

Commercial Property for Sale or Lease

Greater Cheyenne Area

January 2, 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 and 2018 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 2018, there were 142 active properties on the local commercial real estate market, representing no change from the third quarter of 2018, but a 16.3 percent increase from one year ago. While the number of available office properties remained constant, the number of available warehouse properties decreased 23.5 percent (-8 units) and the number of available retail properties increased 11.7 percent (+8 units) over the quarter. Vacancy rates for warehouse and office properties improved over the quarter; the vacancy rate for retail properties climbed over 15 percent.

From the third quarter of 2018 to the fourth quarter of 2018, the number of available warehousing units for sale and/or lease decreased 23.5 percent (-8 units), the total available square footage decreased 9.9 percent and the overall vacancy rate improved, decreasing from 8.0 percent to 6.7 percent. The average lease rate increased from \$7.67/sf to \$8.46/sf at the end of the fourth quarter. Total vacant square footage ended the quarter at 380,205 sf as compared to 451,408 sf at the end of the third quarter of 2018.

The number of available retail properties for sale and/or lease increased 11.7 percent (+8 units) over the quarter while the overall retail vacancy rate increased to 14.8 percent from 13.7 percent in the third quarter 2018. Vacancy in the Frontier Mall decreased to 16.4 percent during the fourth quarter of 2018. The anchor space at the Frontier Mall previously occupied by Sears remained vacant on a permanent basis, though temporarily occupied by a costume retailer; this space represents 15.5 percent of the total mall square footage. Vacancy at the Cheyenne Shopping Plaza decreased slightly over the quarter, moving from 26.9 percent to 26.0 percent. Other area mall vacancies remained relatively constant over the quarter. The total amount of vacant retail space ended the quarter at 603,124 sf as compared to 556,388 sf at the end of the third quarter 2018. Several additional large properties remained vacant, including the former Sutherlands (76,749 sf), Cole Safeway store (44,358 sf), Pioneer Printing (24,956 sf) and the Grier and Nuss buildings (19,715 sf).

The number of available office properties remained unchanged by the end of the fourth quarter of 2018 and the total square footage decreased by less than 1 percent (approximately 2,300 sf). The vacancy rate for office properties decreased from 11.7 to 9.7 percent over the quarter and is down from one year ago when it stood at 11.7 percent at the end of the fourth quarter of 2017. Total vacant office space by the quarter's end had decreased to 211,580 sf from 252,879 sf in the third quarter of 2018.

By the end of the current quarter, the volume of vacant medical space decreased from 22,657 sf to 20,097 sf and the vacancy rate decreased from 4.6 percent to 4.1 percent. One year ago the medical space vacancy rate also stood at 4.1 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 \$15.54/sf as of January 2, 2019. At the end of the third quarter of 2018, the average lease rate was \$14.65/sf and one year ago the average lease rate was \$14.49/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	7.5%
10,001 - 20,000	4	10.0%
5,001 - 10,000	4	10.0%
2,501 - 5,000	11	27.5%
≤ 2,500	18	45.0%

Warehousing

At the end of the fourth quarter 2018 there were 26 warehouse properties available with a combined 479,393 sf. During the fourth quarter of 2018, ten warehouse properties left the market and two entered the market, accounting for a net loss of about 53,000 sf. The APW Wyott building (APW) continued to be the largest warehouse property available. The next largest unit available is 38,868 sf by comparison; there are an additional 14 warehouse properties with more than 10,000 sf. The APW space represents almost one-third (32.9%) of the total warehousing square footage available for lease and/or sale.

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 2 properties have fewer than 5,000 sf.

Table 2. Available Warehouse Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	4	15.4%
10,001 - 20,000	12	46.2%
5,001-10,000	8	30.8%
2,501 - 5000	0	0.0%
≤ 2,500	2	7.7%

Retail

Twelve retail properties left the market over the fourth quarter of 2018 and eighteen properties became available, resulting in a net increase of about 85,000 sf in total retail space available for lease and/or sale and a net increase of almost 47,000 sf in vacant retail space for lease and/or sale. The overall vacancy rate for retail properties increased from 13.7 percent to 14.8 percent and the average retail lease rate increased from \$12.75/sf to \$12.96/sf over the quarter.

Of the 76 retail properties on the market during the fourth quarter of 2018, 68 were vacant. The largest four vacant properties contain approximately 250,000 sf, representing nearly half (44.7%) of the total vacant square footage. These properties include the former Sutherland's building, the former Safeway building at the Cole Shopping Center, the remaining space in the former Kmart building (new Hobby Lobby location) and the former Sears space at the Frontier Mall.

Within Cheyenne's shopping malls, Frontier Mall had 5 vacant units, including temporary stores, with a total of 88,015 sf available (16.4% vacancy rate). The addition of the vacated Sears space during the first quarter of 2018 contributed significantly to the increase in the vacancy rate over the past year from 3.2 percent during the fourth quarter of 2017; that space alone accounted for almost 14 percent of the total vacant retail space during the fourth quarter of 2018. The Cheyenne Plaza Shopping Center had six units available with a total of 40,375 sf (26.0% 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. About one-fourth of the available retail spaces have more than 5,000 sf (29.5%). Another two-fifths (41.2%) have 2,500 sf or less.

Table 3. Available Retail Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	9	11.8%
10,001 - 20,000	4	5.3%
5,001-10,000	12	15.8%
2,501 - 5,000	22	28.9%
≤ 2,500	29	38.2%

The Summary Table immediately below 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: 1/2/2019					(FR - Final Revision)
Property Type	# Properties	Square Footage	Avg Lease Rate	Min/Max Rate	Vacancy Rate
First Quarter 2016					
Warehouse	27	422,238	\$7.62	1.00 - 13.00	7.5%
Retail	54	334,764	\$14.06	8.00 - 20.00	6.8%
Office Space	36	261,183	\$13.43	5.67 - 22.00	12.0%
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%

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