

Downtown Mobile Office Market Overview

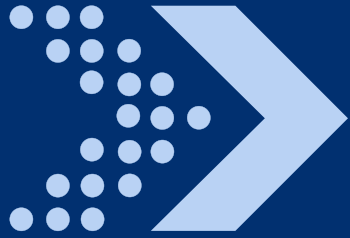
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DOWNTOWN MOBILE ALLIANCE

Downtown Mobile Office Market Overview Year End 2023

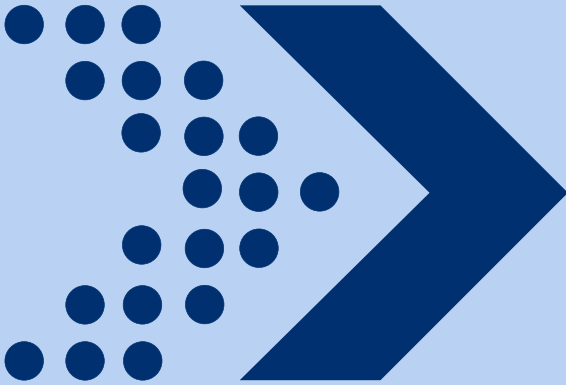


	2023	2022
DOWNTOWN OFFICE OCCUPANCY	86.59%	85.73%
AVERAGE RENTAL RATE	\$20.41	\$19.35
HIGH-RANGE OCCUPANCY	85.02%	84.44%
MID-RANGE OCCUPANCY	91.48%	89.42%
LOW-RANGE OCCUPANCY	100%	92.03%
2023 MARKET ABSORPTION	+ 13,676 SF	

OFFICE - Downtown (Hank Aaron Loop)

	2023	2022
Number of Buildings	26	26
Market Size Total (SF)	1,830,803	1,830,803
Total Rentable (SF)	1,590,129	1,590,129
Vacancy Rate (%)	13.41%	14.27%
Occupancy Rate (%)	86.59%	85.73%
Absorption (SF)	13,676	25,779
Weighted Avg. Asking Rental Rate	\$20.41	\$19.35
Percent of Asking Rates Full Service	81.22%	81.22%
Range - High -----	\$18 and up/SF	
# of buildings	15	14
Total Rentable SF	1,323,315	1,229,030
Occupancy Rate	85.02%	84.44%
Vacancy Rate	14.98%	15.56%
Range - Mid -----	\$15-\$17.99/SF	
# of buildings	9	9
Total Rentable SF	176,943	263,448
Occupancy Rate	91.48%	89.42%
Vacancy Rate	8.52%	10.58%
Range - Low -----	<\$15/SF	
# of buildings	2	3
Total Rentable SF	89,871	97,651
Occupancy Rate	100.00%	92.03%
Vacancy Rate	0.00%	7.97%

2023 at a glance



Renovations at Title Insurance
164 St. Francis Street



Completed renovations at
164 St. Francis Street - 2024

CRE Mobile, Premier Appraisals, Synovus



Overall, 2023 was a successful year for the Downtown Mobile office sub-market, characterized by steady leasing activity, positive absorption, and increasing rental rates. The conversion of several office buildings to multifamily rentals has contributed to a decrease in office supply which has decreased vacancy rates and we expect this trend to positively influence the occupancy rates in the coming years.

Key Metrics

Vacancy Rate: The vacancy rate for office space in Downtown Mobile decreased due to several office-to-multifamily conversions, including The Riverview announcement, The Gateway, and Merchants Plaza. The new owners of the Graymont Building, 100 St. Joseph Street, have also announced plans for a similar conversion, which will further reduce office vacancy.

Rental Rates: The weighted average asking rental rate for office space in Downtown Mobile increased from \$19.35 to \$20.41 per square foot (PSF), reflecting a positive trend in rental rates.

Absorption Rate: The sub-market experienced positive absorption of 13,676 square feet, indicating a healthy demand for office space in Downtown Mobile.

New Construction: The renovation of the 16,500 square foot Title Insurance building at 164 St. Francis Street is underway, with tenants CRE Mobile, Premier Appraisals, and Synovus set to occupy the space in the 1st Quarter of 2024.

Market Outlook: The office sub-market in Downtown Mobile is expected to continue its positive trajectory in the coming years. The conversion of office buildings to multifamily rentals indicates a shift in market dynamics, potentially impacting future office supply. However, steady leasing activity and increasing rental rates suggest a strong demand for office space in the area.

LISTING OF MULTI-TENANT BUILDINGS TRACKED



RSA BATTLE HOUSE TOWER.....	11 N. Water Street
RSA TRUSTMARK BANK BUILDING.....	107 St. Francis Street
RIVERVIEW PLAZA OFFICE BUILDING...	63 S. Royal Street
ONE ST. LOUIS CENTRE.....	1 St. Louis Street
COMMERCE BUILDING.....	118 N. Royal Street
MERCHANTS PLAZA (8-STORY).....	104 St. Francis Street
WATERMAN-SMITH BUILDING.....	61 St. Joseph Street
GM&O BUILDING.....	110 Beaugard Street
RSA VAN ANTWERP BUILDING.....	101 Dauphin Street
BUICK BUILDING.....	451 St. Louis Street
LACLEDE HOTEL.....	150 Government Street
GREYSTONE BUILDING.....	100 St. Joseph Street
LANDMARK SQUARE.....	169 Dauphin Street
ROYAL PLACE.....	150 N. Royal Street
CENTRAL OPTICAL.....	54 St. Emanuel Street
KRESS/HARGROVE.....	18 S. Royal Street
TITLE INSURANCE BUILDING.....	164 St. Francis Street
PARKVIEW PLAZA.....	182 St. Francis Street
BAYPORT BUILDING.....	5 Dauphin Street
ELGIN BUILDING.....	2 S. Water Street
PARK BUILDING.....	200 Dauphin Street
MEYER BUILDING.....	9 Dauphin Street
TOUART BUILDING.....	300 Dauphin Street
	3 Dauphin Street
KRESS/HARGROVE.....	115 Dauphin Street
THREE SISTERS BUILDING.....	1 S. Royal Street

The Office Market Report information is based on DMA survey responses from building owners, managers and leasing professionals of the largest multi-tenant office buildings.