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IREM publishes new Income/Expense Analysis study for shopping centers

November 19, 2007 - Connecticut

Median income for open shopping centers across the country in 2006, based on average actual occupancy, increased to \$13.96 per s/f from \$13.93 the prior year. Similarly, open center operating costs rose to \$4.27 per s/f from \$3.99 in 2005.

These are among the key findings reported in the 2007 edition of the Income/Expense Analysis: Shopping Centers, a new benchmarking study published by the Institute of Real Estate Management (IREM). Conducted by IREM since 1991, this annual study analyzes the previous year's operating data for 288 open shopping centers throughout the United States. It is designed to provide real estate professionals and investors with current financial data for evaluating the performance of their properties and for preparing appraisals, budgets, loan requests and sales proposals.

Broken out regionally, median income for open centers in 2006 ranged from \$11.90 to \$18.99 per s/f versus a range of \$12.07 to \$18.61 per s/f in 2005. In both years, the West Coast reported the highest income per s/f.

Regional results also revealed that the Southeast had the lowest median operating cost for open centers last year at \$2.83 per s/f, whereas the Midwest had the highest cost at \$5.08 per s/f.

Insurance and taxes accounted nationally for 43.8% of the typical open center's total operating costs in 2006. Contracted services -such as landscaping, security and trash removal - accounted for 11.7% of operating costs, whereas maintenance/repair and utilities accounted for 9.6% and 8.2% of operating costs, respectively. The percentage breakdown for major expenses this past year approximate those for 2005.

Finally, the study reported a national occupancy level for open shopping centers in 2006 of 95%, a decline of 1% from 2005.

More Study Specifics

The IREM Income/Expense Analysis study breaks down open shopping center operating data into several categories, including property size, age, type of anchor, type of lease, average actual occupancy and gross leasable area. The study includes national, regional and metropolitan statistics, along with several special reports including leasing fees, expansion, tenant turnover, type of ownership and gross sales analysis.

Price and Ordering Information

The 200-page Income/Expense Analysis: Shopping Centers is available for \$391.95 (plus \$13.25 shipping and applicable state sales tax). The IREM member price is \$195.95. To order, contact IREM's Customer Service Department at 430 N. Michigan Ave., Chicago, IL 60611-4090 or e-mailed to custserv@irem.org. Internet users can order the study in soft cover or in a downloadable format

by accessing the IREM Store section of the IREM web site at www.irem.org.

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