

COMMERCIAL PROPERTY VACANCY REPORT – JULY 2017

Introduction

The City of Charlottesville continues to demonstrate a stable retail property environment. In Charlottesville, all of the City’s shopping centers have lower vacancy rates than the expected national average, which is projected to be at 9.60% in 2017.¹ In fact, the Corner is at 1.61%, Barracks Road Shopping Center is at 4.71%, the Downtown Mall is at 1.57%, McIntire Plaza is at 2.27%, Seminole Square is at 3.33% and Preston Plaza has a 0.00% vacancy rate. Altogether, the City of Charlottesville’s July 2017 vacancy rate is 2.44%, slightly higher than the January 2017 vacancy rate of 1.78%.

Downtown Mall

As established, the vacancy rate for the Downtown Mall has slightly increased to 1.57% since the January 2017 study (1.05%). Based on the definition of vacant, the number of unoccupied storefronts was found to be three out of 191 storefronts. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from January 2017 and July 2017.

TABLE 1.1 DOWNTOWN MALL VACANCIES & VACANCY RATES* ⁺ [^] [@]					
JANUARY 2017 & JULY 2017					
Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jan-17	Jul-17	Jan-17	Jul-17
Main Street & Side Streets	149	0	1	0.0%	0.52%
South Side of Market Street	22	0	0	0.00%	0.00%
North Side of Water Street	20	2	2	10.00%	10.00%
Total	191	2	3	1.05%	1.57%

*Does not include storefronts that have been vacant for less than 2 months, storefronts that are under renovation, or storefronts with pending leases.

⁺ Number of storefronts used to calculate the vacancy rate changed from 191 to 190 in January 2014.

[^] Number of storefronts on Main Street adjusted from 149 to 148 (Draft Taproom expansion) and Market Street (The Common House) increased from 21 to 22 in January 2017.

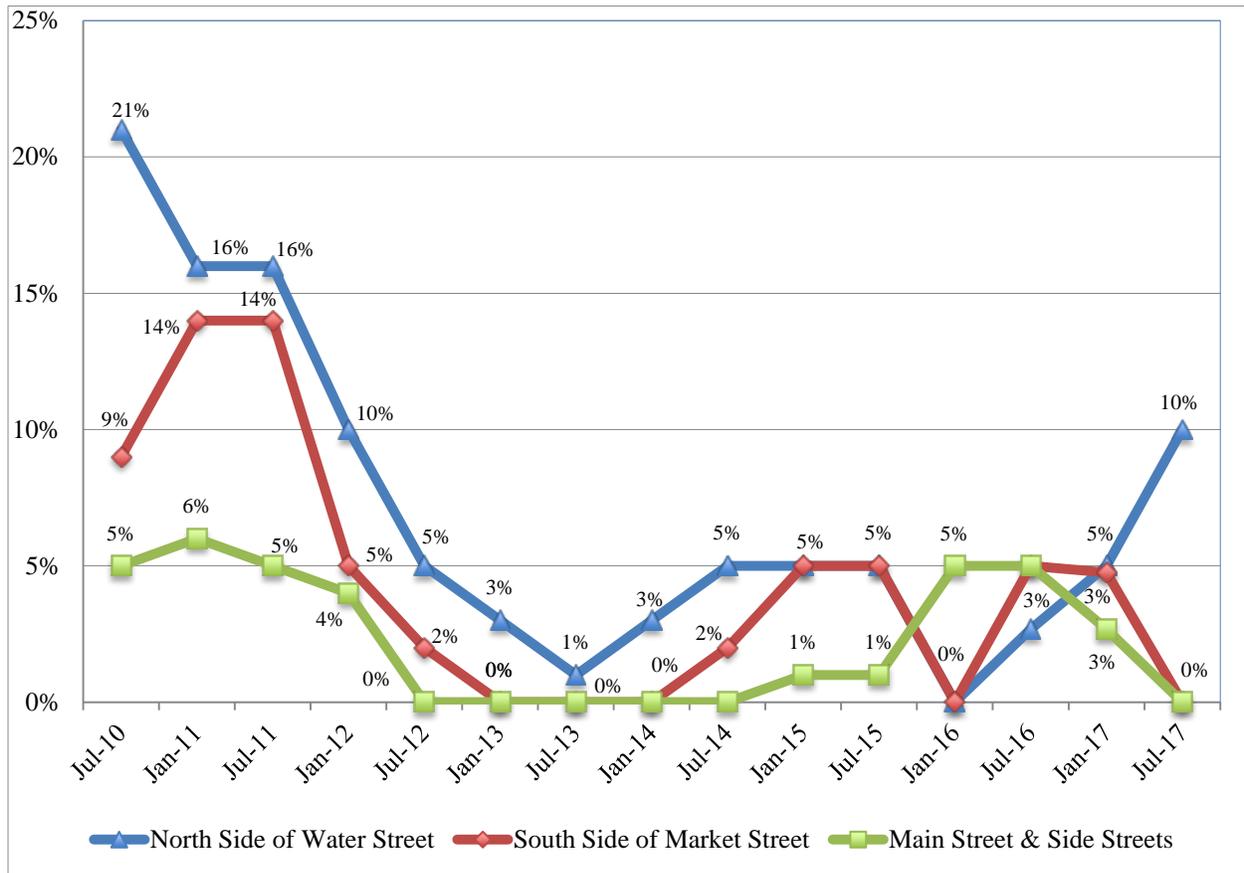
[@] Number of storefronts on Main Street adjusted from 148 to 149 (C & F Bank expansion).

With only three qualifying vacant storefronts out of 191, the Downtown Mall displays a vacancy rate that is significantly lower than the 9.00% peak rate found in both July 2009 and January 2010, during the height of the recession. These trends can be seen in the graph on the following page (Chart 1.1).

Chart 1.1 depicts the Downtown Mall vacancies divided into three main areas: Main Street and the mall side streets, the south side of Market Street, and the north side of Water Street. One vacancy was found on Main Street at 223 W. Main Street (former Eleven Months) and is considered vacant for this study period. Two vacancies were found of the north side of Water Street, to include 201 East Water Street (planned Landmark Hotel) and 111 West Water Street (former Downtown Thai). The building at 201 West Water (former Clock Shop) has been approved for demolition and the property is no longer considered for the purposes of this study. Additionally, no vacancies were found on the South side of Market Street.

¹ “US retail vacancy rate forecast from 2012 to 2017.” Statista 2017

CHART 1.1 Mall Vacancy Rate by Street 07/2010– 07/2017



New Since Last Study

The Downtown Mall, as noted in the previous study, continues to experience a flurry of new activity, with some locations open for business and many scheduled to be occupied. Pawprints Boutique, at 201 E. Main Street, #3 is now open, and C & F Bank has opened at 304 E. Main Street. This building was the former Bank of America and is being subdivided. As a result, one additional storefront was added to the total number for the Downtown Mall. 300 E. Main Street is under lease for Vault Virginia, a co-working space, with construction underway. Renovation plans for that building currently include a restaurant so additional increases to storefronts will occur in future studies. O’Suzannah is moving from 114 4th Street NE to 320 Main Street (former Chalk). 114 4th Street NE will soon be occupied by a new retail business, opening a Charlottesville location. 225 E. Main Street continues to undergo construction, making final improvements for the new tenant. 223 W. Main Street (former My Chocolate Shoppe) and 407 E. Main Street (former The Spectacle Shop) have ceased operations but those changes happened less than two months ago, therefore were not counted as part of this study. The Spectacle Shop merged with the Spectacle Shop Outlet and moved to 410 East Market Street.

*Many businesses have either changed names or have new ownership since our last report. These changes occurred between study periods and did not meet the vacancy criteria. However, those are noted to include, Dovetail Design & Cabinetry (former Albemarle Cabinet Company), Urban Bowl (former Cardamom), Unnamed professional office (former Dragonfly Dreamerz) and Yofina Frozen Yogurt (former Sweet Frogs Frozen Yogurt).

Other Charlottesville Shopping Centers

In addition to the Downtown Mall, five other shopping areas were studied: Barracks Road Shopping Center, The Corner, McIntire Plaza, Preston Plaza, and Seminole Square. Combined, the total vacancy for all shopping centers, excluding the Downtown Mall, is 3.90%, which is well below the national average of 9.60%, and has slightly increased since the last study (2.70%).

Barracks Road Shopping Center's vacancy rate has remained stable, with four vacancies (4.65%) since the last study in January 2017. Three of the vacancies are the former Kate Spade (1045 Emmet Street), which has been closed for eleven months, 2118 Barracks Road (former Neroli Spa), and 945B Emmet Street, between Old Navy and Nike. The fourth vacancy was created at 1114 Emmet Street when GameStop moved locations to 1445 Emmet Street (former Peace Frogs) in February. A few changes are happening in the shopping center not impacting the vacancy rate, as well. B. Good restaurant is opening in North Barracks at 2145 Barracks Road and Chopt is planning on opening in the former Ruby Tuesday space at 1114 Emmet Street.

The Corner's rate also remained the same at 1.61% since the last study. The only vacancy was found at the former St. Maartens location at 1400 Wertland Avenue. New occupancies include The Juice Laundry at 1411 University Avenue (former Natty Beau), Feelin' Saucy at 104 14th Street NW #3 (former Beijing Station), Phil's Steaks will open soon at 1509 University Avenue (former Dunkin' Donuts/Baskin Robbins), and 1517 University Avenue will be a new Sheetz (former Eddy's Tavern).

Two of the most stable areas continue to show impressive rates. Preston Plaza has the lowest vacancy rate of any location, with a vacancy rate of 0.00%, and has held that rate since July 2012. La Poblana Sports Lounge will replace the recently closed M & M Lounge but this change did not impact the vacancy rate. McIntire Plaza still has one vacancy (2.27%) in the shopping center, as Carpet Plus moved from 1739-A Allied Street to another location within the City. Stereotypes now occupies 1713-1 Allied Street, the former space of Charlottesville Brazilian Jiu Jitsu. The former space of MS Event Rentals, at 1739-C Allied Street, was subdivided and is now occupied by Jazzercise and Bluelight Ballroom, respectively.

Finally, Seminole Square has demonstrated a resilient bounce back from the highest rate of 15.79%. The shopping center is undergoing massive changes, as the Hillsdale Drive extension project impacts the center. However, this construction has not impacted the vacancy rate since Seminole Square had a 0.00% rate in January 2017 and currently has a 3.33% rate. This current rate is due to the Scott Wagner Chiropractor and Sports Medicine office moving within the center to 2109 India Road (former Quinn & Farmer Auctions) and a new commercial space added at 309 Hillsdale Drive. Additionally, since the Hillsdale Drive expansion now directly impacts the northern-most section of the shopping center, this section was not counted against the vacancy rate.

Table 1.2 provides an overview of the vacancy counts and rates in the six shopping centers. Overall, vacancy rates across these six commercial areas slightly increased from 1.78% in January 2017 to 2.44% in this study.

For a visual depiction of the vacancies and planned/new occupancies on the Downtown Mall and in non-Downtown Mall shopping centers, please refer to the attached table including vacant storefronts and planned/new occupancy for July 2017. For a map detailing the surveyed areas, please refer to the attachment *Vacancy Report Study Areas*.

TABLE 1.2 VACANCY TOTALS & RATES - ALL SHOPPING CENTERS ¹ January 2016, July 2016, & January 2017							
Area	Total # of Stores	Vacancies			Vacancy Rate		
		Jul-16	Jan-17	Jul-17	Jul-16	Jan-17	Jul-17
Downtown Mall ³	191	6	2	3	3.16%	1.05%	1.57%
Barracks Road ⁴	85	2	4	4	2.22%	4.71%	4.71%
The Corner ⁵	62	3	1	1	4.84%	1.61%	1.61%
Preston Plaza ⁶	8	0	0	0	0.00%	0.00%	0.00%
Seminole Square ⁷	60	4	0	2	7.55%	0.00%	3.33%
McIntire Plaza ⁸	44	0	1	1	0.00%	2.17%	2.27%
Total²	450	15	8	11	3.34%	1.78%	2.44%

¹ Does not include storefronts that have been vacant for less than 2 months, storefronts under renovation, or storefronts with pending leases.

² Number of storefronts used to calculate the total vacancy rate is 451 for Jul 12, 452 for Jan 2013, 450 for Jul 13, 458 for Jan 14, 461 for Jul 14, 460 for Jan 15, 453 for Jan 16, 449 for Jul 16, and 450 for Jul 17.

³ Number of storefronts used to calculate the Downtown Mall vacancy rate is 192 for Jul 12 and Jan 12, 191 for Jul 13, and 190 for Jan 14 and Jul 14, and 191 for Jul 17.

⁴ Number of storefronts used to calculate Barracks Road vacancy rate is 90 for Jul 12, 91 for Jan 13 and Jul 13, 95 for Jan 14 and Jul 14, 91 for Jan 16, 90 for Jul 16, 85 for Jan 17.

⁵ Number of storefronts used to calculate The Corner vacancy rate is 59 for Jan 13, Jul 13, Jan 14, and 62 for Jul 14.

⁶ Number of storefronts used to calculate Preston Plaza vacancy rate is 9 for Jan 16, and 8 for Jul 16.

⁷ Number of storefronts used to calculate Seminole Square vacancy rate is 53 for Jan 13, 52 for Jul 13, and 58 for Jan 14, 58 for Jul 14, 57 for Jan 15, 54 for Jan 16, 53 for Jul 16, 59 for Jan 17 (adjusted for construction), and 60 for Jul 17.

⁸ Number of storefronts used to calculate McIntire Plaza vacancy rate is 48 for Jan 13, Jul 13, and Jul 14 and 47 for Jan 14 and Jul 14, 46 for Jul 16, and 44 for Jul 17.

The following criteria were used to determine the vacancy rate in Charlottesville shopping centers:

- Only ground level storefronts were counted.
- Definitions: For the purposes of this survey, the Downtown Mall was defined as the 8-block pedestrian mall, including storefronts on Main Street, the side streets, the south side of East Market Street and the north side of Water Street. The Corner was defined as all commercial establishments on the seven blocks between Madison Lane (Bank of America) and 12 ½ Street Southwest (Graduate Hotel), including side streets such as Elliewood Avenue. As of the July 2014 study, the storefronts on the block of 14th Street to its intersection with Wertland Street have also been included as part of The Corner. Seminole Square, Barracks Road, McIntire Plaza, and Preston Plaza were each defined as the group of commercial buildings that self-identified as a member of the shopping center.
- Storefronts that have been unoccupied for two or more months were considered vacant.
- Storefronts that are unoccupied due to renovations were *not* considered vacant if there are plans for occupancy once the renovations are complete.
- Storefronts that have been unoccupied for less than two months were *not* considered vacant to allow for normal property use transitions.
- Storefronts that are vacant but have a lease pending/approved were *not* considered vacant.

Vacant Downtown Mall Storefronts & Planned/New Occupancy – July 2017

Downtown Mall: Vacant Storefronts

111 W. Water Street
Former Downtown Thai
 Est. Vac: 6 months



223 W. Main Street
Former Eleven Months
 Est. Vac: 6 months



223 W. Main Street
Former My Chocolate Shoppe
 Est. Vac: < 1 month*



407 E. Main Street
Former Spectacle Shop
 Est. Vac: < 1 month*



201 E. Water Street
Landmark Hotel
 Est. Vac: 8.5 years



Downtown Mall: Planned/New Occupancy

201 E. Main Street, Suite B
Pawprints Boutique
 Now Open



304 E. Main Street
C & F Bank
 Now Open



300 E. Main Street
Former Bank of America
 Est. Occ: Unknown



114 4th Street NE
Former O'Suzannah
 Est. Occ: Unknown



320 Main Street
O'Suzannah
 Est. Occ: August 2017



Vacant Downtown Mall Storefronts & Planned/New Occupancy – July 2017

Downtown Mall: Planned/New Occupancy				
<p>225 E. Main Street <i>Former Rock Paper Scissors</i> Est. Occ: Unknown</p> 				

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2017

Barracks Road: Vacant Storefronts				
<p>945B Barracks Road <i>Newly Remodeled Space</i> Est. Vac: 9 months</p> 	<p>2118 Barracks Road <i>Former Neroli Spa</i> Est. Vac: 10 months</p> 	<p>1045 Emmet Street <i>Former Kate Spade</i> Est. Vac: 11 months</p> 	<p>1114 Barracks Road, Ste B <i>Former GameStop</i> Est. Vac: 4 months</p> 	

Barracks Road: Planned/New Occupancy				
<p>1445 Emmet Street <i>GameStop</i> Now Open</p> 	<p>1114 Emmet Street <i>Chopt</i> Est. Occ: Fall 2017</p> 	<p>2142 Barracks Road <i>B. Good</i> Est. Occ: Summer 2017</p> 	<p>1935 Arlington Boulevard <i>Orangetheory Fitness</i> Now Open</p> 	

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2017

Seminole Square: Vacant Storefronts				
<p>309 Hillsdale Drive <i>Newly Remodeled Space</i> Est. Vac: 3 months</p> 	<p>147 Zan Road <i>Former Dr. Scott Wagner</i> Est. Vac: 3 months</p> 	<p>220 Zan Road <i>Former Kroger Relocation</i> Est. Vac: 1 month*</p> 		

Seminole Square: Planned/New Occupancy				
<p>251 Zan Road <i>Smooth Sailing Ballroom</i> Now Open</p> 	<p>270 Zan Road <i>Ferguson</i> Est. Occ: Fall</p> 	<p>109 India Road <i>Dr. Scott Wagner</i> Now Open</p> 		

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2017

The Corner: Vacant Storefronts

<p>1400 Wertland Street <i>St. Maartens</i> Est. Vac: 9 months</p> 				
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The Corner: Planned/New Occupancy

<p>104 14th Street NW, Suite 3 <i>Feelin' Saucy</i> Est. Occ: Summer 2017</p> 	<p>1411 University Avenue <i>The Juice Laundry</i> Now Open</p> 	<p>1517 University Avenue <i>Sheetz (Fuel Free)</i> Est. Occ: Fall 2017</p> 	<p>1509 University Avenue <i>Phil's Steaks</i> Est. Occ: Fall 2017</p> 	
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Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2017

McIntire Plaza: Vacant Storefronts

1739-A Allied Street
Former Carpet Plus
 Est. Vac: 3 months



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McIntire Plaza: Planned/New Occupancy

1713-1 Allied Street
Stereo Types
 Now Open



1739-C Allied Street
Jazzercise
 Now Open



1739-D Allied Street
Blue Light Ballroom
 Now Open



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Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2017

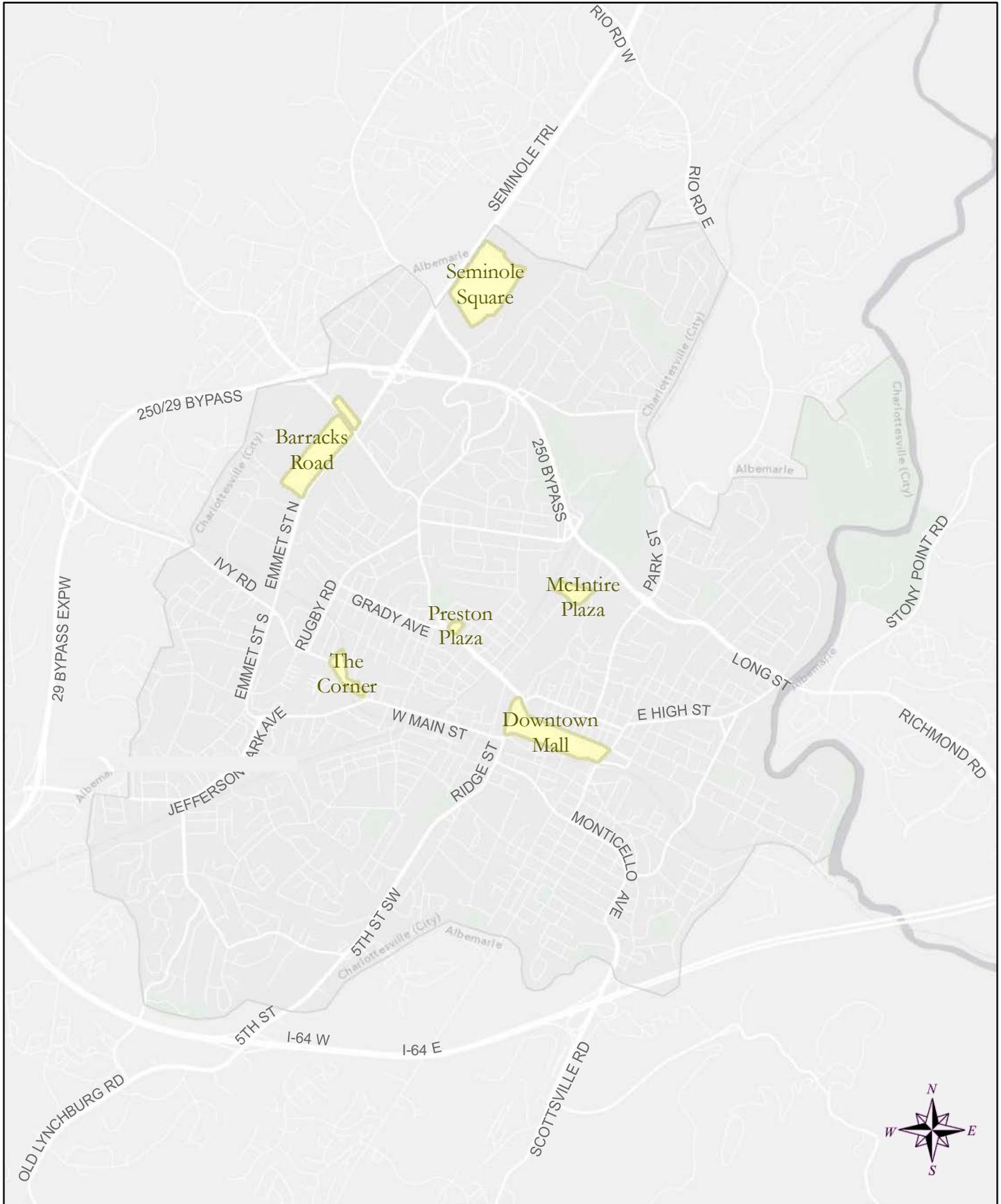
Preston Plaza: Planned/New Occupancy				
<p>917 Preston Avenue Suite B <i>La Poblanita</i> Est. Occ: Unknown</p>				
				

*Indicates storefront has been vacant for less than two months, therefore not meeting the vacancy minimum

“Est. Vac” is defined as “Estimated Time of Vacancy”

“Est. Occ” is defined as “Estimated Time of Occupancy”

Vacancy Report Study Areas



 Retail Areas