

COMMERCIAL PROPERTY VACANCY REPORT – JANUARY 2016

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 9.10% in 2016.¹ In fact, the Corner is at 3.23%, the Downtown Mall is at 2.63%, Barracks Road Shopping Center is at 1.10%, McIntire Plaza is at 0.00%, and Preston Plaza is at 0.00%. Seminole Square is the exception with a 12.96% vacancy rate. Altogether, the City of Charlottesville’s January 2016 vacancy rate is 3.31%, which is a decrease from the overall vacancy rate of 5.43% in July 2015.

Downtown Mall

As established, the vacancy rate for the Downtown Mall has decreased to 2.63% since the July 2015 study (4.21%). Based on the definition of vacant, the number of unoccupied storefronts was found to be five out of 190 stores. Below is a table displaying vacancy data from the streets that make up the Downtown Mall area from July 2015 and January 2016.

Area	Total # of Stores	Vacancies		Vacancy Rate	
		Jul-15	Jan-16	Jul-15	Jan-16
Main Street & Side Streets	150	8	5	5.33%	3.33%
South Side of Market Street	21	0	0	0.00%	0.00%
North Side of Water Street	19	0	0	0.00%	0.00%
Total	190	8	5	4.21%	2.63%

*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.

With only five 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 and the north side of Water Street. Vacancies found on Main Street include 102 5th Street NE (former MMM Design Group), 110 4th Street NE (former Telegraph Art & Comics), 112 2nd Street NE (former Hedge Fine Blooms), 105 3rd Street NE (former Warm Springs Gallery), 111 East Main Street (former Jean Theory), 414 West Main Street (Landmark Hotel), and 108 1st Street SE (former Bella Boutique). Bella Boutique continues to occupy 106 1st Street SE, but downsized, creating a new store front at 108 1st Street SE. The number of storefronts used to calculate the vacancy rate remains the same, however, due to the merging of 225 East Main Street and 103 3rd Street NE. Three of these vacancies – the former locations of Telegraph Art & Comics, Great Graphics, and Bella Boutique – were not included in the calculation of vacant storefronts

¹ “US retail vacancy rate forecast from 2010 to 2016.” Statista 2016

Barracks Road Shopping Center's vacancy rate has dropped dramatically from 7.37% to 1.10% since the last study in July 2015. The only vacancy that remains is the former Peace Frogs (1145 Emmet Street), which has been closed for three and a half years. Lily Rain has opened as expected at 1043 Emmet Street. FedEx Office Print & Ship Center has moved to North Barracks and is now at 2154 Barracks Road, replacing 2156A Barracks Road (former Padow's Deli), 2158 Barracks Road (former Complete Nutrition), and 2160 Barracks Road (former Penelope), reducing the number of storefronts by two. Complete Nutrition has moved also, and is now open at its new location at 2124 Barracks Road (former Trade). Pink Palm expanded and took over 2138 Barracks Road (former Crème de la Crème), again reducing the number of storefronts. Smoothie King has moved to 973 Emmet Street (former Cups). Subway has opened at 1101 Emmet Street (former Quizno's Subs). Zoom Cycling is expected to open at 1929 Arlington Blvd (former University Florists) in the spring of this year. A new occupancy is also expected to open at 945 Emmet Street, replacing the former Smoothie King and FedEx, reducing the number of storefronts again.

The Corner has increased to 3.23% as compared to 1.61% in the July 2015 study. The vacancies were found to be at 104 14th Street NW Suite 3 (former Subway), 111 14th Street NW (former Bluetique), 1509 University Avenue (former Dunkin' Donuts/Baskin Robbins), and 1309 West Main Street (former Jimmy John's). Dunkin' Donuts/Baskin Robbins and Jimmy John's were not included in the calculation of the vacancy rate because they have been vacant for less than two months. A student center, sponsored by UVa, is expected to open at 1515 University Avenue (former University Bookstore), which has previously been vacant for two years. Campus Cookies has opened, as anticipated, in the last study at 104 14th Street NW, Suite 2. Insomnia Cookies has moved into the former location of High Peak Sportswear, at 1409 University Avenue. The Police Substation at 1413 University Avenue is now open, after being under renovation for the past two studies.

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 planned occupancy at 1718 Allied Street, which is the former location of La Linea Bella Fantastic Framing and Art.

Finally, Seminole Square's vacancy rate has decreased from 15.79% to 12.96% since the July 2015 study. Due to the Hillsdale Drive extension project's direct impact on the shopping center, the amount used to calculate the vacancy rate has been reduced to 54. The seven vacancies found at Seminole Square include 208 Zan Road (former tenant unknown), 242 Zan Road (former Dover Saddlery), 259 Zan Road (former tenant unknown), 206 Zan Road (former Blockbuster), 220 Zan Road (former Bounce-n-Play Laser Tag Facility), 270 Zan Road (former Ashley Furniture), and 2109 India Road (former Quinn & Farmer Auctions). An SPCA Rummage store has opened at 199 Zan Road (former Downtown Athletic). Sushi King has opened as expected since the last study at 175 Seminole Court. Cavalier Rentals has reopened its doors at 187 Seminole Court. Two radio stations, 94.7 WPVC and 92.3 WXRK, have moved into 255 Zan Road (former tenant unknown). There is also a planned occupancy at 246 Zan Road (former Fashion Bug).

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 5.43% in July 2015 to 3.31% 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 2016. 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 2015, July 2015, & January 2016							
Area	Total # of Stores	Vacancies			Vacancy Rate		
		Jan-15	Jul-15	Jan-16	Jan-15	Jul-15	Jan-16
Downtown Mall ³	190	4	8	5	2.11%	4.21%	2.63%
Barracks Road ⁴	91	4	7	1	4.21%	7.37%	1.10%
The Corner ⁵	62	1	1	2	1.61%	1.61%	3.23%
Preston Plaza	9	0	0	0	0.00%	0.00%	0.00%
Seminole Square ⁶	54	9	9	7	15.79%	15.79%	12.96%
McIntire Plaza ⁷	47	0	0	0	0.00%	0.00%	0.00%
Total²	453	18	25	15	3.91%	5.43%	3.31%

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, and 453 for Jan 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, and 91 for Jan 16.

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 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, and 54 for Jan 16.

⁷ 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 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 2016

Downtown Mall: Vacant Storefronts

414 W. Main Street
Landmark Hotel
 Est. Vac: 7 yrs.



112 2nd Street NE
Former Hedge Fine Blooms
 Est. Vac: 3 mos.



102 5th Street NE
Former MMM Design Group
 Est. Vac: 1 yr.



105 3rd Street NE
Former Warm Springs Gallery
 Est. Vac: 7 mos.



111 E. Main Street
Former Jean Theory:
 Est. Vac: 7 mos.



Downtown Mall: Vacant Storefronts

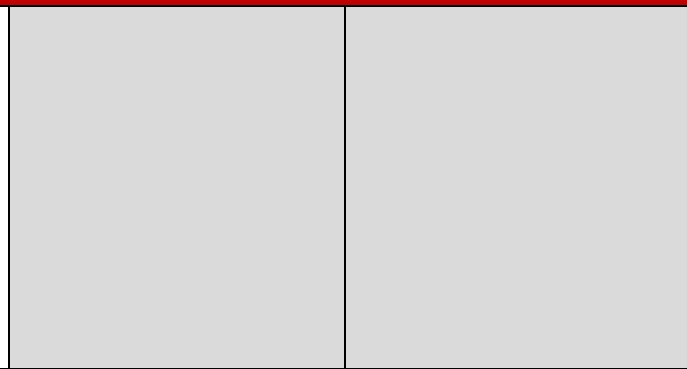
110 4th Street NE
Former Telegraph Art & Comics
 Est Vac: 1 mo.*



108 1st Street SE
Former Bella Boutique
 Est. Vac: 1 mo.*



503 E. Main Street
Former Great Graphics
 Est. Vac: 1 mo.*




Vacant Downtown Mall Storefronts & Planned/New Occupancy – January 2016



Downtown Mall: Planned/New Occupancy				
<p>211 W. Main Street <i>Telegraph Art & Comics</i> Now Open</p> 	<p>201 E. Main Street <i>Unknown</i> Under Renovation</p> 	<p>218 W. Main Street <i>Carytown Tobacco</i> Now Open</p> 	<p>115 4th Street NE <i>Hedge Fine Blooms</i> Now Open</p> 	<p>120 E. Main Street <i>Fitzroy</i> Under Renovation</p> 

Downtown Mall: Planned/New Occupancy				
<p>225 E. Main Street <i>Planned Occupancy</i> Est. Occ: Spring 2016</p> 				

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2016

Barracks Road: Vacant Storefronts				
<p>1145 Emmet Street <i>Former Peace Frogs</i> Est. Vac: 3.5 yrs.</p> 				

Barracks Road: Planned/New Occupancy				
<p>973B Emmet Street <i>Smoothie King</i> Now Open</p> 	<p>2124 Barracks Road <i>Complete Nutrition</i> Now Open</p> 	<p>2154 Barracks Road <i>FedEx Office Print & Ship Center</i> Now Open</p> 	<p>2126 Barracks Road <i>Beecroft & Bull</i> Est. Occ: Spring 2016</p> 	<p>1929 Arlington Blvd <i>Zoom Indoor Cycling</i> Est. Occ: Spring 2016</p> 



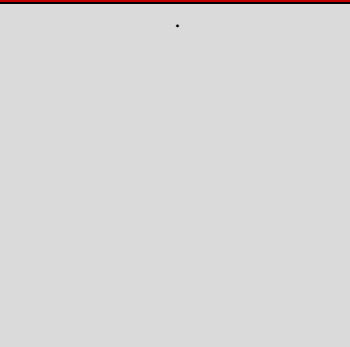


Barracks Road: Planned/New Occupancy				
<p>945 Emmet Street <i>Planned Occupancy</i> Est. Occ: Summer 2016</p> 	<p>1101 Emmet Street <i>Subway</i> Now Open</p> 			

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2016

Seminole Square: Vacant Storefronts

<p>206 Zan Road <i>Former Blockbuster</i> Est. Vac: 3.5 yrs.</p> 	<p>208 Zan Road <i>Former Tenant Unknown</i> Est. Vac: 9 mos.</p> 	<p>242 Zan Road <i>Former Dover Saddlery</i> Est. Vac: 2 yrs</p> 	<p>259 Zan Road <i>Former Tenant Unknown</i> Est. Vac: 1.5 yrs.</p> 	<p>270 Zan Road <i>Former Laser Tag</i> Est. Vac: 6 mos.</p> 
---	--	--	--	---

Seminole Square: Vacant Storefronts



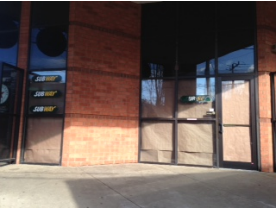



<p>2109 India Road <i>Former Quinn & Farmer Auctions</i> Est. Vac: 5 mos.</p> 	<p>220 Zan Road <i>Former Ashley Furniture</i> Est. Vac: < 2 mos.*</p> 			
--	--	--	---	---

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2016

Seminole Square: Planned/New Occupancy

<p>255 Zan Road <i>94.7WPVC AND 92.3XRK</i> Now Open</p> 	<p>199 Zan Road <i>SPCA Rummage</i> Now Open</p> 	<p>246 Zan Road <i>Planned Occupancy</i> Est. Occ: Spring 2016</p> 		
---	---	--	--	--

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2016

The Corner: Vacant Storefronts				
<p>1309 W. Main Street Former Jimmy John's Est. Vac: < 2 mos.*</p> 	<p>1509 University Avenue Former Dunkin' Donuts/Baskin Robbins Est. Vac: 1 mo.*</p> 	<p>104 14th Street NW, Suite 3 Former Subway Est. Vac: 4 mos.</p> 	<p>111 14th Street NW Former Bluetique Est. Vac: 5 mos.</p> 	
The Corner: Planned/New Occupancy				
<p>1409 University Avenue Insomnia Cookies Now Open</p> 	<p>1515 University Avenue Student Center Est. Occ: Fall 2016</p> 			

Vacant Non-Downtown Mall Storefronts & Planned/New Occupancy – January 2016

McIntire Plaza: Planned Occupancy

1718 Allied Street
ReThreads
 Est. Occ: March 2016



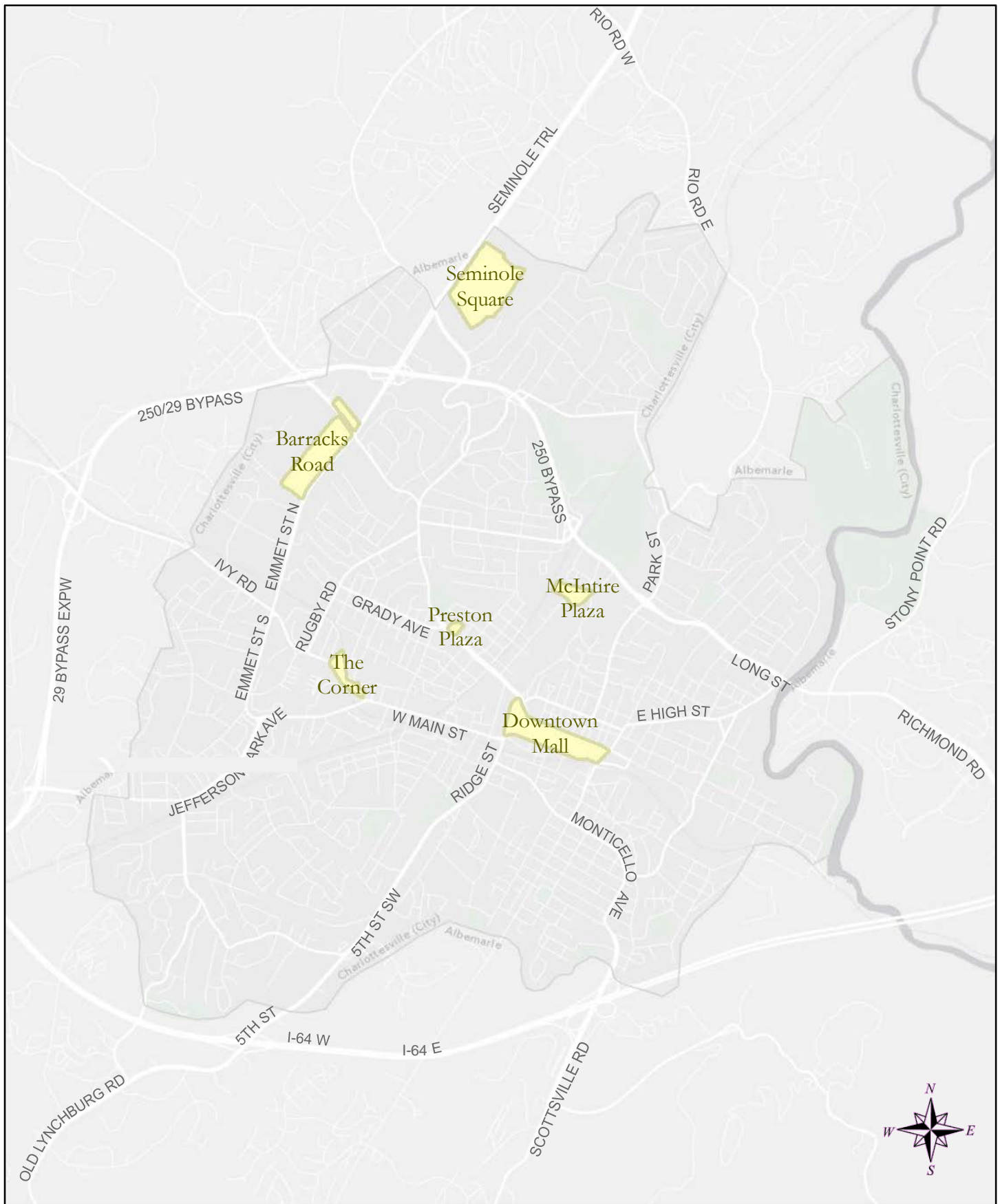
--	--	--	--	--

*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