



COMMERCIAL PROPERTY VACANCY REPORT – JULY 2021

Introduction

While this is the twenty seventh study conducted by the Office of Economic Development, this specific study period experienced a flurry of activity not seen in nearly all other study periods over the last thirteen years. The retail property in the City of Charlottesville is showing signs of rebounding from the negative impacts felt since the immediate onset of the COVID-19 pandemic. In Charlottesville, all of the City’s six shopping centers experienced a vacancy rate decrease since the January 2021 study. Barracks Road Shopping Center decreased to 9.30%, the Downtown Mall declined to 3.21%, and The Corner is now at 1.63%. Seminole Square’s vacancy rate decreased to 14.81% while McIntire Plaza and Preston Plaza posted a 0.00% vacancy rate. Altogether, the City of Charlottesville’s July 2021 vacancy rate is 5.14%, a decrease since the January 2021 study, with a vacancy rate of 7.66%.

Downtown Mall

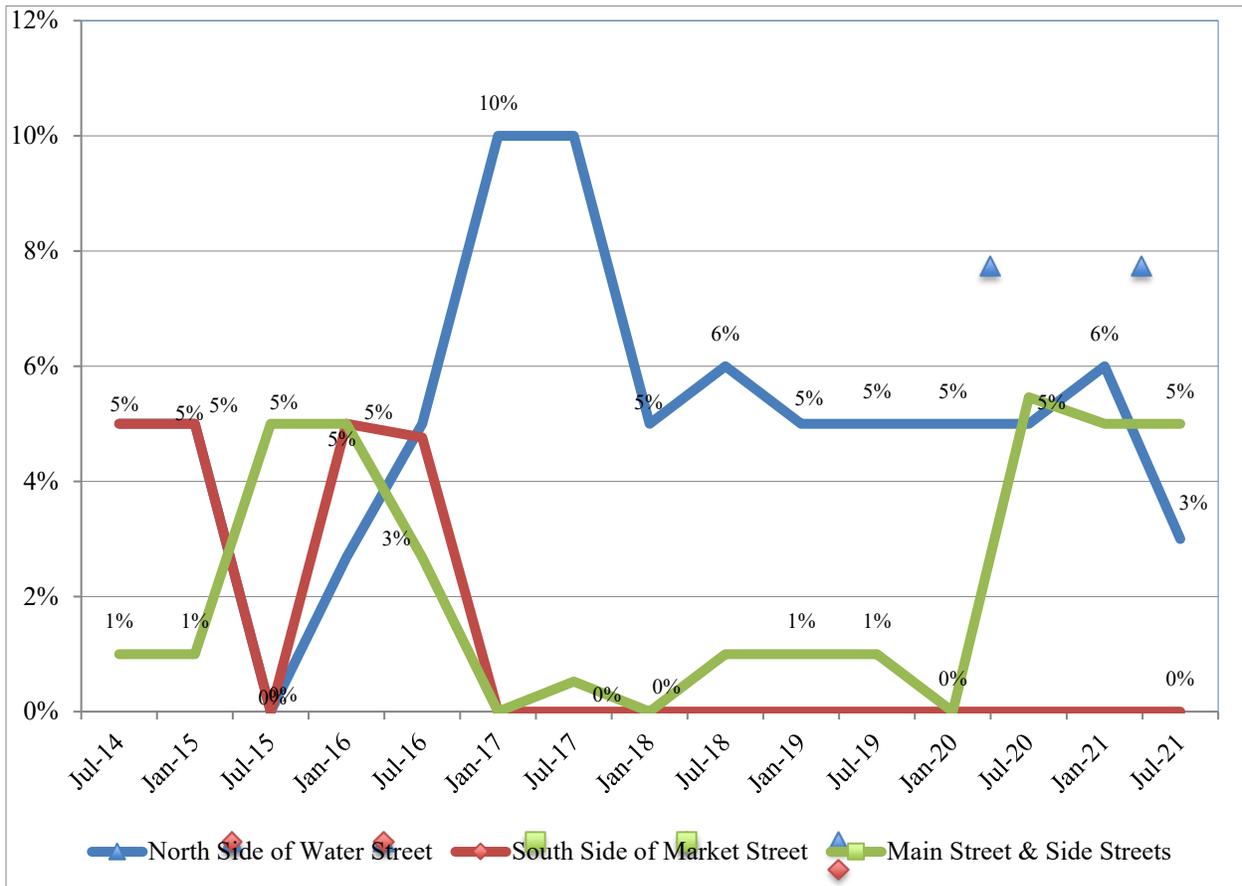
As established, the vacancy rate for the Downtown Mall has decreased to 3.21% since the January 2021 study (5.32%). Based on the definition of vacant, the number of unoccupied storefronts was found to be six out of 187 storefronts. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from January 2021 and July 2021.

Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jan-21	Jul-21	Jan-21	Jul-21
Main Street & Side Streets	145	9	5	6.25%	3.45%
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	187	10	6	5.32%	3.21%

With six qualifying vacant storefronts out of 187, 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 five vacancies found on Main Street and the side streets; 114 4th Street (formerly Omo Tattoo & Massage), 200 W. Market Street (formerly Fellini’s), 507 E. Main 107 (formerly Bashir’s Taverna), 107 W. Main Street (formerly Spring Street), and 201 W. Main Street (formerly The Downtown Grille). The only vacancy on Water Street continues to be at 201 E. Water Street. No vacancies were found on the south side of Market Street.

CHART 1.1 Mall Vacancy Rate by Street 07/2014 – 7/2021



New Since Last Study

The Downtown Mall experienced quite a bit of activity with new retailers opening and commercial office spaces relocating. 508 E. Main Street (formerly Joseph, Joseph, Joseph & Joseph) is now occupied by the Cinema Skate Shop and at 411 E. Main Street (formerly The Shoe Store Next Door) Ma Nah Ma Nah is opening soon. Next door at 413 E. Main (formerly Boutique Boutique) a new tenant has signed a lease and it will be announced soon. Crush Pad Wines has opened at 118 W. Main Street (formerly J. Fenton Gifts) and Tilla's Accessories has opened 119 W. Main Street (formerly Treasures Through Time). Stella's Soul Food has opened at 112 W. Main inside York Place and Vita Nova will soon be relocating to the former Impeccable Pig location at 321 B E. Main Street. Finally, The Bradbury will occupy the former location of Prime Steakhouse at 300 E. Main Street. Additionally, there are five other vacant locations on the Mall but are not counted for purposes of this study since they do not fit within the predetermined standards set in 2008 of locations needing to be formerly retail locations vacant for more than two months. Those current locations are 316 E. Main Street (Silverchair), 420 A. W Main Street (Conscious Capitalist Foundation), 308 E. Main Street (C-ville Weekly), and 201 E. Main Street (Manchester Capital). Finally, the vacancy at 407 E. Main Street was not counted for this study since Alakazam Toys moved out last month and is back into their permanent location. Also of note, 102 5th Street is now home to Powe Studio Architects and has been removed as an eligible location for purposes of this study.

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 6.54%, which is well below the national average of 13.90% (forecasted in October 2019)¹.

Barracks Road Shopping Center's vacancy rate has decreased, with eight vacancies (9.30%) since the last study in January 2021 (11.49%). Vacancies were found at 1044 Emmet Street (formerly J Pedal), 1127A (formerly Francesca's), 1133 Emmet Street (formerly Brixx Pizza), 1137 Emmet Street (formerly CVS), 1143 Emmet Street (formerly Bubbles Salon), and 1931 B Arlington Blvd. In North Barracks Shopping Center, 2130 Barracks Road is vacant after Sweet Frogs closed and 2136 Barrack Road is now vacant after Lilly Pulitzer closed. American Eagle is now open between Nike and Old Navy at 945 B Emmet Street and Penelope has moved again to 1100 Emmet Street. Ralph Sampson's American Taproom will soon open at the former Zinburger location at 973 Emmet Street.

The Corner's vacancy rate decreased to one vacancy (1.63%) for this study since the Sheetz location has closed 1517 University Avenue. 105 14th Street is now Moge Tee and 107 14th Street is Inka Grill. Also, Sammy's on the Corner will open at 1427 University Avenue and 1571 University is the planned location for a new Chipotle.

Preston Plaza quickly filled their past vacancies with a soon-to-be announced fitness location opening at 923 Preston Avenue and CoCo Rachou occupying the top floor of the former Shooters Billiards while Community Bikes has occupied the lower location. This split has increased the overall locations to nine and a vacancy rate of 0.00%.

McIntire Plaza continued to hold at a 0.00% vacancy rate, the same since July 2018. Build out continues on over 30,000 square feet of new commercial space but since construction is not fully complete, only the three occupied retail storefronts were added to the total number of available spaces.

Finally, Seminole Square's vacancy rate has decreased to eight vacancies (16.98%). The former planned Kroger remains vacant at 220 Zan Road, as well as 100 Zan Road (formerly Chili's), 188 Zan Road (formerly Laughing Sheep Yarn), and 234 Zan Road (formerly Performance Bikes). 331 Hillsdale Drive (former Party Starts Here) is a newly vacant space and is counted for this study as well as 260 Zan Road (formerly Big Lots and COVID-19 site). In the north wing of Seminole Square, 165 and 167 Seminole Court are currently vacant. New since the last study is Dogwood Refillery at 190 Zan Road and OctoPharma Plasma is opening in part of the Cortiva location at 366 Hillsdale Drive.

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 in July 2021 to 5.14% since the 7.66% vacancy rate established in the January 2021 study.

¹ www.statista.com, "Forecast of retail vacancy rates in the U.S. 2019-2020."

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 2021. 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 July 2020, January 2021 and July 2021							
Area	Total # of Stores	Vacancies			Vacancy Rate		
		Jul-20	Jan-21	Jul-21	Jul-20	Jan-21	Jul-21
Downtown Mall	187	9	10	6	4.73%	5.32%	3.21%
Barracks Road	86	9	10	8	10.34%	11.49%	9.30%
The Corner	61	2	3	1	3.28%	4.92%	1.63%
Preston Plaza	9	0	2	0	0.00%	25.00%	0.00%
Seminole Square	54	10	9	8	18.87%	16.98%	14.81%
McIntire Plaza	50	0	0	0	0.00%	0.00%	0.00%
Total	447	30	34	23	6.73%	7.66%	5.14%

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

- Only ground level retail 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 are unoccupied due to renovations were *not* considered vacant if there are plans for occupancy once the renovations are complete.
- Storefronts that are vacant but have a lease pending/approved were *not* considered vacant.