

MARKETBEAT

BIRMINGHAM RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION



YEAR-END 2010

RETAIL MARKET OVERVIEW

- The Birmingham market experienced positive absorption of 35,620 square feet (sf) in 2010, a big improvement from negative 164,138 sf in 2009. Overall occupancy for 2010 was 87.6%, just a slight decrease from 88% at the end of 2009.
- Average weighted rental rates have declined from \$16.04 per square foot (psf) in 2009 to \$15.77 psf in 2010. This pause in rental rates has benefited some tenants and enabled them to expand their businesses.
- The Western submarket continued to show improvement in 2010, with occupancy rising to 86.2%, an increase from 85.6% at the end of 2009. The average weighted rental rate increased from \$11.88 psf at year-end 2009 to \$12.04 psf in 2010. Also, grocery-anchored centers in this submarket have demonstrated a reasonably stable tenant base.
- The Highway 31 South submarket maintains the highest occupancy level of 92.2%, relatively unchanged from 92.3% at year-end 2009. With an average weighted rental rate of \$10.75 psf, the Highway 31 South submarket continues to have the lowest rental rates in the area.

ECONOMIC INDICATORS

National	2009	2010	2011F
GDP Growth	-2.6%	2.8%	2.8%
CPI Growth	-0.3%	1.6%	1.5%
Consumer Spending Growth	-1.2%	1.7%	2.7%
Retail Sales	-6.3%	5.9%	5.0%
Regional			
Household Income	\$46,458	\$47,883	\$48,745
Population	388,688	392,497	396,343
Unemployment	9.3%	9.2%	7.8%

Source: Moody's | Economy.com

MARKET HIGHLIGHTS

SIGNIFICANT 2010 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Vestavia Hills City Center	Excel Trust, Inc.	378,000	\$33,500,000
Cahaba Village	ING Clarion	115,282	\$33,000,000
Trussville Marketplace	Jeffrey & Bryan LLC	67,325	\$5,200,000
Roebuck Center	Cohen Commercial Properties, LLC	152,243	\$3,000,000
Fmr Food World	Private Investor	43,200	\$2,900,000
200 Inverness Center Dr.	Private Investor	5,000	N/A
Eastdale Village Shopping Center	Jimmie Hale Mission	35,055	N/A

PROJECTS UNDER CONSTRUCTION

BUILDING	TOTAL SF	DELIVERY DATE
N/A		

2010 YTD CONSTRUCTION COMPLETIONS

BUILDING	TENANT	TOTAL SF
N/A		

MARKET STATISTICS

Market	Available SF	Direct Vacancy	YTD Absorption	Average Weighted Rental Rate
Central	386,552	11.0%	9,237	\$13.70
Eastern	477,188	12.7%	(77,577)	\$9.15
Eastwood/Irondale	212,631	12.9%	46,628	\$10.40
Highway 280	457,593	13.8%	9,318	\$19.67
Highway 31 South	145,962	7.8%	(1,705)	\$10.75
Hoover/Riverchase	594,675	12.1%	11,536	\$29.58
Northern	295,698	14.6%	17,940	\$8.85
Western	436,619	13.8%	20,243	\$12.04
TOTAL	3,006,618	12.4%	35,620	\$15.77

*Rental Rate reflects \$psf/year

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