

Capital Business

Discount stores staking claim in District



By **Danielle Douglas** November 20, 2011

A spate of new leases by discount merchants is signaling a change in the retail landscape of the District, bringing more affordable options to a market that was starting to see an influx of high-end stores.

Just last week, Wal-Mart announced it would [open two more stores](#) than the six it originally had planned for the District. Earlier in the month, [T.J. Maxx signed a lease](#) for 29,000 square feet in the Homer Building at 601 13th St. NW. That deal arrived weeks after Ross Dress for Less opened its first location in the District at 1600 Benning Rd. NE in Hechinger Mall.

“Opportunities to take large spaces in an urban market are few and far between,” said Alexander Levine, vice president of leasing at Ashkenazy Acquisition, the New York-based firm that owns Hechinger Mall. Big-box

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discount retailers “are fortunate enough to seize the opportunity as it comes to market.”

Ross Senior Director of Investor Relations Bobbi Chaville said the company had been looking for years for “an in-fill location” to complement its 26 sites in Washington’s suburbs. The Benning Road store, totaling roughly 30,000 square feet, offered the right amount of space and a convenient location.

For a while, many of the retailers rolling into the nation’s capital, like [All Saints Spitalfields](#), [Rag & Bone](#) and the [Streets of Georgetown](#), came with racks full of high-priced items.

D.C. is by no means brimming with luxury retail, but it seemed the city was heading in that direction. But Cushman & Wakefield broker David Dochter said the new lineup is probably not indicative of a retail shift in the works, but a reflection of market and industry dynamics.

“A lot of discount retailers and the larger boxes have saturated the suburban markets, and they need opportunities for growth,” he explained, adding that more retailers see the District is a viable market for expansion.

There is a “barbell effect [taking place, whereby] you have the discount-oriented retailers that are expanding and doing well and the luxury guys that are doing well, and then there is a middle market that is a little bit lost,” he said.

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