

INVESTIGATIONS

448 businesses moved from Downtown DC in three months - how many more are next?

U.S. Postal Service change of address form submissions show downtown businesses leaving, bringing down DC tax revenue. Data shows it could get worse.

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Published: 5:18 PM EDT March 17, 2021
Updated: 6:12 PM EDT March 18, 2021



WASHINGTON — Four hundred and forty-eight. That’s the number of businesses that moved out of downtown Washington D.C. or went out of business from October to December 2020, according to U.S. Postal Service change of address numbers.

This list of businesses includes sandwich shops, coffee shops, and a variety of locally owned businesses, according to the data given to WUSA9.

448 businesses moved from ...

Board of Zoning Adjustment
District of Columbia
CASE NO.18701E
EXHIBIT NO.7

A place that used to have lots of foot traffic and pedestrian business the intersection of 14th Street & K Street in Northwest D.C. Now, it is nowhere near as busy as it was a little more than a year ago.

Christine Miller Langemak is a commercial furniture salesperson. WUSA9 spoke to her on that intersection walking to something rare these days: a sales appointment downtown.

"I'm just praying for this 'roaring twenties' that everybody's talking about, right? So history will repeat itself. And somehow everything is going to be OK," said Langemak.

448 businesses moved from Downtown DC



1/5

Credit: *Haleigh Purvis*

Pedestrians on a downtown DC crosswalk March 2021

Even if the economy snaps back next year, downtown D.C. may still be emptier than we're used to, [according to a study](#) by The Greater Washington Partnership.

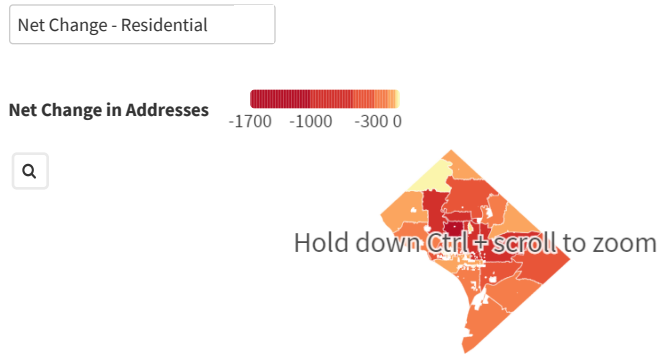
"There's a lot of concern for the downtown areas, up to 30% of all workers may work remotely two days a week or more in the downtown areas, even after the pandemic's over," said GWP CEO JB Holston.

The data from Greater Washington Partnership shows that 30% of downtown workers staying home, even into 2022, could mean continuing hard times for the small business owners that used to count on foot traffic.

448 businesses moved from ...

Where D.C. has lost the most residents & businesses during the pandemic

Using USPS change of address data, WUSA9 mapped out which ZIP codes in D.C. have lost the most residents and businesses during the COVID-19 pandemic.



Source: United States Postal Service, DC Open Data • Viz by @JordanOnRecord

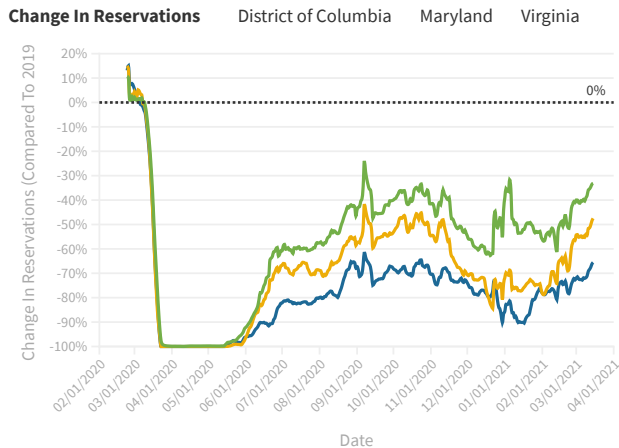


Numbers from D.C.'s Chief Financial Officer show a 9% dip for this fiscal year compared to last year in commercial tax revenues. In comparison, the Great Recession showed a 13% dip in commercial tax revenue in 2010.

Data from OpenTable shows reservations in D.C. are down 66% compared to a year ago. This does not show all the encompassing factors for why businesses are moving but does give a visual outlook of how day-to-day business has been impacted.

How Have DMV Restaurants Been Impacted By COVID-19?

Data from OpenTable shows how reservations at DMV restaurants have changed compared to the same month in 2019.



Source: [OpenTable](#) • Viz by @Boykin803

By law, the District must balance its budget. That could create a domino effect of budget cuts including impacts on D.C. Public Schools, funding for Metro, the D.C. Metropolitan Police

448 businesses moved from ...

Department, D.C. Child and Family Services, and several more agencies residents and commuters rely on daily.



D.C. CFO's office says it can tap into the District's reserves for funding to balance the budget for 2021. But what that looks like, and what budget-balancing may be needed after this year, is not as clear.

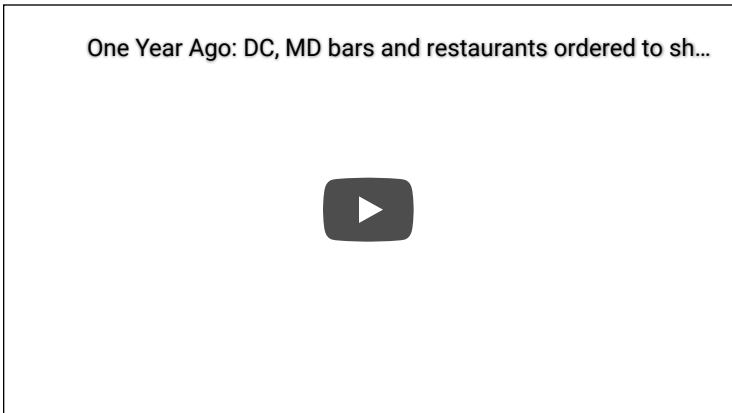
"At the end of the day, a commercial tenant is going to pay about twice as much in taxes as a residential unit for the same square footage," remarked Greysteel commercial real estate agent Ben Wilson.

Expect chain stores to replace locally-owned, especially in downtown D.C., Wilson said.

"I think we've seen more of a trend toward more nationals, those are the ones that have the balance sheet to be able to survive a little bit longer if things start going wrong," said Wilson. "And the smaller mom and pops, I think they're really getting pushed out. And I think it'll be really interesting to see if many of them survive."

Structural engineer Cedric Simon is an essential worker and remained in downtown D.C. during the pandemic. He says morale is down at his office with all these neighboring vacancies.

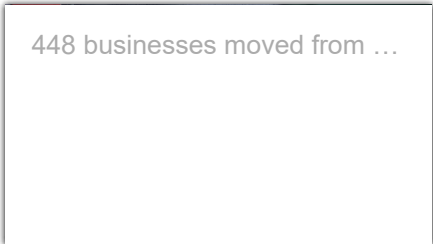
"After about three, maybe four months of COVID, it started to kind of be surreal, like, maybe things are not going to get back the way they used to be."



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MAR 11, 11:36 AM

D.C. Lost At Least 375 Businesses Since Last March. Here's How Those Closures Have Reshaped The City



Ally Schweitzer



Downtown D.C., home to cultural destinations like the National Portrait Gallery, is suffering economically during the COVID-19 crisis.

Tyrone Turner / DCist/WAMU

When health officials in December 2019 first reported a mysterious, pneumonia-like virus circulating in the city of Wuhan, it was hard to fathom how the outbreak of a new pathogen in China would upend life and commerce in the capital of the United States.

Even now, more than one year after the first reported case of COVID-19 emerged in D.C., coming to terms with the scope of our loss remains a work in progress.

At least 235 brick-and-mortar businesses have closed permanently in D.C. since the first known coronavirus case was reported on March 7, 2020, with 100 more shuttered temporarily, a count by DCist/WAMU found. (The status of another 40 is unknown.)

As of December, more than 36,000 residents were unemployed — a 77% increase over the prior year. Downtown D.C., once an economic engine that contributed [nearly 16% of the city's tax revenue in 2019](#), is today an effigy of its former self. At night, the bars and restaurants that propelled so much of D.C.'s economic growth seem funereal without scores of intoxicated revelers streaming through the doors and swiping their credit cards.

The pandemic may go down in history as a defining event for the District of Columbia, akin to the uprisings of 1968, the passage of the Home Rule Act, the economic turnaround of the early 2000s, and the Great Recession. In addition to the acute financial insecurity the crisis has sown, it has also fundamentally altered the way many D.C. residents relate to their city.

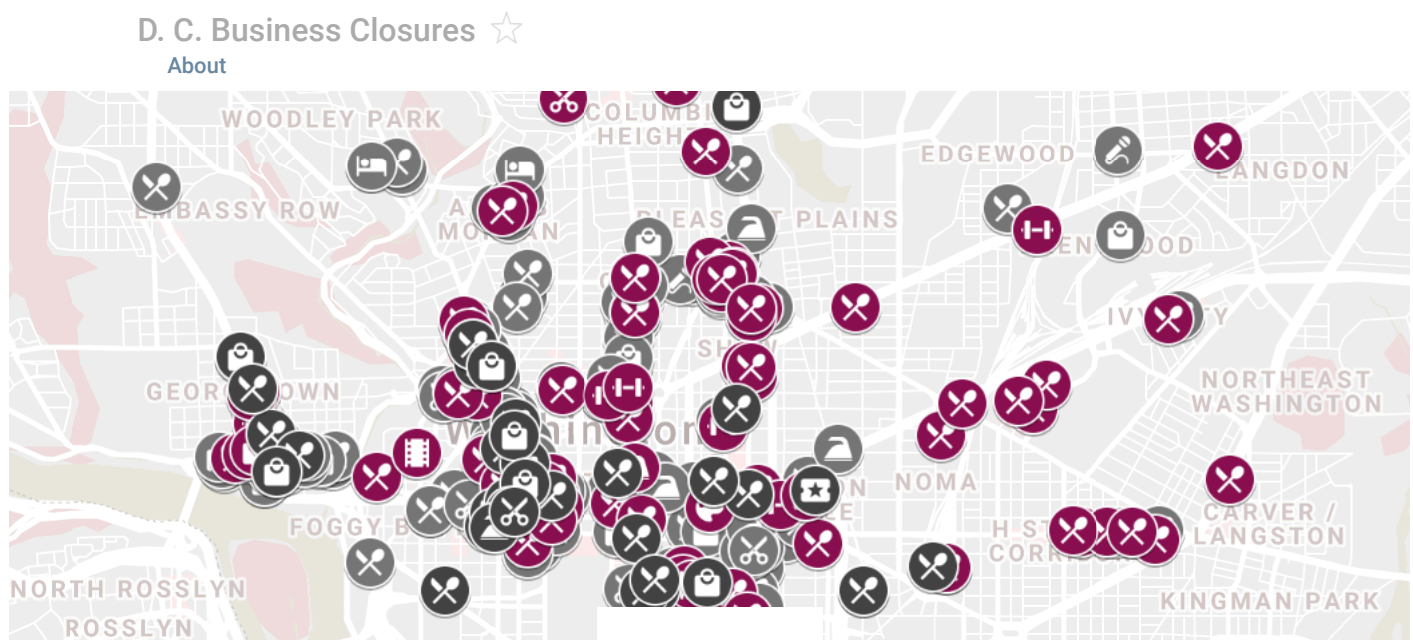
Some of those changes could stick around, with sweeping implications for District businesses, communities, and the local economy.

A map of brick-and-mortar business closures – both temporary and permanent – compiled by WAMU and DCist shows how massive shifts in travel and spending habits are playing out in different commercial areas of the city.

To build our map, we reached out to every Advisory Neighborhood Commissioner in the city; emailed the directors of every Business Improvement District and Main Street program in D.C.; combed news reports and lists of restaurant closures from sites like Washingtonian and Eater; and asked local residents in neighborhood- and ward-specific Facebook groups, as well as on Twitter, to give us tips. (Temporary closures include businesses that have gone dark for the season or indefinitely, as well as those that have pivoted to selling goods or classes online.)

While this list is certainly not exhaustive, it helps document the extent to which the pandemic has reshaped the look and feel of neighborhoods across the District.

Even the preliminary information we collected is shocking: Downtown D.C. has been ravaged by business losses, with dozens of lunch spots, cafes, and restaurants forced to shutter as office workers have disappeared from the streets. Georgetown, once a high-end shopping and dining mecca, has been transformed. In Shaw, more than a dozen of the neighborhood's bars and restaurants have gone dark, and a [Black-owned barber shop](#) that withstood both the riots and intense gentrification shut its doors after more than 100 years.



There has been less disruption in many residential areas, where those fortunate enough to shift to telework are patronizing businesses closer to home.

“Those workers have a new relationship to their neighborhood,” says Tracy Hadden Loh, a fellow at the Brookings Institution. “They’re spending more time there than ever. And they’ve gotten to know their neighbors and their neighborhood businesses in ways that they didn’t before.”

The commercial impact of COVID-19 looks different depending on the affluence of a neighborhood, too. Data compiled by [Opportunity Insights](#) at Harvard University shows that as of May 2020, businesses in the city’s gentrified areas had lost more revenue than those in underserved communities east of the Anacostia River.

Many businesses that thrive on disposable income and big crowds — including bars, theaters and restaurants — were knocked down by the crisis and closed quickly. Establishments that serve a community’s most basic needs, like grocery stores and corner markets, are still hanging on.

But that’s not necessarily a story of resilience, says economist Yesim Sayin Taylor, executive director of the D.C. Policy Center, a business-backed think tank. In fact, the relatively low number of closures east of the river reflects long-standing racial and economic segregation.

“It tells a very sad story,” Taylor says. “It basically says that east of the river business establishments never relied on what made the rest of the city grow in the first place.”

Black and brown neighborhoods systematically underserved by retail are experiencing the health crisis “on top of the crisis of systemic racism that was already happening,” Loh says. Many businesses in communities such as Congress Heights and Anacostia, she says, are already adapted to survive under difficult conditions.

Meanwhile, evidence continues to mount that the city’s poorest residents have been harmed most by the crisis, and that the unequal effects on jobs and health will reverberate for years to come.

But Taylor and Loh say COVID-19 has also presented the District with a rare opportunity to build a more equitable, accessible economy in the years ahead.

With businesses relying more on online sales and more residents shopping local, Taylor says, it may become less important to set up shop in pricey areas like Georgetown, which could drive down rents and expand opportunity for small businesses. Faced with depleted demand for office space, commercial landlords may begin diversifying their mix of occupants, opening up lower-priced space for startups, smaller businesses and even residential tenants.

Taylor is also struck by the fact that while hundreds of businesses have closed in D.C., many new ones are opening. Across the city, from the Southwest waterfront to Kennedy Street NW, new ventures are taking over spaces vacated by those forced to close.

“There’s an entrepreneurial wave coming,” the economist says. “The city ought to think about how we can take this wave and turn it into brick-and-mortar retail business that can fill empty retail and office space.”

At the same time, Loh says, the District should get to work on making jobs safer and higher-paying. The hospitality sector, in particular, is overdue for a reset, she says.

“We’re talking about an industry that is really reliant on extremely vulnerable, poorly compensated contingent labor, and that wasn’t great before the pandemic,” Loh says.

The Brookings fellow compares the pandemic to a magnifying glass “that’s being held up on all our problems.”

“This is a chance for us to see clearly what’s going on and to implement reforms that will make us more fiscally resilient,” Loh says. “I don’t think that recovery for us should be going back to the way that things were in February 2020.”

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