

COMMERCIAL PROPERTY VACANCY REPORT – JANUARY 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 1.05%, McIntire Plaza is at 2.17%, and both Preston Plaza and Seminole Square are at a 0.00% vacancy rate. Altogether, the City of Charlottesville’s January 2017 vacancy rate is 1.78%, the lowest rate since this study began nine years ago.

Downtown Mall

As established, the vacancy rate for the Downtown Mall has decreased to 1.05% since the July 2016 study (3.16%). Based on the definition of vacant, the number of unoccupied storefronts was found to be two out of 190 stores. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from July 2016 and January 2017.

TABLE 1.1 DOWNTOWN MALL VACANCIES & VACANCY RATES*+^					
JULY 2016 & JANUARY 2017					
Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jul-16	Jan-17	Jul-16	Jan-17
Main Street & Side Streets	148	4	0	2.68%	0.00%
South Side of Market Street	22	1	0	4.76%	0.00%
North Side of Water Street	20	1	2	5.00%	10.00%
Total	190	6	2	3.16%	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.

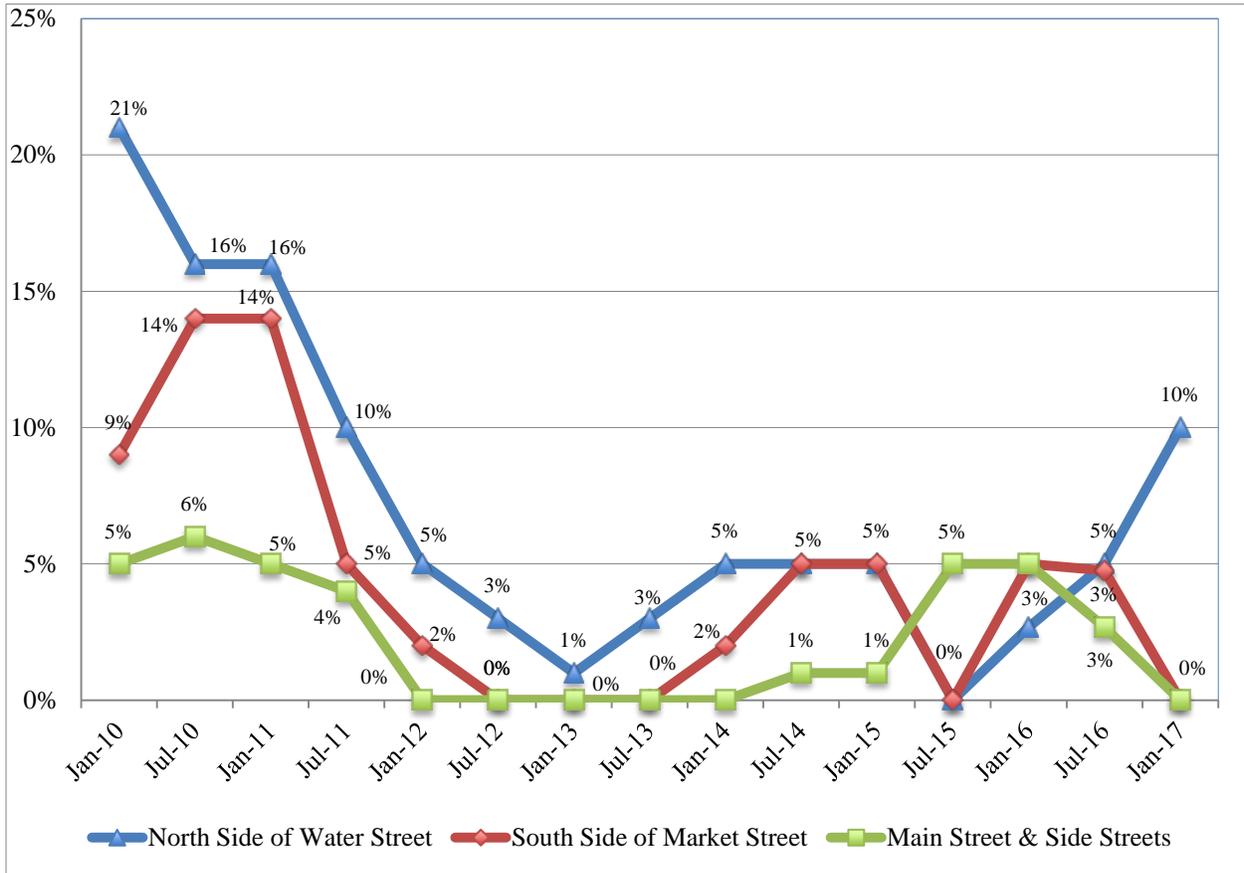
^Number of storefronts on Main Street adjusted from 149 to 148 (Draft Taproom expansion) and Market Street (The Common House) increased from 21 to 22 in January 2017.

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. No vacancies were found on Main Street or the south side of Market Street. Two vacancies were found of the north side of Water Street, to include 201 East Water (planned Landmark Hotel) and 201 West Water (former Clock Shop).

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

CHART 1.1 Mall Vacancy Rate by Street 01/2010– 01/2017



New Since Last Study

The Downtown Mall continues to experience a flurry of new activity since the last study, with some locations open for business and many scheduled to be occupied. Yearbook Taco has closed at 223 W. Main Street and soon will reopen as Eleven Months. The Virginia Democratic Campaign office, VA Dems, has been occupied by Moonlight Collections at 112 W. Main Street #3, and 112 W Main Street #9 is now the offices of the Piedmont Council for the Arts (formerly Oakley’s Gently Used Books). 225 E. Main Street continues undergoing tremendous renovations; therefore it was not counted as vacant for the purpose of this study. Both the West 2nd Sales Gallery (formerly Derriere de Soie) and Brassiere Saison (formerly Jean Theory) have opened at 105 E. Main Street and 111 E. Main Street, respectively. Let It Be Yoga has taken the former Hedge Fine Blooms location at 112 2nd Street NE, and 425 E. Main Street is now occupied by Draft Taproom (the former Just Curry and Commonwealth Reserve locations) at 425 E. Main Street. 102 5th Street is now occupied by the City of Charlottesville (formerly MMM Design), which was vacant for several report iterations. On Market Street, The Common House is finishing work and opening soon at 206 W. Market Street and, The Salad Maker has taken residency at 300 E. Market Street, formerly Betsey Fine Clothes. Finally, The Front Porch has opened in the former Michie Theater at 221 E. Water 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, Lone Light Coffee (former Milli Coffee Roasters), Water Street (former Tempo), Gifts on Main Street (former Lee’s Hallmark), Cardamom (former Mican Sushi), and Roots (former Bella Boutique).

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 2.70%, which is well below the national average of 9.60%.

Barracks Road Shopping Center's vacancy rate has remained relatively stable, increasing slightly from two vacancies (2.22%), to four vacancies (4.71%) since the last study in July 2016. Three of the vacancies are the former Peace Frogs (1145 Emmet Street), which has been closed for four and a half years, 2142 Barracks Road (formerly Whimsies), and 2118 Barracks, (formerly Neroli Spa). The fourth vacancy is the newly created retail space between Old Navy and Nike, at 945B Emmet Street, as that section of the shopping center was adjusted to accommodate the Nike location. A few changes are happening in the shopping center not impacting the vacancy rate. First, Chopt is planning on opening in the former Ruby Tuesday space at 1114 Emmet Street, and Madewell recently opened in the former Beecroft & Bull at 1037 Emmet Street.

The Corner's rate decreased to 1.61% since the last study. The only vacancy was found at the former St. Maartens location at 1400 Wertland. New occupancies include Red Eye Cookie Co. at 104 14th Street NW #2 (former Campus Cookies), Beijing Station at 104 14th Street NW #3 (former Subway), a new restaurant at 1509 University Avenue (former Dunkin' Donuts/Baskin Robbins), and #17 Elliewood is now another HackCville location (former UnCommon leasing office). The former Eddy's location at 1517 University Avenue will have a new business opening soon and Poke Sushi and Zip Chicken have opened at 101 and 105 14th Street NW, respectively. Finally, the Graduate Charlottesville Hotel is expanding into the former Jimmy John's on University Avenue.

Two of the most stable areas continue to show impressive rates. Preston Plaza has the lowest vacancy rates of any location, with a vacancy rate of 0.00%, and has held that rate since July 2012. McIntire Plaza has slightly increased its former 0.00% vacancy rate, as Charlottesville Brazilian Jiu Jitsu has relocated within the same shopping center. As a result, the current rate is one vacancy, at 2.17%.

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 now has a 0.00% rate. This low rate can be attributed to several factors. First, the Hometown Learning Center has recently opened at 259 Zan Road, adjacent to Bill May Realty. Secondly, the planned relocation and expansion of Kroger, which will now occupy the former locations of Ashley Furniture, ACE Shoe Repair, Crystal Cleaners, Mykonos Café, Performance Bike and Cici's Pizza has taken over several locations. Additionally, since Hillsdale Drive 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 decreased from 3.34% in January 2016 to 1.78% 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 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		
		Jan-16	Jul-16	Jan-17	Jan-16	Jul-16	Jan-17
Downtown Mall ³	190	5	6	2	2.63%	3.16%	1.05%
Barracks Road ⁴	85	1	2	4	1.10%	2.22%	4.71%
The Corner ⁵	62	2	3	1	3.23%	4.84%	1.61%
Preston Plaza ⁶	8	0	0	0	0.00%	0.00%	0.00%
Seminole Square ⁷	59	7	4	0	12.96%	7.55%	0.00%
McIntire Plaza ⁸	46	0	0	1	0.00%	0.00%	2.17%
Total²	449	15	15	8	3.31%	3.34%	1.78%

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, and 461 for Jul 14, 460 for Jan 15, 453 for Jan 16, 449 for Jul 16.

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.

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, and 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, and was readjusted for construction to 59.

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 and 46 for Jul 16.

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 – January 2017

Downtown Mall: Vacant Storefronts

201 E Water Street
Landmark Hotel
 Est. Vac: 8 yrs.



201 W. Water Street
Former Clock Shop & Comics
 Est. Vac: 7 mos.



Downtown Mall: Planned/New Occupancy

112 W. Main Street #3
Moonlight Collections
 Now Open



112 W. Main Street #9
Piedmont Council for the Arts
 Now Open



105 E. Main Street
West 2nd Sales Gallery
 Now Open



111 E. Main Street
Brassiere Saison
 Now Open



112 2nd Street NE
Let It Be Yoga
 Now Open



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

Downtown Mall: Planned/New Occupancy				
<p>425 E. Main Street <i>Draft Taproom</i> Now Open</p> 	<p>102 5th Street NE <i>City of Charlottesville</i> Now Open</p> 	<p>300 E. Main Street <i>Common House</i> Est. Occ: Early 2017</p> 	<p>300 E. Main Street <i>The Salad Maker</i> Now Open</p> 	<p>221 E. Water Street <i>The Front Porch</i> Now Open</p> 

Downtown Mall: Planned/New Occupancy				
<p>225 E. Main Street <i>Former Rock Paper Scissors</i> Est. Occ: Unknown</p> 	<p>223 W. Main Street <i>Eleven Months</i> Est. Occ: Spring 2017</p> 			

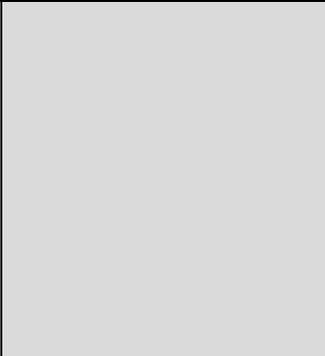
Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2017

Barracks Road: Vacant Storefronts				
<p>1145 Emmet Street <i>Former Peace Frogs</i> Est. Vac: 4.5 yrs.</p> 	<p>2142 Barracks Road <i>Former Whimsies</i> Est. Vac: 4 mos.</p> 	<p>2118 Barracks Road <i>Former Neroli Spa</i> Est. Vac: 4 mos.</p> 	<p>945B Barracks Road <i>Newly Remodeled Space</i> Est. Vac: 3 months</p> 	

Barracks Road: Planned/New Occupancy				
<p>1037 Emmet Street <i>Madewell</i> Now Open</p> 	<p>1114 Emmet Street <i>Chopt</i> Est. Occ: Spring 2017</p> 			

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

Seminole Square: Planned/New Occupancy

<p>259 Zan Road <i>Hometown Learning Center</i> Now Open</p> 	<p>220 Zan Road <i>Kroger</i> Est. Occ: Early 2018</p> 	<p>270 Zan Road <i>Ferguson</i> Est. Occ: Unknown</p> 	<p>2109 India Road <i>Dr. Scott Wagner</i> Est. Occ: Unknown</p> 	
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Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2017

The Corner: Vacant Storefronts				
<p>1400 Wertland Street <i>St. Maartens</i> Est. Vac: 3 mos</p> 				

The Corner: Planned/New Occupancy				
<p>104 14th Street NW, Suite 3 <i>Beijing Station</i> Now Open</p> 	<p>105 14th Street NW <i>Zip Chicken</i> Now Open</p> 	<p>101 14th Street NW <i>Poke Sushi</i> Now Open</p> 	<p>17 Elliewood Avenue <i>HackCville</i> Now Open</p> 	<p>104 14th Street NW, Suite 2 <i>Red Eye Cookie Co.</i> Est. Occ: February 2017</p> 

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

The Corner: Planned/New Occupancy				
<p>1509 University Avenue <i>Former Dunkin' Donuts/Baskin Robbins</i> Est. Occ: Summer 2017</p> 	<p>1517 University Avenue <i>Former Eddy's</i> Est. Occ: Unknown</p> 	<p>1309 W. Main Street <i>Graduate Hotel Expansion</i> Est. Occ: Summer 2017</p> 		

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

McIntire Plaza: Vacant Storefronts

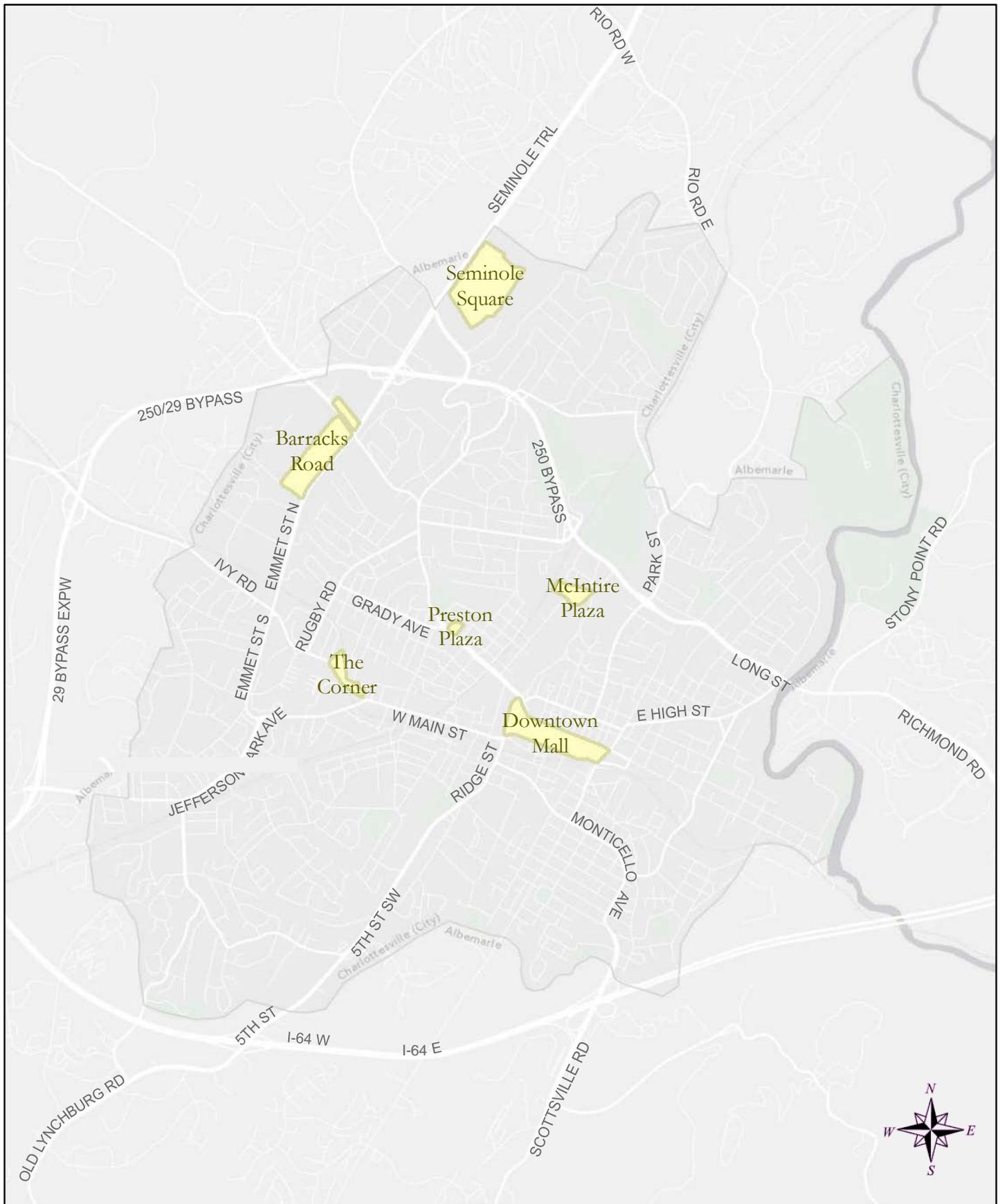
<p>1713-1 Allied Street <i>Former Charlottesville</i> <i>Brazilian Jiu Jitsu</i> Est. Vac: 6 months</p> 				
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*Indicates storefront has been vacant for less than two months, therefore not meeting the vacancy minimum

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

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

Vacancy Report Study Areas



 Retail Areas