

# Commercial Property for Sale or Lease

## Greater Cheyenne Area

### June 30, 2018

#### Introduction

The summary table on page 5 outlines, on a quarterly basis, the number of commercial properties currently vacant 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 second quarter of 2018, there were 127 active properties on the local commercial real estate market, representing a 2.3 percent decrease from the first quarter of 2018 and a 5.8 percent increase from one year ago. While the number of available office properties fell 11.1 percent (-5 units) and the number of available warehouse properties decreased 3.6 percent (-1 unit), the number of available retail properties increased 5.3 percent (+3 units) over the quarter. Vacancy rates for office and retail properties improved over the quarter; rates for both types of properties dipped below 13 percent. The vacancy rate for warehousing properties remained unchanged.

From the first quarter of 2018 to the second quarter of 2018, the number of available warehousing units decreased 3.6 percent (-1 unit), the total square footage decreased less than 1.0 percent and the overall vacancy rate remained unchanged at 8.2 percent. The average lease rate fell slightly to \$7.68/sf as compared to \$7.78/sf at the end of the first quarter. Total vacant square footage remained relatively unchanged and ended the quarter at 461,361 sf as compared to 459,448 sf at the end of the first quarter of 2018.

The number of available retail properties for sale and/or lease increased 5.3 percent (+3 units) over the quarter while the overall retail vacancy rate decreased to 12.9 percent from 13.3 percent in the first quarter 2018. Vacancy in the Frontier Mall increased slightly to 20.5 percent. The anchor space at Frontier Mall previously occupied by Sears remained vacant; this space represents 15.5 percent of the total mall square footage. Vacancy at the Cheyenne Shopping Plaza increased substantially over the quarter to 26.9 percent. Other area mall vacancies remained relatively constant over the quarter. The total amount of vacant retail space ended the quarter at 523,523 as compared to 538,866 sf at the end of the first 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 decreased 11.1 percent by the end of the second quarter of 2018 (-5 units) and the total square footage decreased by 10.4 percent (more than 36,000 sf). The Hansen building, representing more than 57,000 sf, entered the market during the fourth quarter of 2017 but is no longer available for sale while the City Center Building, representing more than 34,000 sf, entered the market for sale during the second quarter. The vacancy rate for office properties decreased from 13.6 to 12.9 percent over the quarter and is up from one year ago when it was 12.4 percent at the end of the second quarter of 2017. Total vacant office space by the quarter's end stood at 278,749 sf compared to first quarter 2018's total of 294,852 sf. Two large downtown buildings, the Hynds building and the former Z's Furniture, remained vacant although the Z's building was under consideration by the city. Together with the vacant space in the Qwest building, these three buildings represent more than two-fifths (43.0%) of the total vacant square footage of office space.

By the end of the current quarter, the volume of vacant medical space and the vacancy rate increased from 19,990 sf to 22,657 sf and 4.1 percent to 4.6 percent, respectively. One year ago the medical space vacancy rate stood at 6.1 percent.

The summary table on page 5 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 Downtown Development District accounted for more than half of vacant office space (151,335 sf) or 54.3 percent of the total. The average lease rate for office space increased over the quarter to \$15.13/sf as of June 30, 2018. At the end of the first quarter of 2018, the average lease rate was \$14.90/sf and one year ago the average lease rate was \$14.03.

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. More than one-fourth 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	5	12.5%
10,001 - 20,000	2	5.0%
5,001 -10,000	4	10.0%
2,501 - 5,000	10	25.0%
≤ 2,500	19	47.5%

**Warehousing**

At the end of the second quarter 2018 there were 27 warehouses available with a combined 461,361 sf. During the second quarter of 2018, six warehouse properties left the market and five entered the market, accounting for a net gain of almost 11,000 sf. The APW Wyott building (APW) continued to be the largest warehouse property available. Approximately 30,000 sf of the building was leased to WYCO recycling during the third quarter of 2017 and the available lease space has decreased to 181,812 square feet. The next largest unit available is 54,341 sf by comparison; there are an additional 10 warehouse properties with more than 10,000 sf. The APW space continues to represent more than one-third (36.4%) of the total warehousing square footage available for lease and/or sale.

Table 2 shows the distribution of warehouses by size. About 44 percent 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.

Table 2. Available Warehouse Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	4	14.8%
10,001 - 20,000	8	29.6%
5,001-10,000	9	33.3%
2,501 - 5000	3	11.1%
≤ 2,500	3	11.1%

**Retail**

Eight retail properties left the market over the second quarter of 2018 and eleven properties became available, resulting in a net increase in total retail space available for lease and/or sale and a net decrease in the vacant retail space for lease and/or sale. The overall vacancy rate for retail properties decreased from 13.3 percent to 12.9 percent and the average retail lease rate increased from \$10.90/sf to \$13.77/sf over the quarter. However, it should be noted that the average retail lease rate for the second quarter of 2018 is being skewed upward by the vacant retail space in the newly constructed Mr. Jim’s Pizza east location. The lease rate for this retail space is \$23.50/sf; without this rate in the average calculation, the average retail lease rate would have fallen to \$12.88 over the quarter.

Of the 60 retail properties on the market during the second quarter of 2018, 50 were vacant. The largest four vacant properties contain approximately 250,000 sf, representing nearly half (47.5%) 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 12 vacant units, including temporary stores, with a total of 110,194 sf available (20.5% vacancy rate). The addition of the vacated Sears space during the first quarter of 2018 contributed significantly to the increase in the vacancy rate from 3.2 percent during the fourth quarter of 2017. The Cheyenne Plaza Shopping Center had seven units available with a total of 41,747 sf (26.9% 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-third of the available retail spaces have more than 5,000 sf (31.7%). Another 35 percent have 2,500 sf or less.

Table 3. Available Retail Properties by Square Footage

Size (sf)	Units	% of Total
≥ 20,001	7	11.7%
10,001 - 20,000	5	8.3%
5,001-10,000	7	11.7%
2,501 - 5,000	20	33.3%
≤ 2,500	21	35.0%

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 Commercial Property For Sale and Lease

Summary Table Commercial Property For Sale and Lease						
Updated: 6/30/2018			(FR - Final Revision)			
Property Type	# Properties	Square Footage	Avg Lease Rate	Min/Max Rate	Vacancy Rate	
<b>Third Quarter 2015</b>						
Warehouse	18	329,488	\$8.69	6.00 - 15.00	6.4% <sup>(FR)</sup>	
Retail	56	270,383	\$15.04	8.00 - 23.50	5.2% <sup>(FR)</sup>	
Office Space	42	296,517	\$14.80	6.67 - 27.00	13.5% <sup>(FR)</sup>	
<b>Fourth Quarter 2015</b>						
Warehouse	23	446,356	\$9.06	5.88 - 15.00	8.7% <sup>(FR)</sup>	
Retail	59	358,084	\$14.64	8.00 - 23.50	7.5% <sup>(FR)</sup>	
Office Space	45	303,949	\$15.07	6.67 - 27.00	14.0% <sup>(FR)</sup>	
<b>First Quarter 2016</b>						
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%	
<b>Second Quarter 2016</b>						
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%	
<b>Third Quarter 2016</b>						
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%	
<b>Fourth Quarter 2016</b>						
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%	
<b>First Quarter 2017</b>						
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%	
<b>Second Quarter 2017</b>						
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%	
<b>Third Quarter 2017</b>						
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%	
<b>Fourth Quarter 2017</b>						
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%	
<b>First Quarter 2018</b>						
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%	
<b>Second Quarter 2018</b>						
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%	

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