

## COMMERCIAL PROPERTY VACANCY REPORT – JULY 2015

### Introduction

The City of Charlottesville continues to demonstrate a stable retail property environment. In Charlottesville, almost all of the city’s shopping centers have lower vacancy rates than the expected national average, which is projected to fall to 9.60% in 2015.<sup>1</sup> In fact, the Corner is at 1.61%, Downtown Mall is at 4.21%, Barracks Road Shopping Center is at 7.37%, McIntire Plaza is at 0.00%, and Preston Plaza is at 0.00%. Seminole Square is the exception with a 15.79% vacancy rate. Altogether, the City of Charlottesville’s July 2015 vacancy rate is 5.43%, which is a slight increase from the overall vacancy rate of 3.91% in January 2015.

### Downtown Mall

As established, the vacancy rate for the Downtown Mall has increased to 4.21% since the January 2015 study (2.11%). Based on the definition of vacant, the number of unoccupied storefronts was found to be eight out of 190 stores. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from January 2015 and July 2015.

Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jan-15	Jul-15	Jan-15	Jul-15
Main Street & Side Streets	150	2	8	1.30%	5.33%
South Side of Market Street	21	1	0	4.76%	0.00%
North Side of Water Street	19	1	0	5.26%	0.00%
<b>Total</b>	<b>190</b>	<b>4</b>	<b>8</b>	<b>2.11%</b>	<b>4.21%</b>

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

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

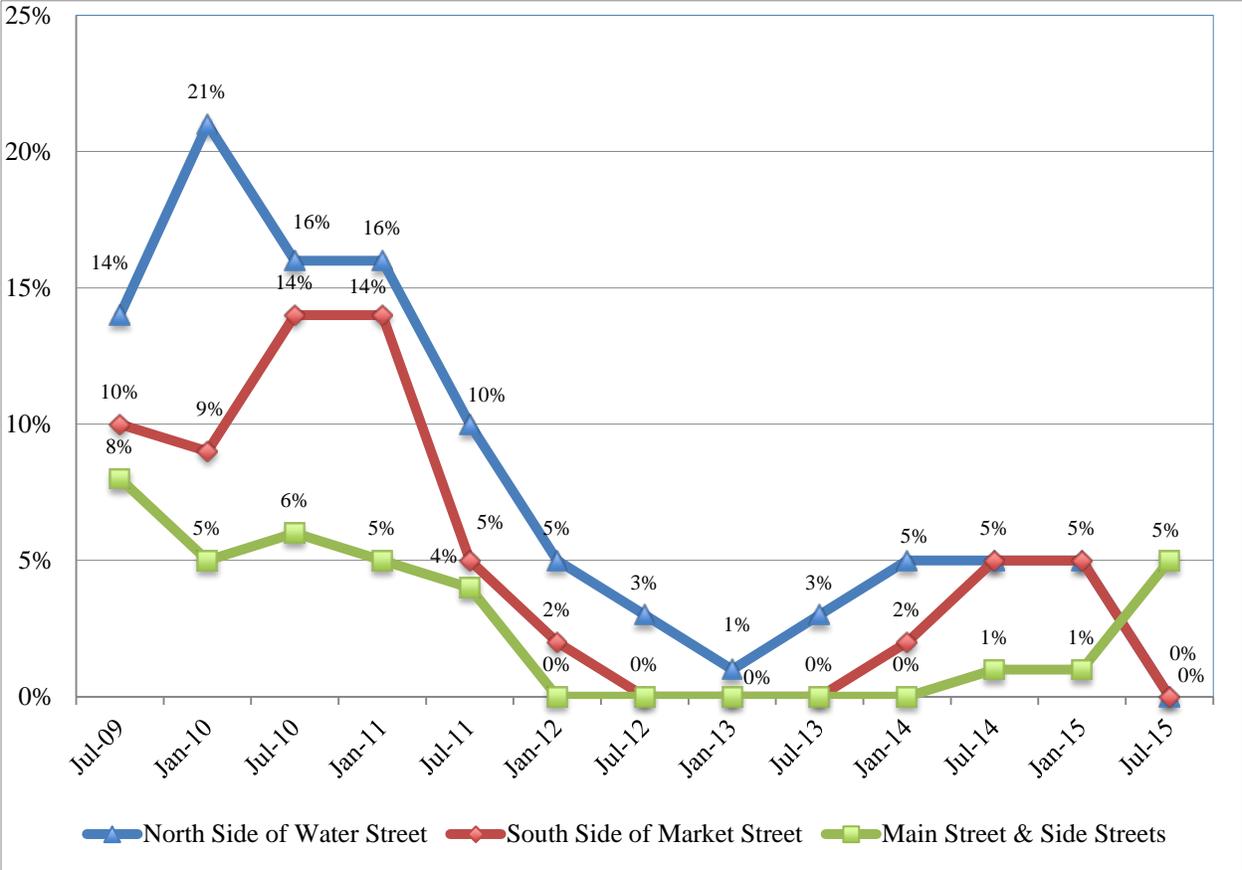
With only eight qualifying vacant storefronts out of 190, the Downtown Mall displays a vacancy rate that is significantly lower than the 9.00% peak rate found in both July 2009 and January 2010 during the height of the recession. These trends can be seen in the graph on the following page (Chart 1.1).

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. For this study, vacancies were only found to be on Main Street and the side streets of the mall, with Water and Market Streets only populated with current or planned occupancies. This includes 102 5<sup>th</sup> Street NE (former MMM Design Group), 115 4<sup>th</sup> Street NE (former Peking Restaurant), 225 East Main Street (former Rock Paper Scissors), 211 West Main Street (former Sage Creations), 111 East Main Street (former Jean Theory:), 112 West Main Street Suite 12, 414 West Main Street (Landmark Hotel), 218 West Main Street (former The Mole Hole), and 103 3<sup>rd</sup> Street NE (former Cappellino’s Crazy Cakes). The former location of Jean

<sup>1</sup> “US retail vacancy rate forecast from 2010 to 2015.” Statista 2015

Theory: was not included in the data due to the location being vacant for less than two months. Jean Theory: is now open at its new location on West Water Street.

**CHART 1.1 Mall Vacancy Rate by Street 07/2009 – 07/2015**



***New Since Last Study***

Several stores have expanded or moved locations on the Downtown Mall, and some new spaces are scheduled to be occupied. Kilwins is planning to open a new location at 313 East Main Street. The space formerly occupied by Eppie’s, at 412 East Main Street, will be replaced by Miso Sweet. Violet Crown Cinema is scheduled to open this fall at 200 West Main Street. Albemarle Cabinet is now open at 309 East Market Street. The planned Cville Juice location at 201 East Main Street continues to display a building permit and therefore is not considered to be vacant for this study. Light House Studio purchased 220 West Market Street, the former location of Vinegar Hill Theater and Camino Restaurant, with plans to reopen the theater as a filmmaking center.

### *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 6.30%, which is still below the national average of 9.60%.

Barracks Road Shopping Center's vacancy rate has increased to 7.37% after the 4.21% rate in January 2015. Penelope and Phenix Salon Suites, the two planned occupancies in the January 2015 study, have opened and continue to be in business. Lily Rain will open soon at 1043 Emmet Street, formerly Slice Pizza. Four locations from the January 2015 study continue to be vacant into this summer. Padow's Deli has been closed for three and a half years at 2156A Barracks Road, both Peace Frogs (1145 Emmet Street) and Quizno's Subs (1101 Emmet Street) have been close for three years, and Crème de la Crème (2138 Barracks Road) has been closed for two years. Trade (2124 Barracks Road) and Cups (973B Emmet Street) have closed their doors since the last vacancy study, and Penelope moved out of its former location at 2160 Barracks Road to 2146 Barracks Road.

The Corner has a lower vacancy rate at 1.61%. This has been the same for 12 months, with the single vacant store being the former Student Bookstore at 1515 University Avenue, which has been vacant for almost 18 months. However, there have been a few changes in the new and planned occupancies on the Corner. The Red Roof Inn has been replaced by Graduate Hotel at 1309 West Main Street, which is now open. Roots Natural Kitchen, a restaurant focused on health eating, has opened at 1329 West Main Street. The future Police Substation is still under renovation, just as it was in the January study. Campus Cookies has finished renovations and expects to open in August 2015, when the UVA fall semester begins. High Peak Sportswear left their location on the Corner at 1409 University Avenue on July 1<sup>st</sup>, therefore not meeting the vacancy minimum.

Preston Plaza and McIntire Plaza have the lowest vacancy rates of any area, each with a vacancy rate of 0.00%. Preston Plaza has had a vacancy rate of 0.00% since July 2012. McIntire Plaza has had a 0.00% vacancy rate since January 2013. However, there is a new occupancy (Cloud Cabin Arts) in McIntire Plaza at 1719B Allied Street.

Finally, Seminole Square's vacancy rate has stayed the same at 15.79%. As noted in previous studies, due to the continual subdivision of existing storefronts, the total number of storefronts had increased from 52 to 57. Six of the nine vacant stores have been noted in the January survey, those being 167 Seminole Court (former Pet Forum), 165 Seminole Court (former Cav Rentals), 242 Zan Road (former Dover Saddlery), 259 Zan Road, 246 Zan Road (former Fashion Bug), and 206 Zan Road (former Blockbuster). Downtown Athletic Store closed its doors at 199 Zan Road on April 30<sup>th</sup>. The two other new vacancies include the former Boy Scout Shop at 169 Seminole Court and 208 Zan Road (former tenant unknown). Costco Wholesale opened up a temporary office at 151 Seminole Court, taking over the former Enterprise Rent-A-Car location. Sushi King is planning to open in August at 171 & 183 Seminole Court, the former Asian Fusion Buffet Sushi & Grill.

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 3.91% in January 2015 to 5.43% 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 2015. 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 <sup>1</sup> July 2014, January 2015, & July 2015							
Area	Total # of Stores	Vacancies				Vacancy Rate	
		Jul-14	Jan-15	Jul-15	Jul-14	Jan-15	Jul-15
Downtown Mall <sup>3</sup>	190	3	4	8	1.58%	2.11%	4.21%
Barracks Road <sup>4</sup>	95	4	4	7	4.21%	4.21%	7.37%
The Corner <sup>5</sup>	62	1	1	1	1.61%	1.61%	1.61%
Preston Plaza	9	0	0	0	0.00%	0.00%	0.00%
Seminole Square <sup>6</sup>	57	7	9	9	12.07%	15.79%	15.79%
McIntire Plaza <sup>7</sup>	47	0	0	0	0.00%	0.00%	0.00%
<b>Total<sup>2</sup></b>	<b>460</b>	<b>15</b>	<b>18</b>	<b>25</b>	<b>3.25%</b>	<b>3.91%</b>	<b>5.43%</b>

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

<sup>2</sup> 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 and 460 for Jan 15.

<sup>3</sup> 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.

<sup>4</sup> Number of storefronts used to calculate Barracks Road vacancy rate is 90 for Jul 12, 91 for Jan 13 and Jul 13, and 95 for Jan 14 and Jul 14.

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

<sup>6</sup> 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 2014 and 57 for Jan 15.

<sup>7</sup> 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.

***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 14<sup>th</sup> 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 2015

Downtown Mall: Vacant Storefronts				
<p><b>414 W. Main Street</b>  <i>Landmark Hotel</i>                      Est. Vac: 6.5 yrs.</p> 	<p><b>115 4<sup>th</sup> Street NE</b>  <i>Former Peking Restaurant</i>                      Est. Vac: 9 mos.</p> 	<p><b>225 E. Main Street</b>  <i>Former Rock Paper Scissors</i>                      Est. Vac: 6 mos.</p> 	<p><b>211 W. Main Street</b>  <i>Former Sage Creations</i>                      Est. Vac: 2 mos.</p> 	<p><b>111 E. Main Street</b>  <i>Former Jean Theory:</i>                      Est. Vac: 1 mos.*</p> 

Downtown Mall: Vacant Storefronts				
<p><b>112 W. Main Street, Suite 12</b>  <i>York Place</i>                      Est. Vac: unknown</p> 	<p><b>218 W. Main Street</b>  <i>Former The Mole Hole</i>                      Est. Vac: 5 mos.</p> 	<p><b>103 3<sup>rd</sup> Street NE</b>  <i>Former Cappellino's Crazy Cakes</i>                      Est. Vac: 4 mos.</p> 	<p><b>102 5<sup>th</sup> Street NE</b>  <i>Former MMM Design Group</i>                      Est. Vac: 8 mos.</p> 	

## Vacant Downtown Mall Storefronts & Planned/New Occupancy – July 2015

Downtown Mall: Planned/New Occupancy				
<p><b>220 W. Market Street</b>  <i>Light House Studio</i>                      Est. Occ: Fall 2015</p> 	<p><b>201 E. Main Street</b>  <i>Unknown</i>                      Under Renovation</p> 	<p><b>101 E. Water Street</b>  <i>Jean Theory:</i>                      Now Open</p> 	<p><b>309 E. Water Street</b>  <i>Albemarle Cabinet</i>                      Now Open</p> 	<p><b>200 W. Main Street</b>  <i>Violet Crown Cinema</i>                      Est. Occ: Fall 2015</p> 

Downtown Mall: Planned/New Occupancy				
<p><b>412 E. Main Street</b>  <i>Miso Sweet</i>                      Est. Occ: Fall 2015</p> 	<p><b>313 E. Main Street</b>  <i>Kilwins</i>                      Est. Occ: Fall 2015</p> 			

## Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2015

Barracks Road: Vacant Storefronts				
<p><b>2156A Barracks Road</b>  <i>Former Padow's Deli</i>                      Est. Vac: 3.5 yrs.</p> 	<p><b>2138 Barracks Road</b>  <i>Former Crème de la Crème</i>                      Est. Vac: 2 yrs.</p> 	<p><b>1145 Emmet Street</b>  <i>Former Peace Frogs</i>                      Est. Vac: 3 yrs.</p> 	<p><b>2124 Barracks Road</b>  <i>Former Trade</i>                      Est. Vac: 5 mos.</p> 	<p><b>1101 Emmet Street</b>  <i>Former Quizno's Subs</i>                      Est. Vac: 3 yrs.</p> 

Barracks Road: Vacant Storefronts				
<p><b>2160 Barracks Road</b>  <i>Former Penelope</i>                      Est. Vac: 5 mos.</p> 	<p><b>973B Emmet Street</b>  <i>Former Cups</i>                      Est. Vac: 3 mos.</p> 			

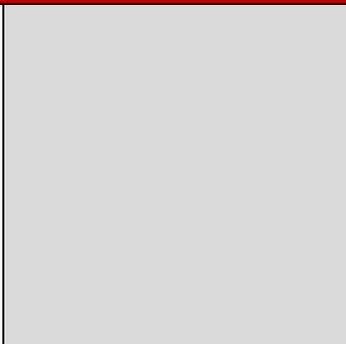
Barracks Road: Planned/New Occupancy				
<p><b>1043 Emmet Street</b>  <i>Lily Rain</i>                      Est. Occ: Oct. 2015</p> 				

## Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2015

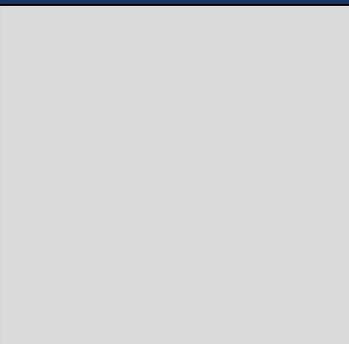
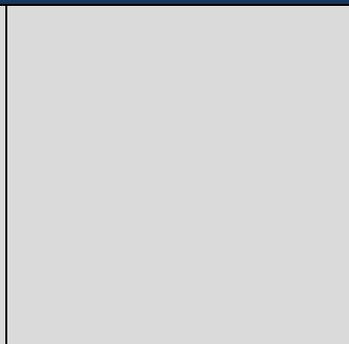
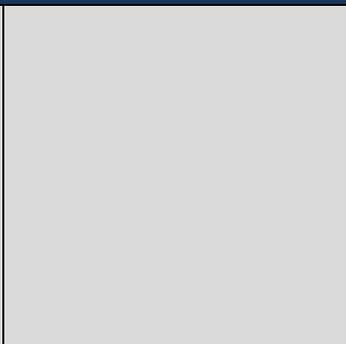
### Seminole Square: Vacant Storefronts

<p><b>169 Seminole Court</b> Former Boy Scout Shop Est. Vac: 3 mos.</p> 	<p><b>208 Zan Road</b> Former Tenant Unknown Est. Vac: 3 mos.</p> 	<p><b>167 Seminole Court</b> Former Pete's Pet Forum Est. Vac: 1.5 yrs.</p> 	<p><b>259 Zan Road</b> Former Tenant Unknown Est. Vac: 1 yr.</p> 	<p><b>246 Zan Road</b> Former Fashion Bug Est. Vac: 1.5 yrs.</p> 
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### Seminole Square: Vacant Storefronts

<p><b>165 Seminole Court</b> Former Cavalier Rentals Est. Vac: 2 yrs.</p> 	<p><b>206 Zan Road</b> Former Blockbuster Est. Vac: 3 yrs.</p> 	<p><b>242 Zan Road</b> Former Dover Saddlery Est. Vac: 1.5 yrs.</p> 	<p><b>199 Zan Road</b> Former Downtown Athletic Store Est. Vac: 2 mos.</p> 	
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### Seminole Square: Planned/New Occupancy

<p><b>171 &amp; 183 Seminole Court</b> Sushi King Est. Occ: Aug 2015</p> 	<p><b>151 Seminole Court</b> Costco Wholesale Now Open</p> 			
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## Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2015

The Corner: Vacant Storefronts				
<p><b>1515 University Avenue</b> Former Student Bookstore Est. Vac: 1.5 yrs.</p> 	<p><b>1409 University Avenue</b> High Peak Sportswear Est. Vac: 1 mo.*</p> 			

The Corner: Planned/New Occupancy				
<p><b>1309 W. Main Street</b> Graduate Hotel Now Open</p> 	<p><b>104 14<sup>th</sup> Street NW, Suite 2</b> Campus Cookies Reopen Aug. 2015</p> 	<p><b>1413 University Avenue</b> Police Substation Under Renovation</p> 	<p><b>1329 W. Main Street</b> Roots Natural Kitchen Now Open</p> 	

## Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – July 2015

### McIntire Plaza: Planned/New Occupancy

1719-B Allied Street  
*Cloud Cabin Arts*  
Now Open



\*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

