Tourists keep downtown shops and eateries busy year-round

With two downtown colleges, a growing downtown residential population and thousands of tourists visiting each week, Charleston, S.C., is never short of retail customers. In particular, the retail sector thrives on King Street, a history-rich corridor running north-south along the peninsula that forms its central business district. Among the new arrivals on King Street are Roberta Roller Rabbit, an upscale boutique for men, women and children; a 3,000-square-foot women’s apparel boutique called Tina Stephens; and national clothier Vineyard Vines, which opened a 5,500-square-foot store.

“It’s almost like you’ve got a regional mall, but it’s a major street in downtown Charleston,” said Elaine Worzala, executive director of Carter Real Estate Center at the College of Charleston. “It has a lot of the national retailers, but also a lot of local, eclectic stores mixed in with unbelievable restaurants.” Worzala credits Mayor Joseph Riley and other city and community leaders with planning and nurturing the growth of the past three decades — relying upon tourism and the city’s historic value to promote retail, restaurant and nightlife development in a city center that had been in decline before the 1980s.

It was tourism that helped downtown retailers stay in business during the recent recession. And with a cruise ship terminal just east of King Street, plus about 1,000 rooms across 10 new hotels slated to open over the next two years, it looks as though tourism will remain the chief growth engine. Local retail demand is growing, however, as new residents move into the downtown, says Worzala.

Recently completed office projects are attracting new employers, adding to the housing, dining and shopping demand already coming from existing workers and from the populations of the College of Charleston and the Charleston School of Law. “The income level of the people coming onto the peninsula over the last five years has changed the character of the peninsula,” Worzala said. “Their incomes are much higher; a lot of people are retiring on the peninsula and have money to go to high-end restaurants.”

The city of Charleston recruits retailers and other employers and tries to match them up with the space available from local landlords and developers, says Mike Seekings, a lawyer who is serving his sixth year on the City Council. This has contributed to explosive growth since 2008, when the city launched its program to improve King Street. Today the downtown market consists of about 75 percent local and regional retailers, with the rest being national or international chains, in keeping with a targeted balance intended to preserve the local character of the business community. “That 75-25 balance is very important to us,” Seekings said, “to keep King Street a locally based and anchored retail, hotel and restaurant corridor and a world-class place to eat, shop and stay.”

Existing retail space is essentially full on King Street and in the surrounding downtown submarket, where the vacancy rate was a scant 1.3 percent in the third quarter of 2014, according to commercial real estate firm NAI Avant. The citywide retail vacancy rate was 7.3 percent in third-quarter 2014 — the most recent data available — and that was down a percentage point from the first quarter. “Three years ago the rents on King Street would have been anywhere from $25 to $35 per square foot,” said Ruth Marie Embler, a senior broker at NAI Avant. “But now we’re seeing in some cases $60 to $65 per square foot.”

--- Matt Hudgins