



U.S. open-air vacancy rate 11% in fourth quarter

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U.S. neighborhood and community center vacancies averaged 11% in the fourth quarter, unchanged from the third quarter, up from 10.9% in the fourth quarter of 2010 and just a notch away from the all-time-high of 11.1% hit in the fourth quarter of 2007, according to real estate research firm Reis Inc.

Nevertheless, open-air center landlords did manage to fill 3.18 million more s/f of space in the fourth quarter of 2011 than they did in the third, marking the sector's largest occupancy gain since 2007. But the 1.89 million s/f of new open-air properties that came to market during the period managed to bring down the average, Reis reported.

"While this represents welcome news, we remain wary about pronouncing a turnaround until we observe a few more quarters of improvement," Victor Calanog, Reis's head of research, said in the firm's quarterly vacancy report. The fourth quarter tends to be the strongest period of the year for retail leasing, he said.

Meanwhile fourth-quarter U.S. regional and super-regional mall vacancies declined to 9.2% from a 10-year-high of 9.4% in the third quarter. But they were still up from 8.7% in the fourth quarter of 2010.

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