



COMMERCIAL PROPERTY VACANCY REPORT – JULY 2019

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 2019.¹ In fact, Barracks Road Shopping Center is at 5.75%, the Downtown Mall is at 1.05%, 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 July 2019 vacancy rate is 4.02%, a slight decrease compared with the January 2019 vacancy rate of 4.47%.

Downtown Mall

As established, the vacancy rate for the Downtown Mall has a decrease to 1.05% since the January 2019 study (2.63%). Based on the definition of vacant, the number of unoccupied storefronts was found to be two out of 190 storefronts. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from January 2019 and July 2019.

Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jan-19	Jul-19	Jan-19	Jul-19
Main Street & Side Streets	148	4	1	2.70%	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	5	2	2.63%	1.05%

*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)

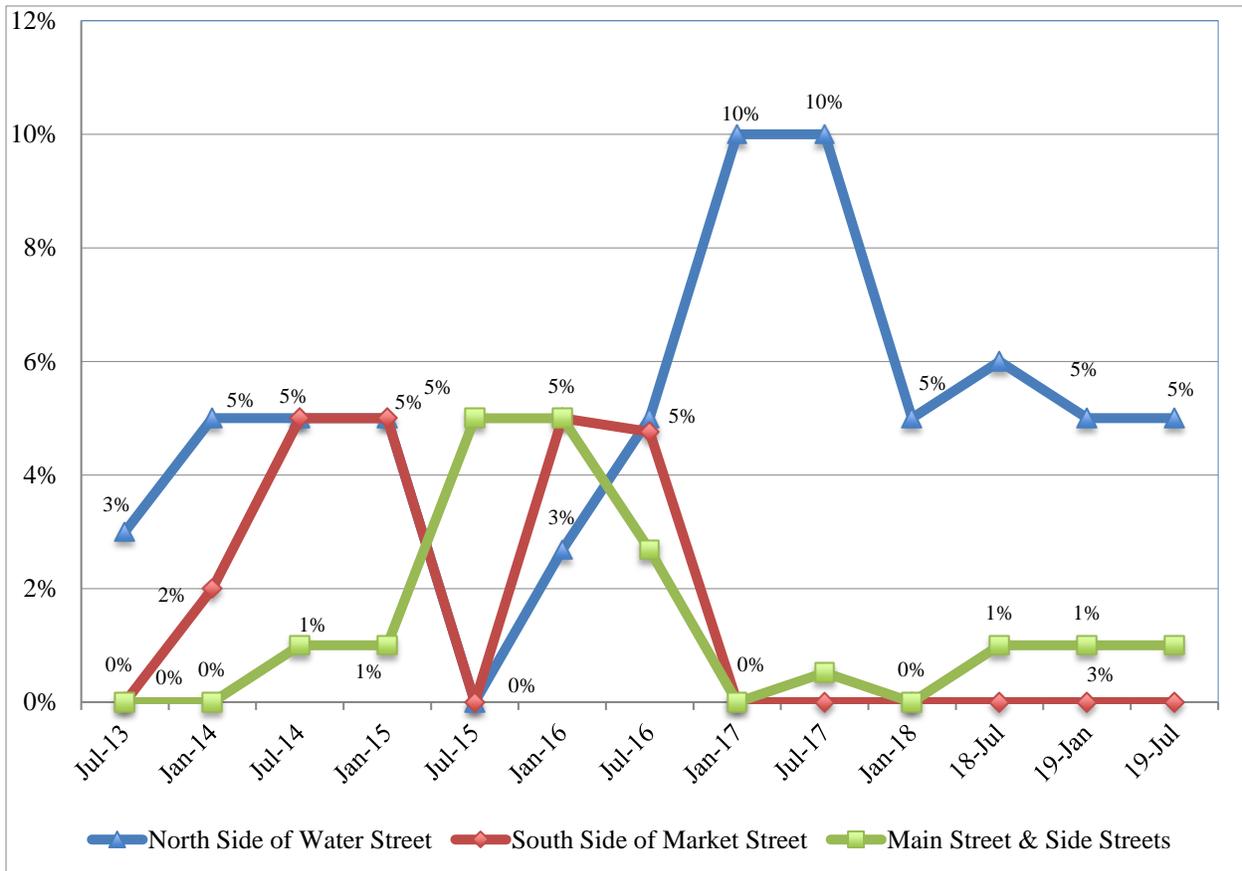
Number of storefronts on Water Street adjusted from 18 to 20 (Virginia National Bank Drive Thru and Marie Bette)

With only two qualifying vacant storefronts 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 is one vacancy found on Main Street: 301 E. Main Street (former Gift Forest). The other vacancy continues to be at 201 E. Water Street (planned hotel). 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 07/2013– 07/2019



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. Wine Design moved into 407 E. Main at the former Honey Ryder location. In York Place, Cocoa and Spice is nearing their grand opening in 112 W. Main Street #3 and the City of Charlottesville has opened a Community Media Center at 112 W. Main Street #9. A new clothing retailer, Phoenix has opened at 105 W. Main Street and Fringe Collective has opened at 103 W. Water Street, the former Chroma Arts location. Finally, Corner Juice will open a new location at 201 E. Main Street, formerly The Juice Place.

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 6.20%, which is well below the national average of 11.40%.

Barracks Road Shopping Center's vacancy rate has decreased, with five vacancies (5.75%) since the last study in January 2019. 945B Emmet Street, between Old Navy and Nike, has been vacant for two and a half years and 1931 B Arlington is for lease. Other vacancies were found at 1107A Emmet (formerly

Bevello) and 1100 Emmet (formerly Cavalier Tobacco). In North Barracks Shopping Center, 2120 Barracks Road #10 is vacant after Levy's closed. 1041 Emmet Street is now occupied with Athleta opening for business, and Fluffy's Pet Shop opened at 1117 Emmet Street. Finally, 1931 A Arlington Boulevard is now occupied by Zoom Training and open for business.

The Corner's rate decreased to one vacancy (1.64%) for this study. 101 Elliewood Avenue is vacant now that Duo closed in March. Thyme and Co. now occupies 104 #2 14th Street and Chase Bank has opened a location at 1415 University Avenue.

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 five occupied storefronts were added to the total number of available spaces.

Finally, Seminole Square's vacancy rate has increased to 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 was completed earlier this year. In the north wing of Seminole Square 165, 167, and 169 Seminole Court are all currently vacant. ATA Martial Arts, at 398 Hillsdale Drive, and Total Soccer, 194 Zan Road, have been closed for over a year. New closings, since the last study, include Performance Bike Shop (381 Hillsdale Drive), GNC (190 Zan Road), Bike Factory (198 Zan Road), Chili's (100 Zan Road) and the Cortiva School of Massage (366 Hillsdale Drive). However, Bike Factory closed in June and therefore was not counted as vacant for purposes of this study.

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 4.47% in January 2019 to 4.02% 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 2019. 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 July 2018, January 2018 & July 2019							
Area	Total # of Stores	Vacancies			Vacancy Rate		
		Jul-18	Jan-19	Jul-19	Jul-18	Jan-19	Jul-19
Downtown Mall ³	190	2	5	2	1.06%	2.62%	1.05%
Barracks Road ⁴	87	4	7	5	4.60%	8.05%	5.75%
The Corner ⁵	61	1	2	1	1.64%	3.28%	1.64%
Preston Plaza ⁶	8	0	0	0	0.00%	0.00%	0.00%
Seminole Square ⁷	53	4	6	10	7.55%	11.32%	18.87%
McIntire Plaza ⁸	49	0	0	0	0.00%	0.00%	0.00%
Total²	448	11	20	18	2.49%	4.47%	4.02%

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 and 448 for Jan 19.

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, and 49 for Jan 19

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.