

# GLOBAL SPOTLIGHT

## Birmingham, Alabama



**Although Birmingham grew to prominence as a manufacturing and engineering center, its economy today is dominated by the service sector.**

- Birmingham's overall high quality of life has been recognized nationally for many years. Newsweek magazine tapped Birmingham as one of its 10 "Hot Cities: America's Best Places to Live and Work". The U. S. Conference of Mayors also selected Birmingham as "America's Most Livable City."
- All four submarkets in Birmingham's office market experienced positive absorption in 2007. The office market is in a state of equilibrium with record rental rates and 95% occupancy. Birmingham CBD and submarkets are expected to remain strong as long as speculative development remains low.
- Birmingham's retail sector will benefit from competition in the grocery sector and a turn from retail power centers to mixed-use, infill development. Grocers such as Publix, Wal-Mart Neighborhood Centers and ALDI are expanding in the market, while Southern Family Foods, Bruno's/Bi-Lo and Winn Dixie are unsure of their future in the market. With a lack of available power center sites, mixed-use projects such as Cahaba Village, Hallman Hill and 29Seven will become more prevalent. The growing loft community in the downtown area should spur a push for retailers to enter the CBD.
- The Birmingham industrial market experienced positive absorption and increasing rates. Industrial occupancy, currently at about 86%, is considered healthy. The Landlords' outlook is favorable in tenant retention and rate structures.
- Activity in the investment market has slowed and prices have dipped a bit in response to the credit crisis. Multifamily investments are still attractive and at good rates given government-backed underwriting. Retail investments are experiencing more challenges in the financial arena.

## Birmingham At A Glance

Population	1,100,019
Location	Central Alabama
Interest	3.97% (US 10 yr Treasury Note)
Unemployment	3.3% (Jefferson Co)

Property	Rent/SF/Year Low	High	Vacancy Rate
Downtown Office Class A	\$17.50	\$23.50	8%
Suburban Office Class A	\$17.00	\$23.50	4.6%
Industrial Bulk Warehouse	\$4.00	\$6.45	14.9%
Retail Downtown	\$8.00	\$15.00	35%

NAI Chase Commercial provides local market expertise in north and central Alabama.

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### At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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