

# Market Snapshot

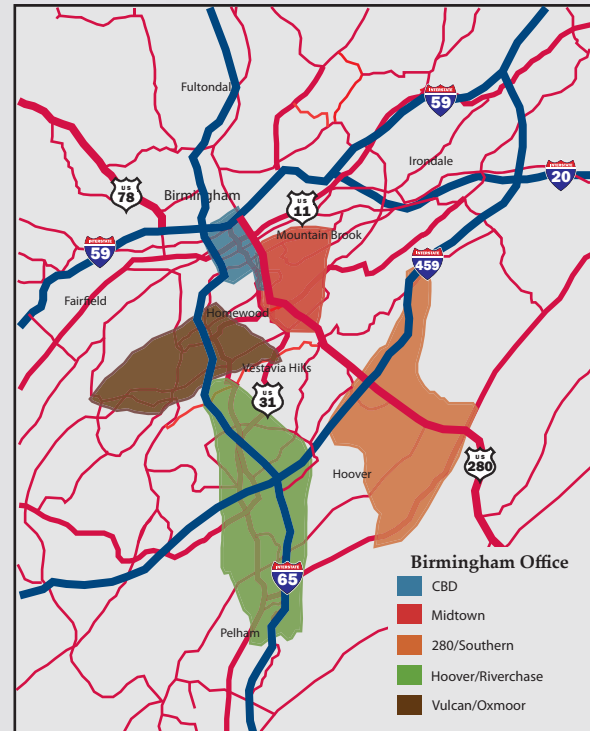
3rd Quarter/2009

## Birmingham Office Report

The 3rd quarter showed a slowed, but persistent decrease in occupancy across all submarkets except for the CBD which posted a nominal gain. Total absorption during the quarter is negative 130,000 square feet bringing year-to-date absorption to negative 416,239. Vacancy rate increased from 9.4% to 10.3% and including sublease space, the availability rate rose from 13.2% to 14.3%.

The Vulcan/Oxmoor market, with an occupancy rate of 63%, has suffered the most significant loss as a result of corporate relocations, downsizing and tenant bankruptcies. The Hoover/Riverchase and 280 submarkets have been considerably impacted as well. The Hoover/Riverchase submarket occupancy rate has dropped 6% year-to-date while the 280 submarket continues to be plagued with available sublease space equal to approximately 11% of the submarket's total inventory.

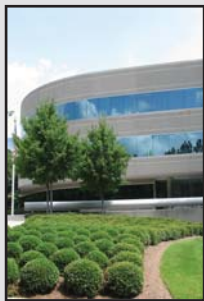
Looking forward, expect occupancy rates to decline for the next two quarters as new sublease availabilities continue to hit the market. Furthermore, with the completion of the Summit Office Building and Servis1st Headquarters Building, there are no major office developments underway and due to the abundance of space on the market, new construction is unlikely.



Market/Submarket (all classes)	Inventory	Vacancy Rate	Sublease Availability	YTD Absorption	Weighted Avg. Class A Rate
CBD	5,704,102	7.23%	48,309	2,812	\$21.11
Midtown	3,851,842	5.02%	56,341	(37,797)	\$22.63
280/Southern	5,554,539	8.44%	602,505	(80,729)	\$21.89
Hoover/Riverchase	1,885,312	16.68%	15,147	(118,086)	\$19.31
Vulcan/Oxmoor	1,313,383	36.91%	19,704	(302,332)	-
<b>Total</b>	<b>18,309,178</b>	<b>10.23%</b>	<b>742,006</b>	<b>(416,239)</b>	<b>\$21.26</b>

# Recent Lease Transactions

**Luckie Building\***  
**Midtown**  
 First Protective  
 23,480 sf  
*Long-term lease renewal and expansion for Protective Life subsidiary*



**500 Office Park\***  
**Midtown**  
 Jefferson County Housing Authority  
 21,559 sf  
*Lease renewal in highly sought after Office Park*



**Meadowbrook 100\***  
**280 Southern**  
 Comframe Software Corporation  
 7,150 sf  
*Early renewal and contraction*



**Ridge Park Place\***  
**Midtown**  
 American Red Cross  
 50,685 sf  
*Lease renewal for blood services division in their Midtown office*



**SouthBridge\***  
**Midtown**  
 Cash Acme  
 12,905 sf  
*Sublease of Sellers, Richardson, Holman & West's former space*



**Chase Corporate Center\***  
**Hoover/Riverchase**  
 HP Hotels  
 5,032 sf  
*Relocation into a premier Class A office space*



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\* Sandner Commercial Real Estate represented a party in this transaction