

Downtown Mobile Office Market Overview

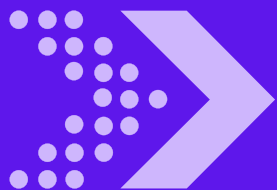
December 31, 2020

PREPARED BY
THE DOWNTOWN
MOBILE ALLIANCE

FRED RENDFREY
251-434-8498
FRED@DOWNTOWNMOBILE.ORG



Downtown Mobile Office Market Overview Year End 2020

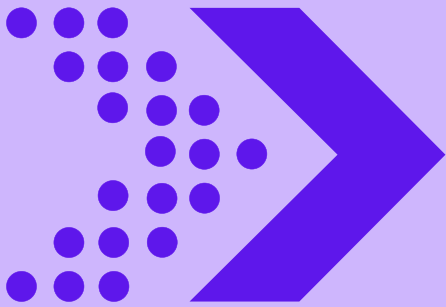


	2019	2020
DOWNTOWN OFFICE OCCUPANCY	83.60%	84.56%
AVERAGE RENTAL RATE	\$18.94	\$19.03
HIGH-RANGE OCCUPANCY	86.22%	86.95%
MID-RANGE OCCUPANCY	80.63%	83.30%
LOW-RANGE OCCUPANCY	66.08%	65.27%
2020 MARKET ABSORPTION	15,567 SF	

OFFICE - Downtown (Hank Aaron Loop)

	2019	2020
Number of Buildings	26	26
Market Size Total (SF)	1,855,595	1,855,595
Total Rentable (SF)	1,612,842	1,612,842
Vacancy Rate (%)	16.40%	15.44%
Occupancy Rate (%)	83.60%	84.56%
Absorption (SF)	19,212	15,567
Weighted Avg. Asking Rental Rate	\$18.94	\$19.03
Percent of Asking Rates Full Service	80.08%	80.08%
Range - High -----	\$18 and up/SF	
# of buildings	11	11
Total Rentable SF	1,190,278	1,190,278
Occupancy Rate	86.22%	86.95%
Vacancy Rate	13.78%	13.05%
Range - Mid -----	\$15-\$17.99/SF	
# of buildings	11	11
Total Rentable SF	294,565	294,565
Occupancy Rate	80.63%	83.30%
Vacancy Rate	19.37%	16.70%
Range - Low -----	<\$15/SF	
# of buildings	4	4
Total Rentable SF	127,999	127,999
Occupancy Rate	66.08%	65.27%
Vacancy Rate	33.92%	34.73%

2020 at a glance



NOTABLE MOVES

Despite all of the challenges caused by COVID-19 in 2020, the Downtown Mobile office sub-market did not collapse as many analysts had predicted. The multi-tenant market remained steady with a total market size of 1,855,595 SF, with 1,612,842 RSF in 26 buildings. The sub-market experienced positive absorption of 15,567 SF. Overall, the occupancy rate of all multi-tenant office buildings rose from 83.60% to 84.56%. Additionally, the overall weighted average of asking rental rate increased from \$18.94 PSF to \$19.03 PSF. The occupancy rate of the High Range rose from 86.22% to 86.95%. Additionally, the occupancy rate of the Mid Range rose from 80.63% to 83.30%. However, the occupancy rate of the Low Range fell slightly from 66.08% to 65.27%.

Banks made some of the most notable moves in the office sector in 2020. First on the multi-tenant side, BankPlus leased both retail and office space in Merchants Plaza while occupying One St. Louis Centre during the build-out. On the owner-occupied side, Renasant Bank acquired a site, renovated and moved in. Additionally, Merchants and Marine Bank acquired a site, but has yet to occupy the space. Finally, 22nd State Bank was able to occupy their recently renovated building. The Innovation Portal, a non-profit incubator and innovation hub, held a ribbon-cutting for their new owner-occupied office in the summer of 2020. The Merchants Plaza multi-use complex conversion continued in 2020, with the completion of the 18-story tower into market-rate apartments. The accompanying office space is 100% leased while the retail portion is still largely available.



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 Beauregard Street
RSA VAN ANTWERP BUILDING.....	101 Dauphin Street
BUICK BUILDING.....	451 St. Louis Street
LACLEDE HOTEL.....	150 Government Street 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 300 Dauphin Street 3 Dauphin Street
KRESS/HARGROVE.....	115 Dauphin Street
THREE SISTERS BUILDING.....	1 S. Royal Street