including a mix of ethnic-oriented businesses, representing the different cultures in the community, to a strong mix of regional and national tenants. This is in part a reflection of the local community, a strong road network, the role of Downtown Silver Spring as an urban transit hub, and its central location in the Washington metro. Similarly, there is a diverse range of eateries, from fast-casual to full-service, featuring international, local, regional, and national brands.

Recent and Potential Development

Since 2015, 126,000 square feet of space has been delivered in the submarket. Notably, more than 78 percent of this space, approximately 100,000 square feet, is located within high-density mixed-use buildings in Downtown Silver Spring. The remaining space features single-use suburban style buildings, which include fast-food outlets, 7-Eleven stores, and daycare/early childhood education centers.

Investment in older obsolete retail properties may be ideal for redevelopment, and would advance the goals of the *Silver Spring Downtown and Adjacent Communities Plan*.

Atwell on Spring is a new, 375-unit mixed-use apartment complex at 8787 Georgia Avenue in Downtown Silver Spring, developed by Bozzuto and Stonebridge. It opened in early 2024 and features modern apartments, a 17,300 square foot MOM's Organic Market, a pool, and co-working spaces.

Continued investment in existing properties and the redevelopment of obsolete sites including Elizabeth Square on Fenwick Lane downtown and the proposed Woodside Place project at 1545 North Falkland Lane, show how repositioning buildings for mixed use can better align local retail and merchandise offerings with Silver Spring residents' evolving needs and the growing demand of a submarket that draws customers from across the region.

Source: CoStar (2026)

RETAIL LOCATIONS* IN SILVER SPRING

1. **BLAIR PARK SHOPPING CENTER**
2. **DOWNTOWN SILVER SPRING**
3. **ELLSWORTH PLACE**
4. **FLOWER AVENUE CENTER**
5. **HILLANDALE SHOPPING CENTER**
6. **PINEY BRANCH SHOPPING CENTER**
7. **SEMINARY PLACE**
8. **WOODMOOR SHOPPING CENTER**

Rentable Building Area Built Since 2015

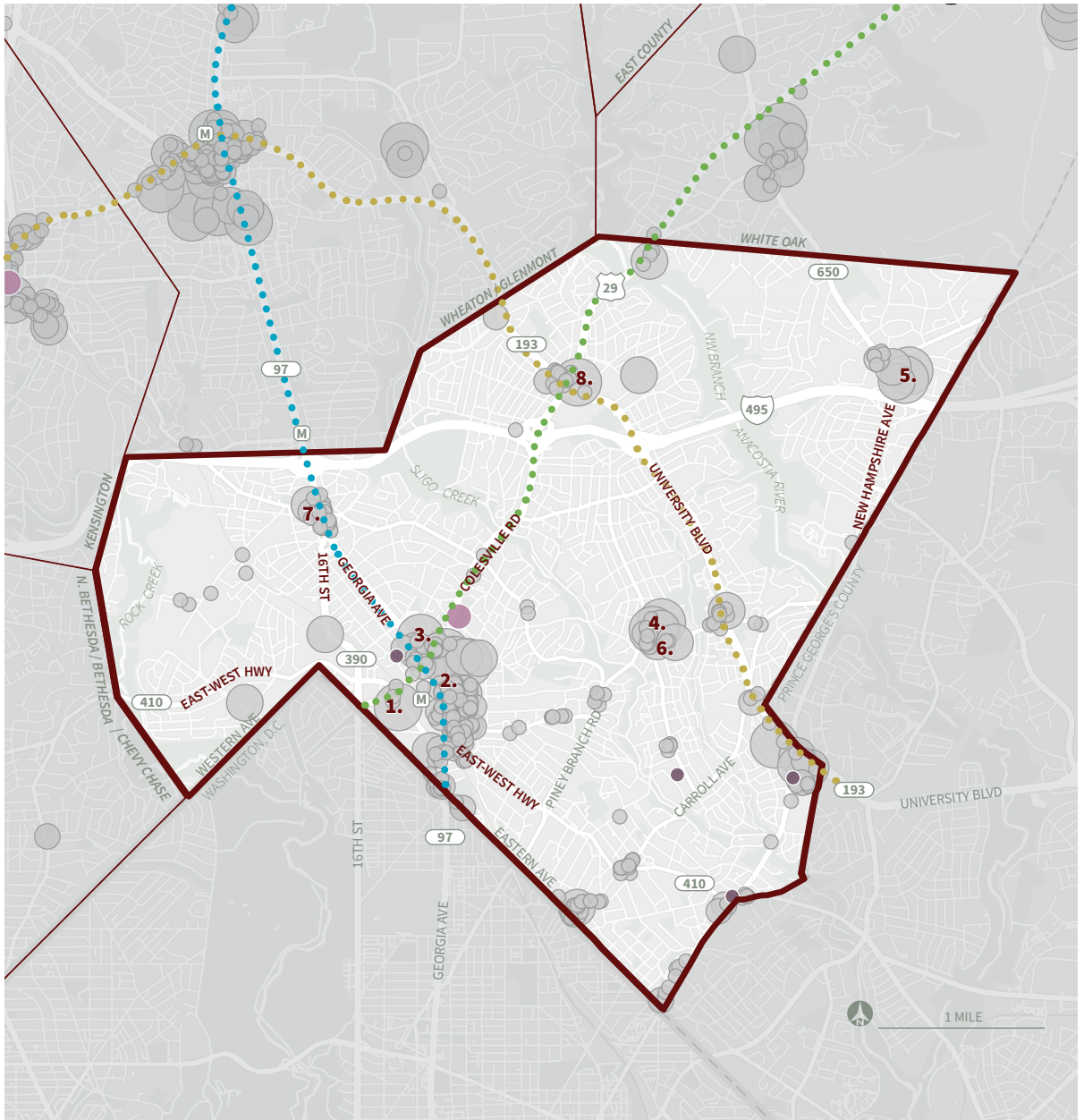
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

- MD 97 (Lower Georgia Avenue)
- U.S. 29 (Colesville Road)
- MD 193 (University Boulevard)



* Approximate location.
† As identified for this study in Section 5.

SILVER SPRING HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	130	130	$15,092	$16,595	*$1,503*	$676,314,801	$761,167,596	*$84,852,795*
Apparel & Services	133	132	$3,259	$3,585	*$326*	$146,035,958	$164,445,933	*$18,409,975*
Entertainment & Recreation	123	122	$5,058	$5,558	*$500*	$226,671,597	$254,942,513	*$28,270,916*
Household Furnishings & Equipment	128	127	$2,233	$2,455	*$222*	$100,070,719	$112,588,231	*$12,517,512*
Household Operations	131	130	$2,772	$3,045	*$273*	$124,220,131	$139,684,099	*$15,463,968*
Computers & Technology	140	139	$361	$397	*$36*	$16,166,625	$18,217,201	*$2,050,576*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$676,314,801**	**$761,167,596**	***$84,852,795***
Total Average Annual Household Spend	**$15,092**	**$16,595**	***$1,503***
Spending Potential Index	**130**	**130**	-
Food at Home	$424,929,106	$478,178,947	*$53,249,841*
Average Annual Household Spend	$9,482	$10,425	*$943*
Food Away from Home	$251,385,695	$282,988,649	*$31,602,954*
Average Annual Household Spend	$5,610	$6,170	*$560*
Alcoholic Beverages	**$41,138,339**	**$46,300,000**	***$5,161,661***
Average Annual Household Spend	$918	$1,009	*$91*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

90% Fast-Food

69% Family Style Restaurant/Steakhouse

43% Take-Out/Drive-Through

21% Fine Dining

14% Home Delivery

OUTLOOK FOR

SILVER SPRING

- The continued expansion of higher-density residential development in Downtown Silver Spring will strengthen retail market demand, making the district even more attractive for retailers to operate in the market.
- Mixed-use development should expand downtown retail supply, although ground-floor commercial space will need to be open and accessible to the public requiring shared parking strategies.
- Much of the retail supply east and northeast of Downtown Silver Spring is in poor condition, although this supply provides affordable space for local businesses. Since market conditions are not supportive of redevelopment, efforts should focus funding on reinvestment in existing space to ensure its long-term viability.

Source: Esri (2025)



WEST COUNTY

The **West County** submarket is characterized by a network of suburban-rural communities. It includes several small towns and communities including Barnesville, Darnestown, Poolesville, Potomac, North Potomac, and Travilah. It stands out as the most affluent submarket in Montgomery County, boasting a median household income of $225,000, which is higher than any other submarket in the area.

The West County submarket is one of the least dense areas in Montgomery County. The area is largely residential: closer-in communities function as bedroom communities, while northern sections are exurban. This includes closer-in communities like Potomac and ones further out like Poolesville, which falls within the Montgomery County Agricultural Reserve. Major employers are limited, but active farms support an agritourism economy.

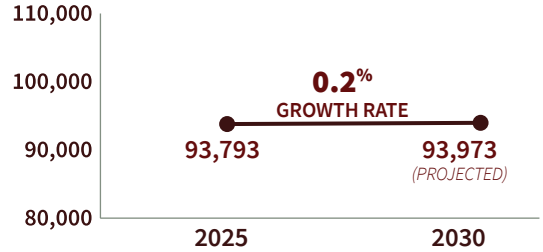
Barnesville and Poolesville have adopted planning policies that support a “small town” feel and control—or even limit—growth. Barnesville, a small, quaint town with a charming downtown serves a rural residential and agricultural area of the county. The historic district of Poolesville, known as “Old Town,” is a walkable stretch of Fisher Avenue (MD 107) where the 18th century John Poole House (ca. 1793) and local, small-scale businesses are established, and is where a variety of community events are staged, like the annual Poolesville Day.

Accessibility
Access to and from the West County submarket is provided by nearby interstates, I-495 and I-270, with a network of state and local routes that connect to the interstates. Key collector routes include River Road (MD 190) and Democracy Boulevard for east-west travel, and MD 107, MD 109, MD 189, and MD 124. Also noteworthy is MacArthur Boulevard, a scenic route along the Potomac River, and also a commuter route to Washington, D.C. and Northern Virginia.

Retail Demand
West County is not projected to experience significant population growth, which will limit opportunities for retail expansion. However, its strong demographic profile should support a stable and competitive retail environment.

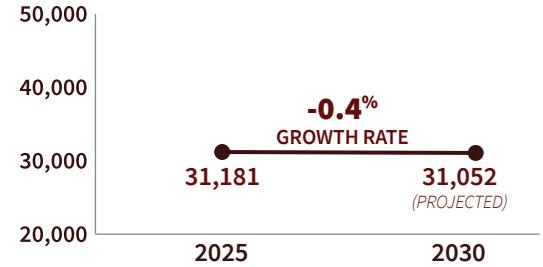
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **77,430**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **3.0**

MEDIAN HOUSEHOLD INCOME **$224,869**

MEDIAN HOME VALUE **$985,031**

Source: Esri (2025)

RETAIL IN WEST COUNTY

RETAIL REAL ESTATE DATA TRENDS

659.5K SF	1.7%	46.4K SF	1.9%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Park Potomac, Poolesville Village Center, Potomac Place, Potomac Promenade, and Potomac Village Center

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Retail
CVS, Dollar General, Sprinkles, Montgomery County Liquor Store, Rocklands Winery, Strosniders Hardware, and Walgreens

Grocers and Convenience Stores
Full-Service: Harris Teeter, Giant, and Safeway
Local/Specialty/International: Potomac Market, Guru Groceries, and Boyds Market

Non-Retail
TPC Potomac at Avenel Farm, Congressional Country Club, Bretton Woods Recreation Center, Glenstone Museum, Potomac and Poolesville branches of the Montgomery County Library, Maryland Soccerplex, Poolesville Skate Park, Poolesville Museum, and Riverworks Art Center

The Retail Landscape
The retail development and patterns today reflect the area's rural character. No primary commercial corridors in the county pass through this submarket. The retail development inventory in this submarket features a combination of neighborhood-scale shopping centers and single-tenant net lease, particularly for eateries and dining locations. Neighborhood centers are primarily clustered at key crossroads such as the intersection of MD 190 and Falls Road in Potomac. Shopping centers at this intersection include Potomac Place, Potomac Village Center, Potomac Promenade, and Park Potomac. Additionally, Poolesville Village Center is situated in the northern portion of the planning area.

Local and small businesses comprise a significant portion of the retail offerings in this area, with many boutiques and small stores including a mix of apparel, antique and specialty stores, fitness and sporting goods, local hardware and home goods. This is complemented by a range of eateries and restaurants, including several run by known local restaurateurs. National and regional tenants in the market tend toward family style, limited-service, and fast-casual eateries, and include well-known brands such as Auntie Anne's, Baskin-Robbins, Chipotle, Dunkin, Domino's, Five Guys, Founding Farmers, Moby Dick, Sprinkles, and Starbucks.

Recent and Potential Development
Since 2015, West County has seen the addition of just under 50,000 square feet of retail space. This expansion primarily includes single-use properties such as a Chase Bank, Dollar General, and The Song Dog Farm Distillery. A significant portion of the new retail space can be attributed to the redevelopment of Cabin John Village in Potomac. EDENS has contributed roughly 29,000 to 32,000 square feet of commercial space, which involved replacing older structures and enhancing the tenant mix at this center.

New real estate development in this area is primarily focused on high-end luxury single-family homes, with new construction projects featuring large lots and custom homes, and a mix of high-end townhomes and condominiums. Two recent projects in the Potomac area are Townhomes at Northside, by EYA, a new luxury community featuring 85 modern elevator-equipped townhomes, and The Flats at Northside, 143 upscale condominiums by Pulte Homes, completed in 2025. These projects are adjacent to each other, located just west of I-270, near Park Potomac and Potomac Woods Plaza. Development in and around Poolesville is also largely residential. Several projects include proposed estate home developments (Hartz Property, Grace Cottages), 63 townhomes (Poolesville Crossing) and 63 single-family "smaller homes" currently under construction near Town Hall (Town Crossing).

Source: CoStar (2026)

RETAIL LOCATIONS* IN WEST COUNTY

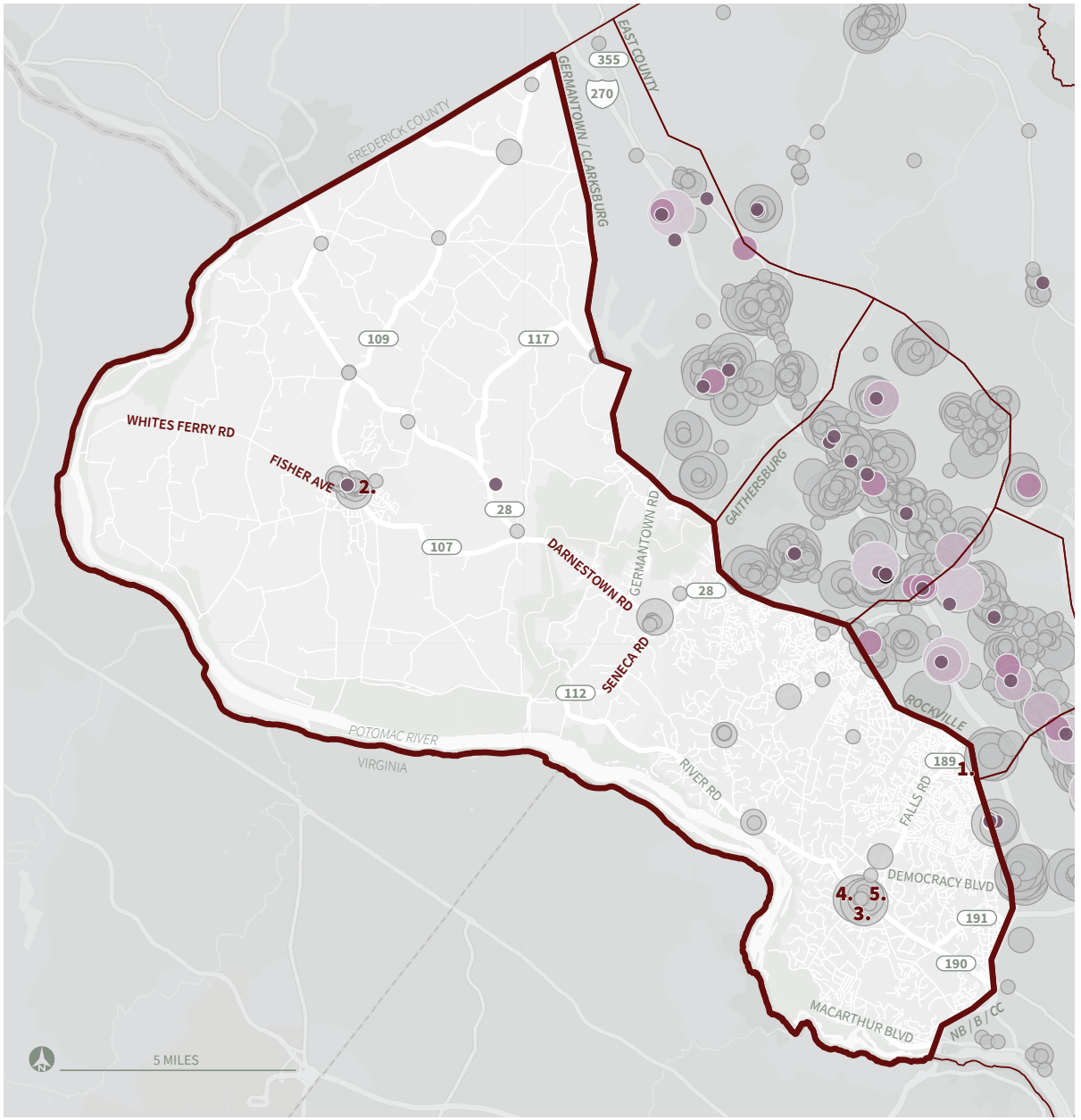
1. **PARK POTOMAC**
2. **POOLESVILLE VILLAGE CENTER**
3. **POTOMAC PLACE**
4. **POTOMAC PROMENADE**
5. **POTOMAC VILLAGE CENTER**

Rentable Building Area Built Since 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF



COMMERCIAL CORRIDORS†

(None)

* Approximate location.
† As identified for this study in Section 5.

WEST COUNTY HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	229	225	$26,547	$28,815	*$2,268*	$827,775,193	$894,772,133	*$66,996,940*
Apparel & Services	232	227	$5,678	$6,162	*$484*	$177,047,567	$191,355,347	*$14,307,780*
Entertainment & Recreation	243	238	$9,966	$10,816	*$850*	$310,761,834	$335,869,494	*$25,107,660*
Household Furnishings & Equipment	238	233	$4,346	$4,717	*$371*	$135,523,340	$146,477,126	*$10,953,786*
Household Operations	250	245	$5,591	$6,068	*$476*	$174,343,888	$188,408,115	*$14,064,227*
Computers & Technology	221	217	$616.79	$669.46	*$52.67*	$19,231,830	$20,788,088	*$1,556,258*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$827,775,193**	**$894,772,133**	***$66,996,940***
Total Average Annual Household Spend	**$26,547**	**$28,815**	***$2,268***
Spending Potential Index	**229**	**225**	***-4***
Food at Home	**$518,075,625**	**$559,991,976**	***$41,916,351***
Average Annual Household Spend	$16,615	$18,034	*$1,419*
Food Away from Home	**$309,699,567**	**$334,780,157**	***$25,080,590***
Average Annual Household Spend	$9,932	$10,781	*$849*
Alcoholic Beverages	**$55,484,670**	**$59,970,835**	***$4,486,165***
Average Annual Household Spend	$1,779	$1,931	*$152*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

89% Fast-Food

70% Family Style Restaurant/Steakhouse

45% Take-Out/Drive-Through

27% Fine Dining

9% Home Delivery

OUTLOOK FOR

WEST COUNTY

- The wealthiest submarket within the county boasts a median household income of $225,000. Despite this financial advantage, residents have limited access to retail, particularly when it comes to neighborhood goods and services. This disparity highlights the need for improved retail options to better serve the community's needs.
- Planning for retail in this submarket should prioritize the preservation of existing space. Residents have access to retail clusters to the east, including Rockville Town Center and Pike & Rose, as well as shopping centers to the north/northwest, such as Clarksburg Premium Outlets.
- Future retail development must be strategically positioned at key intersections, following the successful model established in Potomac. It is essential that retail spaces are smaller in scale, with a particular emphasis on food and beverage offerings, catering to both residents and visitors in the market.

Source: Esri (2025)



WHEATON/GLENMONT

Wheaton and Glenmont are neighboring suburban communities north of Silver Spring. As of 2025, the population in the submarket was 66,046, and is projected to decrease 0.2 percent to 65,889 by 2030. Both communities are characterized by their diversity, with nearly 70 percent of the population identifying as non-white, including Hispanic residents. Households are predominantly families. Sixty-one percent own their homes, which is slightly lower than the county average.

Accessibility

The submarket is easily accessible via public transit and the road network. There are three Red Line Metrorail stations: Forest Glen, Wheaton, and Glenmont—the northeastern terminus. The Glenmont Station is a vital transit hub. Two transit agencies, WMATA Metrobus and Montgomery County Ride On, provide a network of 12 bus routes that offer essential connections for commuters in the eastern half of the county. There is also a large parking facility with more than 1,700 spaces to support commuters. In 2025, Glenmont averaged 3,000 to 4,500 weekday entries.

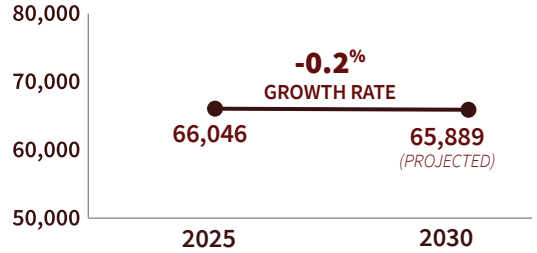
Major arterials in the planning area extend from Silver Spring: Georgia Avenue (MD 97) and University Boulevard (MD 193) connect with the Capital Beltway (I-495) providing regional linkages. Veirs Mill Road (MD 586) leads to Rockville and points north. University Boulevard serves as a significant commercial corridor linking areas to the east and west, and is a priority for the county which, as of this study, recently completed a corridor study with recommendations that address sustainability, growth, and economic development.

Retail Demand

Despite a projected slight decline in population and the number of households from 2025 to 2030 (-0.2 percent and -0.8 percent respectively), household spending in the area is projected to grow approximately 12 percent from 2025 to 2030 for several categories including food, apparel, entertainment and recreation, household furnishings, equipment, and operations, and computers and technology.

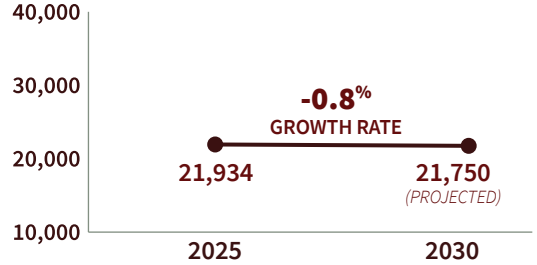
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **51,751**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **3.0**

MEDIAN HOUSEHOLD INCOME **$116,426**

MEDIAN HOME VALUE **$573,587**

Source: Esri (2025)

RETAIL IN WHEATON/GLENMONT

RETAIL REAL ESTATE DATA TRENDS

2.9M SF	7.6%	0 SF	0%
Total Retail Supply	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Glenmont Shopping Center, Kemp Mill Center, Westfield Wheaton Mall, Wheaton (street-level retail), Wheaton Park Shopping Center, and Wheaton Place, as well as a mix of neighborhood retail strip centers, and net lease retail

KEY ANCHORS*

* List represents brands with stores in the submarket; may have multiple locations.

Retail
Aéropostale, AMC Theater, American Eagle, Best Buy, Children's Place, CVS, Dick's Sporting Goods, DSW, Five Below, GameStop, H&M, LA Fitness, Lindsay Ford, Macy's, Staples, Target

Grocers
Full-Service: Costco, Giant, H Mart, Lidl, Safeway
Local/Specialty/International/Convenience: Dorado Market, International Market, Shalom Kosher Market, Ung Phat Grocery, and multiple convenience stores including Dollar Tree

Non-Retail
Brookside Gardens, Holy Cross Hospital, Interact Story Theatre, Wheaton Library and Recreation Center, Wheaton Regional Park, Maryland-National Capital Park and Planning Commission office

The Retail Landscape

The retail supply in the region is concentrated in several key areas. The downtown area stands out with a diverse mix of retail and entertainment options, enhancing its appeal to both residents and visitors. This area is defined by the "triangle" formed at the intersection where two of the county's primary commercial corridors (Georgia Avenue and University Boulevard) intersect with Veirs Mill Road. Its accessibility via Metro and walkable environment make it an attractive destination. The area along Georgia Avenue, particularly at the intersection with Randolph and Layhill Roads, also features a variety of retail uses. These retail establishments are intermittently scattered throughout the region, including along Georgia Avenue and further east into the Kemp Mill neighborhood.

Retail in the submarket includes a strong mix of local businesses, including a significant number of international restaurants that reflect the diversity of the community. These run the gamut from take-out and fast-casual to a mix of limited and full-service eateries. The diversity is also reflected in the grocery offerings in the submarket. This includes a mix of full-service, discount and specialty stores such as Costco, Giant, H Mart, Lidl, and Safeway and several local and international food stores.

Retail in the submarket is primarily located in neighborhood and community centers, and street-level retail spaces located on the ground floors of commercial and residential buildings. A notable exception is the Westfield Wheaton Mall, which is the largest retail center in the submarket and one of the biggest malls in Maryland. The mall features several prominent retail anchor tenants, including AMC Theaters, Dick's Sporting Goods, Macy's, and Target. It serves as a regional retail destination and a key source of general goods for residents in the submarket and surrounding communities.

Recent and Potential Retail Development

There were no notable new retail deliveries since 2015 in the Wheaton/Glenmont submarket. The total retail supply in the submarket is 2.9 million square feet. This includes shopping centers such as Wheaton Place, Wheaton Park Shopping Center, and neighborhood strip centers. Westfield Wheaton has a total retail area of approximately 1.65 million square feet, which is 58 percent of the existing inventory.

Opportunities for large new retail developments in the market are limited. This is largely due to the existing mix of retail and the development patterns observed, particularly along University Boulevard and Georgia Avenue.

There is potential to enhance existing neighborhood and community centers through capital investment and ongoing support for local and small businesses to enable them to expand and continue to thrive.

Source: CoStar (2026)

RETAIL LOCATIONS* IN WHEATON/GLENMONT

1. **GLENMONT SHOPPING CENTER**
2. **KEMP MILL CENTER**
3. **WESTFIELD WHEATON MALL**
4. **WHEATON (STREET-LEVEL RETAIL)**
5. **WHEATON PARK SHOPPING CENTER**

Rentable Building Area Built Since 2015

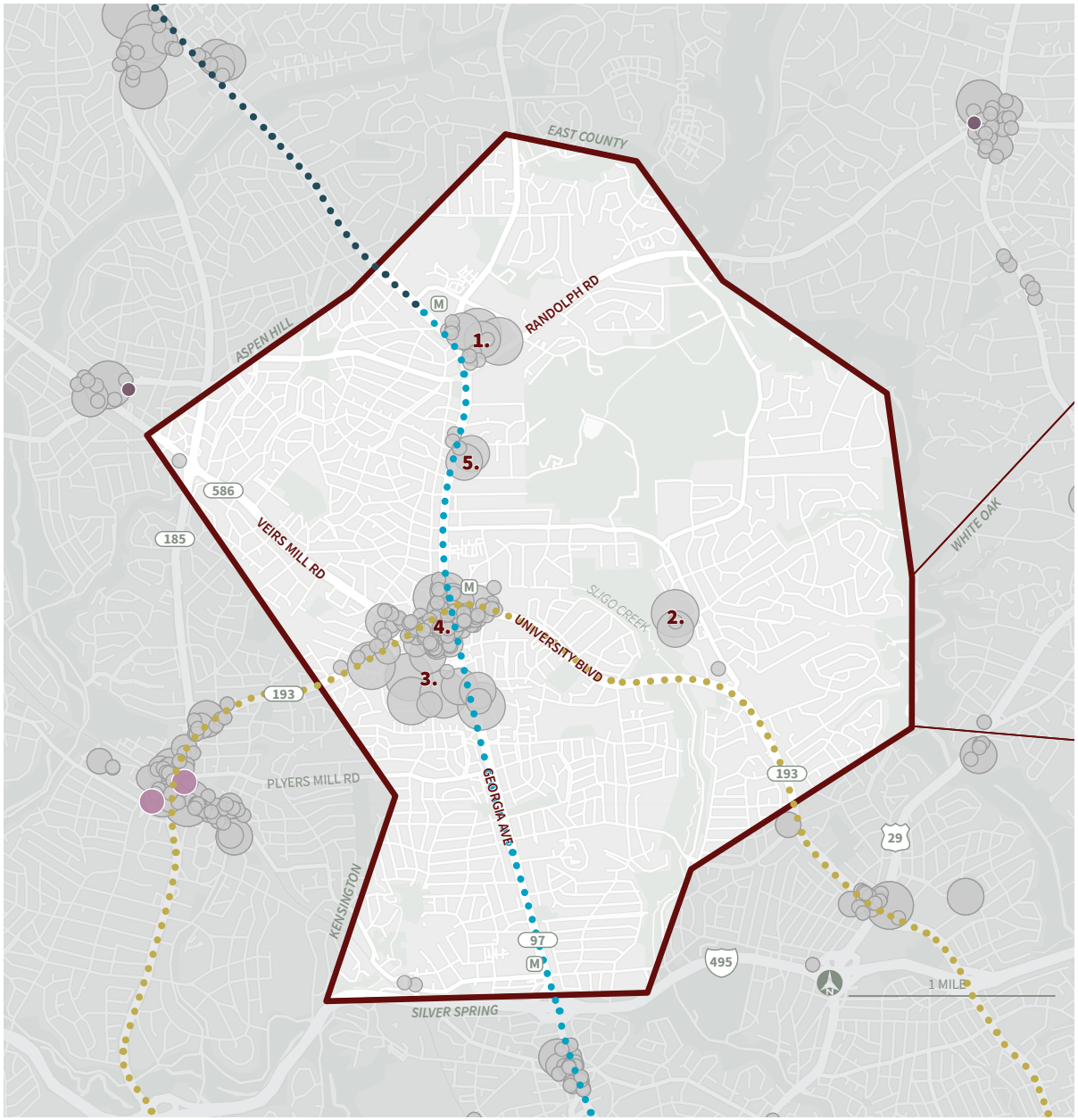
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

- Lower MD 97 (Georgia Avenue)
- Upper MD 97 (Georgia Avenue)
- MD 193 (University Boulevard)



* Approximate location.
† As identified for this study in Section 5.

WHEATON/GLENMONT HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	129	131	$14,970	$16,754	*$1,784*	$328,342,746	$364,392,985	*$36,050,239*
Apparel & Services	131	132	$3,204	$3,587	*$382*	$70,283,898	$78,010,033	*$7,726,135*
Entertainment & Recreation	127	129	$5,225	$5,847	*$622*	$114,604,708	$127,174,988	*$12,570,280*
Household Furnishings & Equipment	130	131	$2,327	$2,604	*$277*	$51,035,620	$56,638,550	*$5,602,930*
Household Operations	132	134	$2,873	$3,216	*$342*	$63,026,485	$69,940,044	*$6,913,559*
Computers & Technology	134	135	$354	$396	*$42*	$7,764,772	$8,618,884	*$854,112*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$328,342,746**	**$364,392,985**	***$36,050,239***
Total Average Annual Household Spend	**$14,970**	**$16,754**	***$1,784***
Spending Potential Index	**129**	**131**	***2.0***
Food at Home	**$206,768,013**	**$229,476,513**	***$22,708,500***
Average Annual Household Spend	$9,427	$10,551	*$1,124*
Food Away from Home	**$121,574,733**	**$134,916,472**	***$13,341,739***
Average Annual Household Spend	$5,543	$6,203	*$660*
Alcoholic Beverages	**$20,226,532**	**$22,440,911**	***$2,214,379***
Average Annual Household Spend	$922	$1,032	*$110*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

91% Fast-Food

72% Family Style Restaurant/Steakhouse

45% Take-Out/Drive-Through

19% Fine Dining

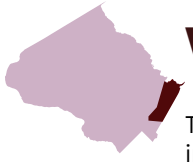
13% Home Delivery

OUTLOOK FOR

WHEATON/GLENMONT

- There has been no new retail development in the Wheaton submarket for over a decade. Future strategies should focus on preserving, maintaining, and reinvesting in its existing supply.
- Currently, market conditions are not supportive of higher-density mixed-use development comparable to that in Bethesda, Silver Spring, and Rockville.
- The Wheaton/Glenmont submarket presents significant opportunities for new retail development, particularly in transit-oriented nodes, underutilized commercial parcels, and surface parking lots targeted for mixed-use revitalization.

Source: Esri (2025)



WHITE OAK

The **White Oak** submarket is in the southeastern portion of Montgomery County abutting Howard County to the north, Prince George's County to the east, and Silver Spring to the south. The area, largely suburban, includes three principal "communities," Burtonsville, Fairland, and White Oak, all unincorporated census designated areas.

The population in 2025 was 67,590 and is expected to grow nearly 2 percent to 68,749 by 2030. Residents tend to be homeowners (52 percent), well educated (48 percent have a bachelor's degree or above), and the majority identify as nonwhite (81 percent).

Median household income was $103,426 in 2025, while above the national average it is lower than other planning areas in the county. Residential types run the gamut from rental communities to townhome and single-family neighborhoods, including larger lot subdivisions in the northern portion proximate to the Patuxent River. Homes are more affordable than many other areas of the county with a median value of $582,223.

Accessibility
Major roads include the Intercounty Connector (MD 200), Columbia Pike (U.S. 29) running northeast-southwest which connects the area to Silver Spring and Columbia, New Hampshire Avenue (MD 650), a north-south corridor that runs from Washington, D.C. through White Oak towards Colesville and Ashton. Briggs Chaney Road, Norbeck Road (MD 28), Cherry Hill/East Randolph Road provide critical connections east and west. Industrial Parkway, located within the White Oak Science Gateway, supports connections near the U.S. Food and Drug Administration campus.

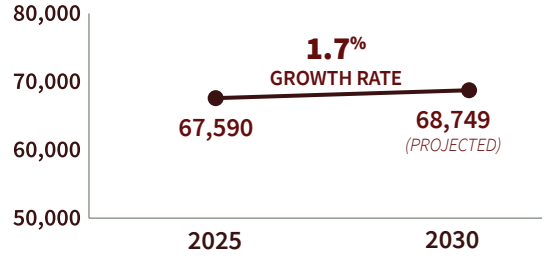
Retail Demand
Annual household spending across all of the major retail categories (food, apparel, entertainment, household goods) is slightly below that for the county overall, and likely a reflection of a slightly lower median household income. Potential Spending for all categories is slightly above the national average by six to twenty points. The projected potential spending index through 2030 shows no growth, and actually drops for household furnishings and equipment, which is likely a response to rising costs and limited income growth. When households do dine out they tend to patronize less expensive eateries.

The Retail Landscape
Retail development tends to be clustered at key intersections along primary commuter routes within the submarket. A significant portion of the retail is located at nodes along Columbia Pike (U.S. 29), one of the primary commercial corridors in the county or adjacent to Columbia Pike such as Old Columbia Pike. This includes several neighborhood and regional shopping centers such as Burtonsville Town Square, Briggs Chaney Market Place, White Oak Town Center, White Oak Shopping Center, and Orchard Center.

Consumers in the submarket have access to a wide mix of local, regional, and national tenants, including grocers such as Aldi and Giant; national retailers such as CVS, AT&T, Advance Auto Parts, Petco, Ross, and T.J. Maxx; and personal-service providers such as European Wax Center, The Fitness Club, Ulta Beauty, Zips Cleaners, and various nail salons and spas. Dining options range from well-known national brands—including Chick-fil-A, Dave's Hot Chicken, Jersey Mike's, Panera Bread, Starbucks, and Tropical Smoothie Café—to local and niche restaurants such as The Greene Turtle Sports Bar & Grille and Sarku Japan. Net-lease retail, including fast-casual restaurants such as McDonald's and Pizza Boli's as well as banks, further complements the tenant mix.

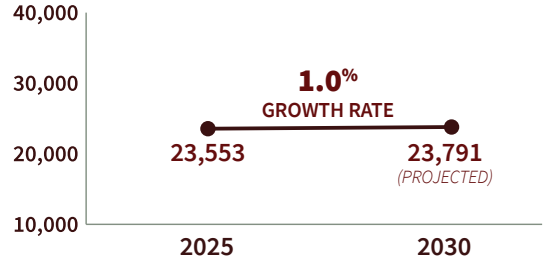
2025 DEMOGRAPHICS

POPULATION



DAYTIME POPULATION **58,429**

NUMBER OF HOUSEHOLDS



AVERAGE HOUSEHOLD SIZE **2.9**

MEDIAN HOUSEHOLD INCOME **$103,426**

MEDIAN HOME VALUE **$582,223**

Source: Esri (2025)

RETAIL IN WHITE OAK

RETAIL REAL ESTATE DATA TRENDS

2.5M SF*	6.5%	151.0K SF	6.1%
Total Retail Supply * 2.45M rounded up	of County Retail Supply	Added Since 2015	of County Retail Supply Added Since 2015

RETAIL CENTERS/NODES

Shopping Centers Briggs Chaney Market Place, Burtonsville Crossing, Burtonsville Town Square, Orchard Center, Shoppes of Burnt Mills, White Oak Shopping Center, and White Oak Town Center

KEY ANCHORS

List represents brands with stores in the submarket; may have multiple locations.

Retail
Advance Auto Parts, CVS, Domain Fitness & Performance, Home Depot, Kohl's, Office Depot, Petco, Planet Fitness, Target, T.J. Maxx, Ulta Beauty

Grocers
Full-Service: Aldi, Giant, Sprouts Farmers Market
Local/Specialty/International: Spicy America and Tropical Grocery, and several convenience stores

Non-Retail
The Food and Drug Administration, Habitat for Humanity, the Burtonsville and White Oak branches of the Montgomery County Public Library, and the White Oak Community Center

The unique development and land use patterns have made the White Oak submarket an ideal location for car dealerships. They are primarily clustered in the center of the submarket in an area known as Auto Mall, where a diverse range of brands are represented.

Recent and Potential Development
Approximately 150,000 square feet of retail space was delivered since 2015, around a third of this space within Burtonsville Town Square (e.g., outparcel lots, CVS, and inline space) and the remaining space within White Oak Town Center, and a property for a daycare center.

One of this area's most renowned assets is the consolidated headquarters of the U.S. Food and Drug Administration at the White Oak Federal Research Center. This state-of-the-art campus, having thousands of employees and visitors, has had a catalytic impact, spurring opportunities for additional development and investment in the surrounding area in related sectors including health care, pharmaceuticals, life sciences, and advanced technology. Local plans call for new investment and redevelopment to aim toward creating vibrant, mixed-use, transit-served nodes.

A critical development that helps to set this course for the near future is the VIVA White Oak, a $2.8 billion development project by MCB Real Estate. Located on 280 acres adjacent to the U.S. Food and Drug Administration campus, VIVA White Oak will activate long-underutilized land with up to 12.1 million square feet of commercial, residential, retail and public space. VIVA White Oak is expected to enhance the region's innovation corridor by connecting Montgomery County's life sciences sector with Prince George's County's Discovery District.

Other developments in the submarket appear to be adhering to goals set forth in local master plans to improve walkability and create new community centers, Burtonsville Crossing being one example. Burtonsville Crossing has rebounded after more than a decade of significant vacancy following Giant's 2010 relocation. The 2019 Burtonsville Placemaking Festival temporarily activated the center, demonstrated demand for public space, and reinforced the 2012 Burtonsville Crossroads Neighborhood Plan's vision for a complete community. EDENS later redeveloped the property with upgraded storefronts, sidewalks, landscaping, connections, and a community plaza. Sprouts Farmers Market opened as the grocery anchor in 2024, while T.J. Maxx offers another major draw to support a diverse mix of national and local retail and restaurant brands.

Source: CoStar (2026)

RETAIL LOCATIONS* IN WHITE OAK

1. **BRIGGS CHANEY MARKET PLACE**
2. **BURTONSVILLE CROSSING**
3. **BURTONSVILLE TOWN SQUARE**
4. **ORCHARD CENTER**
5. **SHOPPES OF BURNT MILLS**
6. **WHITE OAK SHOPPING CENTER**
7. **WHITE OAK TOWN CENTER**

Rentable Building Area Built Since 2015

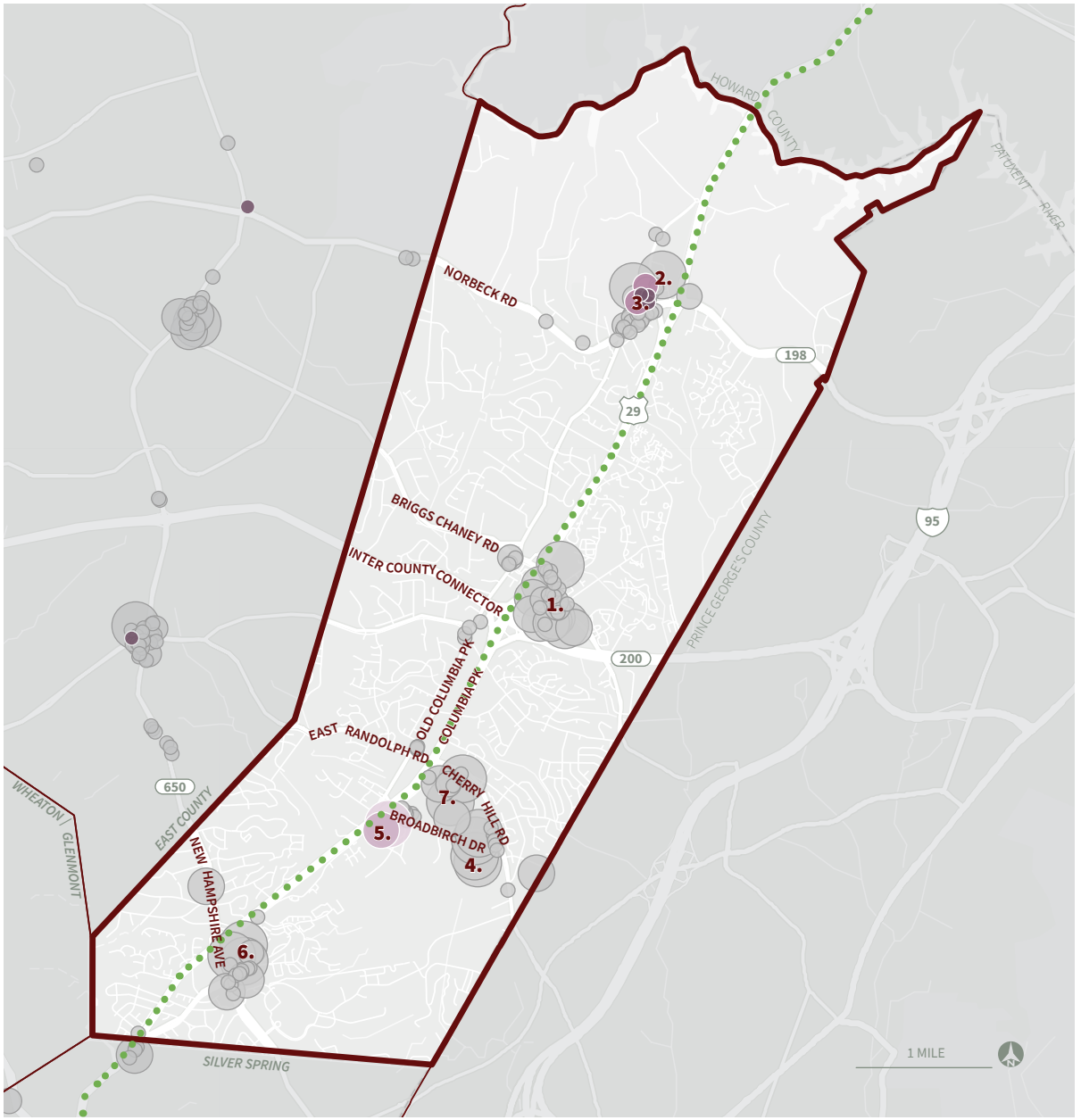
- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

Rentable Building Area Built Before 2015

- ≤ 10,000 SF
- 10,001 - 20,000 SF
- 20,001 - 50,000 SF
- > 50,000 SF

COMMERCIAL CORRIDORS†

US 29 (Columbia Pike)



* Approximate location.
† As identified for this study in Section 5.

WHITE OAK HOUSEHOLD SPENDING

Projected spending growth is calculated using unrounded values. Reported values are rounded for presentation and may not sum due to rounding.

	Spending Potential Index 2025	Spending Potential Index 2030	Average Annual HH Spending 2025	Average Annual HH Spending 2030	*Projected Spending Growth*	Total Spending 2025	Total Spending 2030	*Projected Spending Growth*
Food	118	118	$13,649	$15,058	*$1,409*	$321,472,171	$358,249,517	*$36,777,346*
Apparel & Services	119	119	$2,914	$3,216	*$302*	$68,640,035	$76,523,749	*$7,883,714*
Entertainment & Recreation	112	112	$4,618	$5,093	*$475*	$108,772,988	$121,187,164	*$12,414,176*
Household Furnishings & Equipment	116	115	$2,066	$2,277	*$212*	$48,655,361	$54,181,155	*$5,525,794*
Household Operations	117	117	$2,531	$2,791	*$261*	$59,603,981	$66,408,961	*$6,804,980*
Computers & Technology	123	123	$321	$354	*$33*	$7,562,453	$8,424,725	*$862,272*

FOOD AND ALCOHOLIC BEVERAGE SPENDING

	2025	2030	*Projected Spending Growth*
Total Food*	**$321,472,171**	**$358,249,517**	***$36,777,346***
Total Average Annual Household Spend	**$13,649**	**$15,058**	***$1,409***
Spending Potential Index	**118**	**118**	-
Food at Home	$204,237,203	$227,744,568	*$23,507,365*
Average Annual Household Spend	$8,671	$9,573	*$901*
Food Away from Home	$117,234,969	$130,504,949	*$13,269,980*
Average Annual Household Spend	$4,978	$5,485	*$508*
Alcoholic Beverages	**$19,156,484**	**$21,344,975**	***$2,188,491***
Average Annual Household Spend	$813	$897	*$84*

* Total Food equals Food at Home plus Food Away from Home and excludes Alcoholic Beverages.

2025 CONSUMER BEHAVIOR: RESTAURANTS & EATERIES (LAST 6 MONTHS)

Percent of households reporting each behavior; multiple responses permitted.

91% Fast-Food

71% Family Style Restaurant/Steakhouse

43% Take-Out/Drive-Through

19% Fine Dining

14% Home Delivery

OUTLOOK FOR

WHITE OAK

- The retail supply consists of conventional suburban retail centers, which primarily serve local communities and commuters along Columbia Pike. Given the existing supply and land use patterns, there is limited opportunity for expanding the supply.
- VIVA White Oak will be a catalyst for future development and investment and could make market conditions more supportive of mixed-use development. However, in the near and medium term, this will not impact the overall performance of the area's current retail centers.

Source: Esri (2025)



5 Commercial Corridor Assessment

OVERVIEW

Montgomery County's commercial corridors form the backbone of the county's retail and service economy. Stretching from the urban edge of Washington, D.C. northward through established suburbs and into more rural communities, corridors such as Rockville Pike, Georgia Avenue, and Colesville Road/Columbia Pike collectively contain the largest concentration of retail space, commercial employment, and neighborhood-serving businesses in the county.

These corridors took shape largely during the postwar decades, when automobile access was the organizing principle of commercial development. The physical legacy is visible today: surface parking lots, frequent driveway entrances, wide travel lanes, and buildings set back far from the street. For most corridors, the pedestrian environment remains limited and transit access uneven, conditions that shape both the business mix and the customer base.

Commercial corridors remain central to the county's economic base. They concentrate private-sector employment, anchor neighborhood-serving retail, and generate property tax revenue and income tax receipts from corridor-based workers.

Corridors also represent one of the more accessible entry points for small business formation in the county. Along several corridors, including portions of Georgia Avenue—in particular the commercial nodes in Wheaton—locally owned restaurants, international grocers, and neighborhood-serving retailers have built durable presences that reflect the diversity of surrounding communities. Business ownership carries real risk, and corridor conditions, including vacancy, aging infrastructure, and limited foot traffic, can work against small operators as much as support them.



THRIVE MONTGOMERY 2050 AND THE FUTURE OF COMMERCIAL CORRIDORS

Among the many goals of *Thrive Montgomery 2050*, several key principles and recommendations have direct implications for how retail and commercial corridors should be planned and developed. The following summarizes those most relevant to this study.

Promote infill and adaptive reuse of commercial sites. Thrive recommends cost-effective infill and adaptive reuse strategies to retrofit single-use commercial sites, including retail strips, malls, and office parks, as mixed-use developments.

Source: *Thrive Montgomery 2050*, Design, Arts, and Culture, p. 101.

Use private investment to help create more Complete Communities. Private investment in diverse housing types and neighborhood-serving retail can fill in missing amenities and contribute to more Complete Communities.

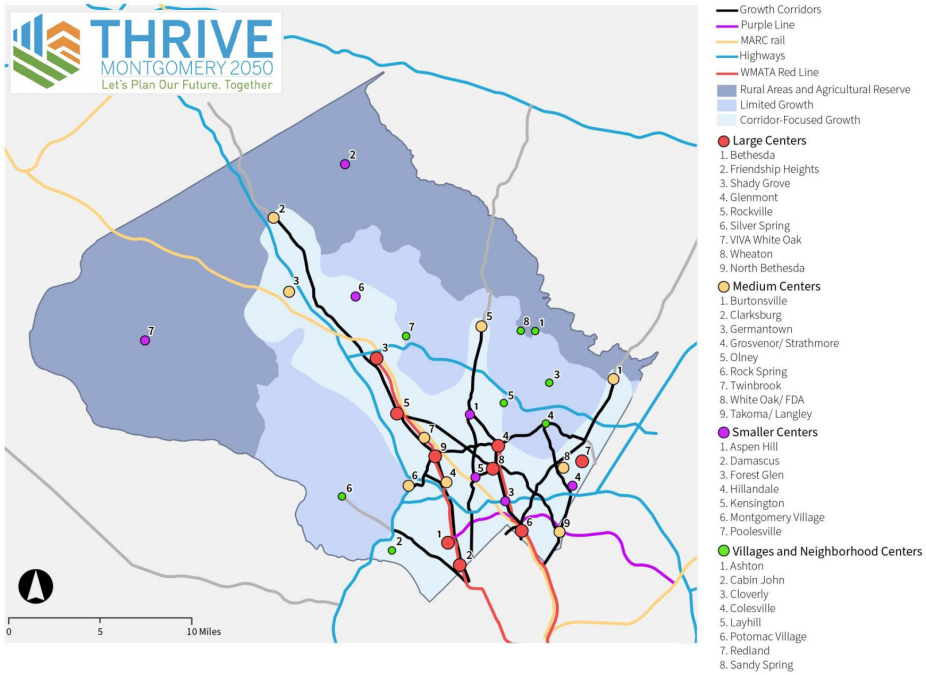
Source: *Thrive Montgomery 2050*, Conclusion: The Role of the Public and Private Sectors, p. 156.

Plan for Complete Communities and 15-minute living. Thrive recommends integrating housing, retail, offices, services, amenities, and public facilities so that communities can meet more daily needs close to home. The Plan describes 15-minute living as having daily needs within walking distance, while recognizing that a literal application may not be practical outside corridor-focused growth areas and centers. In suburban and rural areas, making communities more complete can also shorten automobile trips and reduce reliance on longer-distance travel.

Source: *Thrive Montgomery 2050*, Complete Communities, pp. 85-88.

Retrofit older centers and single-use developments. Thrive recommends retrofitting shopping centers, office parks, former federal campuses, and other large-scale single-use sites with a mix of housing, jobs, retail, services, and amenities sufficient to support vibrant Complete Communities.

Source: *Thrive Montgomery 2050*, Complete Communities, p. 88.



Montgomery County's long-range planning policies and transportation investments will shape the future of its commercial corridors.

FLASH BRT AND THRIVE'S CORRIDOR VISION

Thrive Montgomery 2050 calls for reliable, frequent, high-capacity transit to connect the county's downtowns and town centers and help transform major arterial roadways into multimodal corridors. Montgomery County's Flash Bus Rapid Transit network is one way this vision is being implemented along several commercial corridors.

For retail, the effects will vary by corridor and station area. Improved travel-time reliability, station access, pedestrian connections, and connections to surrounding neighborhoods can increase access to businesses and support activity near stations.

Over time, BRT investment may also strengthen the redevelopment potential of aging commercial sites and support more compact, mixed-use development at appropriate nodes.

At the same time, construction and changes to roadway circulation, turning movements, curb access, or parking may create short-term disruption or affect the performance of individual retail properties, particularly auto-oriented sites. These factors should be considered when evaluating future retail demand, redevelopment potential, and site performance along Flash corridors.

Related Thrive guidance: Compact Growth: Corridor-Focused Development, pp. 70-76; Transportation and Communication Networks. Thrive specifically calls for growth along major transportation corridors to be calibrated to existing and planned transit and for high-quality, reliable, frequent transit service along growth corridors

FRAMEWORK OF KEY ATTRIBUTES OF THE CORRIDORS

The following framework was developed to evaluate how commercial corridors in the county function within the broader retail ecosystem. This tool lays out the characteristics of each corridor, including transportation attributes; activity spine qualities (linear, high-intensity routes with public transit and concentrations of mixed uses); key market drivers that influence retail demand; and locations of the commercial districts that anchor economic activity.

Five key dimensions that influence retail performance make up the framework: regional context and functionality; demand drivers; development patterns within major nodes; the existing business mix; and emerging catalysts such as new development or infrastructure investments. Understanding each corridor in context provides insight into how retail currently operates and what factors may help shape future growth and investment.

REGIONAL CONTEXT
FUNCTIONALITY

- **General Location within the D.C. Metro Area**
- **Accessibility and Connectivity**
- **Transportation**
- **Destination-Origin**

ASSETS
DEMAND DRIVERS

- **Major Employers**
- **Major Institutions**
- **Arts/Culture/ Entertainment**
- **Customer Base**
- **Demographics**

NODES
DEVELOPMENT

- **Key Districts, Shopping Centers, Developments**
- **General Description of Market Conditions; Quality Of Supply**
- **Land Use**

ECONOMY
BUSINESS MIX

- **Retail Tenant Mix and Anchors**
- **Types of Businesses (National Chain, Locally Owned, etc.)**

CATALYSTS
NEW DEVELOPMENT

- **New Development**
- **Planned or Proposed Development**
- **Notable Infrastructure**

KEY CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

The study team used the framework to ascertain and analyze the constraints and opportunities for retail development along each corridor: the barriers that may limit market-driven investment; the vulnerabilities affecting existing retail supply and tenant stability; and the external factors influencing corridor performance. Further, the team's assessment identified assets that could support future growth, including opportunities to leverage public investments, strengthen retail clusters, and enhance overall competitiveness. The resulting key considerations for future corridor planning suggest actions for land use policy, design, infrastructure, and other supportive policies.

CHALLENGES AND CONSTRAINTS

- **Barriers to Retail Growth**
- **Vulnerabilities for Existing Retail Supply and Tenanting**
- **External Factors**
- **Limitations for Market-Based Investment Activity**

ASSETS AND OPPORTUNITIES

- **Opportunities for Growth and Investment**
- **Leveraging Public Investments**
- **Enhancing Competitiveness**

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

- **Policy considerations**
- **Incentives**
- **Accessibility and Connectivity**

OVERVIEW OF COMMERCIAL CORRIDORS IN MONTGOMERY COUNTY

Lower MD 355 *Approximately 4 miles*
Wisconsin Avenue/Rockville Pike
High-volume commuter route between northwest D.C. and the suburbs; in the urban, higher-density nodes of Downtown Bethesda and Chevy Chase/Friendship Heights the corridor has pedestrian accommodations and public transit.

Middle MD 355 *Approximately 6.2 miles*
Rockville Pike/Hungerford Drive/South Frederick Avenue
High-traffic suburban commercial and higher-density residential corridor; predominantly auto-centric commercial centers with newer mixed-use destination nodes; Rockville has an urban, mixed-use core; the corridor has public transit with five Metrorail stations, and most include commuter parking.

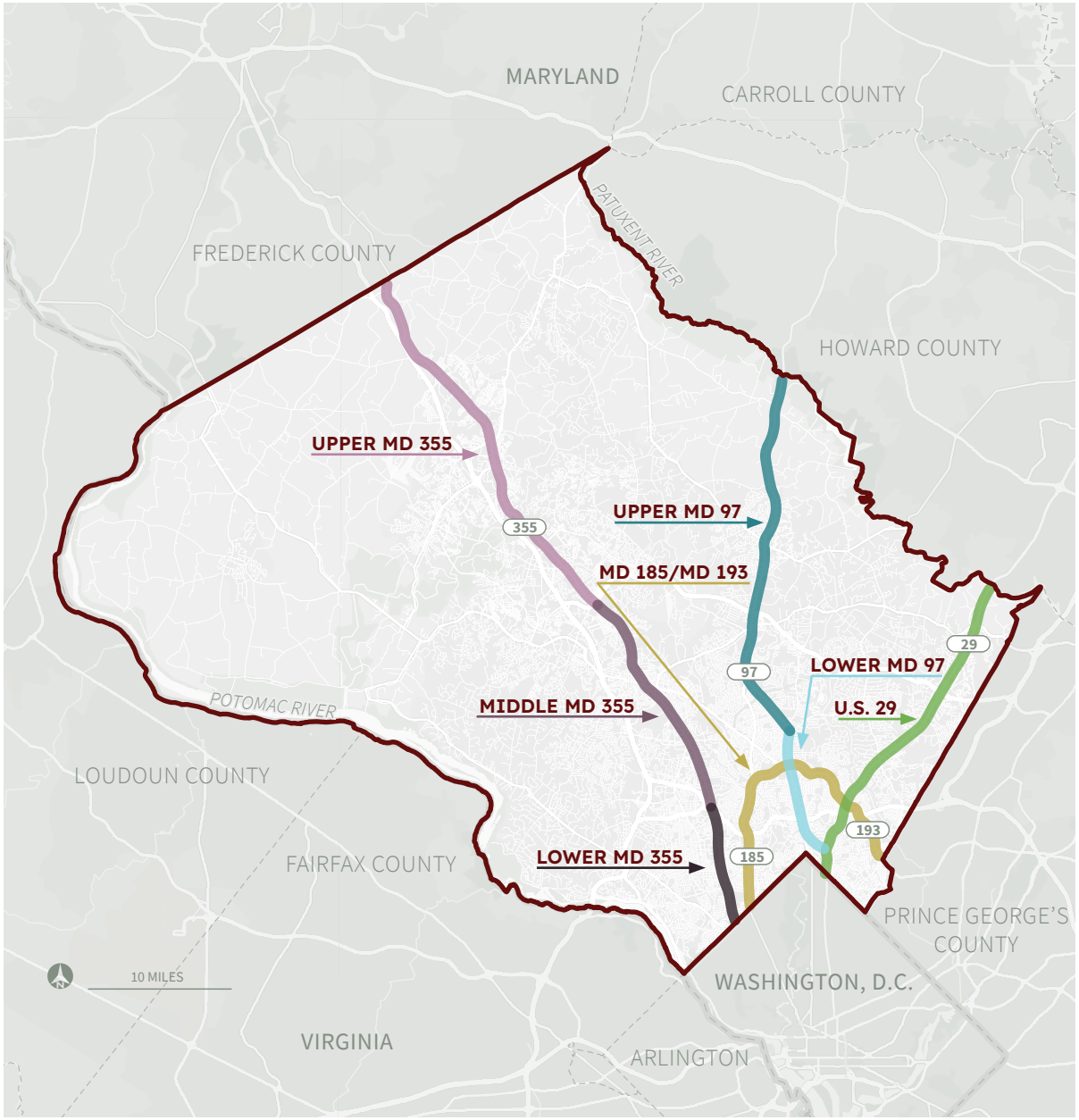
Upper MD 355 *Approximately 17 miles*
Frederick Road/North and South Frederick Avenue
Through this stretch MD 355 is a high-traffic suburban and exurban corridor; it continues through Gaithersburg near its core and retail centers; running parallel, I-270 carries a high volume of intraregional commuters.

Lower MD 97 *Approximately 6.3 miles*
Georgia Avenue
High-volume commuter route between D.C. and the Maryland suburbs; Downtown Silver Spring, at the Maryland-D.C. border is an urban, higher-density mixed-use node with public transit access; north of Silver Spring, the corridor is predominantly auto-centric, and has public transit and Metrorail, most with commuter parking.

Upper MD 97 *Approximately 13.7 miles*
Georgia Avenue
A primarily residential/commuter corridor with smaller-scale retail nodes and larger-scale centers in Aspen Hill and Olney; northward it transitions to an exurban and rural corridor.

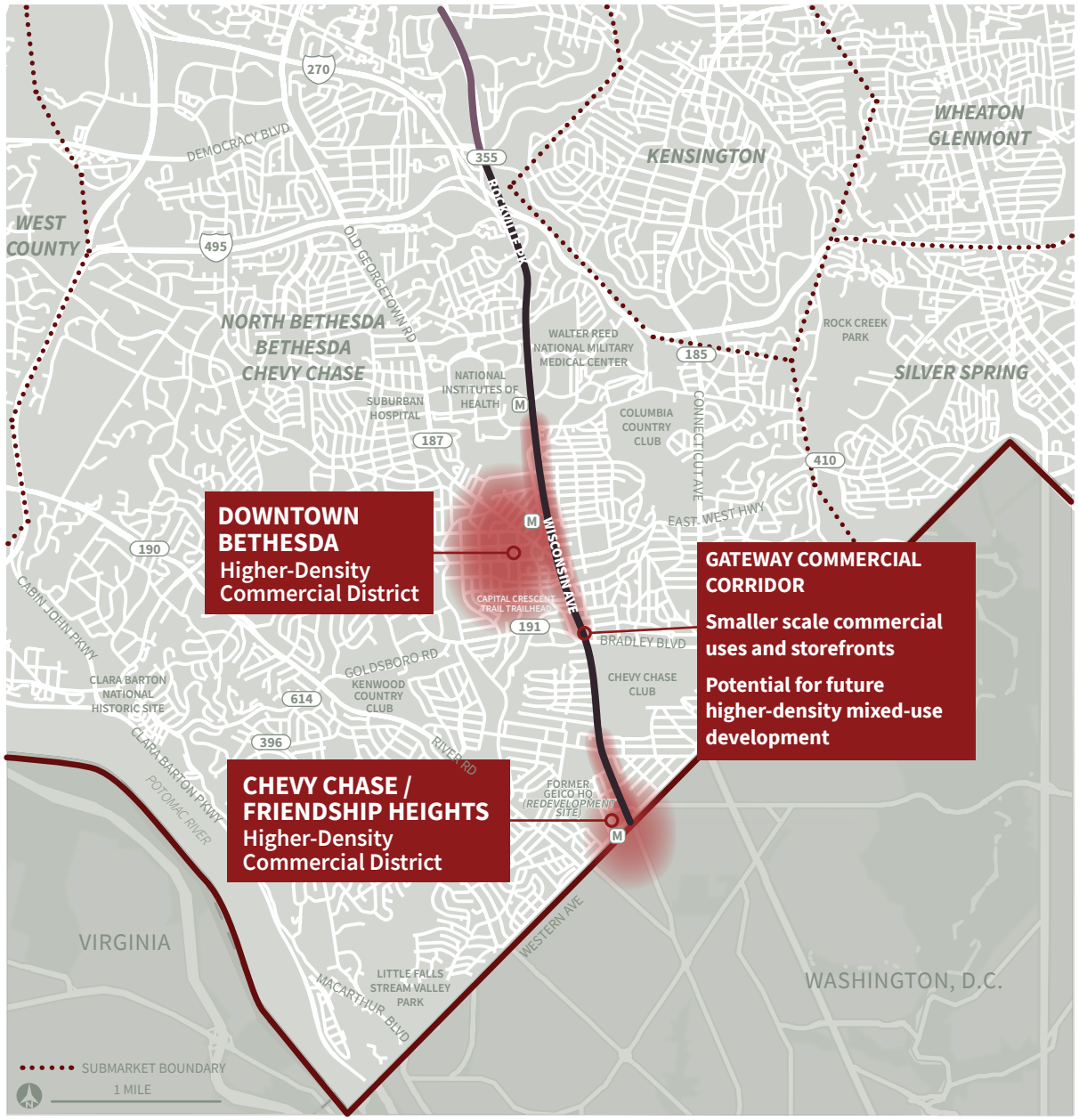
MD 185/MD 193 *Approximately 11 miles*
Connecticut Avenue and University Boulevard
A combined route that is primarily residential with distinct commercial nodes in Kensington and in Wheaton where Route 193 intersects with Route 586 and with Route 97.

U.S. 29 *Approximately 11.7 miles*
Colesville Road/Columbia Pike
An urban corridor with pedestrian infrastructure through Downtown Silver Spring with high vehicular traffic volume; northeastward, the arterial is auto-oriented, connecting smaller-scale commercial centers and larger nodes in White Oak and Burtonsville.



LOWER MD 355

APPROXIMATELY 4 MILES | WISCONSIN AVENUE BETWEEN WASHINGTON, D.C. LINE AND WOODMONT AVENUE/GLENBROOK PARKWAY, THEN ROCKVILLE PIKE TO THE I-495/I-270 INTERCHANGE



Regional Context: **Functionality**

- Joins urban and suburban areas of southern Montgomery County.
- A principal route connecting Washington, D.C. and the Bethesda/Chevy Chase/North Bethesda submarket.
- Within Chevy Chase and Downtown Bethesda, pedestrian infrastructure ensures walkability.
- North of Downtown Bethesda the corridor is auto-oriented with sidewalks along some stretches.
- County Classifications: Downtown Boulevard/ Boulevard.
- Has access to three Metrorail Red Line stations.

Assets: **Demand Drivers**

- Downtown Bethesda and Bethesda Row are regional retail destinations.
- National Institutes of Health
- Walter Reed National Military Medical Center
- Household income and educational attainment are both above the county average. The population skews older than surrounding areas, with families comprising a significant share of households.
- Large employers include Marriott International, Booz Allen, and Eagle Bancorp headquarters.
- Capital Crescent Trail connections.

Nodes: **Development**

- Chevy Chase/Friendship Heights: Shoppes at Wisconsin Place and The Collection at Chevy Chase.
- Downtown Bethesda (commercial office market has a high Class A share with top rents in the county, in close proximity to high-end retail, dining, and transit).

Economy: **Business Mix**

- Ranges from locally owned restaurants and boutiques to luxury brands including Bloomingdale's.
- Commercial tenants include professional and medical services, co-working spaces, regional and national corporate headquarters (e.g., Marriott International).

Catalyst: **New Development**

- Friendship Heights Sector Plan with seven identified Opportunity Sites (notable among them are GEICO and the former Saks Fifth Avenue site).
- New high-density mixed-use development in Downtown Bethesda with more than 2,000 proposed multifamily units along the corridor.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Rising retail rents risk displacing locally owned businesses—shifting the corridor's retail identity toward national chains.

Property owners intentionally maintaining vacant properties/spaces for future redevelopment or higher-rent tenants.

Minimized parking supply would impact accessibility for a broader customer base.

Lack of incentive from private market to reinvest in properties—as existing rents remain achievable even in properties with aging infrastructure.

Heavy congestion especially during commuting hours and on weekends.

Legacy family owners unwilling and/or uninterested in reinvesting, in part due to no or low debt.

ASSETS AND OPPORTUNITIES

Build upon established pedestrian infrastructure.

Seek investment/assembly opportunities where gateway districts exist in the southern area and north of Downtown Bethesda.

Leverage strong demographic indicators to support marketing efforts for attracting new tenants and development.

Create incentives/mechanisms to reinvest in—or even upgrade—older retail spaces.

Build upon public transportation infrastructure and link retail development with transit-oriented development (TOD) planning.



KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Maintain adequate parking supply to support retail marketability, particularly for convenience, service, and restaurant tenants. While the County has moved to reduce or eliminate parking minimums near transit hubs, retail activity along this corridor remains sensitive to parking availability. Structured parking and shared parking strategies can help reconcile urban design goals with the access needs of a broad customer base, provided supply is located and priced to support retail visits rather than long-term storage.

Enhance multimodal access to Downtown Bethesda and Chevy Chase/Friendship Heights, including improvements to trails, sidewalks, transit connections, and roadway circulation.

Encourage a "park once" strategy that allows visitors to access multiple retail and dining destinations within a walkable district.

Concentrate retail activity within established nodes, particularly Downtown Bethesda and Chevy Chase/ Friendship Heights, where density, transit access, pedestrian accommodations, and existing retail clusters support continued commercial activity.

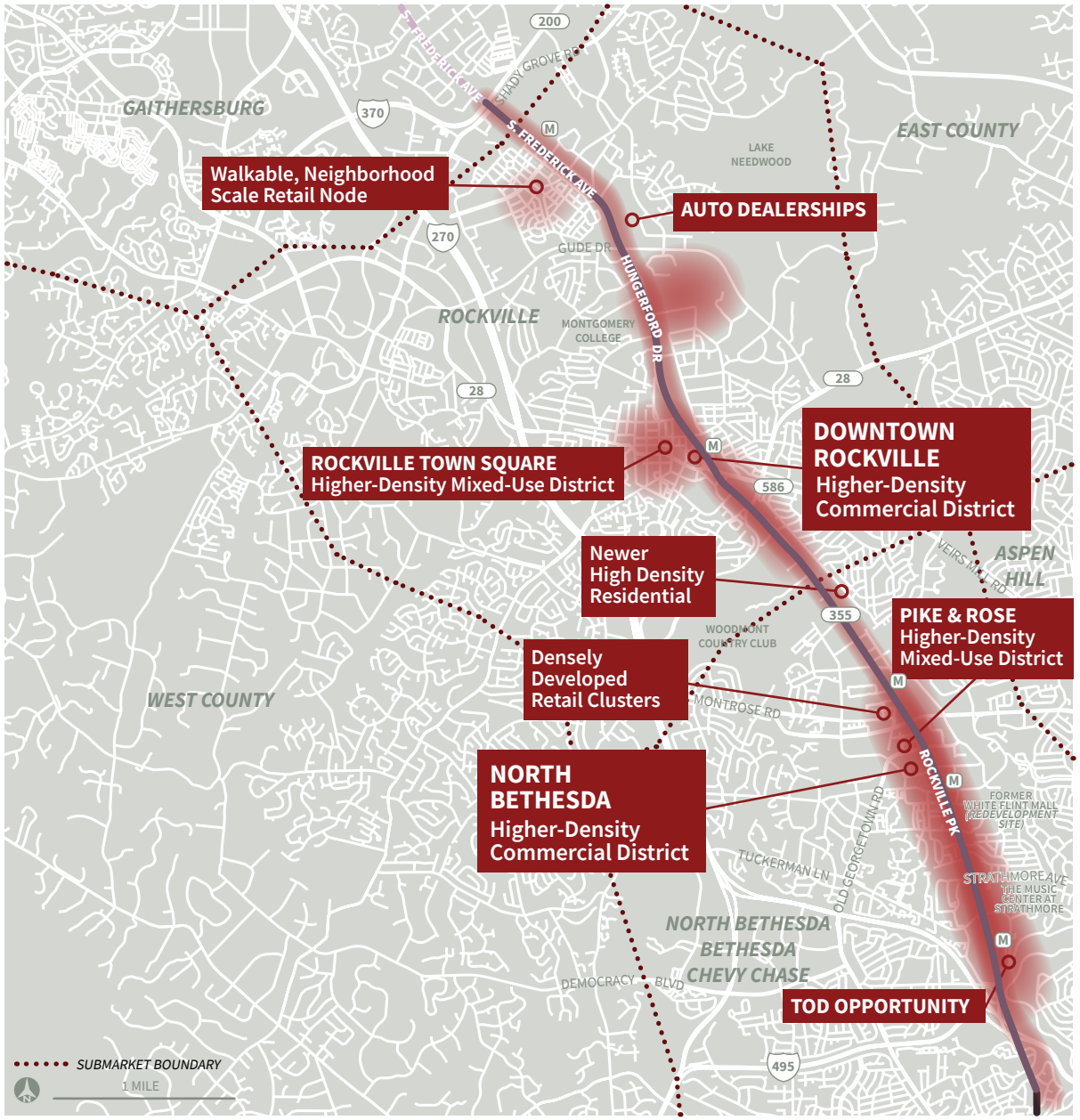
Prioritize visibility, accessibility, and flexible retail floor-plates in mixed-use development, as these factors influence tenant demand and long-term retail viability.

Integrate retail within higher-density mixed-use development, reflecting the high land values along the corridor and the limited feasibility of stand-alone retail projects.

Continue supporting downtown and commercial district organizations, including Bethesda Urban Partnership and the Friendship Heights Alliance, which provide on-the-ground resources, market knowledge that supports retailers, and commercial district vitality and attraction.

MIDDLE MD 355

APPROXIMATELY 6.2 MILES | ROCKVILLE PIKE BETWEEN I-495/I-270 INTERCHANGE AND BOUIC AVENUE, THEN HUNGERFORD DRIVE TO GUDE DRIVE, THEN SOUTH FREDERICK AVENUE TO SHADY GROVE ROAD



Regional Context: **Functionality**

- Joins suburban areas of the North Bethesda area of the Bethesda/Chevy Chase/ North Bethesda submarket and the Rockville submarket.
- Principal highway, and collector route for I-270, I-495, and local arterial routes.
- County Classifications: Downtown Boulevard/Boulevard
- Access to five Red Line Metrorail stations with parking lots to accommodate commuting.

Assets: **Demand Drivers**

- The Music Center at Strathmore and the Mansion at Strathmore.
- City of Rockville, seat of county government and courts.
- Montgomery College.
- U.S. Nuclear Regulatory Commission.
- Bethesda Marriott and Convention Center.
- Strong demographics (e.g., household income above $125,000, above-average educational attainment, a broad ethnic mix, and many family households).

Nodes: **Development**

- Downtown Rockville
- Pike & Rose
- Contiguous stretch of shopping centers
- Largest concentration of retail in the county.
- Diverse housing stock.
- Housing has evolved to accommodate young professionals and family households.

Economy: **Business Mix**

- Retail tenants range from local and ethnic eateries and bakeries to regional and national brands, such as Cava and Tatte Bakery.
- Regional shopping centers: Congressional Plaza, Montrose Shopping Center and Pike Center.

Catalyst: **New Development**

- The Former White Flint Mall site.
- Strathmore Square adding 1,000+ multifamily units.
- TOD near North Bethesda Metro Station.
- Twinbrook Quarter on Rockville Pike adding 700+ multifamily units and office space.
- New multifamily near Rockville Town Square (now known as The Square).
- Planned MCDOT MD 355 Central Flash Bus Rapid Transit (BRT) will improve north-south public transit between Bethesda and Germantown, with stations at Rockville Metro, Montgomery College Rockville, and Shady Grove Metro (2028-2031 planned implementation).

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Retail property ownership is concentrated among a small number of institutional owners, limiting the diversity of development approaches and market competition along the corridor.

With the exception of Downtown Rockville and Pike & Rose**, the corridor is not pedestrian-friendly and does not encourage accessibility between centers and across Rockville Pike.**

Heavy traffic congestion throughout most of the week.

High property values limit opportunities for redevelopment through land assembly and diversification of uses.

In the near term, the market cannot absorb additional large mixed-use development projects (comparable in scale to Pike & Rose and Rockville Town Square, for example).

ASSETS AND OPPORTUNITIES

Diversification of tenant mix—including redefining "what is retail."

Reposition older shopping centers to better align with current retail formats, tenant expectations, and accommodate pedestrian-oriented site design.

Repurpose single-use properties for higher-density mixed-use purposes.

Redirect through-traffic to I-270 to reduce congestion on Rockville Pike and improve conditions for local retail access.

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Prioritize transit-oriented development near Metro stations and adjacent commercial nodes to strengthen walkable activity areas and improve connections to existing retail centers.

Provide flexibility in the design of ground-floor commercial space so developers can right-size retail floor-plates and configurations to reflect market demand. Not all higher-density residential development requires ground-floor retail; ground-floor use should respond to local demand.

Expand trail, bicycle, and pedestrian networks between commercial centers including off-street paths that improve connectivity and enhance access to retail destinations.

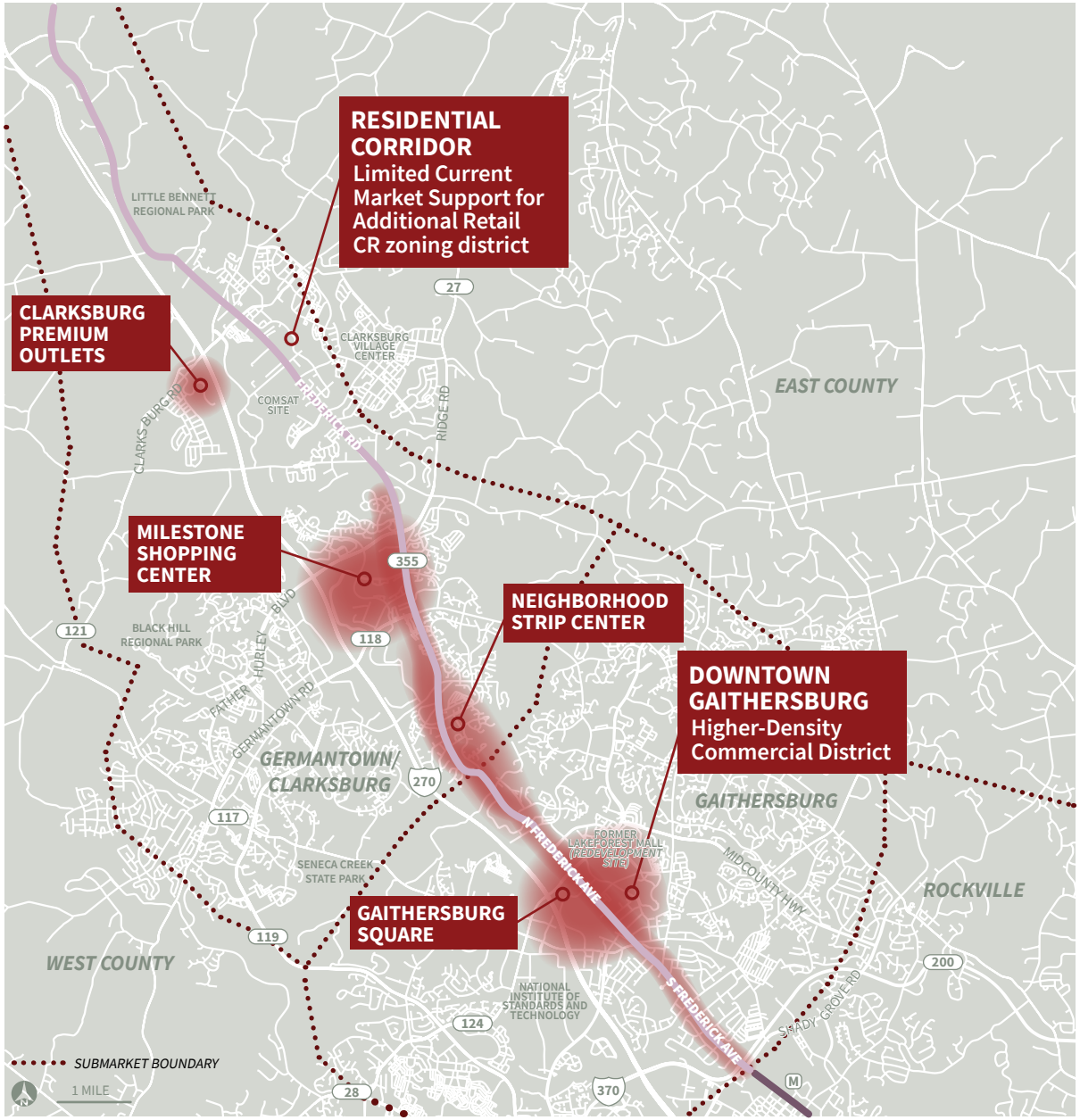
Allow greater flexibility in retail use definitions and site requirements including permitted uses, parking standards, and change-of-use processes so properties can adapt more easily to evolving market conditions.

Encourage local traffic to use secondary roadways such as Jefferson Street and Chapman Avenue in order to reduce congestion along Rockville Pike and improve corridor circulation.



UPPER MD 355

APPROXIMATELY 17 MILES | SOUTH FREDERICK AVENUE BETWEEN SHADY GROVE ROAD AND DIAMOND AVENUE, THEN NORTH FREDERICK AVENUE TO GAME PRESERVE ROAD, THEN FREDERICK ROAD TO THE FREDERICK COUNTY LINE



Regional Context: **Functionality**

- Joins suburban, exurban, and rural areas of the Rockville, Gaithersburg, and Germantown/ Clarksburg submarkets.
- Commuter collector route; connecting points north and south, with eastward access via I-370; I-270 runs parallel and is an intra-regional commuter highway.
- East-west access provided at several major intersections, including MD 124, MD 200, Montgomery Village Avenue, Watkins Mill Road, Germantown Road, Clarksburg Road, and MD 27.
- County Classifications: Town Center Boulevard/Boulevard/ Controlled Major Highway/Area Connector/Country Connector.

Assets: **Demand Drivers**

- Holy Cross Germantown Hospital (institutional anchor).
- Great Seneca Park (recreational anchor).
- NIST campus (west of the corridor).
- Clarksburg Premium Outlets, regional destination west of MD 355, located at the interchange of I-270 and Clarksburg Road.
- Local residential communities drive demand for daily-needs retail and services.

Nodes: **Development**

- Local-serving shopping centers are located at key intersections along the corridor (e.g., Gaithersburg Square, Milestone Shopping Center).
- Spectrum Town Center is a pedestrian-oriented commercial node in the corridor.

Economy: **Business Mix**

- Includes small locally owned businesses, national chains, and larger employers, including technology and biotechnology firms (due to proximity to NIST).
- Retail mix primarily serves residential daily needs for goods and services; larger centers with a broader range include national brands (e.g., Carter's, Marshalls, Ross, T.J. Maxx, Target, and Walmart).
- Clarksburg Premium Outlets is a regional retail destination.

Catalyst: **New Development**

- The former Lakeforest Mall site in Gaithersburg.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Uncertainty about the viability of larger format and discount retailers (e.g., Ross, Burlington).

Low population density coupled with a large existing supply limits opportunities for new retail development.

A limited number of sites for new, smaller-scale neighborhood-serving retail centers.

Future retail development is dependent on residential growth.

Competition for land from industrial and other employment uses, particularly in portions of the corridor with established industrial activity, may limit opportunities for retail redevelopment or conversion.

Limits on development due to conservation areas.

The built environment is not conducive to higher-density development—reducing opportunities to add pedestrian infrastructure and minimize automobile use.

ASSETS AND OPPORTUNITIES

Opportunities to capture consumer spending from communities north of Gaithersburg Square and Milestone Shopping Center.

Regional population growth and new housing development may gradually increase retail demand along the corridor.

Infill opportunities may exist at larger retail centers, where additional density or pad site development could be accommodated.

Potential spillover development opportunities may emerge near major redevelopment sites, including the former Lakeforest Mall property, AstraZeneca campus, and COMSAT site.

Planned MD 355 Flash BRT North extension, with proposed stations at Milestone Drive, Seneca Meadows, and Clarksburg Outlets (pending funding availability).

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Support neighborhood-scale retail as part of mixed-use redevelopment, consistent with the Clarksburg Gateway Sector Plan (2026), which identifies the former COMSAT Laboratories property as a priority site for housing, retail, and employment development.

Allow smaller-scale neighborhood retail uses within residential areas to improve access to everyday services and reduce reliance on larger commercial centers.

Focus future mixed-use development on housing with complementary neighborhood-serving retail, rather than large regional mixed-use districts, given lower densities and nearby competition from destinations such as RIO Lakefront and Clarksburg Premium Outlets.

Consider dividing the corridor into planning sub-segments or character areas, particularly north and south of Great Seneca Park, to reflect differing land use patterns and development conditions along the approximately 17-mile corridor.

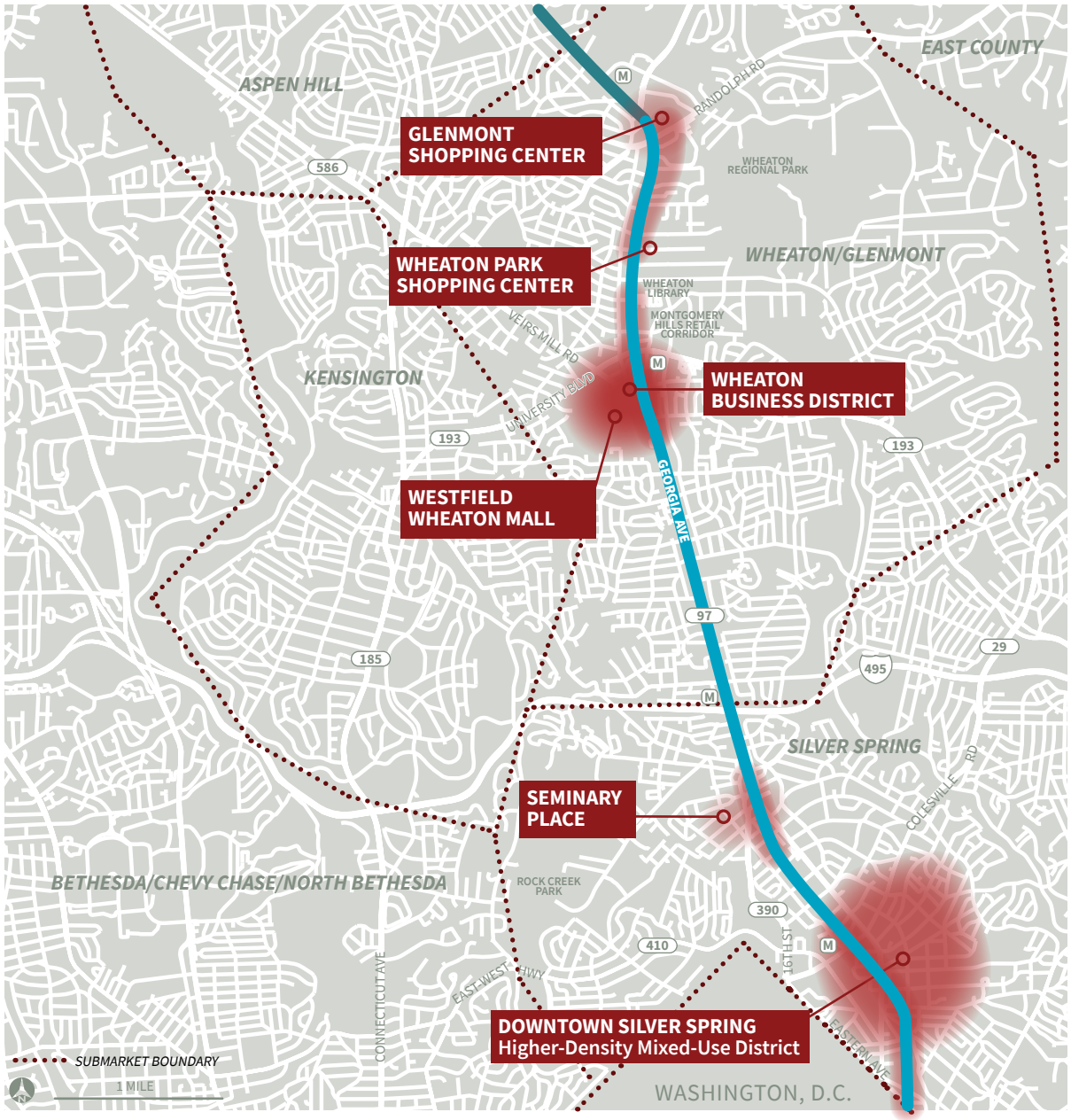
Provide zoning flexibility or overlays for aging retail centers, particularly those anchored by potentially obsolete uses such as discount big-box stores, to facilitate adaptive reuse or redevelopment opportunities, including sites such as the Burlington property.

Encourage incremental redevelopment rather than large-scale transformation. Given lower densities and suburban development patterns, redevelopment may occur gradually through site reinvestment, partial redevelopment, or adaptive reuse rather than large master-planned projects.



LOWER MD 97

APPROXIMATELY 6.3 MILES | GEORGIA AVENUE BETWEEN WASHINGTON, D.C. LINE AND RANDOLPH ROAD



Regional Context: **Functionality**

- Joins urban and suburban areas of Silver Spring and Wheaton/ Glenmont submarkets.
- A principal route connecting Washington, D.C. and northeastern Montgomery County.
- Characteristics: through Downtown Silver Spring the right-of-way accommodates vehicles and pedestrians; beyond the urban area it is an auto-oriented arterial route.
- Public transit is accommodated, notably Metrorail Red Line.
- County Classification: Downtown Boulevard/Town Center Boulevard/Boulevard.

Assets: **Demand Drivers**

- Downtown Silver Spring is a gateway district with anchors that draw customers from across the region.
- The business district in Wheaton draws customers from further away with international restaurants.
- Outside of Downtown Silver Spring, the customer base is principally local residents and workforce of businesses serving the area.

Nodes: **Development**

- Downtown Silver Spring is an urban, higher-density mixed-use district.
- Commercial storefronts in Wheaton along MD 97 at the intersection with MD 586.
- Regional and neighborhood shopping centers, notably Westfield Wheaton Mall.
- Single-use establishments (e.g., restaurants, convenience stores, gas stations).

Economy: **Business Mix**

- Downtown Silver Spring is a gateway district with dining, nightlife, retail, and entertainment anchors.
- A mix of local businesses and regional chains in the Wheaton/ Glenmont submarket.
- Predominantly daily-needs retailers, (e.g., pharmacies, and groceries).

Catalyst: **New Development**

- 9475 Georgia Avenue redevelopment, replacing a former service station with a Royal Farms gas station and convenience store.
- Infrastructure and safety improvements include pedestrian accessibility, and a $50.8 million initiative in Montgomery Hills to remove reversible lanes and introduce new bicycle infrastructure.
- Approximately 1,000 new multifamily units proposed in Downtown Silver Spring.
- Wheaton Gateway, mixed-use with 800 residential units and 55,000 square feet of commercial space.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Aging retail space in several nodes, with rising vacancy and locally owned businesses at risk of closure.

Small lot sizes and fragmented ownership limit site assembly and constrain redevelopment potential outside Metro station areas.

The corridor is flanked by stronger retail destinations in Downtown Silver Spring and Wheaton, limiting the ability to attract and retain higher-quality tenants.

Rent levels are insufficient to support meaningful reinvestment, leaving property owners with little financial incentive to upgrade aging buildings and site infrastructure.

Several neighborhood-serving shopping centers, including Wheaton Park, are at risk of deterioration or loss without targeted retention support.

Heavy traffic, limited pedestrian crossings, and poor east-west connectivity reduce the walkable customer base.

ASSETS AND OPPORTUNITIES

Support reinvestment in and retention of neighborhood-serving shopping centers.

Continue supporting shared parking access for commercial nodes.

Enhancement of east-west pedestrian connections for safe passage across Georgia Avenue and in adjacent residential areas would encourage walking.

TOD and higher-density redevelopment near Glenmont Metro Station is an opportunity if the hurdle of fragmented ownership is overcome.

Redevelop surface parking lots for additional multifamily housing and mixed use.

Planned Flash Bus Rapid Transit service along Georgia Avenue will run the length of the corridor from Downtown Silver Spring to beyond Wheaton, with stops serving the Forest Glen and Wheaton Metro Stations, improving north-south transit access and strengthening the case for mixed-use redevelopment at key nodes.

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Engage local businesses and property owners along the corridor to identify barriers to investment and better understand the needs of retailers at key nodes including Downtown Silver Spring, Seminary Place, and Downtown Wheaton.

Prioritize retail preservation and targeted small business assistance in Seminary Place, Montgomery Hills, and Downtown Wheaton. These efforts should focus on locations where current market conditions do not support higher-density mixed-use development in the near term.

Continue supporting downtown and commercial district management organizations, including the Silver Spring Urban District and Wheaton Urban District, which provide direct resources and coordination that supports retail activity.

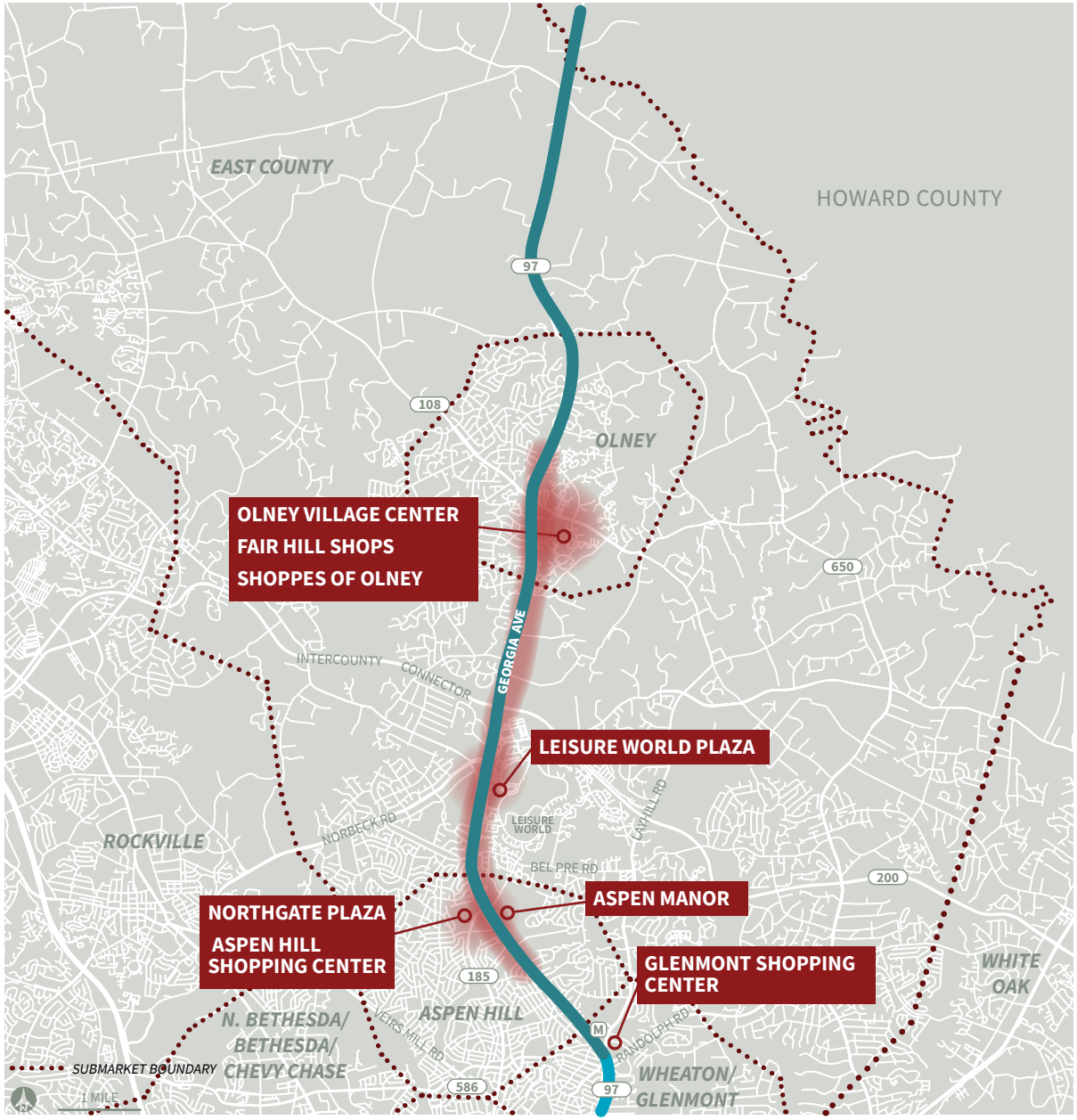
Encourage reinvestment in existing retail centers and storefronts through incentives and programs that help maintain neighborhood-serving retail, particularly in areas serving surrounding communities and moderate-income households.

Strengthen pedestrian connectivity and streetscape conditions at key nodes along the corridor, including improvements that better connect Metro stations, retail centers, and adjacent residential neighborhoods.



UPPER MD 97

APPROXIMATELY 13.7 MILES | GEORGIA AVENUE BETWEEN RANDOLPH ROAD AND THE HOWARD COUNTY LINE



Regional Context: **Functionality**

- Joins suburban, exurban, and rural areas of Wheaton/ Glenmont, Aspen Hill, East County, and Olney submarkets.
- A principal route connecting Washington, D.C. and northeastern Montgomery County.
- A public bus route accommodates commuters.
- Characteristics: divided highway with at-grade intersections; a raised interchange at MD 200; designed for vehicular travel; sidewalks along some stretches.
- MDOT SHA Classification: Urban Principal Arterial
- County Classification: Boulevard/Town Center Boulevard/Connector.

Assets: **Demand Drivers**

- Customer base principally consists of local residents and employees of area businesses.

Nodes: **Development**

- Regional and neighborhood shopping centers.
- Single-use establishments (e.g., restaurants, convenience stores, gas stations).

Economy: **Business Mix**

- National chains make up a large share of businesses.
- A mix of local businesses and regional chains in the Olney submarket.
- Predominantly daily needs retailers, (e.g., pharmacies and grocers, including Safeway and Giant).
- No clusters of higher-end or destination retailers.

Catalyst: **New Development**

- There are no major planned developments or development-ready sites in this corridor.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Given the lack of regional destinations, expansion and diversification of retail will be dependent on residential growth.

Uncertainties concerning the viability of certain types of big-box stores (e.g., Kohl's), **which occupy leased spaces that are difficult to re-tenant.**

Limited opportunity for higher-density mixed-use development; new retail supply will likely follow suburban development patterns (e.g., outparcel development, strip centers) for the foreseeable future.

ASSETS AND OPPORTUNITIES

Retain and reinvest in neighborhood-serving shopping centers, particularly aging suburban properties suited to modernization.

Co-location of multifamily housing by leveraging surface parking lots, especially in and around Olney.

The planned Flash BRT line along Georgia Avenue will serve the corridor with stops at Olney, Leisure World Plaza, and Aspen Hill, improving transit access and creating opportunities for mixed-use development and reinvestment near station stops.

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Plan for long-term suburban and exurban character along the corridor. The capacity of Upper Georgia Avenue and the development patterns along the stretch will continue to support auto-oriented accessibility and lower-density commercial nodes.

Prioritize preservation and reinvestment in existing retail centers, as market conditions indicate limited demand for new large shopping center development along the corridor.

Policies that support modernization and reinvestment in aging retail properties will help them remain competitive. Measures can include façade renovation, site improvements, and partial redevelopment.

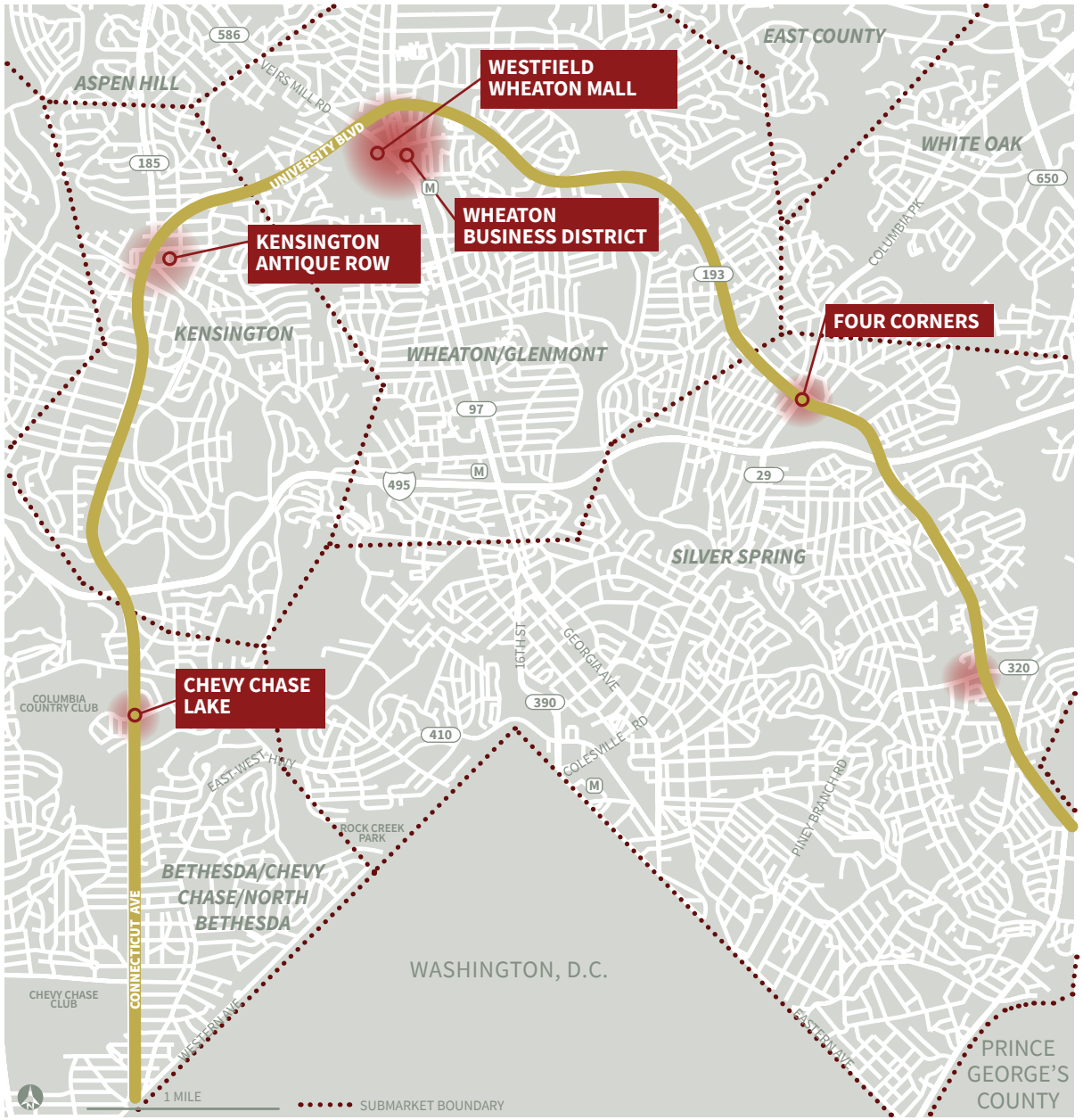
Connectivity between retail nodes and nearby communities can be established by **improving placemaking infrastructure at shopping centers and creating pedestrian access, and trails or pathways into neighborhoods.**

Olney, as the primary retail hub for the surrounding suburban and rural communities, **can absorb the demand for additional retail supply for the northern part of the county, supporting reinvestment and tenanting within existing retail centers,** while the current planning framework limits substantial additions to retail supply.



MD 185 / MD 193

APPROXIMATELY 11 MILES | CONNECTICUT AVENUE BETWEEN WASHINGTON, D.C. LINE AND UNIVERSITY BOULEVARD, THEN UNIVERSITY BOULEVARD TO RANDOLPH ROAD



Regional Context: **Functionality**

- The combined route corridor joins suburban areas of southern, central, and eastern Montgomery County.
- The corridor is not an efficient east-west connector.
- County Classification: Boulevard/Town Center/ Downtown Boulevard.
- The Wheaton Station of the Metrorail Red Line is near MD 193.
- The Kensington Station of the MARC Brunswick Line is near MD 185.

Assets: **Demand Drivers**

- With the exception of Westfield Wheaton, existing retail nodes primarily serve local communities and are not regional destinations.
- The intersection of MD 185 and the Georgetown Branch Trail is an opportunity for retailers to target trail users.

Nodes: **Development**

- Retail concentrated in commercial and mixed-use nodes, including Kensington and Wheaton.
- Regional and neighborhood shopping centers.
- Single-use establishments (e.g., restaurants, convenience stores, gas stations).

Economy: **Business Mix**

- National chains make up a large share of businesses.
- Clusters of retail in Kensington and Wheaton have both locally owned businesses and national chains.
- Retail along the corridor predominantly consists of daily needs retailers, (e.g., pharmacies and grocers, including Safeway and Giant).
- Kensington has vintage and antique dealers; otherwise, no clusters of higher-end or destination retailers exist.

Catalyst: **New Development**

- MDOT's light rail, the Purple Line, will improve connectivity across the southern part of the county and provide stimulus for TOD where it meets MD 185 and MD 193.
- Nearby residential development in Downtown Silver Spring will influence retail demand.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

No viable retail development sites outside of major commercial nodes.

Market conditions vary considerably between nodes (Chevy Chase vs Kensington vs. Wheaton).

The corridor is not a naturally continuous commercial corridor.

ASSETS AND OPPORTUNITIES

Future Capital Crescent Trail access and connection to the regional trail network. As of September 2026, the former Georgetown Branch Trail remains closed within the Purple Line construction area while it is rebuilt as part of the Capital Crescent Trail connection between Bethesda and Silver Spring.

High density and interconnected road network.

Emerging Chevy Chase node with higher-density mixed-use development and high-quality retail.

Existing commercial nodes are **highly accessible via intersections with other major arterial routes.**

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Recognize the corridor's distinct commercial nodes and varying market conditions to develop node-specific retail strategies that reflect differences in retail roles, densities, and development opportunities. Each node, including Chevy Chase, Kensington, Wheaton, and smaller retail clusters, requires a distinct planning approach based on its economic and built conditions.

Prioritize preservation and strengthening of existing commercial nodes, focusing retail activity in established centers rather than encouraging dispersed strip development.

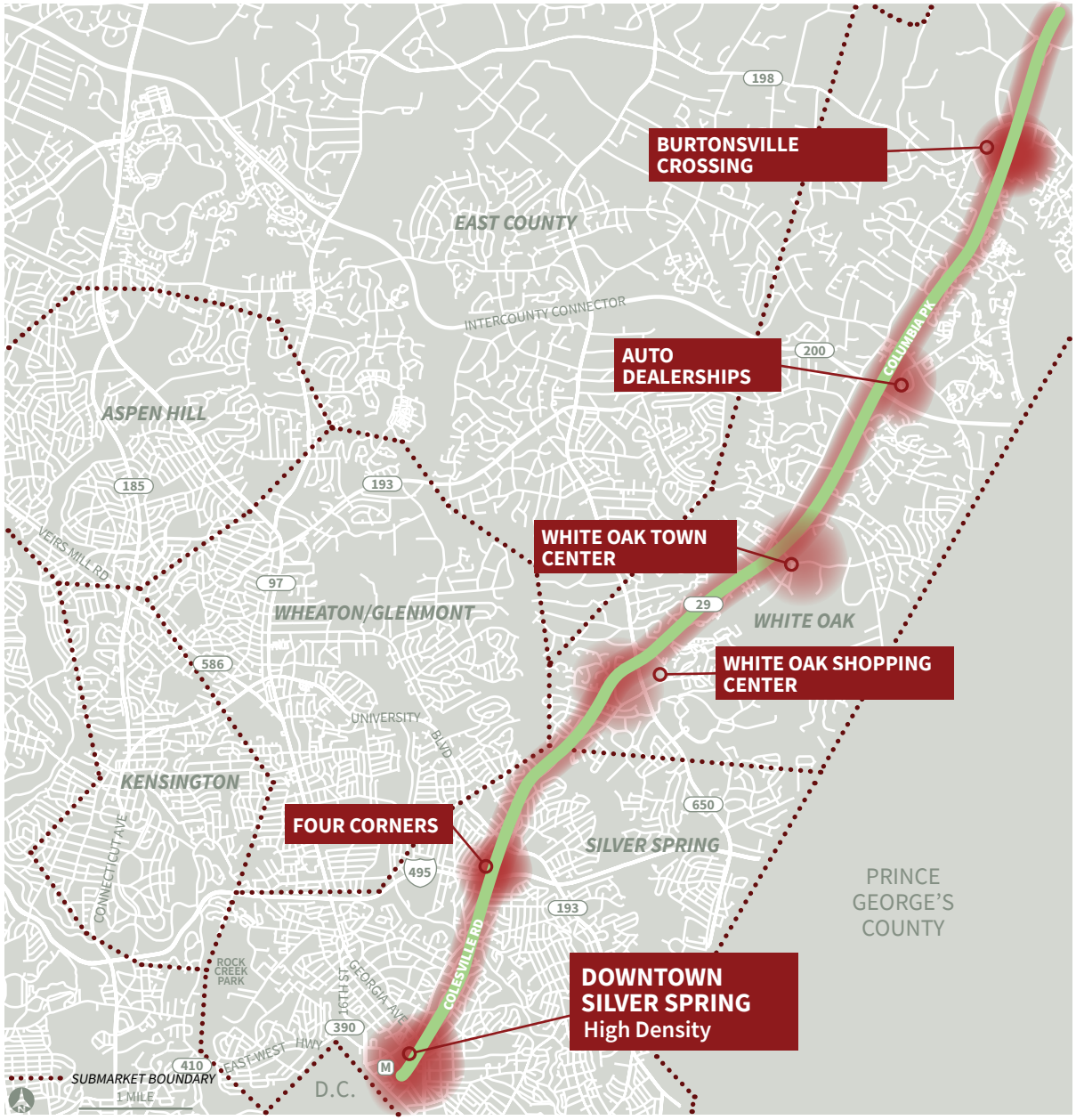
New sidewalks, crossings, and trail links built through the Purple Line and Capital Crescent Trail work can strengthen bicycle and pedestrian connections between retail nodes and surrounding neighborhoods.

Leverage the MDOT Purple Line development to support transit-oriented retail clusters, particularly near planned stations such as Piney Branch Road.



U.S. 29

APPROXIMATELY 11.7 MILES | COLESVILLE ROAD BETWEEN BLAIR CIRCLE AT THE WASHINGTON, D.C. LINE AND I-495, THEN COLUMBIA PIKE TO THE HOWARD COUNTY LINE



Regional Context:

Functionality

- Joins urban, suburban, exurban, and rural areas of the Silver Spring and White Oak submarkets.
- A principal route connecting Washington, D.C., northeastern Montgomery County, and Columbia in Howard County.
- The US 29 Flash BRT operates between Downtown Silver Spring and Burtonsville.
- Characteristics: highway of varying widths along its length; Silver Spring urban area has pedestrian infrastructure and at-grade intersections; suburban stretches include center turn lanes, sidewalks along some stretches, raised interchanges at arterials; divided highway, no sidewalks northeastward from White Oak.
- County Classification: Controlled Major Highway.

Assets:

Demand Drivers

- Within Downtown Silver Spring the corridor has regional attractions.
- Northeastward, demand for retail is primarily driven by local communities
- Auto dealerships clustered in the White Oak submarket serve the regional market.

Nodes:

Development

- Downtown Silver Spring.
- Four Corners (MD 193 intersection).
- Shoppes of Burnt Mills
- White Oak Town Center
- White Oak Shopping Center
- Burtonsville Crossing and Burtonsville Town Square

Economy:

Business Mix

- Downtown Silver Spring has locally owned businesses and national brands.
- The centers located northeast of Downtown Silver Spring have more national chains.
- Major clusters of auto dealerships are located at the intersections of MD 200 and Briggs Chaney Road.

Catalyst:

New Development

- Ongoing development of residential properties in Downtown Silver Spring will impact retail demand; accessibility enhanced by public transit.
- The development of VIVA in White Oak will impact retail demand.
- Renovation of Burtonsville Crossing will continue to enhance the retail supply in the northeastern area of the corridor.

FUTURE CONSIDERATIONS FOR RETAIL DEVELOPMENT AND COMPETITIVENESS

CHALLENGES AND CONSTRAINTS

Limited near-term market support for expanding retail north of Burtonsville, given competition from established retail destinations such as Maple Lawn in neighboring Howard County and the corridor's lower-density development pattern. Additional residential growth, major redevelopment, or other new demand drivers could strengthen support for future retail over time.

Lack of strong market conditions limits redevelopment of White Oak Shopping Center.

Limited public transportation access in the northeastern corridor segment.

The auto dealerships along the corridor serve the regional market. **Due to their single-use nature and large footprints, where they are clustered along the corridor precludes integration of mixed-use and pedestrian accessibility.**

Build out of VIVA White Oak will create competition for other existing retail centers.

ASSETS AND OPPORTUNITIES

VIVA White Oak will create an opportunity for a regional destination.

Build upon recent investment in existing retail centers (Burtonsville Crossing).

Build upon the announcement of a new 162,000-square-foot Costco as the first anchor at VIVA White Oak. The specific Costco site within the 280-acre development has not been publicly identified.

KEY CONSIDERATIONS FOR FUTURE CORRIDOR PLANNING

Preserve existing retail space in the northern portion of the corridor, particularly neighborhood and regional centers such as Burtonsville Crossing anchored by Sprouts Farmers Market.

Leverage the VIVA White Oak development as a catalyst for reinvestment, encouraging modernization and redevelopment of surrounding retail properties.

Recognize nearby retail districts in adjacent counties as complementary markets, particularly Maple Lawn, which also serves Montgomery County residents.

Continue supporting the Silver Spring Urban District, which provides local knowledge, coordination, and resources that support retailers.

Encourage adaptive reuse or redevelopment of aging large-format retail properties, including vacant or underutilized anchor sites that may no longer support their original uses.

Support retail activity at existing commercial nodes along the corridor, particularly in areas such as White Oak, Burnt Mills, and Burtonsville, where existing retail clusters, high traffic volumes, and strong visibility support continued commercial viability.



GLOSSARY

ArcGIS Tapestry Segment is a specific cluster of U.S. residential neighborhoods grouped together based on shared demographic, socioeconomic, and lifestyle characteristics. The ArcGIS Tapestry dataset is developed by Esri and includes source material supplied by Esri Updated Demographics, the U.S. Census Bureau, the U.S. Census Bureau's American Community Survey, and consumer surveys such as MRI-Simmons.

Average Annual Household Spending according to Esri is the total amount of money a group of people living together (or an individual) spends on everyday living costs over a 12-month period.

BOPIS (buy online, pick-up in-store) refers to web-enabled shopping platforms that allow customers to purchase items online and pick them up in a store or restaurant.

Bureau of Labor Statistics (BLS) is an agency within the U.S. Department of Labor. It serves as the federal government's primary fact-finding organization, collecting, analyzing, and publishing essential economic data related to labor economics, working conditions, and price changes.

Consumer Packaged Goods (CPG) are non-durable items that consumers use and replace regularly, such as food, beverages, cosmetics, and cleaning supplies. Unlike durable goods (like appliances or cars) that last for years, CPGs have high turnover rates and are continuously replenished.

Daytime Population is an estimate of the population of both residents and workers during daytime hours and includes a sum of the total (residents and workers combined). The estimates used in this report are produced by Esri using demographic, commuting, employment, and business data, including adjustments for remote work.

Esri (Environmental Systems Research Institute) is a privately held American software company based in Redlands, California. Founded in 1969, it is the global market leader in Geographic Information Systems (GIS), location intelligence, and spatial analytics software.

Categories of Retail in Esri

Apparel & Services (Women's, Men's, Children) is a core data category estimating household expenditures. It measures the potential demand and actual dollars spent on clothing, footwear, and related maintenance services within a specific geographic trade area.

Entertainment & Recreation categorizes entertainment and recreation as major physical sectors that require spatial planning and asset management. It includes items such as membership fees for clubs, tickets to movies, concerts, performances, admission to sporting events, TV services, gaming and streaming.

Household Furnishings & Equipment is a primary consumer spending category representing household budget allocation and potential spending on interior home goods. It includes household textiles, furniture, major appliances, small appliances, and floor coverings.

Household Operations is a primary spending category in its Consumer Spending datasets, which is derived from the Bureau of Labor Statistics. It encompasses the routine, day-to-day expenses required to run a home. It includes items such as child care, lawn and garden, housekeeping services, and other home services.

Computers & Technology categorizes expenses related to computers and hardware for home use, computer accessories, portable memory and software.

Experiential Retail or "retailtainment" is a strategy where physical stores focus on providing memorable, interactive, and immersive experiences rather than just product transactions. It aims to turn shopping into a destination activity, blending entertainment with commerce to drive foot traffic.

Food and Beverage (F&B) represents the industry involved in preparing, serving, and selling food and drinks, particularly in hospitality and retail. It spans restaurants, hotels, catering, and cafes.

Food Away from Home captures what households spend on dining out at restaurants, fast-food establishments, and vending machines. This data is used to analyze market potential, consumer behaviors, and food access.

Food at Home refers to food purchased in grocery stores and retail outlets intended for preparation and consumption at home.

GAFO refers to general merchandise, apparel and accessories, furniture and other miscellaneous goods.

Foot Traffic refers to pedestrian activity at or around a retail property, commercial district, or corridor, including people passing by, entering, or spending time in the area. It is commonly used as an indicator of pedestrian activity and potential customer exposure.

Household Spending in retail real estate measures the amount households allocate toward goods, services, dining, and other consumer categories. It is one demand indicator used to assess market potential and is considered alongside factors such as population, income, retail supply, sales performance, accessibility, competition, and site characteristics.

Immersive Dining blends high-end cuisine with storytelling, technology, and sensory stimulation to turn meals into interactive experiences. These events often feature 360-degree projections, themed performances, and sensory enhancements like aroma or soundscapes to transport guests.

International Council of Shopping Centers (ICSC) is a global trade association for the retail real estate and marketplaces industry. Founded in 1957, it connects over 70,000 members worldwide—including developers, owners, investors, retailers, and academics—to advance the spaces where people shop, dine, work, and gather.

Modified Gross Lease is a type of agreement with which tenants pay a base rent plus some operating expenses, but the division of costs is often more flexible and negotiated on a case-by-case basis.

National Retail Federation (NRF) is the world's largest retail trade association. Based in Washington, D.C., it serves as the voice of the retail industry, representing discount, department, specialty, catalog, and e-commerce companies, as well as chain restaurants and grocery stores.

Net Absorption in commercial real estate measures the net change in occupied space over a specific period, calculated by subtracting vacated space from newly occupied space. It is a key metric indicating market demand, where positive figures suggest growing demand (falling vacancy, rising rents) and negative figures signal market contraction.

Omnichannel Retail is an integrated sales strategy that provides a seamless, consistent shopping experience across physical and digital channels, including brick-and-mortar, websites, and social media. It connects all consumer touchpoints, allowing customers to research online and buy in-store or use "endless aisle" services, ensuring a unified brand experience.

Owner-Occupied Housing refers to any residential property where the property title holder lives in the home as their primary residence. This category includes single-family homes, condominiums, and multifamily buildings where the owner lives in one unit and rents out the others.

Percentage Rent many retail leases, especially in malls and larger centers, include a percentage rent clause. This means the tenant pays a base rent plus a percentage of their gross sales.

Potential Spending Growth is the projected rate at which consumers can or are expected to increase their expenditures on goods and services, based on their disposable income, savings, and borrowing capacity. Esri defines potential spending growth by modeling expected annual household expenditures using a conditional probability framework that combines Bureau of Labor Statistics (BLS) Consumer Expenditure Surveys (CEX), current household income forecasts, and ArcGIS Tapestry Segmentation market profiles.

Rent Escalation Leases typically include rent escalation clauses, with annual increases that are either a set percentage (e.g., 2 percent to 3 percent) or tied to an index. The rent stabilization regulation in Montgomery County, which specifies a maximum allowable rent increase for regulated residential units, does not apply to commercial retail leases.

Renter-Occupied Housing refers to any residential property where the person living in the unit is not the owner. Instead, the resident (tenant) pays rent to a landlord or property management company to live there. This category includes single-family homes, apartments, and mobile homes.

Resident in the U.S. Census, a "resident" is defined by the principle of usual residence: the place where a person lives and sleeps most of the time. This determines where a person is counted, regardless of their legal status, voting registration, or property ownership.

Retail Demand in real estate refers to the level of interest and leasing activity from brands, service providers, and restaurants wanting to occupy commercial physical space. Key drivers of demand include consumer spending, potential spending, and foot traffic and accessibility.

Retail Trade Areas the geographic area from which a retail store, shopping center, or commercial district draws its customers. Trade areas vary based on retail format, density, competition, accessibility, and other market conditions.

Retailtainment is the fusion of retail and entertainment, blending shopping with interactive experiences—experiences that transform stores into destinations. It uses ambiance, emotion, and activity to boost engagement and sales, often called "experiential retail" or "entertailing".

Segmentation Analysis is the process of dividing a large, heterogeneous audience (such as customers, residents, or imagery pixels) into smaller, homogeneous groups based on shared characteristics to enable more targeted, effective actions.

Single-Tenant Net Lease (STNL) refers to a property that has a single tenant occupying a freestanding commercial building who agrees to pay base rent plus property taxes, insurance, and maintenance costs (often referred to as a Triple Net or NNN lease). This structure provides stable, long-term cash flow with minimal landlord management responsibilities.

Spending Potential Index (SPI) is Esri's measure of consumer spending for products or services in a specific area compared to the national average of 100. Updated annually, it helps businesses identify above-average (>100) or below-average (<100) demand based on data from the Bureau of Labor Statistics (BLS). An SPI of 120 means the average household in that area spends 20 percent more on a specific product or service than the national average.

Total Retail Supply refers to the total existing leasable retail space within a defined geographic market, including both occupied and vacant space.

- **Under-Construction Retail** refers to retail space currently being built but not yet delivered.
- **Proposed or Planned Retail** refers to announced or planned retail space that is not under construction.
- **Retail Pipeline** refers collectively to future retail space that is under construction, proposed, or planned.

Value-Oriented Retail focuses on providing high-quality products at accessible prices, often employing efficient business models, low-cost operations, and strategic supplier relationships.

Montgomery County, MD

Montgomery Planning

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