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For Immediate Release – February 3, 2017

End of Year 2016 Downtown Economic Indicators

Today Mayor David J. Narkewicz released the end of year Downtown Economic Indicators for 2016 prepared by the city's Economic Development Director Terry Masterson. The updated indicators are available on the city's webpage at www.northamptonma.gov/downtowneconomicindicators

Key highlights and excerpts from the indicators follow:

6.4 % Retail Vacancy Rate for Downtown

There were 14 vacant storefronts at the close of 2016 that translates to a 6.4% vacancy rate. This represents a slight decrease from the 7% rate reported last year.

Meals Tax Revenues Remain Stable

Analyzing our meals tax data provides one measurement of direct consumer spending. Annual meals tax revenues have averaged \$680,478 since 2012 with a 6% increase in 2015 and a 1% increase in 2016. Meals tax revenue collected in Northampton reflects an annual total meals spending of approximately \$94.6 million.

Hotel Tax Revenues Remain Strong

After four relatively stable years of annual hotel tax revenues averaging \$519,822 between 2011-2014, there was a sizable increase to \$667,090 in 2015 that we attributed to the opening of the 106-room Fairfield Inn. Though we anticipated hotel tax revenues to drop back down to 2011-2014 levels following the closure of the 100-room Clarion Hotel at the end of 2015, they remained very strong for 2016 at \$636,895.

Building Sales Increase

A significant number of downtown properties transferred ownership in 2016, notably more than the previous three years. Most properties sold at or above assessed value.

List of Retail Movements			
New Arrivals : 12	Relocations/Expansions: 8	Retentions: 3	Departures: 11
<ul style="list-style-type: none"> • Pita Pockets – 91 Main St • Glazed Donuts- 8 Crafts Ave • Oriental Flavor – 41 Main St • Antiquarian – 108 Main St • Pure Barre – 63 King St • Con Vino – 150 Main St • Blue Marble – 150 Main St • Bombay Royale – 1 Roundhouse Plaza • Grateful Hound – 114 Main St • Wireless Zone – 180 Main St • Green Earth Computer – 20 Crafts Ave • Brits R Us – 16 Armory St 	<ul style="list-style-type: none"> • Happy Valley -177 Main St • Theory Skateboard - 32 Main St • NHT Running -28 Pleasant St • Deals N’ Steals – 1 Pearl St • Edw Jones – 6 Market St • Hempest – 2 Conz St • Birdhouse Music- 164 Main • Nourish Wellness Cafe – 10 Bridge St 	<ul style="list-style-type: none"> • Faces - 175 Main St • A2Z Science – 57 King St • Cedar Chest – 150 Main St 	<ul style="list-style-type: none"> • Gleason’s Camping • SIP • Zen • One Bar • Berkshire Yogurt • Subway • Iris Photo • Hinge • Western Village Ski • Mercantile • Dunkin Donuts (Main St)

List of Storefront Vacancy and Occupancy Activity			
Summary:			
<ul style="list-style-type: none"> • 6 storefronts were quickly re-occupied after a vacancy • 10 storefronts have remained vacant for years 			
Total Number of Vacancies	14	14	12
Storefront	December 2016	July 2016	January 2016
Short Term:			
16 Armory Street	Brits R Us	New Tenant TBA	Theory Skateboard
8 Crafts Avenue	Glazed Donut	Glazed Donut	SIP
90 King Street	Vacant	Vacant	Northampton Running
9 Pearl Street	Vacant	Gleason’s Camping	Gleason’s Camping
32 Main (Western Village)	Theory Skateboard	Theory Skateboard	Western Village Ski
41 Main Street	Oriental Flavor	Oriental Flavor	Zen
108 Main Street	Antiquarian	Antiquarian	Mercantile
177 Main Street	Happy Valley	Happy Valley	Hempest
229 Main Street	Vacant	Vacant	Happy Valley
273 Main Street	Vacant	Vacant	Dunkin Donuts
Long Term:			
6 Strong Avenue (Kathy’s Diner)	Vacant	Vacant	Vacant
28 Pleasant Street	Northampton Running	Northampton Running	Vacant
26 Strong Avenue	Vacant	Vacant	Vacant
30 Strong Avenue	Vacant	Vacant	Vacant
48 Main Street (Former Hinge)	Vacant	Vacant	Vacant
50 Main Street (Former Spoleto’s)	Vacant	Vacant	Vacant
8 Pearl Street (Prior Gas Station)	Vacant	Vacant	Vacant
58 Pleasant Street (Former Marinello)	Vacant	Vacant	Vacant
88 Pleasant Street (Former Grubb)	Vacant	Vacant	Vacant
21 Center Street (Next to Police HQ)	Vacant	Vacant	Vacant
24 Center Street (Iron Horse Building)	Vacant	Vacant	Vacant
55 Center Street	Bacon Wilson Law Firm	Vacant	Vacant

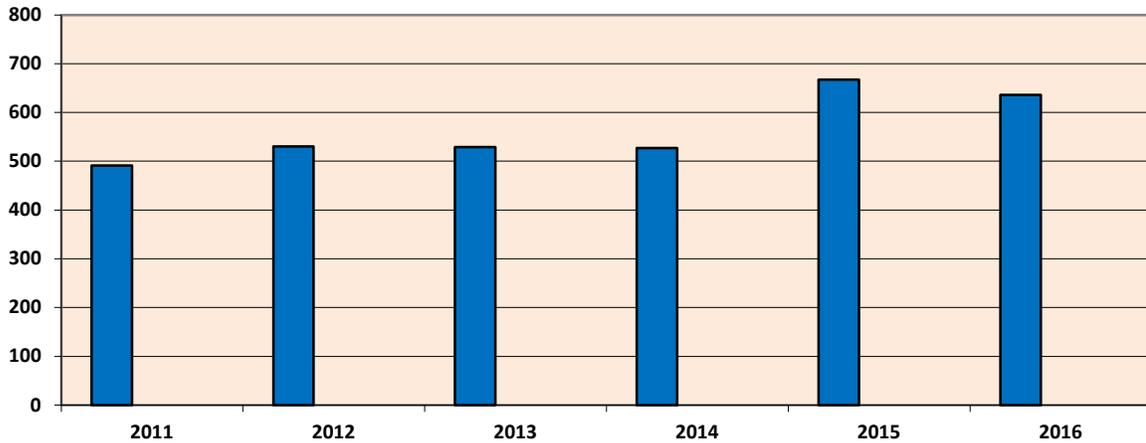
List of Downtown Building Sales						
Date	Address	Description	Sq. Ft.	Prior Sale/Valuation	Sale Price	PPSF
2016	25 Market St	Brick Mixed Use	7,200	\$975,000 (2006)	\$1,000,000	\$138.88
2016	236 Pleasant St	Former Service Station	2,400	\$249,000 (2014)	\$370,000	\$154.16
2016	263-287 Pleasant St	Retail/Apartment Bldg	22,000	N/A	\$2,400,000	\$109.00
2016	273 Main St	Retail/Apartment Bldg	3,200	\$689,000 (V)	\$910,000	\$284.00
2016	79 Masonic St	2 Story Building	2,600	\$509,000 (V)	\$750,000	Land/Bldg
2016	32 Main St	Former Western Village Ski Bldg	5,000	\$1,200,000 (V)	\$865,000	\$173.00
2016	40 Center St	Residential to Office	2,300	\$378,000 (V)	\$479,000	\$208.00
2015	9.5 Market St	Click Workspace	9,000	\$1,200,000 (V)	\$780,000	\$89.00
2014	196 Main St	Harlow Luggage	4700	\$325,000 (2003)	\$1,050,000	\$223.00
2014	236 Pleasant St	Former Service Station	2300	\$225,000 (1990)	\$249,000	Land/Bldg
2013	189 Main St	Shop Therapy	6400	\$950,000 (2004)	\$1,300,000	\$203.00
2013	125 Pleasant St	Union Station	30,000	\$1,400,000 (1999)	\$2,600,000	Land/Bldg

Glossary: PPSF = Price Per Square Foot

Meals Tax Revenues		
<p>Since 2011, revenues for meals tax have been essentially flat, except for a 6% increase in 2015. Also note, that these revenues are city wide but can be attributed in large measure to the Downtown.</p>		
Year	Annual Amount	Difference in Dollars
2016	\$709,901	+6,700 (+1%)
2015	\$703,172	+40,400 (+6%)
2014	\$662,739	-9,000 (-1.5%)
2013	\$671,626	+16,700 (+2.5%)
2012	\$654,950	+28,600 (+4%)
2011	\$626,347	

Hotel Tax Revenues

From 2011 to 2014, hotel revenues have remained stable. The 26% increase for 2015 can be attributed to the opening of the Fairfield Inn opening in late 2014. Although the Clarion Hotel closed at the end of 2015, it appears that hotel revenues for 2016 remained somewhat consistent with 2015.



Historical Note: – The Fairfield Inn opened in the Fall of 2014 and the Clarion Hotel closed in November of 2015

Year	# of Hotel Rooms	Annual Amount	Difference in Dollars	Percentage
2016	357	\$636,895	-30,000	-4%
2015	457	\$667,090	+140,000	+26%
2014	357	\$527,762	-1,700	-----
2013	357	\$529,434	-1,000	-----
2012	357	\$530,359	+38,600	+8%
2011	357	\$491,732	---	

Retail Rent Comparisons			
	Area	Asking Rent Range	Rent Average
Northampton Retail Rents: <i>Asking Rents</i>	Center Downtown	\$27 to \$40	\$33.50
	Main Street	\$33 to \$42	\$37.50
	Pleasant to Pearl Sts	\$23 to \$29	\$26.00
	Pearl to Holyoke Sts	\$14 to \$23	\$18.00
	City/Town	Asking Rent Range	Rent Average
Area Regional Rents: <i>Asking Rents</i>	Amherst	\$26-\$32	\$29.00
	Chicopee	\$9 - \$12	\$10.50
	Holyoke	\$9 - \$12	\$10.50
	Middletown, Ct.	\$12 - \$25	\$18.50
	Hartford	\$18 - \$35	\$26.50
	Stamford	\$25 - \$50	\$37.50
	White Plains	\$29 - \$50	\$39.50
Greenwich	\$85 - \$125	\$107.50	

Downtown Businesses: Total Numbers with Categories	
Category	Data and Background
Boundary Lines for Downtown	West: Smith College Gates East: Market and Hawley Streets North: Center and King Streets and Allan Place South: Pleasant and Holyoke Streets
Number of Retail Businesses	<ul style="list-style-type: none"> • 220 retail businesses in Northampton • 200,000 Square Feet of Retail Space • 65 Food and Beverage Businesses – 30% • Amherst has 74 stores, Easthampton has 82

List of Retail Inventory by Category			
	Total Businesses	220	
Type of Businesses:	Retail Category	2016	Percentage
	Eating Establishments	37	17%
	Tea and Coffee	12	5%
	Dessert and Sweet Shop	7	3%
	Bars	9	4%
	Total Food Beverage:	65	30%
	Music/Entertainment Venues	5	2%
	Clothing	18	8%
	Specialty/Unique/Gift	15	7%
	Jewelry	7	3%
	Bookstores	6	3%
	Art Galleries	5	2%
	Banks	4	2%
	Food Market Stores	4	2%
	Fitness or Yoga	4	2%
	Antique	6	3%
	Hair Salon/Barbers	10	5%
	Body Art	3	1%
	Computer	3	1%
	Shoes	2	1%
	Photo	2	1%
	Toys	2	1%
	Furniture/Rugs	3	1%
	Miscellaneous	56	25%
	Total Other:	155	70%