

Commercial Property for Sale or Lease

Greater Cheyenne Area

March 29, 2019

Introduction

The summary table on page 6 outlines, on a quarterly basis, the number of commercial properties currently vacant and/or for sale in the greater Cheyenne area. Statistics for 2015 are now final and will no longer be revised going forward. Vacancy rates for 2016, 2017, 2018, and 2019 are based upon 2016 preliminary baseline numbers.

Please click on the website links labeled Retail Opportunities, Warehousing Opportunities, Office Space Opportunities and Medical Opportunities to see lists of individual properties by these uses.

The Wyoming Center for Business & Economic Development (WCBEA) launched the development of a commercial property database for Laramie County in mid-2008. We would caution users with the following:

- The number of vacant or available properties and the amount of square footage is conservative for all classes of properties;
- Statistics by and large reflect availability in the commercial market and fairly represent the market in regards to pricing but again, do not represent an exact count of properties available;
- The addition or deletion of a large property can skew the reported data; and
- Residential data are not included.

Overview

By the end of the first quarter of 2019, there were 125 active properties on the local commercial real estate market, a 12% drop from the fourth quarter of 2018, and a 3.8 percent decrease from one year ago. The number of available properties fell in all three major categories: Retail, Office, and Warehouses. The number of warehouses fell from 26 to 23 over the quarter(-11.5 percent). The number of retail spaces shrank by 13 units(-17.1 percent). The number of office spaces fell by 6 units(-15 percent). Vacancy rates for warehouses climbed 1.3 percent, vacancy rates for retail properties improved 1 percent over the quarter, and the vacancy rate for office properties stayed constant at 9.7 percent.

From the fourth quarter of 2018 to the first quarter of 2019, the number of available warehousing units for sale and/or lease decreased 11.5 percent (-3 units), the total available square footage decreased 5.8 percent and the overall vacancy rate worsened, increasing from 6.7 percent to 8.0 percent. The average lease rate decreased from \$8.46/sf to \$7.33/sf at the end of the first quarter. Total vacant square footage ended the quarter at 354,233 sf as compared to 380,205 sf at the end of the fourth quarter of 2018.

The number of available retail properties for sale and/or lease decreased 17.1 percent (-13 units) over the quarter while the overall retail vacancy rate decreased from 14.8 percent to 13.8 percent in the first quarter of 2019. Vacancy in the Frontier Mall increased to 17.5 percent during the first quarter of 2019. The anchor space at the Frontier Mall previously occupied by Sears remained vacant and represents 15.5 percent of the total mall square footage. Vacancy at the Cheyenne Shopping Plaza stayed constant over the quarter at 26.0 percent. The Holiday Home Plaza had three new vacancies open up, more than doubling the available square footage, 1800 to 4343, and vacancy rate, 3.8% to 9.2%. The total amount of vacant retail space ended the quarter at 561,916 sf, a sharp decrease as compared to 675,179 sf at the end of the fourth quarter of 2018. Several additional large properties remained vacant, including the former K-Mart (44,625 sf), Cole Safeway store (44,358 sf), Pioneer Printing (24,956 sf) and the old Hobby Lobby (25,000 sf).

The number of available office properties decreased by 6 and the total square footage decreased sharply (over 80,000 sf). The vacancy rate for office properties stayed constant at 9.7 percent over the quarter and is down from one year ago when it stood at 13.6 percent at the end of the first quarter of 2018. Total vacant office space by the quarter's end had decreased to 165,311 sf from 211,580 sf in the fourth quarter of 2018.

There were no changes to medical spaces available for sale or lease during the first quarter of 2019. Vacancy rates held constant over the year at 4.1%.

The summary table on page 6 presents statistics for the past 11 quarters for commercial office, retail and warehousing space. Medical properties are also presented as a separate link as mentioned above.

Office Space

The average lease rate for office space decreased over the quarter to \$14.16/sf as of March 29, 2019. At the end of the fourth quarter of 2018, the average lease rate was \$15.54/sf and one year ago the average lease rate was \$14.90/sf.

Table 1 below presents the number of available office space properties by size. Almost one-half of available office spaces have less than 2,500 sf. Over 25 percent of available office spaces have more than 5,000 sf.

Table 1. Available Office Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	3	8.8%
10,001 - 20,000	2	5.9%
5,001 -10,000	4	11.7%
2,501 - 5,000	10	29.4%
≤ 2,500	15	44.1%

Warehousing

At the end of the first quarter of 2019, there were 23 warehouse properties available with a combined 453,421 sf. The APW Wyatt building (157,500) continued to be the largest warehouse property available. The next largest unit available is 38,868 sf by comparison; there are an additional 12 warehouse properties with more than 10,000 sf.

Table 2 shows the distribution of warehouses by size. Over half of the available warehouse properties have more than 10,000 sf. More than one-fourth of available warehouse properties have between 5,000 sf and 10,000 sf. Only 1 property has fewer than 5,000 sf.

Table 2. Available Warehouse Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	4	17.4%
10,001 - 20,000	10	43.5%
5,001-10,000	8	34.8%
2,501 - 5000	0	0.0%
≤ 2,500	2	4.3%

Retail

Eighteen retail properties left the market during the first quarter of 2019 and five new properties became available, resulting in a net decrease of over 100,000 sf in total retail space available for lease and/or sale. The overall vacancy rate for retail properties decreased from 14.8 percent to 13.8 percent and the average retail lease rate increased from \$12.96/sf to \$13.21/sf over the quarter.

Of the 63 retail properties on the market during the first quarter of 2019, 55 were vacant. The five largest vacant properties contain approximately 210,000 sf, representing over 40 percent of the total vacant square footage. These properties include the former K-Mart, the former Safeway building at the Cole Shopping Center, the former Hobby Lobby, the former Pioneer Printing, and the former Sears space at the Frontier Mall.

Within Cheyenne's shopping malls, Frontier Mall had 9 vacant units with a total of 93,669 sf available (17.5% vacancy rate). The vacancy rate is up 1% from the fourth quarter of 2018, but down from 19.3% a year ago. The vacated Sears still contributes over 85% of the vacant space. The Cheyenne Plaza Shopping Center had six units available with a total of 40,375 sf (26.0% vacancy rate). The Holiday Home Plaza saw three new spaces open up, more than doubling its vacancy rate(3.8% to 9.2%) and its available square footage(1,800 sf to 4,343 sf). Other malls had minimal or no vacancies.

Table 3 below presents the number of retail properties available by square footage. As the data suggest, potential retailers have a wide selection of retail sites available to them under current market conditions. Over a third of available retail spaces have more than 5,000 sf (34.9%). Over a third of spaces have less than 2,500 sf (34.9%)

Table 3. Available Retail Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	8	12.7%
10,001 - 20,000	5	7.9%
5,001-10,000	9	14.3%
2,501 - 5,000	19	30.2%
≤ 2,500	22	34.9%

Summary

Table 4 presents historical data and additional details by property type including the range of lease rates by property type.

Table 4. Summary Table, Greater Cheyenne Area Property Available for Sale or Lease

Summary Table Commercial Property For Sale and Lease					
Updated: 3/29/2019			(FR - Final Revision)		
Property Type	# Properties	Square Footage	Avg Lease Rate	Min/Max Rate	Vacancy Rate
Second Quarter 2016					
Warehouse	24	433,384	\$7.69	1.00 - 13.00	7.7%
Retail	53	365,346	\$14.64	8.00 - 24.00	7.5%
Office Space	40	240,958	\$13.68	5.67 - 22.00	10.5%
Third Quarter 2016					
Warehouse	21	414,326	\$7.66	1.00 - 13.00	7.4%
Retail	50	369,653	\$14.36	8.00 - 24.00	7.5%
Office Space	45	290,894	\$14.28	6.19 - 22.00	13.3%
Fourth Quarter 2016					
Warehouse	22	443,050	\$8.06	4.50 - 13.00	7.7%
Retail	54	401,434	\$13.25	8.00 - 24.00	8.0%
Office Space	43	269,819	\$13.62	8.00 - 22.00	12.4%
First Quarter 2017					
Warehouse	24	461,908	\$7.98	4.50 - 13.00	8.1%
Retail	44	372,206	\$13.34	8.00 - 24.00	8.2%
Office Space	49	278,295	\$14.05	8.00 - 22.00	12.8%
Second Quarter 2017					
Warehouse	28	492,320	\$8.24	4.50 - 14.50	8.6%
Retail	42	455,448	\$13.00	8.00 - 20.00	10.4%
Office Space	50	274,990	\$14.03	8.00 - 22.00	12.4%
Third Quarter 2017					
Warehouse	27	442,067	\$7.84	4.50 - 14.50	7.7%
Retail	50	474,625	\$13.47	8.00 - 20.00	10.8%
Office Space	48	266,931	\$14.00	10.00 - 22.00	12.1%
Fourth Quarter 2017					
Warehouse	26	456,368	\$7.85	4.50 - 14.50	8.0%
Retail	49	434,979	\$11.63	5.50 - 17.00	9.9%
Office Space	47	315,920	\$14.50	7.50 - 22.00	11.7%
First Quarter 2018					
Warehouse	28	464,432	\$7.78	4.50 - 14.50	8.2%
Retail	57	571,496	\$10.90	5.50 - 17.00	13.3%
Office Space	45	352,421	\$14.90	7.80 - 23.60	13.6%
Second Quarter 2018					
Warehouse	27	461,361	\$7.68	4.50 - 14.50	8.2%
Retail	60	573,636	\$13.77	6.00 - 23.50	12.9%
Office Space	40	315,683	\$15.13	7.80 - 23.60	12.9%
Third Quarter 2018					
Warehouse	34	532,596	\$7.67	4.50 - 12.75	8.0%
Retail	68	590,744	\$12.75	6.00 - 23.50	13.7%
Office Space	40	300,933	\$14.65	7.80 - 21.50	11.7%
Fourth Quarter 2018					
Warehouse	26	479,393	\$8.46	4.50 - 12.75	6.7%
Retail	76	675,179	\$12.96	6.00 - 23.50	14.8%
Office Space	40	298,603	\$15.54	10.00 - 27.43	9.7%
First Quarter 2019					
Warehouse	23	451,421	\$7.33	4.50 - 12.75	8.0%
Retail	63	561,916	\$13.21	6.00 - 23.50	13.8%
Office Space	34	210,885	\$14.16	10.00 - 18.50	9.7%

WCBEA@LCCC Communications

WCBEA Phone: 307.778.1151

Editor: Nick Colsch, ncolsch@lccc.wy.edu

Research Consultant: Nathan Stitt

Website: www.wyomingeconomicdata.com

Mailing Address: Wyoming Center for Business and Economic Analysis @ LCCC
1400 E College Drive
Cheyenne, WY 82007