

## Downtown Mobile Office Market Overview Year End 2017

OFFICE-Downtown (Hank Aaron Loop)	2017	2016
Number of Buildings	28	28
Market Size Total (SF)	1,975,693	1,975,693
Total Rentable SF	1,718,105	1,718,105
Vacancy Rate	21.93%	21.58%
Occupancy Rate	78.07%	78.42%
Absorption	(6,042)	49,345
Weighted Avg. Asking Rental Rate	\$18.17	\$18.06
Percent of Asking Rates Full Service	81.30%	81.30%
Range - High-----	\$18 and Up / SF	
# of buildings	8	7
Total Rentable SF	1,031,093	994,162
Occupancy Rate	82.37%	82.22%
Vacancy Rate	17.63%	17.78%
Range - Mid -----	\$15-\$17.99 / SF	
# of buildings	13	13
Total Rentable SF	414,333	441,764
Occupancy Rate	68.24%	70.82%
Vacancy Rate	31.76%	29.18%
Range - Low-----	< \$15 / SF	
# of buildings	7	8
Total Rentable SF	272,679	282,179
Occupancy Rate	55.49%	56.40%
Vacancy Rate	44.51%	43.60%

The overall theme for 2017 should be slow and steady. The size of the sub-market remained unchanged. We surveyed 28 buildings which represented just under 2,000,000 SF of multi-tenant office space. The overall vacancy rate was 21.93% representing a slight increase from 21.58% in 2016. The occupancy rate saw a slight decrease from 78.42% in 2016 to 78.07% in 2017. Absorption was slightly negative; there was a loss of 6,042 SF of occupancy. However, the asking rental rate increased slightly from \$18.06 to \$18.17. The market size of the "High" buildings increased, the asking rental rate of one building increased enough to bump it from a "Mid" to a "High" building. The occupancy rate of the "High" range buildings increased from 82.22% to 82.37%. The occupancy rate of the "Mid" range buildings decreased slightly from 70.82% to 68.24%. Lastly the occupancy rate of the "Low" range buildings fell from 56.40% in 2016 to 55.49% in 2017.

In 2017 it was announced that the 18-story, Merchants Plaza office tower, will be converted into apartments in 2018. The tower suffered heavy losses as leases were not renewed and many tenants chose to relocate or were relocated to the 8-story, Merchants Plaza annex. The building will not be tracked in upcoming surveys, and the loss of the 70,000 SF of office space from the market is expected to drive occupancy up in the 2018 and beyond. Additionally, Hargrove Automation and Controls purchased, renovated and is beginning to move in to a new Downtown, owner-occupied building. The multi-tenant building in which they formerly leased 17,500 SF is expected to see an increase in vacancy. The net change from those two transactions is a projected vacancy decrease of approximately 35,000 SF.



*Merchants Plaza Building –106 St.  
Francis Street*

## Listing of Multi-Tenant Buildings Tracked

	<b>Office Building</b>	<b>Building Address</b>
1	RSA Battle House Tower	11 N. Water Street
2	RSA Trustmark Bank Building	107 St. Francis Street
3	Riverview Plaza Office Building	63 S. Royal Street
4	Merchants Plaza (Tower)	106 St. Francis Street
5	One St Louis Centre	1 St. Louis Street
6	Commerce Building	118 N. Royal Street
7	Merchants Plaza (8-story)	104 St. Francis Street
8	Waterman Building	61 St. Joseph Street
9	GM & O Building	110 Beauregard Street
10	Van Antwerp Building	101 Dauphin Street
11	Buick Building	451 St. Louis Street
12	LaClede Hotel	150 Government Street
13		100 St. Joseph Street
14	Landmark Square	169 Dauphin Street
15	Royal Place	150 N. Royal Street
16	Central Optical	54 St. Emanuel Street
17	Kress	18 S. Royal Street
18	Title Insurance Building	164 St. Francis Street
19	Parkview Plaza	182 St. Francis Street
20	Bayport Building	5 Dauphin Street
21		2 S. Water Street
22	Park Building	200 Dauphin Street
23		9 Dauphin Street
24		300 Dauphin Street
25		3 Dauphin Street
26	Kress	115 Dauphin Street
27	Three Sisters Building	1 S. Royal Street
28	Waterman Building Annex	59 St. Joseph Street



Prepared by the Downtown Mobile Alliance  
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