

MARKETBEAT

BIRMINGHAM RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION



MID-YEAR 2011

RETAIL MARKET OVERVIEW

- The Birmingham retail market experienced negative absorption of 138,079 square feet (sf) in the second quarter of 2011, a decrease from positive 35,620 sf at year-end 2010. Overall occupancy dropped slightly to 87.0% in the second quarter, down slightly from 87.6% at the end of 2010. The average weighted rental rate has also declined from \$15.77 per square foot (psf) in 2010 to \$15.37 psf at mid-year 2011.

- The Hoover/Riverchase submarket had positive absorption in the second quarter of 2011 with 12,121 sf absorbed, and 14,888 sf absorbed year-to-date. Occupancy for this submarket increased to 88.2%, up slightly from 87.9% at year-end 2010. With an average weighted rental rate of \$30.77 psf, the Hoover/Riverchase submarket has the highest rental rates in the area. This submarket contains two regional and super regional shopping centers and a newly developed community and power shopping center, all contributing to higher weighted average rental rates.

- The Highway 31 South submarket also experienced positive absorption of 11,794 sf in the second quarter, with 15,239 sf absorbed year-to-date. Due to favorable market demographics and close proximity to I-65 and I-459, two of Birmingham's most traveled transportation corridors; this submarket maintains the highest occupancy level in the Birmingham market at 93.0%, an increase from 92.2% at the end of 2010.

- Overall activity for Birmingham's retail market has remained relatively flat in 2011. Any new development activity taking place in the market can be attributed to projects that were planned prior to the economic downturn and are slowly beginning to come back online. Economic uncertainty continues to be a contributing factor to the lack of new developments and leasing activity in the retail market.

MARKET HIGHLIGHTS

SIGNIFICANT 2011 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Grants Mill Station	Blackstone	226,837	\$21,100,000
Pelham Towne Center	Encore Enterprises	74,008	\$12,000,000
Hoover Place	Private Investor	54,395	N/A
Fmr Food World	Action Properties	45,720	N/A
Winn-Dixie	Shannon Waltchack	48,000	N/A
CVS	Private Investor	10,125	N/A

PROJECTS UNDER CONSTRUCTION

BUILDING	TOTAL SF	DELIVERY DATE
N/A		

2011 YTD CONSTRUCTION COMPLETIONS

BUILDING	TENANT	TOTAL SF
N/A		

MARKET STATISTICS

Market	Available SF	Direct Vacancy	YTD Absorption	Average Weighted Rental Rate
Central	395,179	11.2%	(7,597)	\$13.90
Eastern	549,788	14.6%	(72,600)	\$9.31
Eastwood/Irondale	219,828	13.3%	(7,197)	\$10.39
Highway 280	451,026	13.6%	6,567	\$19.74
Highway 31 South	130,723	7.0%	15,239	\$10.82
Hoover/Riverchase	579,787	11.8%	14,888	\$30.77
Northern	295,998	14.7%	(600)	\$8.83
Western	523,398	16.6%	(86,779)	\$9.59
TOTAL	3,145,727	13.0%	(138,079)	\$15.37

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