

REVITALIZING VACANT COMMERCIAL BUILDINGS: CAUSES, IMPACTS, AND
REUSE STRATEGIES

A THESIS

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Abstract

This research identifies and evaluates solutions to address commercial vacancies in retail, office, industrial, hospitality, mixed-use, and medical buildings across five Wisconsin counties: Outagamie, Winnebago, Fond du Lac, Calumet, and Brown. Vacant and underused commercial properties present challenges in both urban and rural areas due to economic shifts, evolving consumer behavior, remote work, and aging infrastructure. This study investigates the causes and impacts of vacancy and explores viable redevelopment strategies through a literature review and a targeted survey.

Existing research highlights several contributors to vacancy, including the decline of brick-and-mortar retail, remote work trends, deindustrialization, tourism shifts, and outdated buildings. These factors have resulted in inefficient space use and negative social and environmental outcomes, such as urban blight, reduced walkability, and demolition waste. In response, this study explores adaptive reuse strategies that promote sustainable redevelopment—such as converting vacant retail into mixed-use hubs, repurposing office buildings for housing and co-working spaces, reclaiming industrial sites through green redevelopment, transforming hotels into affordable housing, and updating medical facilities for educational and community use.

To complement the literature review, a survey of local business owners, residents, and community stakeholders captures firsthand insights into the economic, safety, and social effects of commercial vacancy. It also collects input on preferred redevelopment approaches to ensure alignment with local needs and market realities.

The findings aim to support policymakers, planners, and property stakeholders with actionable strategies to revitalize vacant properties and stimulate sustainable economic growth.

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Introduction

The prevalence of vacant and underused commercial buildings has become a growing concern in both urban and rural landscapes globally. “The number of abandoned and unused buildings is on the rise, with the pandemic having a profound impact on the vacancy rates of commercial spaces across the country (Owen, 2022).” A building's occupancy is often oversimplified as either being vacant or occupied; however, this binary view overlooks important nuances. There are, in fact, two types of vacancy—whole building vacancy or partial vacancy. In either case, vacancy represents an inefficient use of space that every building may eventually face in its lifetime (Armstrong, Wilkinson and Cilliers, 2023). Such vacancies contribute to urban blight, economic inefficiencies, and environmental degradation, yet they also present significant opportunities for revitalization and adaptive reuse. Addressing these vacancies can unlock latent economic potential and improve community well-being. This literature review examines the causes, impacts, and potential solutions for vacant commercial properties, with a focus on building type and the strategies employed to repurpose or reintegrate these spaces into active urban life.

Literature Review

There has been a significant shift in how the built space is being utilized. Regardless of a building's function, the built environment is a constant, underscoring the need to construct spaces that efficiently serve the surrounding population while offering flexibility for future changes. Finding tenants for vacant spaces can spark renewed interest and increase visitation to both the building itself and adjacent commercial spaces.

“A study by Bullen (2007) shows that the built environment is the single largest energy consumer and acts as the largest source of carbon dioxide and other greenhouse gas

emissions. It is estimated that the global built environment consumes as much as 40% of the total energy produced and is responsible for one-third of greenhouse gas emissions (Cutieru, 2021). Another study by Bullen and Love (2010) shows that the demolition of a building accounts for as much as 48% of solid waste generated from the lifecycle of a building (Armstrong, Wilkinson and Cilliers, 2023).”

There is a significant sustainable motivation to utilizing existing buildings instead of allowing them to fall into disrepair and vacancy. Promoting the reuse of existing buildings helps avoid the added emissions caused by demolition and reconstruction efforts, along with the waste generated by these processes. This approach not only conserves resources but also preserves the historical and cultural fabric of communities.

Causes of Vacant and Underused Commercial Buildings

Several factors contribute to the growing number of vacant and underused commercial properties. These include economic shifts, such as the decline of traditional retail and the rise of e-commerce—which have led to the closure of brick-and-mortar stores (Talen and Park, 2021). Additionally, changing urban development patterns and demographic trends, such as aging populations, varying income levels, and migration to suburban or remote areas, have resulted in decreased demand for certain commercial spaces and an increase in vacancy rates (Talen and Park, 2021). Different building types face unique challenges that influence vacancy rates. This section breaks down the causes by building type, detailing how each type is affected by these broader forces. For this research, commercial buildings are categorized as retail, office, industrial, hospitality, mixed-use, and medical. Included within each building type are examples of vacancies primarily from Wisconsin’s Outagamie, Winnebago, Fond du Lac, Calumet, and Brown counties.