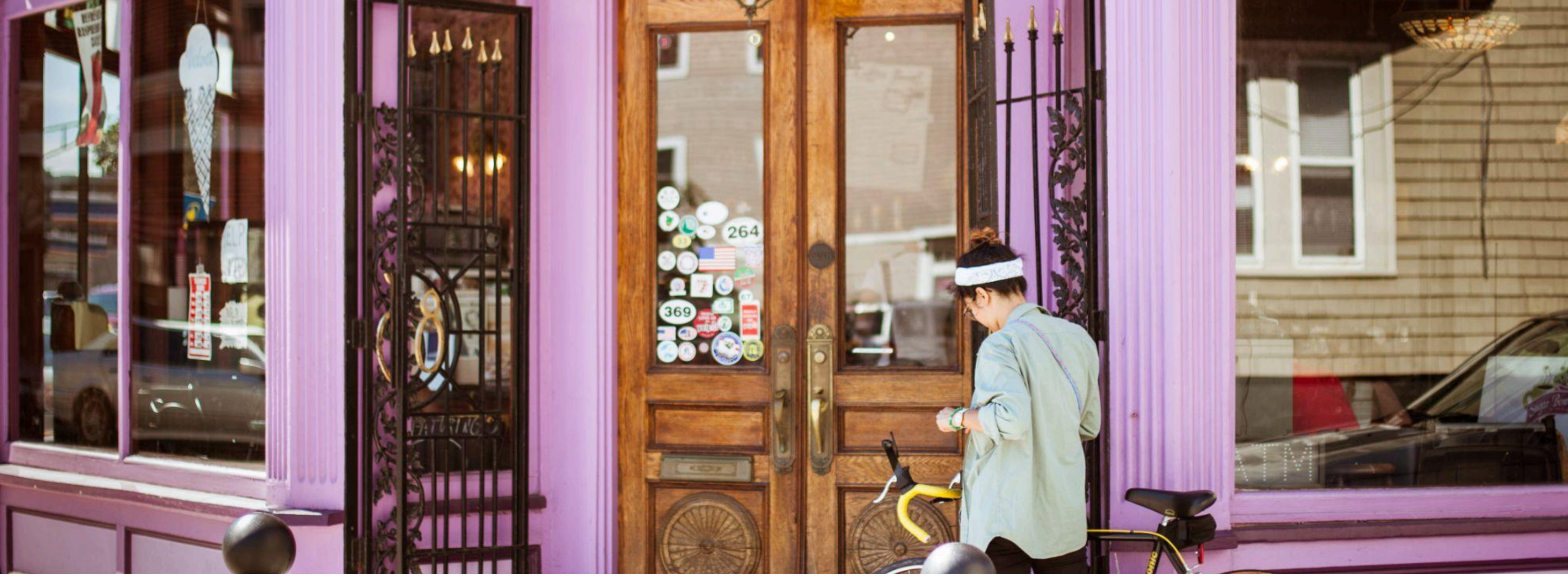


INDUSTRY PROFILES 2025: RETAIL SECTOR

City of Boston Planning Department Research Division

RETAIL SECTOR DESCRIPTION AND DEFINITION

The broadly defined retail sector consists of retail stores (NAICS codes 44-45), food services (NAICS code 722), and other services (NAICS code 81), including personal care and repair/maintenance services. The broad retail sector includes 7,140 business establishments in Boston that employ 98,341 workers, accounting for 27.6% of business establishments and 25.7% of employment.

RETAIL TRADE

There were 2,050 retail stores in Boston in 2023. Of these, 625 are food and beverage stores, 41 of which are 7-Elevens. Star Market, Roche Brothers, Stop & Shop, and Whole Foods are other large employers among food and beverage stores. Of the retail stores in Boston, 239 are health and personal care stores (48 CVS and 18 Walgreens). In terms of establishment employment, other major retailers include Parkway Honda, Herb Chambers BMW of Boston, The Home Depot, Saks Fifth Avenue, Neiman Marcus, New Balance Athletics, Converse, and Winston Flowers.

NUMBER OF JOBS BY RETAIL TRADE INDUSTRY
2024

Source: Lightcast 2022, City of Boston Planning Department Research Division Analysis.

FOOD SERVICES AND DRINKING PLACES

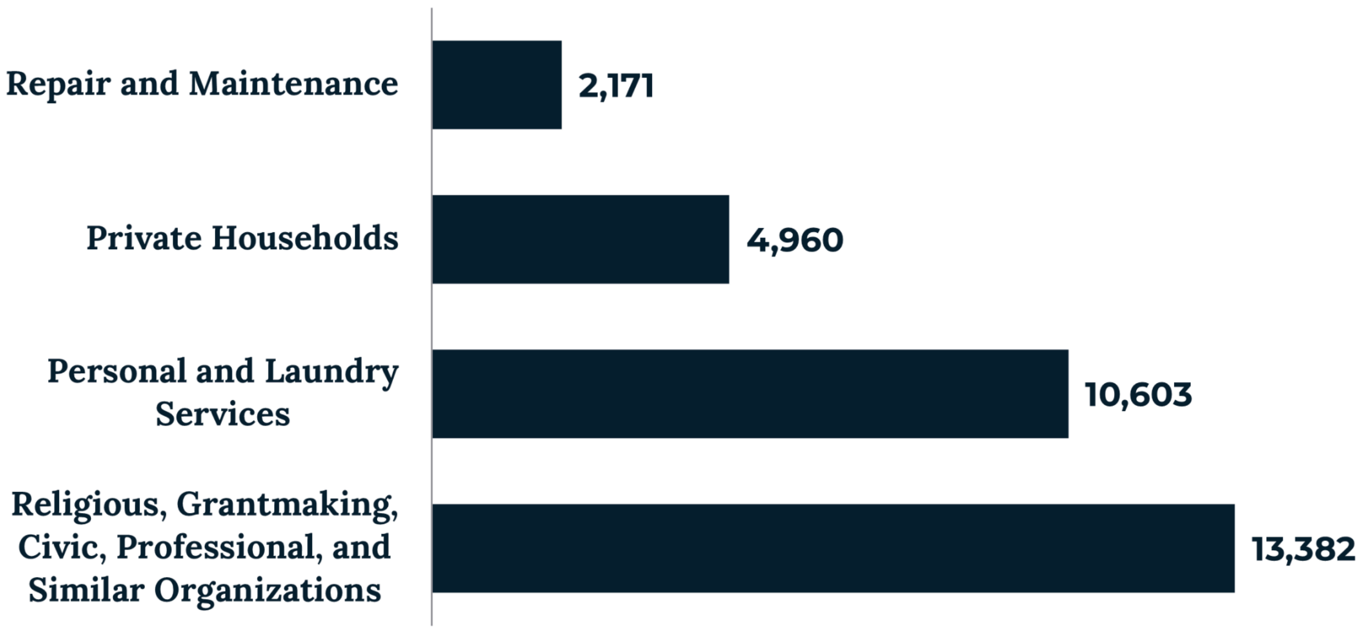
In 2023, there were 2,140 food service establishments in Boston, employing 48,601 workers. Avenue One, Clink, Max Ultimate Food, Inc, Gourmet Caterers, Bleacher Bar, and State Room are major employers among food service establishments. In terms of chain establishments, Dunkin' Donuts dominates with 144 locations in Boston, compared to 55 Starbucks, 20 Subway, 18 McDonalds, and 13 Domino's establishments.

OTHER SERVICES, INCLUDING PERSONAL AND LAUNDRY SERVICES AND REPAIR AND MAINTENANCE

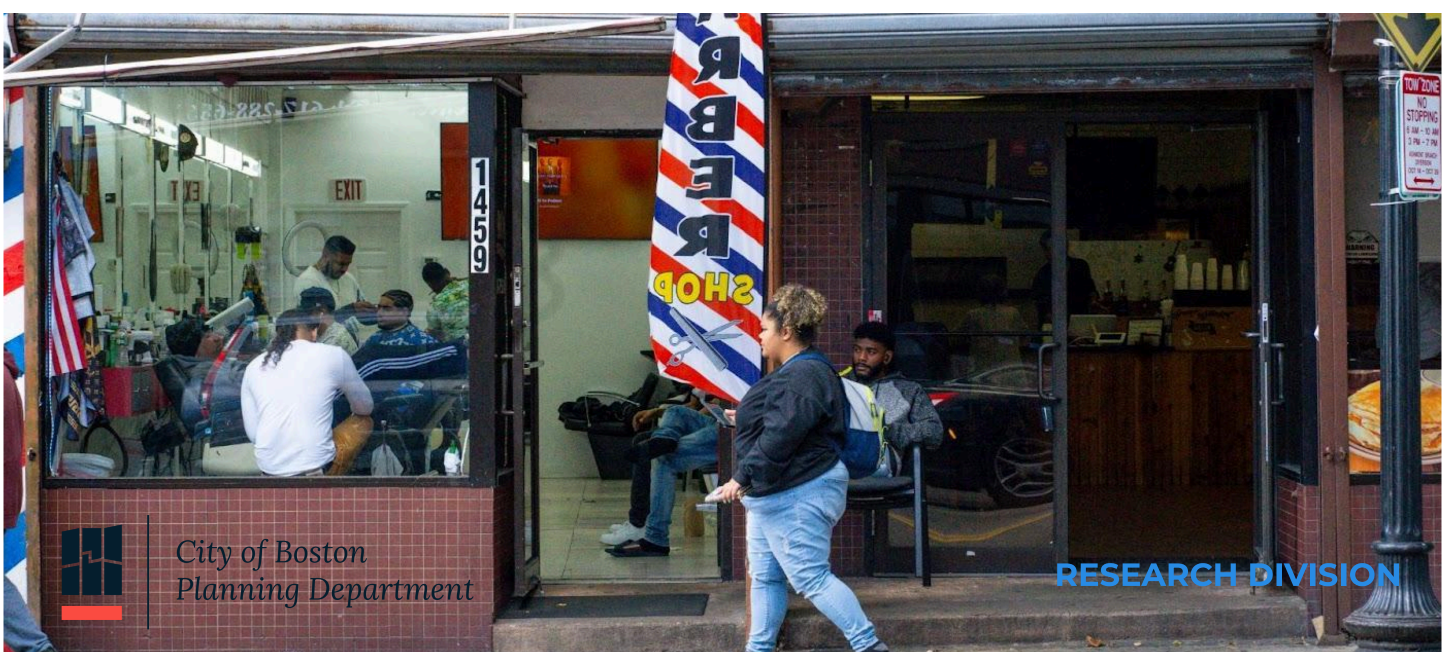
There were 2,950 “other services” establishments in Boston in 2023. Vpne Parking Solutions and Commercial Cleaning Service are major employers among “other services” establishments. There are several large parking chains in Boston, including SP+ Parking (27 locations), Standard Parking (12 locations), Pilgrim Parking (11 locations), and LAZ Parking (11 locations).

NUMBER OF JOBS BY "OTHER SERVICES"

2024



Source: Lightcast 2024, City of Boston Planning Department Research Division Analysis.



CITYWIDE RETAIL TRENDS

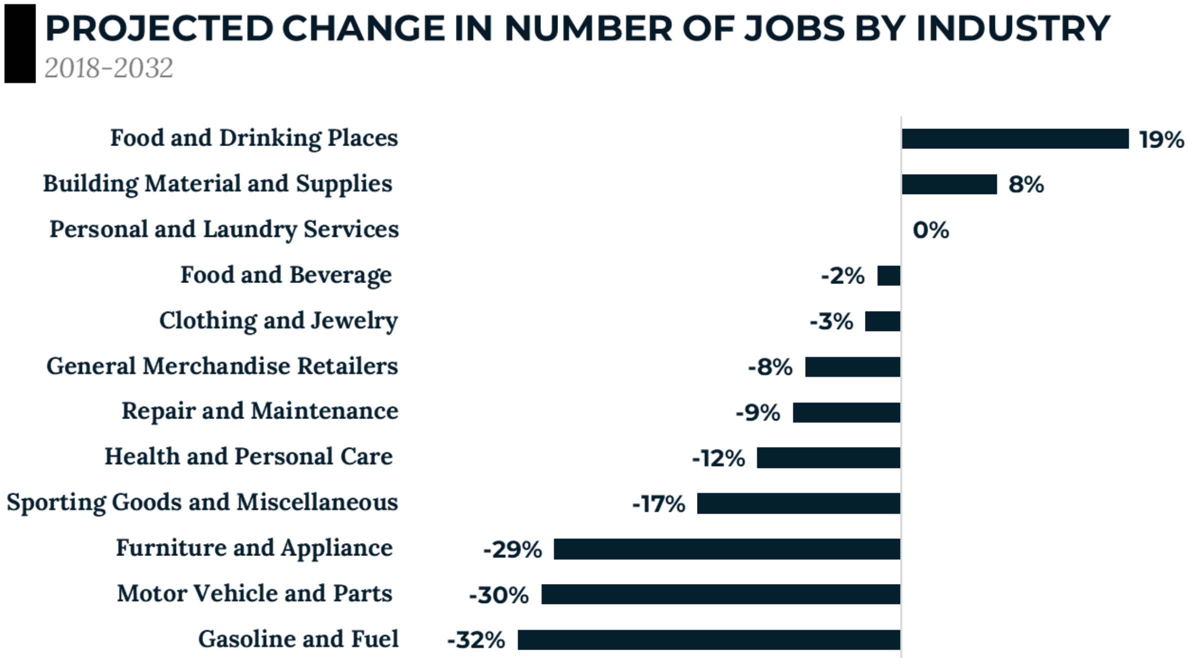
Short-term Pandemic Shocks to Retail

Brick-and-mortar retail stores have been struggling with competition from online retail stores for several years, and the pandemic accelerated the trend towards online shopping. Additionally, remote and hybrid work trends have reduced the number of commuters frequenting retail stores in Boston commercial districts. Grocery stores, which face less online competition and have always been centered in residential areas, have been growing in employment and sales, but other retail stores have not seen growth. Q1 2025 consumer spending on groceries was 30% higher than in Q1 2019 (adjusted for inflation), while apparel spending was 3.7% higher and eating places spending was 6.9% lower. Accommodation and food service employment fell by over 50% from March to May 2020, but has since recovered to pre-pandemic levels. Restaurant spending data shows a similar trend: Q1 2020 restaurant spending was down 24% from Q1 2019 but Q1 2025 spending was only 6.9% below Q1 2019. The "other services" subsector lost about a third of its jobs in the early pandemic, but has since recovered to almost full pre-pandemic employment.

Citywide, retail average asking rents for new leases have been falling, reaching $30.79 per square foot in April 2025 - 16% lower than April 2019 levels. Meanwhile the citywide retail vacancy rate has remained at just over 2% throughout the pandemic period, in contrast to office vacancy rates which have risen steadily.

Long-term Citywide Projected Decline in Retail Employment except in Restaurants

While the acute phase of the Covid-19 pandemic negatively affected brick-and-mortar retail, the longer-term trends of online shopping and remote office work continue to impact the retail sector. Lightcast projects Boston's employment in most retail sub-sectors to decline citywide from 2018 to 2032. Car-oriented businesses such as gas stations and motor vehicle dealerships will cut employment by about 30%. Home furnishings, electronics, and health/personal care retailers are also projected to cut employment significantly 2018-2032. In a visible example of this trend, Walgreens closed four stores in Boston from November 2022 to January 2024. Food and beverage and clothing stores are projected to see only small declines in employment as most food is purchased in brick-and-mortar stores and many people shop for clothes in person to be able to try them on. Personal care (such as hair and nail salons) and laundry services, which must be done in person, will maintain stable employment. The only retail sub-sectors projected to add significant employment are building and garden supply stores and restaurants. Building materials and plants may be more difficult to buy online and ship, while restaurants clearly offer an in-person experience. Excluding restaurants, employment in retail and “other services” are projected to decline by 9% from 2018 to 2032.



Source: Lightcast 2018-2032, City of Boston Planning Department Research Division Analysis.

Decentralization of Retail Spending away from Commercial Centers

In addition to citywide changes in retail employment, the rise of remote office work has prompted the decentralization of retail shopping from commercial centers.

- **Greater Downtown**

  Greater Downtown, consisting of Downtown, Chinatown, Leather District, West End, North End, and Beacon Hill, is the largest retail area in the city. Greater Downtown includes the stores along Washington Street near Downtown Crossing, the tourist attractions near Quincy Market, the restaurants of Chinatown and the North End, as well as many lunch places and shops catering to commuters. Approximately 32% of Greater Downtown retail businesses are restaurants/food services. The pandemic, and resulting switch to remote/hybrid work, hit Downtown hard. Retail vacancies remain low in Greater Downtown, at 1.7% in Q1 of 2025, but asking rents have fallen 40% from the comparable quarter in 2019. The same trend is seen in Downtown proper. Greater Downtown's share of Boston's in-person consumer spending fell from 21.8% in Q1 2019 to 19.3% in Q1 2025. The fall was greater in Downtown proper which fell from 13.4% of Boston's in-person consumer spending to 10%.

- **Back Bay**

  Back Bay remains a major retail center with ~12% of the city's consumer spending, including the shops and restaurants along Newbury and Boylston Streets and the Prudential Center and Copley Place malls. Approximately 22% of Back Bay retail businesses are restaurants/food services, and 16.5% are clothing stores. Back Bay has specialized in high-end retail and asking retail rents in Back Bay were 116% higher in Q1 2025 than Q1 2019. At the same time, retail vacancy rates rose to 3.9% in Q1 2025 from just 2.5% in Q1 2019 and Back Bay's share of Boston's in-person consumer spending fell by nearly 4 percentage points.

- **Fenway/Longwood**

  Fenway/Longwood accounted for 7.3% of Boston's in-person consumer spending in Q1 2025, down from 10.7% in Q1 2019. Retail attractions in Fenway/Longwood include restaurants and stores catering to visitors to Fenway Park and the many students living in the area. The Landmark Center redevelopment completed in 2024 added substantial retail space to the neighborhood. Approximately 43% of Fenway/Longwood's retail businesses are restaurants/food services. Q1 2025 in-person consumer spending was 25% lower than it was in Q1 2019. However, retail asking rents were 15% higher in Q1 2025 than the comparable quarter in 2019.

- **South Boston Waterfront**

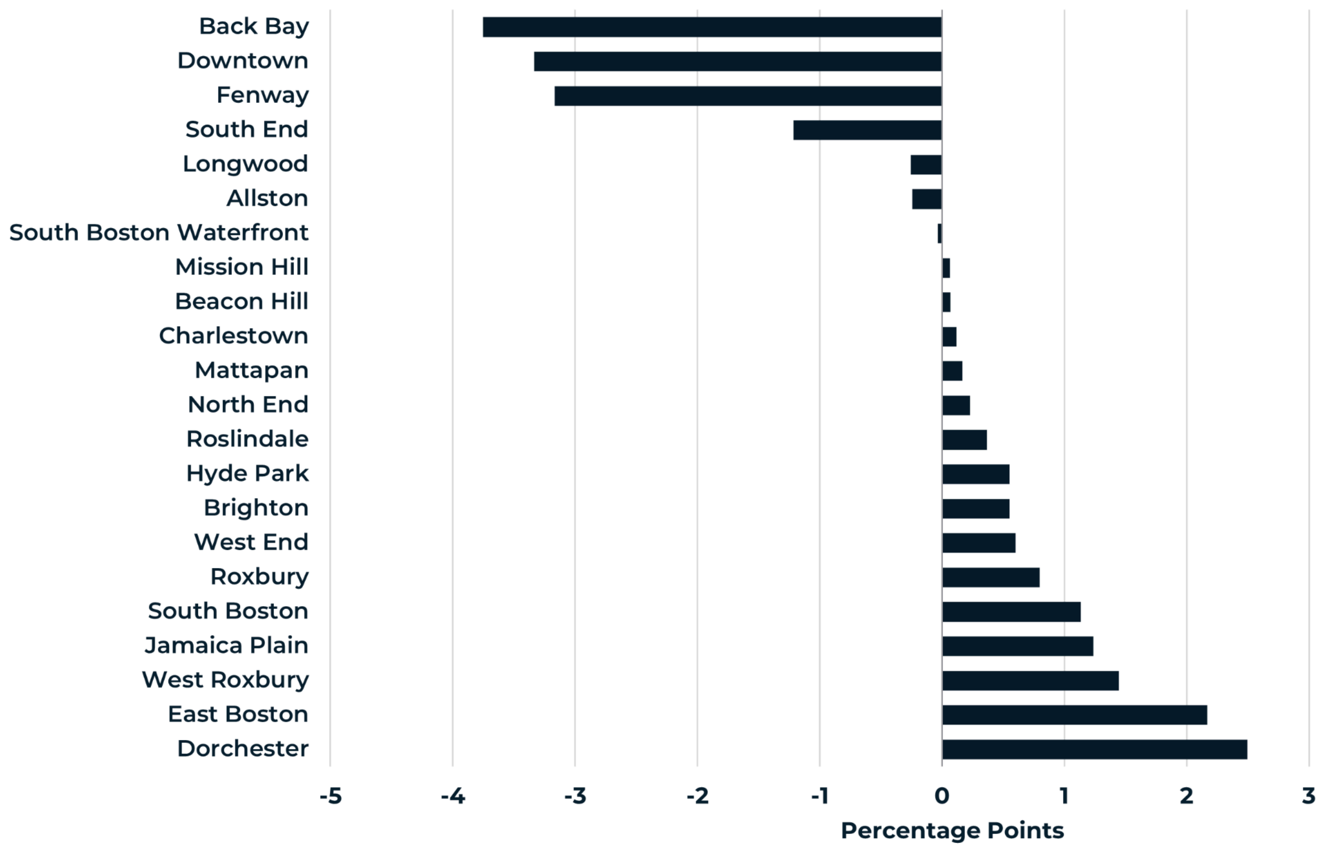
  The South Boston Waterfront has seen incredible growth and redevelopment over the past two decades. Events at the Boston Convention and Exhibition Center (BCEC) draw large numbers of people to the area, supporting local restaurants and stores. Approximately 41% of retail businesses in the South Boston Waterfront are restaurants/food services. While retail in the area was negatively impacted by the pandemic lockdown, the return of conventions and tourism has allowed retail in the Waterfront to recover: in-person consumer spending in Q1 2025 was 6% higher than it was in Q1 2019 and the retail vacancy rate was below 1%.

- **Neighborhood Retail**

  The rise of remote and hybrid office work has encouraged patronage of retail stores and service providers in residential neighborhoods close to workers' homes. In-person consumer spending in West Roxbury, Jamaica Plain, East Boston, Hyde Park, and Roxbury was up more than 38% from Q1 2019 to Q1 2025. In other examples, the retail vacancy rate fell to less than 1% and retail rents grew by over 10% in Brighton, Hyde Park, Charlestown and Mission Hill. The increased share of retail spending in more residential areas highlights the importance of investment in local commercial areas such as Squares and Streets and Main Streets Districts.

CHANGE IN THE SHARE OF BOSTON'S RETAIL SPENDING

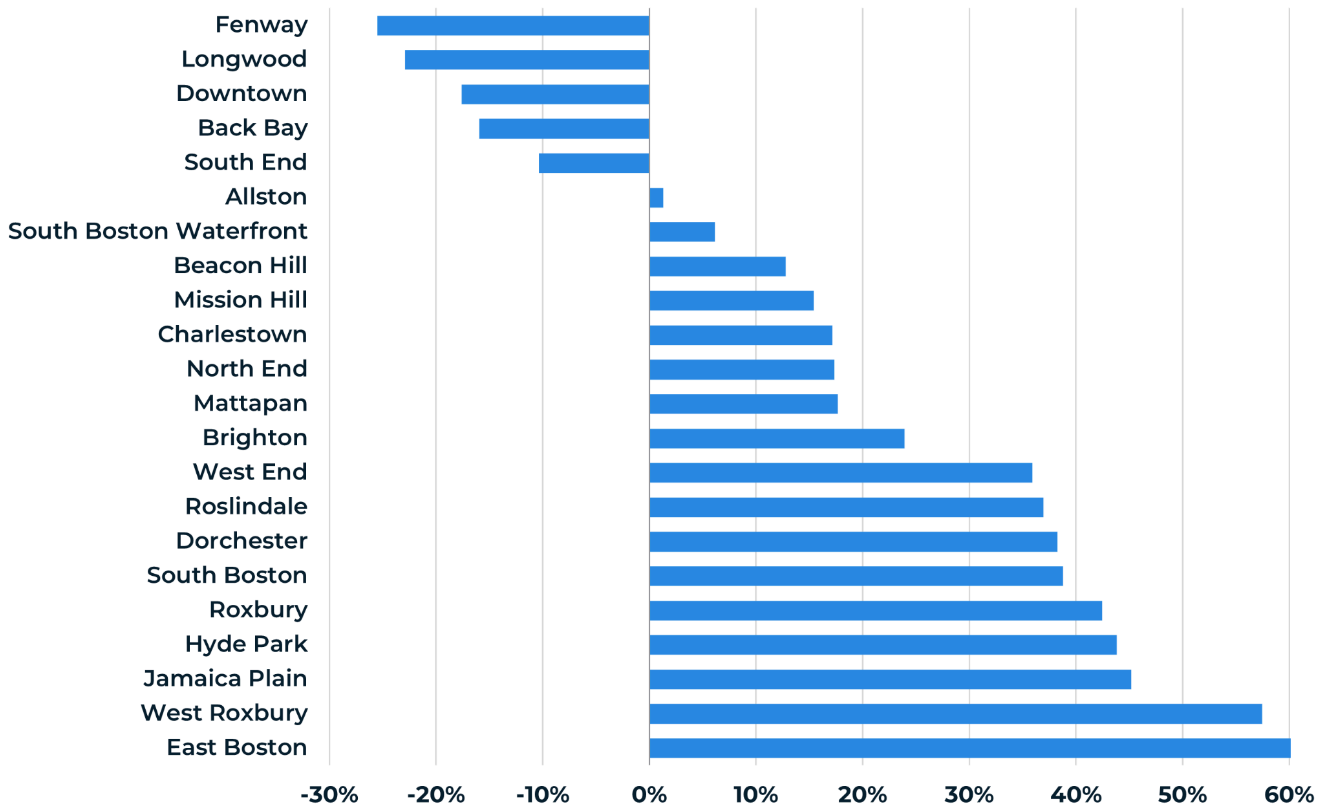
Q1 2019 - Q1 2025



Source: MasterCard Geographic Insights 2019-2025, City of Boston Planning Department Research Division Analysis.

CHANGE IN IN-PERSON CONSUMER SPENDING

Q1 2019 - Q1 2025



Source: MasterCard Geographic Insights 2019-2025, City of Boston Planning Department Research Division Analysis.

NEIGHBORHOOD RETAIL PROFILE

NEIGHBORHOOD	RETAIL VACANCY	RETAIL MARKET ASKING RENT PER SF	PERCENT OF BUSINESSES THAT ARE RETAIL	PERCENT OF RETAIL BUSINESSES THAT ARE NOT CHAINS
East Boston	1.1%	$34.3	40%	90%
Allston	3.1%	$38.9	38%	89%
Roslindale	0.3%	$26.0	37%	90%
North End	1.0%	$55.0	37%	95%
Dorchester	2.2%	$28.6	37%	91%
Fenway	5.1%	$46.5	36%	80%
Mission Hill	0.9%	$39.4	34%	88%
South Boston	2.6%	$35.2	34%	90%
Beacon Hill	3.0%	$54.7	32%	91%
Brighton	2.0%	$38.4	32%	91%
Hyde Park	3.6%	$23.2	32%	90%
Mattapan	5.5%	$24.5	32%	88%
West Roxbury	0.3%	$26.0	31%	88%
Jamaica Plain	2.6%	$34.9	31%	94%
Back Bay	3.9%	$101.2	28%	90%
Roxbury	0.8%	$29.7	28%	94%
South End	0.3%	$45.4	27%	91%
Chinatown	0.0%	$52.5	27%	93%
South Boston Waterfront	0.4%	$50.3	25%	83%
Charlestown	2.5%	$39.8	23%	89%
Longwood	1.3%	$52.2	20%	70%
West End	0.8%	$51.0	19%	80%
Downtown	2.4%	$58.7	18%	87%

Source: CoStar Real Estate Analytics Q1 2025, City of Boston Planning Department Research Division Business Database.

Note: "Chain" stores are those that have more than one location in Boston.

Sources

1. **Consumer spending data:** MasterCard Geographic Insights 2019-2025.
2. **Employment forecasts:** Lightcast, https://lightcast.io/
3. **Real Estate data (vacancies and rent):** CoStar Real Estate Analytics.
4. **Historical Employment and Business Establishments:** Employment and Wage (ES-202) data, https://lmi.dua.eol.mass.gov/lmi/employmentandwages

5. **Data on specific establishments (e.g. 7-Eleven, Avenue One, etc.)**: City of Boston Planning Department Research Division business database (Data Axle, Yelp, Bing, Yellow Pages, Boston Licensing Board), August 2024.

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