

Commercial Property for Sale or Lease

Greater Cheyenne Area

December 30, 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 fourth quarter of 2019, there were 102 active properties on the local commercial real estate market, a 4.7 percent drop from the third quarter of 2019, and a 28.1 percent decrease from one year ago. During the quarter, the number of available properties decreased in two of the three major categories: Retail spaces and Office spaces. The number of retail spaces decreased from 52 to 47 over the quarter and the number of office spaces decreased from 34 to 31. The number of warehouse spaces increased by 5 units over the quarter, from 16 to 21 spaces.

From the third quarter of 2019 to the fourth quarter of 2019, the number of available warehousing units for sale and/or lease increased 31.2 percent (+5 units), the total available square footage increased 15.4 percent, and the overall vacancy rate worsened, increasing from 5.8 percent to 6.8 percent. The average lease rate increased from \$6.85/sf to \$6.99/sf at the end of the fourth quarter. Total vacant square footage ended the quarter at 383,516 sf as compared to 332,094 sf at the end of the third quarter of 2019.

The number of available retail properties for sale and/or lease decreased 9.6 percent over the quarter and the overall retail vacancy rate decreased from 10.7 percent to 8.4 percent in the fourth quarter of 2019. Vacancy in the Frontier Mall decreased dramatically from 17.9 percent during the third quarter of 2019 to 2.4 percent. The anchor space at the Frontier Mall previously occupied by Sears was finally filled by Jax Outdoor Gear, Farm and Ranch. It represented 15.5 percent of the total mall square footage. Vacancy at the Cheyenne Shopping Plaza stayed constant over the quarter at 32.8 percent. The Holiday Home Plaza had no vacancies listed. Other shopping centers saw no new changes in vacancies. The total amount of vacant retail space ended the quarter at 339,957 sf, a sharp decrease compared to 434,220 sf at the end of the third quarter of 2019. Several large properties remained vacant, including the former K-Mart (44,625 sf) and Pioneer Printing (24,956 sf).

The number of available office properties decreased 8.8 percent over the quarter and the total square footage decreased 5.2 percent over the quarter. The vacancy rate for office properties fell to 6.8 percent and is down from one year ago when it stood at 13.7 percent at the end of the fourth quarter of 2018. Total vacant office space by the quarter's end had decreased to 148,153 sf from 156,252 sf in the third quarter of 2019.

The number of medical spaces available for sale or lease during the fourth quarter of 2019 decreased from 5 to 3. The vacancy rate decreased over the year from 4.1 percent to 2.9 percent.

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 \$13.25/sf as of December 30, 2019. At the end of the third quarter of 2019, the average lease rate was \$14.57/sf and one year ago the average lease rate was \$15.54/sf.

Table 1 below presents the number of available office space properties by size. Nearly 40 percent of available office spaces have less than 2,500 sf. Over 30 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	2	6.5%
10,001 - 20,000	3	9.7%
5,001 -10,000	6	19.4%
2,501 - 5,000	8	25.8%
≤ 2,500	12	38.7%

Warehousing

At the end of the fourth quarter of 2019, there were 21 warehouse properties available with a combined 383,516 sf. The APW Wyatt building(210,518 sf) continued to be the largest warehouse property available, accounting for over half of the available sf. The next largest unit available is 38,868 sf by comparison. There are 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. One third of available warehouse properties have between 5,000 sf and 10,000 sf. There were just two available properties with fewer than 5,000 sf.

Table 2. Available Warehouse Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	4	19.0%
10,001 - 20,000	8	38.1%
5,001-10,000	7	33.3%
2,501 - 5000	1	4.8%
≤ 2,500	1	4.8%

Retail

Thirteen retail properties left the market during the fourth quarter of 2019 and eight new properties became available, resulting in a net decrease of five spaces over 90,000 sf in total retail space available for lease and/or sale. The overall vacancy rate for retail properties decreased from 10.7 percent to 8.4 percent and the average retail lease rate increased from \$13.51/sf to \$15.08/sf over the quarter.

Of the 47 retail properties on the market during the fourth quarter of 2019, 42 were vacant. The five largest vacant properties contain approximately 140,000 sf, representing over 40 percent of the total vacant square footage. These properties include the former K-Mart and the former Pioneer Printing.

Within Cheyenne’s shopping malls, Frontier Mall had 8 vacant units with a total of 12,292 sf available (2.4% vacancy rate). The vacancy is rate is down from 17.9 percent in the third quarter of 2019 and down from 16.4 percent a year ago. The Sears space was filled by an outdoor gear company. The Cheyenne Plaza Shopping Center had six units available with a total of 50,937 sf (32.8% vacancy rate). 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 (38.3%). Over a quarter of spaces have less than 2,500 sf (25.5%)

Table 3. Available Retail Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	4	8.5%
10,001 - 20,000	4	8.5%
5,001-10,000	10	21.3%
2,501 - 5,000	17	36.2%
≤ 2,500	12	25.5%

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: 12/30/2019					
Property Type	# Properties	Square Footage	Avg Lease Rate	Min/Max Rate	Vacancy Rate
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	9.1%
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	8.7%
Retail	42	455,448	\$13.00	8.00 - 20.00	11.2%
Office Space	50	274,990	\$14.03	8.00 - 22.00	12.6%
Third Quarter 2017					
Warehouse	27	442,067	\$7.84	4.50 - 14.50	7.8%
Retail	50	474,625	\$13.47	8.00 - 20.00	11.6%
Office Space	48	266,931	\$14.00	10.00 - 22.00	12.3%
Fourth Quarter 2017					
Warehouse	26	456,368	\$7.85	4.50 - 14.50	8.1%
Retail	49	434,979	\$11.63	5.50 - 17.00	10.7%
Office Space	47	315,920	\$14.50	7.50 - 22.00	14.5%
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	14.0%
Office Space	45	352,421	\$14.90	7.80 - 23.60	16.2%
Second Quarter 2018					
Warehouse	27	461,361	\$7.68	4.50 - 14.50	8.1%
Retail	60	573,636	\$13.77	6.00 - 23.50	14.1%
Office Space	40	315,683	\$15.13	7.80 - 23.60	14.5%
Third Quarter 2018					
Warehouse	34	532,596	\$7.67	4.50 - 12.75	9.4%
Retail	68	590,744	\$12.75	6.00 - 23.50	14.5%
Office Space	40	300,933	\$14.65	7.80 - 21.50	13.8%
Fourth Quarter 2018					
Warehouse	26	479,393	\$8.46	4.50 - 12.75	8.4%
Retail	76	675,179	\$12.96	6.00 - 23.50	16.6%
Office Space	40	298,603	\$15.54	10.00 - 27.43	13.7%
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%
Second Quarter 2019					
Warehouse	19	392,028	\$6.24	4.50 - 8.00	6.9%
Retail	52	511,569	\$13.26	6.00 - 23.50	12.6%
Office Space	34	184,319	\$14.23	10.00 - 18.50	8.5%
Third Quarter 2019					
Warehouse	16	332,094	\$6.85	4.50 - 8.50	5.8%
Retail	52	434,220	\$13.51	6.00 - 23.50	10.7%
Office Space	34	156,252	\$14.57	10.00 - 18.50	7.2%
Fourth Quarter 2019					
Warehouse	21	383,516	\$6.99	4.50 - 8.50	6.8%
Retail	47	339,957	\$15.08	12.00 - 23.50	8.4%
Office Space	31	148,153	\$13.25	10.00 - 16.00	6.8%

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