



**COMMONWEAL**





## A message from our President:



Stuart M. Schaefer  
President/Principal

Dear Friends and Colleagues:

We appreciate your interest in the 2021 Eau Claire Area Commercial Real Estate Market Report, summarizing the current state of the commercial real estate market for the greater Eau Claire, WI area. We have included the cities of Eau Claire and Altoona as well as the Town of Washington and the Village of Lake Hallie. The report focuses on retail, general office and industrial properties which are available for occupancy as of the end of 2021. This year's report does not include multi-family buildings, automobile dealerships, hospitality facilities, free standing financial institution branch offices, fast-food restaurants, government owned buildings, self-storage facilities or hospitals. Our goal with this report is to provide you with useful insight into the Eau Claire commercial real estate market.

Every year we rely on public records, interviews with government officials, property managers, real estate brokers and property owners along with internal records and visual observations to create this report. Special thanks to the people who assisted with our research and provided the data necessary for this comprehensive summary. We trust that the information we have received is accurate.

Commercial real estate fared well in 2021 despite the onset of construction cost inflation and the continued challenges of the COVID-19 pandemic. Given its regional strength and recent signs of growth, we believe the Eau Claire commercial real estate market will continue to perform well as we head into an unpredictable financial environment. The number of projects proposed or already under construction indicate strong activity heading into 2022.

Please contact us if you have questions or comments.

Sincerely,

COMMONWEAL DEVELOPMENT CORPORATION

Stuart M. Schaefer  
President/Principal

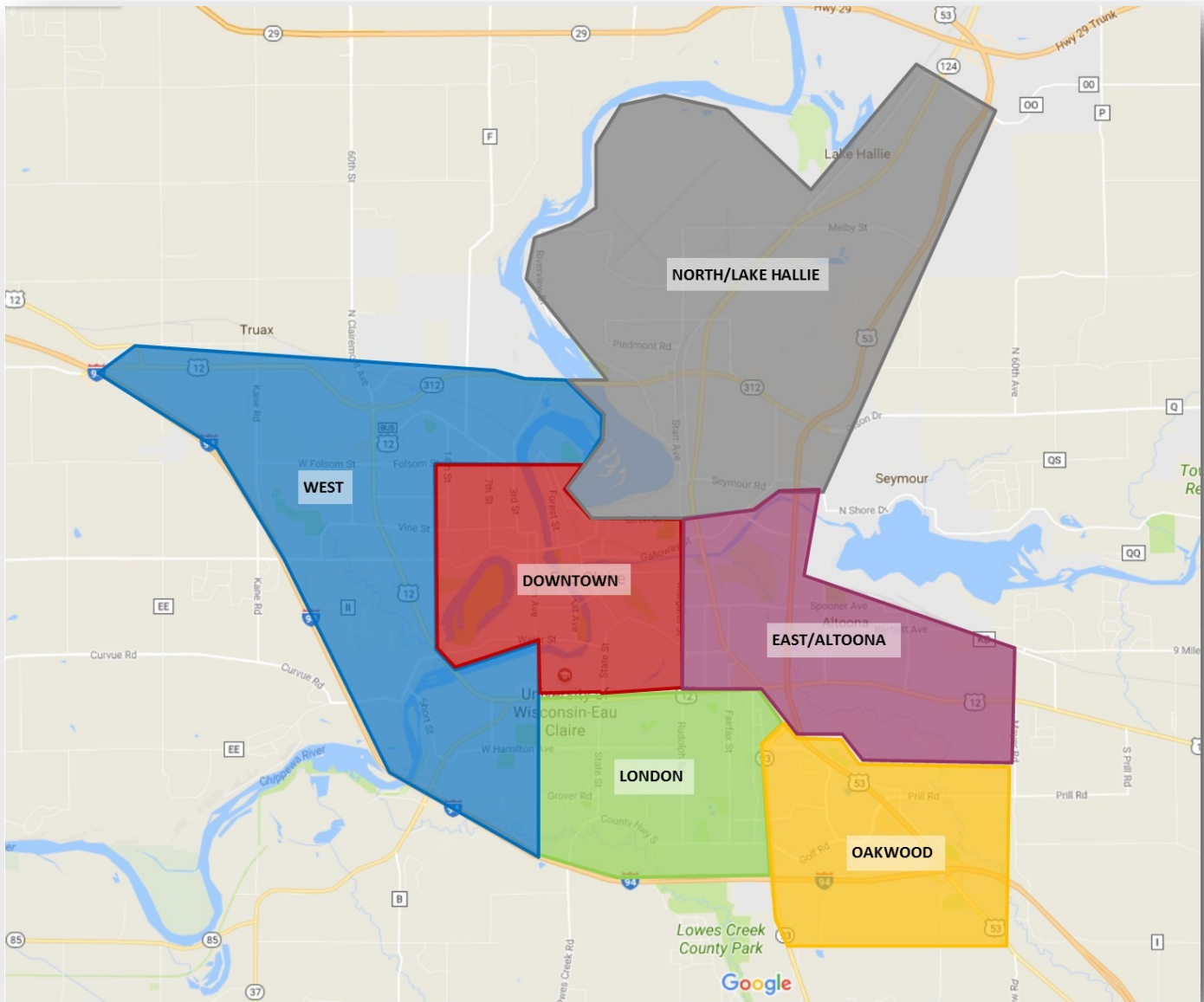
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## About Commonweal:

With over 40 years of trusted real estate service and development success, you can count on Commonweal to navigate through the process of commercial development, brokerage or property management on your behalf.

Our full-service capabilities allow us to assist you with all of your commercial real estate needs, covering everything from feasibility analysis, site acquisition, development services, brokerage and property management.

We have an impressive track record of successfully completing dozens of land development, retail and office projects throughout the Midwest. To learn more about Commonweal and our project history, please visit [www.commonwealdc.com](http://www.commonwealdc.com).



Sector lines are approximate | Map - Googlemaps.com

For the purpose of this report, we have divided the Eau Claire area into six trade areas as shown on the map:

- East Side/Altoona
- North Side/Lake Hallie
- West Side
- Downtown
- Oakwood Hills
- London Road



## Retail Analysis

2020 Rate - 12.84%

Trade Area	SF Adjustment*	Total SF	Vacant	% Vacant
East Side/ Altoona	0	638,422	100,799	15.79%
West Side	12,725	774,355	173,035	22.35%
North Side/ Lake Hallie	(88,758)	655,032	10,608	1.62%
Oakwood Hills	14,432	2,724,817	253,235	9.29%
London Road	97,233	1,100,926	75,302	6.84%
Downtown	(10,640)	501,881	66,706	13.29%

VACANCY



ABSORPTION



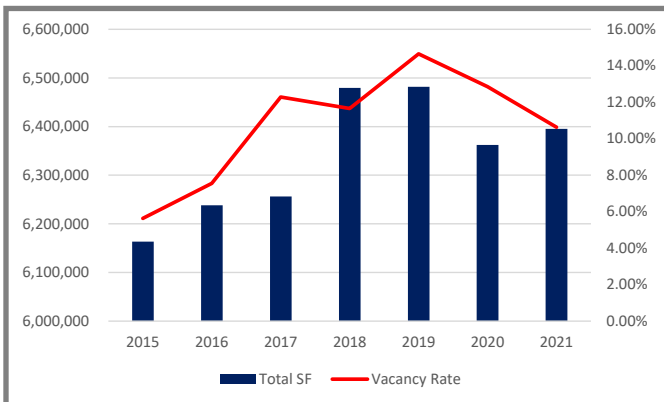
TOTAL SF



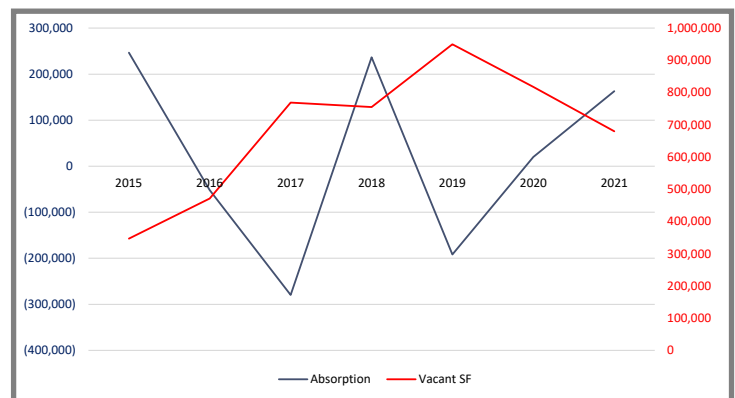
<b>2021 Total</b>	<b>24,992</b>	<b>6,395,433</b>	<b>679,685</b>	<b>10.63%</b>
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\*Adjustments include square footage that is new, removed or reclassified.

**TOTAL SF VS. VACANCY RATE**  
SQUARE FEET IN MILLIONS & VACANCY (%)



**VACANT SF VS. ABSORBED SF**  
SQUARE FEET IN THOUSANDS





## Office Analysis

2020 Rate - 8.11%

Trade Area	SF Adjustment*	Total SF	Vacant	% Vacant
East Side/ Altoona	14,686	904,973	90,711	10.02%
West Side	6,548	1,007,117	31,447	3.12%
North Side/ Lake Hallie	0	128,853	14,945	11.60%
Oakwood Hills	500	659,268	24,510	3.72%
London Road	(2,535)	213,173	10,186	4.78%
Downtown	(46,603)	768,152	51,802	6.74%

VACANCY



ABSORPTION



TOTAL SF

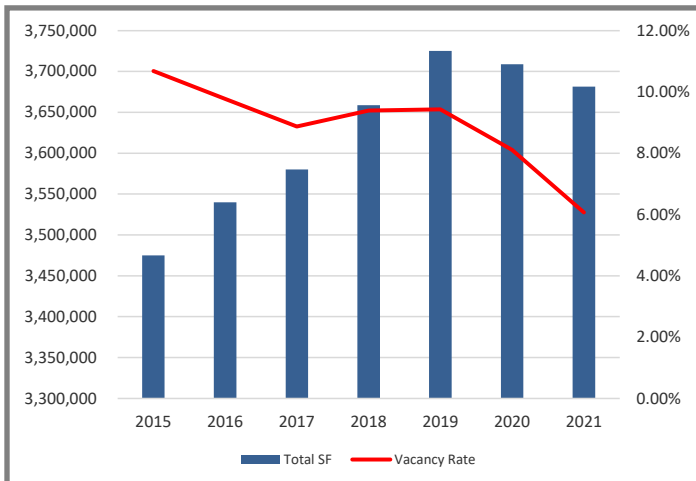


**2021 Total**      **(27,404)**      **3,681,536**      **223,601**      **6.07%**

\*Adjustments include square footage that is new, removed or reclassified.

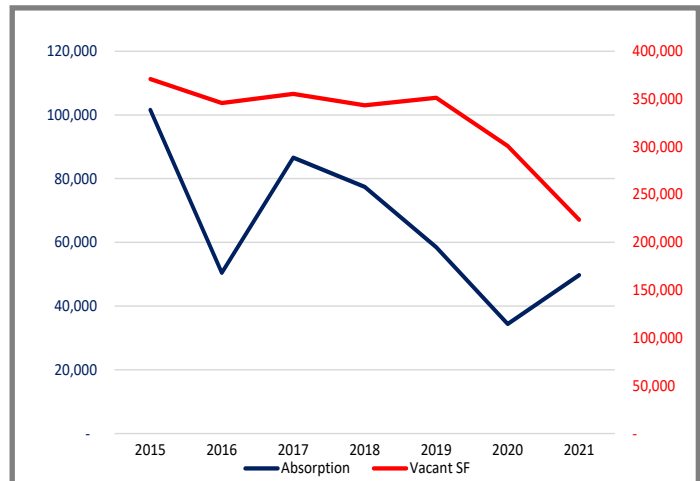
### VACANT SF VS. ABSORBED SF

SQUARE FEET IN THOUSANDS



### TOTAL SF VS. VACANCY RATE

SQUARE FEET IN MILLIONS & VACANCY (%)





### Industrial Analysis\*

Trade Area	Total SF	Vacant	% Vacant
East Side/Altoona	1,052,316	36,713	3.49%
West Side	5,462,923	51,719	0.95%
North Side/Lake Hallie	3,875,107	17,560	0.45%
Downtown	1,817,101	33,726	1.86%

<b>Total</b>	<b>12,207,447</b>	<b>139,718</b>	<b>1.14%</b>
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\*Industrial Parks are included in above totals

### Industrial Parks

Gateway Northwest	1,563,415	15,000	0.96%
Gateway West	1,716,036	5,310	0.31%
SkyPark	687,486	21,475	3.12%
Chippewa Valley Industrial Park	2,784,523	3,000	0.11%
Banbury Place	843,700	0	0.00%

<b>Total</b>	<b>7,595,160</b>	<b>44,785</b>	<b>0.59%</b>
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Based on Colliers Q3 Industrial Market Outlook, total U.S. industrial vacancy is at 4.4%, down 1.2% from the previous year. At the end of Q3 2021, net absorption for the year was 413.3 million square feet for the entire U.S. For more information on the U.S. industrial real estate market, click on the link below:

[Q3 2021 U.S. Industrial Market Outlook](#)

In Eau Claire, industrial vacancy decreased from last year, and it remains the strongest sector in the market. The local vacancy rate is well below the National and Midwest averages at 1.14%. With land still available in local industrial parks, the potential expansion of those areas, and the expected continuation of growth for e-commerce, we are optimistic the local industrial sector will stay strong in 2022.



### The Year in Summary:

As we continued to navigate the COVID-19 pandemic in 2021, the commercial real estate market in Eau Claire had a notably good year with positive absorption and a reduction in vacancy rates across all sectors.

The office sector saw smaller new construction projects, including River Prairie Wealth Partners and Larson Orthodontics in River Prairie and a new building for All Family Dental on Stein Boulevard. As was the case last year, the total square footage of office space in the market decreased, largely due to redevelopment projects in the area. That decrease in square footage along with strong leasing activity brought the vacancy rate down to 6.07%, from 8.11 % in 2020. There was almost 50,000 SF of positive absorption of office space, which was slightly improved from last year.

2020 had minimal retail construction and 2021 rebounded with improved retail growth. We saw several projects including Hy-Vee's new 90,000 SF store and a new retail strip housing Chipotle and Shopko Optical on Clairemont Ave and a new Kwik Trip in front of Wal-Mart on Gateway Drive. This new construction combined with positive absorption of almost 160,000 SF, helped to reduce the vacancy rate for the second year in a row. Although big boxes like the former Sears, Mega East and Shopko remain empty, the vacancy rate decreased to 10.63% in 2021 from 12.84% in 2020.

Industrial space remained consistent in 2021, with some new building and leasing activity in Sky Park Industrial Park. The vacancy rate for industrial dropped from 3.43% to 1.14%, indicating that industrial is currently the strongest sector, not only in our area, but across the country. We don't expect that to change much going into 2022.

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### Looking Forward:

As we move into 2022, we expect the commercial real estate market in this area to remain steady. There are a few projects currently under construction that include two retail strip centers in River Prairie. Some experts predicted office space would be slow to recover after the COVID-19 pandemic, but office leasing has remained solid, and we fully expect that to continue into 2022. With the lack of new office space coming on the market and buildings being removed for redevelopment, we anticipate seeing additional office space added to the market over the next few years.

We don't track financial institutions or fast-food restaurants, but new locations for Royal Credit Union in River Prairie and downtown Eau Claire are slated to open in 2022. Burger King is expected to start construction on a new location on Craig Rd and we predict other QSR's will make an entrance into the Eau Claire market.

Kwik Trip has been growing their footprint in the Eau Claire market and that will not change. Their new location on Melby St will open in early 2022 and they are planning to start construction on a store along Hwy 12 in Altoona.

Hospitality took a hit in 2020 but seems to be bouncing back as more events are scheduled to take place again. Although there are no planned hotels in the market, we could see additional rooms added once the Sonnentag Complex gets underway in 2022. Even with delays in the supply chain, multi-family continues to grow with new projects sprouting up across the market. Some of the mixed-use projects under construction in downtown Eau Claire should be completed this year improving desirability of those areas. Adding to the market's strength are a few industrial projects currently under construction as we head into the new year with the potential for more to be announced

2021 was a relatively strong year for the Eau Claire area commercial real estate market and the general feeling is optimistic with 2022 continuing on the same trajectory.