

# Winston-Salem Shopping Center Survey

## October 2018

**Michael S. Clapp & Associates, Inc.**  
**Real Estate Appraisers & Consultants**  
2990 Bethesda Place, Suite 603-C  
Winston-Salem, North Carolina 27103  
Email: paul@michaelclappappraisals.com  
Phone: 336-760-3163

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We are pleased to present our recently completed shopping center survey for metropolitan Winston-Salem. Since 1993, we have conducted this survey twice each year in order to keep our staff and clients abreast of the local shopping center market. This survey provides a broad sampling of asking rents and vacancy data that reflect the health of our market.

This survey includes 60 shopping centers containing over 5.1 million square feet of space. It includes mostly neighborhood and community centers ranging in size from about 25,000 to 300,000 square feet. A large majority of the centers in this survey are anchored by grocery stores whereas the rest are anchored by other types of retailers.

*This survey does not include free-standing "big box" stores, large power centers, enclosed malls, and any shopping centers that are under construction.*

This survey also focuses on the asking rents and vacancies for local tenant (non-anchor) shop space within the area's shopping centers. Although vacancies for anchor tenant spaces are reported, these type spaces are normally under long-term lease commitments and, as a result, are not good indicators of current supply/demand conditions. On the other hand, the rental and vacancy data for local tenant shop spaces provide a better indication of current supply/demand conditions because local tenant spaces are typically leased short term (three to five years).

This survey includes most of the anchored neighborhood and community shopping centers in the Winston-Salem market. However, it does not include every center in the area because some owners or managers decline to participate. Thus, it serves as a broad index rather than an all-inclusive survey of every center in our market.

We appreciate the cooperation of all of the respondents to our survey. As always, we welcome any comments or suggestions on how we can improve the survey, and we look forward to working with you on future surveys.

Sincerely,

Paul G. Carter, Jr., MAI, SRA

## Local Shop Space Vacancies Remain Stable

According to our survey of 60 shopping centers in the Winston-Salem market during October 2018, the average vacancy rate for local tenant (non-anchor) shop space was 15.9%. This is practically the same as the 15.8% vacancy rate indicated by our prior survey in April 2018.

A majority of respondents to our October 2018 survey reported their vacancies had not changed over the past six months. Relatively few respondents reported changes in shop vacancies.

## Asking Rents Fall Slightly for Local Shop Space

Between April 2018 and October 2018, the average asking rents for local tenant shop space in the overall market fell slightly from \$15.61 to \$15.53 per square foot. Most of the survey respondents did not change their asking rents, but a few lowered their rents to bring them more in line with the market. Very few respondents raised their rents.

## Six-Year Trend in Vacancies and Average Asking Rents

Survey Date	Centers Surveyed	Average Local Tenant Space Vacancy %	Average Asking Rents per SF for Local Tenant Space
Oct-12	58	20.9%	\$14.33
Apr-13	58	21.0%	\$14.02
Oct-13	58	20.8%	\$13.99
Apr-14	59	17.7%	\$14.29
Oct-14	59	18.0%	\$14.81
Apr-15	59	19.6%	\$15.33
Oct-15	59	19.7%	\$15.03
Apr-16	59	18.8%	\$14.94
Oct-16	59	19.2%	\$14.88
Apr-17	59	18.0%	\$15.09
Oct-17	58	16.6%	\$15.31
Apr-18	60	15.8%	\$15.61
Oct-18	60	15.9%	\$15.53

## Additional Survey Comments

All the centers we surveyed have "triple net" leases in which tenants reimburse landlords for their pro-rata share of real estate taxes, insurance, and common area maintenance expenses.

Detailed results of our October 2018 survey are on the next two pages.

**Winston-Salem Shopping Center Survey - October 2018**  
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	Name of Center	Location	Anchor Tenants	Year Built/ Renovated	Total Size (SF)	Anchor Space (SF)	Vacant SF Anchors	Local Shop Space (SF)	Vacant SF Local Shops	% Vacant Local Shops	Asking Rents Local Shops
<b>North Winston-Salem Rural Hall, King</b>	52 Plaza	NC-65, Rural Hall	Food Lion	1983-1996	63,000	32,775	0	30,225	0	0.0%	\$8.00
	Colony Centre	S. Main St., King	Food Lion, Badcock, Family \$	1976-2000	84,069	30,280	0	53,789	2,000	3.7%	\$10.00
	Five Forks Village	S. Main St., King	Lowe's Foods	1986-2009	67,911	44,711	0	23,200	3,600	15.5%	\$11.00
	Northchase	University Parkway	Wal-Mart is shadow anchor	1988-2014	36,296	0	0	36,296	13,171	36.3%	\$14.00
	Northside	Patterson Avenue	Food Lion	1958-1997	234,965	45,009	14,729	189,956	37,836	19.9%	\$9.50
	North Summit	University Parkway	Sam's Club, Urban Air	1992-2003	224,530	167,777	0	56,753	9,350	16.5%	\$17.50
	Plaza North	University Parkway	Big Lots	1977	51,700	42,000	0	9,700	0	0.0%	\$12.00
	University Plaza	North Point Boulevard	Food Lion, OfcDepot, BurlCoat	1972-2001	215,854	156,000	11,969	59,854	6,742	11.3%	\$12.00
	Village Square	NC-65, Rural Hall	Tractor Supply, Dollar General	1974-1990	54,260	32,280	0	21,980	0	0.0%	\$9.00
<b>Subtotals &amp; Averages</b>					<b>1,032,585</b>	<b>550,832</b>	<b>26,698</b>	<b>481,753</b>	<b>72,699</b>	<b>15.1%</b>	<b>\$11.15</b>
<b>Northwest Winston-Salem, Lewisville</b>	Centre Stage Jonestown	Jonestown Road	None	1988	27,029	0	0	27,029	2,116	7.8%	\$15.00
	Club Haven	Country Club & P-haven	Ollie's Bargain Outlet	1981	82,454	32,960	0	49,494	7,357	14.9%	\$13.50
	Grandview Plaza	Yadkinville Road	Food Lion, Dollar General	1997	54,600	42,600	0	12,000	0	0.0%	\$19.00
	Harper Hill Commons	Country Club & P-haven	Harris Teeter	2004	96,914	41,520	0	55,394	16,216	29.3%	\$10.00
	Lewisville Commons	Shallowford Road	Lowe's Foods	1999	75,951	46,024	0	29,927	17,162	57.3%	\$13.00
	Lewisville Corners	Lewisville-Clemmons Rd.	None	1976-2003	38,924	0	0	38,924	1,200	3.1%	\$14.00
	New Town	Jonestown Road	None	1971-1995	45,000	0	0	45,000	2,600	5.8%	\$14.00
	Oaks at Lewisville	Shallowford Road	Food Lion, Rite Aid	1975-2008	63,430	38,000	0	25,430	0	0.0%	\$11.50
	Old Town	Reynolda Road	Food Lion	1972-1990	101,486	35,105	0	66,381	29,384	44.3%	\$8.50
	Pine Ridge Plaza	Reynolda Road	Harris Teeter	1972-1988	88,170	53,288	0	34,882	9,650	27.7%	\$22.00
	Reynolda Commons	Yadkinville Road	None	1989-1990	73,347	32,960	32,960	40,387	26,092	64.6%	\$8.50
	Reynolda Manor	Reynolda Road	Lowe's, Planet Fit, Pet Supply	1963-1998	150,437	41,889	0	108,548	11,410	10.5%	\$18.00
	River Ridge - Main Part	Lewisville-Clemmons Rd.	Food Lion, Dollar General	2003	55,047	45,447	0	9,600	0	0.0%	\$14.00
	River Ridge - Front Part	Lewisville-Clemmons Rd.	None	2003	11,200	0	0	11,200	0	0.0%	\$17.50
	River Ridge Station	River Center Drive	None	2008	6,360	0	0	6,360	1,600	25.2%	\$18.00
	Sherwood Plaza	Robinhood Road	Lowe's Foods, TJ Maxx	1963-1994	134,416	88,892	0	45,524	0	0.0%	\$25.00
	Summit Station	Jonestown Road	None	1990	37,216	0	0	37,216	1,258	3.4%	\$13.00
Village at Robinhood	Robinhood Road	Harris Teeter, Walgreens	2008	135,115	71,385	0	63,730	14,258	22.4%	\$17.00	
Whitaker Square	Peacehaven Road	Harris Teeter, Tuesday Morn.	1995	82,760	63,890	0	18,870	1,380	7.3%	\$25.00	
<b>Subtotals &amp; Averages</b>					<b>1,359,856</b>	<b>633,960</b>	<b>32,960</b>	<b>725,896</b>	<b>141,683</b>	<b>19.5%</b>	<b>\$15.10</b>

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Name of Center	Location	Anchor Tenants	Year Built/ Renovated	Total Size (SF)	Anchor Space (SF)	Vacant SF Anchors	Local Shop Space (SF)	Vacant SF Local Shops	% Vacant Local Shops	Asking Rents Local Shops	
<b>Southwest Winston-Salem, Clemmons</b>	Brewer Crossing	Peters Creek Parkway	Gabes, Planet Fit, Harbor Frt	1978-2013	119,230	97,380	0	21,850	1,600	7.3%	\$16.00
	Clemmons Village	US-158, Clemmons	Wal-Mart is shadow anchor	1964-2014	29,961	0	0	29,961	1,328	4.4%	\$19.00
	Cloverdale Plaza	Cloverdale Avenue	Harris Teeter, CVS, \$ Tree	1968-2011	132,190	93,685	0	38,505	0	0.0%	\$21.00
	Hanes Mall Cir. 114-128	Hanes Mall Circle	None	2006	10,000	0	0	10,000	0	0.0%	\$25.00
	Kester Mill Village	Hanes Mall Boulevard	None	1999	24,564	0	0	24,564	3,800	15.5%	\$16.00
	Kinnamon Village	US-158 & Kinnamon Rd.	Food Lion	2007	64,000	35,000	0	29,000	17,400	60.0%	\$12.00
	Miller Street Market	Miller Street	Whole Foods	2000	40,292	27,132	0	13,160	0	0.0%	\$30.00
	New Town Center	Lewisville-Clemmons Rd.	Lowes Foods, Staples	1988	129,618	86,392	0	43,226	7,700	17.8%	\$19.00
	Oliver's Crossing	Peters Creek Parkway	Lowes Foods, Dollar Tree	2003	76,512	50,362	0	26,150	2,600	9.9%	\$20.00
	Parkway Plaza	Silas Creek Parkway	Compare Foods, Ofc Depot	1960-1991	283,830	113,642	0	170,188	31,237	18.4%	\$13.00
	Pavilions	Hanes Mall Boulevard	Chuck E Cheese	1987	126,109	36,539	36,539	89,570	23,790	26.6%	\$18.50
	Peace Haven Village	Lewisville-Clemmons Rd.	Publix	2017	85,938	49,098	0	36,840	1,400	3.8%	\$26.00
	Shoppes at Oliver's Crs.	Peters Creek Parkway	None	2008	7,800	0	0	7,800	0	0.0%	\$18.00
	Shoppes at Somerset	Stratford Rd @ Somerset	Food Lion	2006	54,051	33,764	0	20,287	13,208	65.1%	\$16.50
	Silas Creek Crossing	Silas Creek Parkway	Marshalls, AC Moore	1987	205,240	100,499	45,000	104,741	11,425	10.9%	\$19.00
	South Park	Peters Creek Parkway	Food Lion, Family Dollar	1987	112,422	98,022	27,000	14,400	0	0.0%	\$15.00
	Stratford Village	Stratford Road @ Bus-40	None	1995-2009	72,924	0	0	72,924	0	0.0%	\$17.50
	Tanglewood Commons	US-158 & Harper Road	Harris Teeter	1997-2006	78,520	46,120	0	32,400	5,150	15.9%	\$17.50
Towers	Stratford Road	None	1994	29,215	0	0	29,215	5,724	19.6%	\$23.00	
West Salem	Peters Creek Parkway	Family Dollar	1968-1987	77,350	19,493	8,731	57,857	6,350	11.0%	\$10.00	
Westwood Village	Lewisville-Clemmons Rd.	Big Lots	1979-1999	65,023	29,523	0	35,500	1,680	4.7%	\$16.00	
<b>Subtotals &amp; Averages</b>					<b>1,824,789</b>	<b>916,651</b>	<b>117,270</b>	<b>908,138</b>	<b>134,392</b>	<b>14.8%</b>	<b>\$17.21</b>

<b>Kernersville, Walkertown</b>	Centre Stage Walkertn.	NC-66, Walkertown	Food Lion, Roses, \$ Tree	1987	102,080	80,695	0	21,385	900	4.2%	\$15.00
	Charlestown	S. Main St., Kernersville	Planet Fitness	1983-2003	36,439	21,000	0	15,439	8,640	56.0%	\$20.00
	Kerners Village	S. Main St., Kernersville	Aldi, Dollar Tree	1979-2003	76,500	45,480	0	31,020	9,840	31.7%	\$15.00
	Kernersville Marketplace	S. Main St., Kernersville	Harris Teeter	1997	72,590	57,590	0	15,000	3,900	26.0%	\$20.50
	Main Street Market	S. Main St., Kernersville	Lowes Foods	2017	77,800	49,200	0	28,600	7,000	24.5%	\$26.00
	New Market Plaza	S. Main St., Kernersville	Food Lion, Gabes	1987	120,178	67,009	0	53,169	0	0.0%	\$22.50
	Northwood Plaza	N. Main St., Kernersville	Food Lion	1985-2002	50,408	33,558	0	16,850	3,264	19.4%	\$15.00
	Piney Grove Plaza	Piney Grove Rd., K'ville	None	1987-2003	59,426	43,858	43,858	15,568	0	0.0%	\$14.00
	Southside Square	S. Main St., Kernersville	Target, Petco, Rack Room	1987-2006	205,240	138,735	0	66,505	5,200	7.8%	\$18.00
	Union Cross Station	Union Cross Rd. @ I-40	Food Lion	1993-1995	57,894	29,053	0	28,841	0	0.0%	\$13.00
	Walkertown Commons	US-158 @ NC-66	Lowes Foods	2004	81,447	51,004	0	30,443	1,250	4.1%	\$17.00
<b>Subtotals &amp; Averages</b>					<b>940,002</b>	<b>617,182</b>	<b>43,858</b>	<b>322,820</b>	<b>39,994</b>	<b>12.4%</b>	<b>\$18.28</b>

<b>Survey Prepared By</b>	<b>Paul G. Carter, Jr., MAI, SRA</b>	<b>Total Market Summary - October 2018</b>						
	<b>Assisted By: Robert Brown</b>							
	<b>Michael S. Clapp &amp; Associates, Inc.</b>	Total SF	Anchor	Total SF	Local Shop	Total SF	Total %	Avg. Asking
	<b>Real Estate Appraisers &amp; Consultants</b>	Space	Space	Vacant	Space	Vacant in	Vacant in	Rent for All
	<b>2990 Bethesda Place, Suite 603-C</b>	Surveyed	Surveyed	Anchors	Surveyed	Local Space	Local Space	Local Space
	<b>Winston-Salem, North Carolina 27103</b>							
	<b>Phone: 336-760-3163</b>							
	<b>E-mail: paul@michaelclappappraisals.com</b>	<b>5,157,232</b>	<b>2,718,625</b>	<b>220,786</b>	<b>2,438,607</b>	<b>388,768</b>	<b>15.9%</b>	<b>\$15.53</b>