

Retail vacancies rise in Mountain Brook Village

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Lauren Stewart isn't discouraged by the number of empty storefronts that surround her new boutique in Mountain Brook Village, Lulie's on Cahaba.

Just six weeks in, Stewart said customers are slowly responding to the minimal price point she offers among a community known for its high-end local retailers.

However, lately, a good number of those high-end retailers in Mountain Brook Village have called it quits for various reasons or moved to other communities, leaving empty space that isn't filling up at the pace it did two years ago.

Mountain Brook Village is at a critical juncture, say real estate experts, retailers and city officials, as regional efforts are underway to encourage shopping in the city and a \$200 million proposed mixed-use development lays on the table.

Over the past year or more, some of the stores that have closed for various reasons or left the village for other areas include Browdy's, Jonathan Benton Bookseller, Eve's Leaves, Jane Simon, Susan G. Matthews, Henry Maus Antiques, **White Flowers**, Iron Art, **J. McLaughlin** and **The King's House Antiques**.

And other retailers have moved in to set up shop, including Avo/Dram, Lovely Nails, Lulie's on Cahaba, Another Broken Egg Café, which is slated to open this fall, and Village Dermatology.

But there's still a good bit of prominent space left empty in the village.

Mountain Brook City Manager Sam Gaston said store closures and a down economy have made a dent in the city's coffers, with sales tax revenue coming in about 7 percent less than the flat growth of \$8.26 million it had originally projected for this year.

Gaston said it's not a dire situation because the city derives the majority of its revenue from property taxes, but it's one city and chamber of commerce officials are monitoring closely.

Sperry Snow, co-owner of Barton-Clay Fine Jewelers in the village, said he believes one reason space isn't filling back up is affluent landlords are seeking high rents and holding on to property until they get the price they're asking for.

"Some are so affluent it doesn't matter and it doesn't affect them," said Snow.

But some landlords are coming to grips with the fact that the economy has hit Mountain Brook Village and are lowering rents, said David Ashford of **Southpace Properties Inc.**, who is leasing space on Cahaba Road.

Asking price for the 2,000-square-foot space he has listed is \$5,000 a month, or about \$30 a square foot per year, he said. According to EGS Commercial Real Estate's 2009 mid-year retail report, average weighted rental rates in the central submarket, which is made up of Mountain Brook, Homewood and Vestavia Hills, is \$13.79.

Retail space in Mountain Brook's other two villages – English Village and Crestline Village – is holding its own, mainly because a slate of more diverse retailers, not all high-end, are serving the needs of the surrounding communities, said Ashford.

Vacancies are rare in Mountain Brook Village and could point to a sign of the changing times in retail development outside the city, said Robert Jolly, whose **Retail Specialists Inc.** lists property in the area and is handling retail leasing for the proposed \$200 million Lane Parke development.

Lane Parke developers currently are working with city officials and residents to hammer out details of the project, which proposes replacing **Mountain Brook Shopping Center** and Lane Park Apartments with 210,000 square feet of high-end retail, a park, residences, offices and a boutique hotel.

"The real reason, in my opinion, a lot of these retailers are struggling is there's not a real anchor (tenant) in the village," he said. "The traffic count is the highest, but people are not stopping for anything. Other than Western (Supermarket), there's not a retailer over 10,000 square feet in Mountain Brook Village to create traffic from outside the city."

Jolly said about 70 percent of retail dollars in Mountain Brook are spent outside the municipality and very few outside dollars are coming in.

"Yet, you have people from all over driving to the **Birmingham Zoo**," which is adjacent to the village, he said.

The high-income demographics of Mountain Brook haven't changed, he said, and many of the retailers his company is seeking for the project are in "a hundred other Mountain Brooks. They're not going to go into a village-type setting without an anchor to generate traffic."

Barton-Clay's Snow said he has mixed feelings about the proposed Lane Parke.

"It will be a plus for us regardless," he said. "But I hate to see something that people won't utilize, with huge parking decks. People want to drive up to a store and shop. The days of malls are gone."

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