



COMMERCIAL PROPERTY VACANCY REPORT – JANUARY 2020

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 11.40% in 2020.¹ In fact, Barracks Road Shopping Center is at 9.20%, the Downtown Mall is at 0.53%, Seminole Square is at 18.87%, The Corner is at 1.64% and McIntire Plaza and Preston Plaza have a 0.00% vacancy rate. Altogether, the City of Charlottesville’s January 2020 vacancy rate is 4.44%, increased slightly compared to the July 2019 vacancy rate of 4.02%.

Downtown Mall

As established, the vacancy rate for the Downtown Mall has decreased to 0.53% since the July 2019 study (1.05%). Based on the definition of vacant, the number of unoccupied storefronts was found to be one out of 190 storefronts. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from July 2019 and January 2020.

Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jul-19	Jan-20	Jul-19	Jan-20
Main Street & Side Streets	148	1	0	0.68%	0.68%
South Side of Market Street	22	0	0	0.00%	0.00%
North Side of Water Street	20	1	1	5.00%	5.00%
Total	190	2	1	1.05%	0.53%

*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).

Number of storefronts on Water Street adjusted from 20 to 18 (Clock Shop, Escape planned demolition), number of storefronts on Main Street adjusted from 149 to 148 (Carytown Tobacco planned demolition)

Number of storefronts on Water Street adjusted from 18 to 20 (Virginia National Bank Drive Thru and Marie Bette)

With only one qualifying vacant storefront out of 190, 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. There were no vacancies found on Main Street. Urban Outfitters recently ceased operations at 316 E. Main Street but with a new company taking over the space in February 2020, this was not counted against the vacancy rate. Also, Phoenix Pop Up Shop closed at 105 E. Main Street, but since this closing was not more than two months, it was not counted vacant for purposes of this study. The only Downtown Mall vacancy continues to be at 201 E. Water Street. No vacancies were found on the south side of Market Street.

¹ “US retail vacancy rate forecast from 4Q 2018 to 2Q 2020.” Statista 2019

CHART 1.1 Mall Vacancy Rate by Street 01/2013– 1/2020



New Since Last Study

The Downtown Mall, as noted in several previous studies, continues to experience new activity, with many locations open for business and some scheduled to be occupied. In York Place, Cocoa and Spice has opened in their new space at 112 W. Main Street #3. Additionally, Arsenic and Old Lace opened at 105 South Street St in the former Darling Boutique space, as Darling moved down to 115 South Street. Finally, Chakra Healing Center opened at 420 E. Main Street and Lavalier recently opened in their new location at 301 E. Main Street.

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 7.31%, which is well below the national average of 11.40%.

Barracks Road Shopping Center's vacancy rate has increased, with eight vacancies (5.75%) since the last study in July 2019. 945B Emmet Street, between Old Navy and Nike, has been vacant for three years and 1931 B Arlington is for lease. Other vacancies were found at 1044 Emmet Street (formerly J Pedal), 1100 Emmet (formerly Cavalier Tobacco), and 1107A Emmet (formerly Bevello). Also, the CVS at 1137 Emmet Street has been closed for three months, counting for this study. Brixx Pizza at 1133 Emmet Street is now closed but since it closed in December 2019, it was not counted for purposes of this study. In North Barracks Shopping Center, 2120 Barracks Road #10 is vacant after Levy's closed. 1043 Emmet Street will open soon as Spring Street and Mahana Fresh is opening soon in the former Be Good location at 2142 Barracks Road #22.

The Corner's rate remained at one vacancy (1.64%) for this study. 109 14th Street is now vacant as Basil closed three months ago. Pronto will soon open at 104 #4 14th Street, formerly Rev Soup.

Two of the most stable areas continue to show impressive rates. Preston Plaza has had the lowest consistent vacancy rate of any location, with a vacancy rate of 0.00%, and has held that rate since July 2012. McIntire Plaza continued to hold at a 0.00% vacancy rate, the same as July 2018. Construction continues on over 30,000 square feet of new retail space but since construction is not fully complete, only the eight occupied storefronts were added to the total number of available spaces.

Finally, Seminole Square's vacancy rate has remained the same with ten vacancies (18.87%). The former planned Kroger remains vacant at 220 Zan Road, and stores along the north end of the shopping center are now counted as part of this study since the Hillsdale Drive Extension construction project has been completed. In the north wing of Seminole Square 165, 167, and 169 Seminole Court are all currently vacant. The former Bike Factory location (198 Zan Road), which was not counted in the July study, remains vacant, and as is counted for this study. The final vacancy is at 260 Zan Road (formerly Big Lots). Seminole Square has also experienced new openings at 398 Hillsdale Drive (Telegraph Comics) and 194 Zan Road (The Sycamore Tree).

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 increased from 4.02% in July 2019 to 4.44% 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 January 2020. For a map detailing the surveyed areas, please refer to the attachment *Vacancy Report Study Areas*.

TABLE 1.2 VACANCY TOTALS & RATES - ALL SHOPPING CENTERS¹
January 2018, July 2019 & January 2020

Area	Total # of Stores	Vacancies			Vacancy Rate		
		Jan-19	Jul-19	Jan-20	Jan-19	Jul-19	Jan-20
Downtown Mall ³	190	5	2	1	2.62%	1.05%	0.53%
Barracks Road ⁴	87	7	5	8	8.05%	5.75%	9.20%
The Corner ⁵	61	2	1	1	3.28%	1.64%	1.64%
Preston Plaza ⁶	8	0	0	0	0.00%	0.00%	0.00%
Seminole Square ⁷	53	6	10	10	11.32%	18.87%	18.87%
McIntire Plaza ⁸	51	0	0	0	0.00%	0.00%	0.00%
Total²	450	20	18	20	4.47%	4.02%	4.44%

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, 450 for Jul 17, 442 for Jul 18, 448 for Jan 19, and 450 for Jan 2020.

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, 191 for Jul 17, 188 for Jul 18, and 189 for Jan 19.

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, and 87 for Jul 18.

⁵ Number of storefronts used to calculate The Corner vacancy rate is 59 for Jan 13, 62 Jul 14, and 61 for Jan 18.

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), 60 for Jul 17, and 53 for Jul 18 (adjusted for completed construction).

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, 44 for Jul 17, 45 for Jul 18, 49 for Jan 19, and 51 for Jan 2020.

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 Wermland 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.