

THE RETAIL GLOW UP!

LEVELING UP: NORTH ALABAMA'S NEXT CHAPTER



CRUNKLETON
COMMERCIAL REAL ESTATE GROUP

ANUSHA ALAPATI DAVIS | VICE PRESIDENT OF RETAIL
NORTH ALABAMA MARKET SYMPOSIUM – RETAIL 2025

WHAT IS A GLOW UP?

IT'S SLANG USED TO DISCUSS A NOTICABLE
TRANSFORMATION FOR THE BETTER



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WHAT DOES A GLOW UP LOOK LIKE IN COMMERCIAL REAL ESTATE?





HOLLYWOOD 18



STADIUM COMMONS



MADISON SQUARE MALL



MIDCITY DISTRICT



GOVERNORS DR/BROOKS



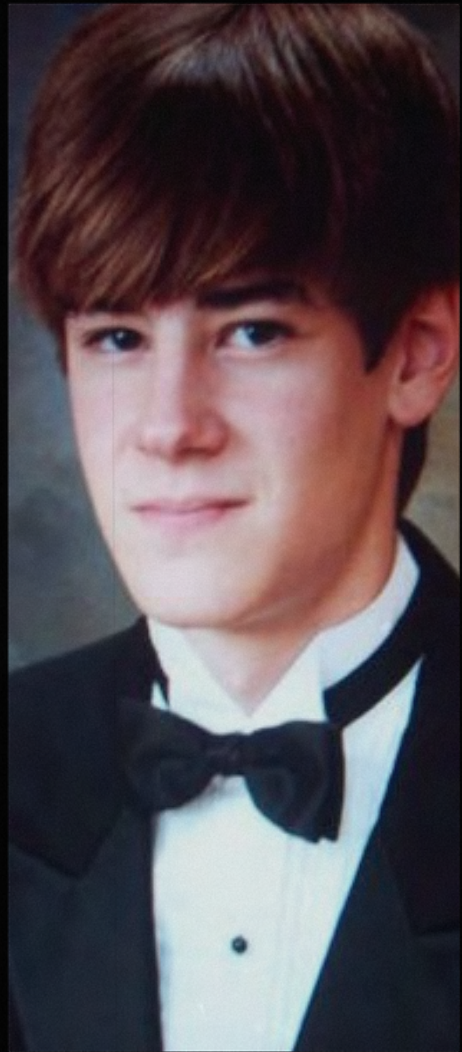
THE RANGE/FOUNDRY



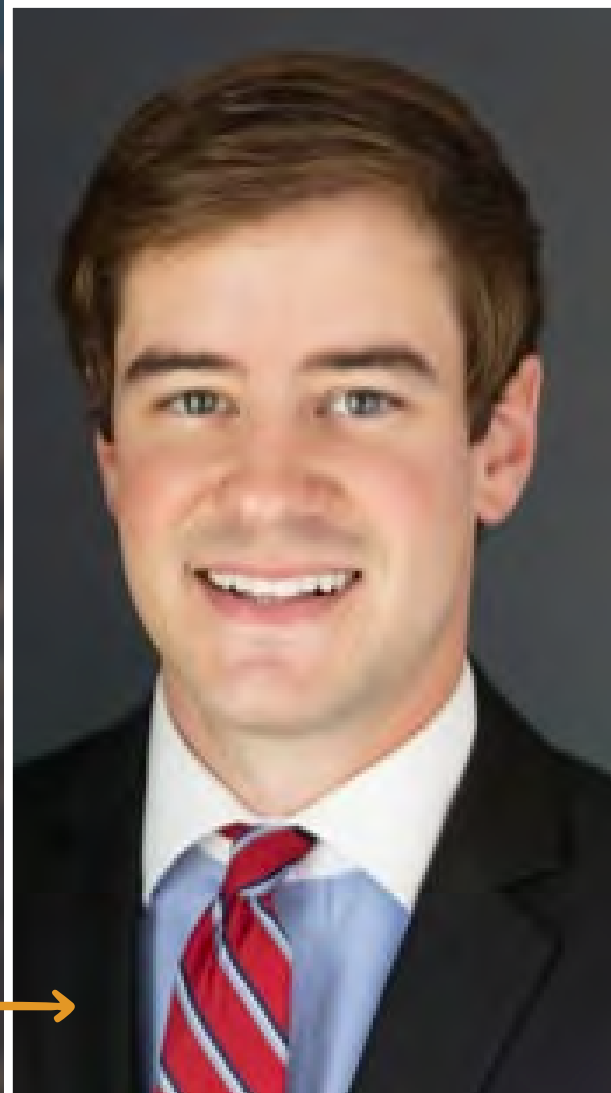
CLIFT FARM DEVELOPMENT



WHAT ABOUT THESE GLOW UPS?



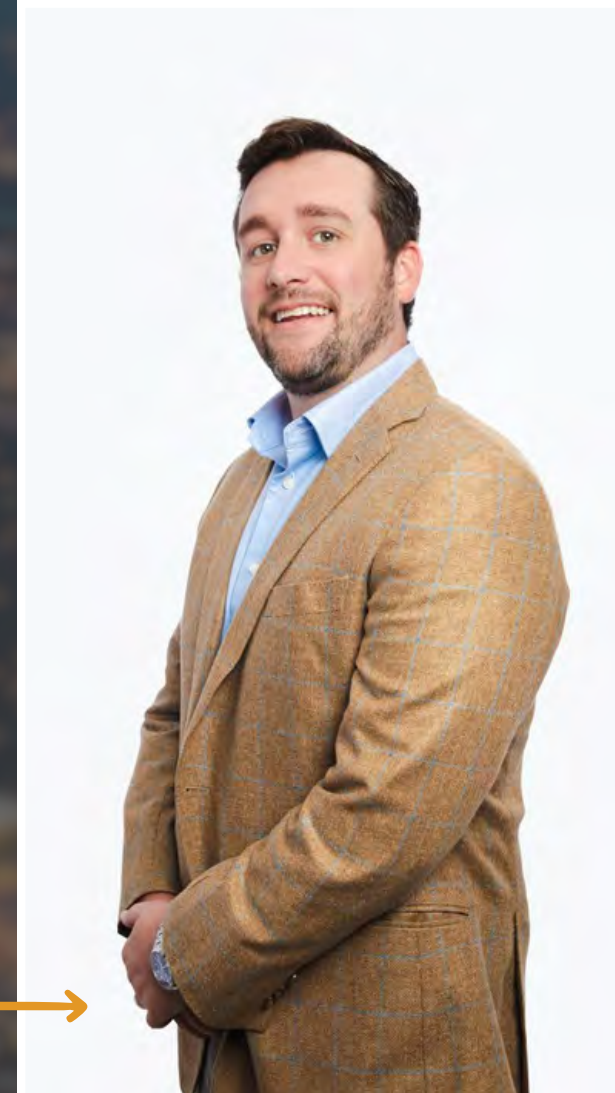
JAMES LOMAX
COPT DEFENSE PROPERTIES



ERIC ST. JOHN
CRUNKLETON COMMERCIAL
REAL ESTATE

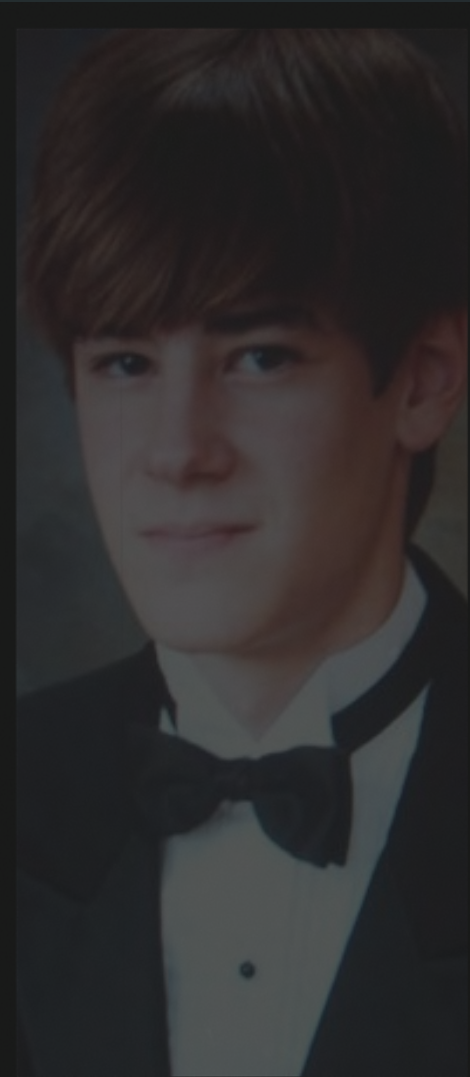


ALEX SAMPLES
SAMPLES PROPERTIES

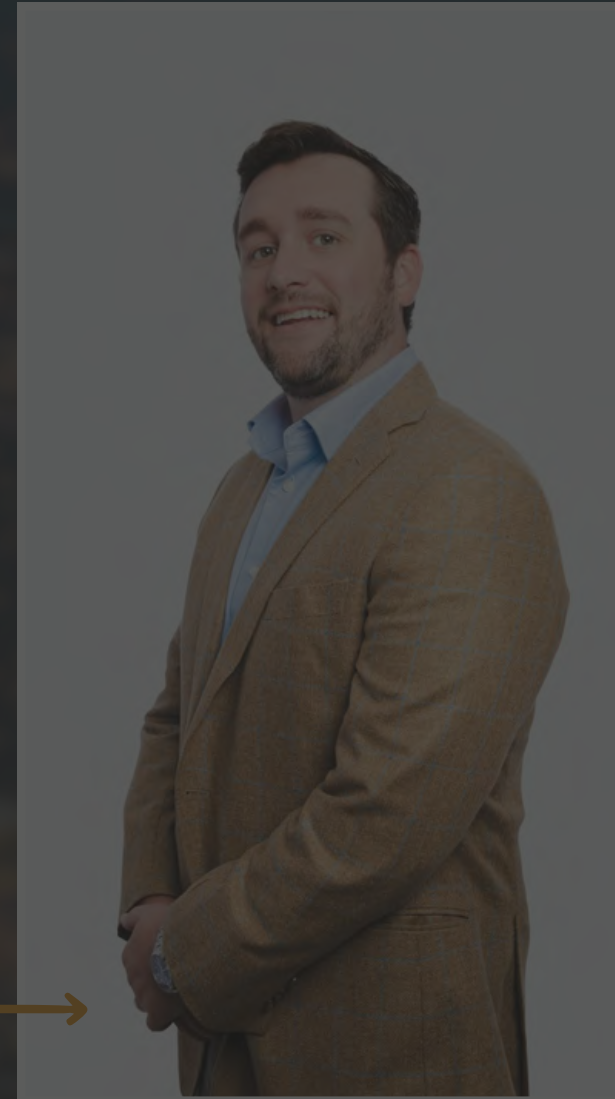


IN SHORT: A CRE GLOW-UP = IMPROVED AESTHETICS, PERFORMANCE, AND PERCEPTION

WHAT ABOUT THESE GLOW UPS?



JAMES LOMA
COPT DEFENSE PROPERT



EX SAMPLES
ES PROPERTIES

IN SHORT: A CRE GLOW-UP = IMPROVED AESTHETICS, PERFORMANCE, AND PERCEPTION

THESE GLOW-UPS AREN'T JUST COSMETIC THEY SIGNAL SOMETHING MUCH BIGGER.



NOW LET'S DIG INTO THE PROOF

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- 47,000 SF of retail space
- Building 2 (Clinton and Pinhook) is expected to open to residents/retailers in Spring 2026
- Building 1 (Clinton and Monroe) is expected to open to residents/retailers in Q4 2026



- Over 100k sf of retail, 20k sf of office, a Hyatt place hotel, and a 200-unit loft style multifamily project
- Currently under construction
- Focused on merchandising with a strategic mix of new to market tenants

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- 2020 at Providence (360 luxury apartments and 23,000 sf of retail) opened last year
- Whit's Frozen Custard Starbucks and Society Salon are open
- Manduu, Cajun Roux, Dolce Amore, Loona's and Providence Wine Bar will all open in the next few months
- Nitro Tales opened last year



- Project is under construction
- Brick & Tin will occupy the old Lewter Hardware Building and anticipates opening this fall.
- There will be 4,500 SF of speculative retail space with patio on the ground floor of the 223 Washington Building (anchored by Maynard Nexsen law firm)
 - Expected to open Q2 2026

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- Trailhead Huntsville is a rapidly growing mixed-use development situated at the base of Chapman Mountain, at the intersection of U.S. Highway 72 and Moores Mill Road.
- Food City opened its second Huntsville location at Trailhead in April
- Chick Fil A at Trailhead will break ground within the next 60 days on the corner of Hwy 72 and Moores Mill
- There will be a multi-tenant building for lease next to Chick Fil A
- Outparcels fronting Hwy 72 and around Food City are now available



- Recently Opened / Opening Soon
 - Blue Oak BBQ (May '24)
 - Tupelo Honey (Oct '24)
 - RCP Companies Office (Feb '25)
 - Dragon Alley (Summer '25)
 - Vinyl Bar & Café (Summer '25)
 - Hotel Indigo (Summer '25)
 - Fifth Third Bank (Summer '25)
 - Bank Independent (Fall '25)
- Recently Signed
 - X4 Fitness
 - Savory & Spice Shop

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- **Recently Opened / About to Open**

- Chicken Salad Chick (July '24)
- VSL Nail Salon (Oct. '24)
- Chick-fil-A Wall Triana (Dec. '24)
- Steam Boys (Feb. '25)
- Homewood Suites (Apr. '25)
- Walk On's Sports Bistreaux (May '25)
- Lola's Cocina (Summer '25)
- Marriott Courtyard & Residence Inn (Summer '25)

- **Coming Soon**

- Starbucks West End (Fall '25)
- Ardent Preschool (Fall '25)
- Escapology (Fall '25)
- Marx Optical (Fall '25)
- Chop House by Connor's (Q1 2026)
- Whataburger (Q2 2026)
- Marriott TownePlace Suites (2026)

- **Residential Summary**

- 600 +/- single family homes upon completion (300 +/- occupied today)
- 2,200 +/- apartment units upon completion (1,500 +/- occupied today)
- 1,000 +/- hotel rooms upon completion (400 +/- open today)

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- **Recently Opened / About to Open**

- Costco Wholesale (Nov. '24)
- Stoney River Steakhouse (Feb. '25)
- Chuck's Fish (Feb. '25)
- The Village Green at Clift Farm (Apr. '25) – will be programmed with events all summer and fall
- Snooze Mattress Co. (Apr. '25)
- VSL Nail Salon (May '25)
- Mountain High Outfitters (May '25)
- Rock n Roll Sushi (Summer '25)
- DryBar (Summer '25)
- Tikka Shack (Summer '25)
- Geise Dental (Summer '25)
- The Collier at Clift Farm (Summer '25)

- **Coming Soon**

- Cooper's Hawk (Nov. '25)
- La Parrilla (Nov. '25)
- Melt (Q1 '26)
- Grimaldi (Q1 '26)
- Pet Paradise (2026)
- Marriott TownePlace Suites (2027)

- **Residential Summary**

- 900 +/- single family homes upon completion (600 +/- occupied today)
- 2,000 +/- apartment units upon completion (900 +/- occupied today)
- 100 +/- hotel rooms upon completion

NORTH ALABAMA UPDATES: HUNTSVILLE & MADISON MARKET



- **Hampton Cove Location:**
 - Opened last year, solidifying a strong presence in the market.
 - Announced new small shop tenants: Spitz and VSL Nails.
 - Heartland Dental and 5th and Third Bank confirmed for outparcels.
- **Trailhead Location:**
 - Opened three weeks ago.
- **The Foundry – Governors Drive:**
 - Food City set to open in June 2025.
 - Positioned to serve the rapidly growing downtown and medical district.
- **Bob Wade Lane – North Parkway:**
 - Originally slated for June 2025 opening.
 - Now expected to open later this year.
 - This location will feature small shop space, expanding retail offerings.
- **Ongoing Expansion Strategy:**
 - Food City continues to aggressively expand across North Alabama.
 - Actively exploring new sites to strengthen its regional footprint.

NORTH ALABAMA UPDATES: JONES VALLEY



- ***Lendon Corner***
 - Lendon Corner is a new shopping center located at Lendon anchored by Sweet Pineapple – slated for completion Spring 2026
- ***Jim ‘n Nick’s***
 - Under construction at Cecil Ashburn & Four Mile Post (former CVS)
 - Opening Summer 2025.
- ***Phaze 3***
 - Opened February 2025.
- ***Blue at Valley Bend***
 - New tenants: Eggs Up Grill, Float Huntsville, and Dolce Amore coming soon.
 - Lola’s Cocina expected to open June 2025
- ***Shoppes at Valley Bend***
 - Home to Alabama’s first Grain & Berry
 - Mattress Firm
 - Backfill for Party City to be a first-to-market concept.

NORTH ALABAMA UPDATES: ATHENS



- ***French Mill Publix Center***
 - New Publix-anchored retail hub at Mooresville Rd & Hwy 72 with 3 outparcels (by Blackwater).
- ***Food City – West Athens***
 - Breaking ground this summer
 - Will have outparcels
 - Elm Street/Lucas Ferry Road in West Athens
- ***Texas Roadhouse & Elevate Fitness***
 - Coming late 2025 to Hwy 72 near 7 Brew
 - Includes 45,000 SF fitness facility.
- ***Residential Boom***
 - 8,500+ residential units approved—driving demand and regional growth.

NORTH ALABAMA UPDATES



- **Target and Academy anchored center**
 - Project is south of Walmart/Belk
 - Project has broken ground and expecting to finish Spring 2027
 - Project includes Home Goods, Burlington, outparcels and small shop space
 - Willow Capital is the Developer and JLL is the leasing team
- **Cook Out**
 - Breaking ground soon.
- **Alleyway Entertainment Center**
 - 30,000 SF facility breaking ground Summer 2025.
- **Hull Properties**
 - New retail center featuring Chicken Salad Chick.



- Noon Development broke ground on Hobby Lobby (next to Dunham's) earlier this year.

HOT SPOTS & HIGH-DEMAND SUBMARKETS



- The city is investing in a large infrastructure project that will be designed to enhance connectivity across Huntsville (Northern Bypass)

Why is the Northern Bypass Such a Big Deal?

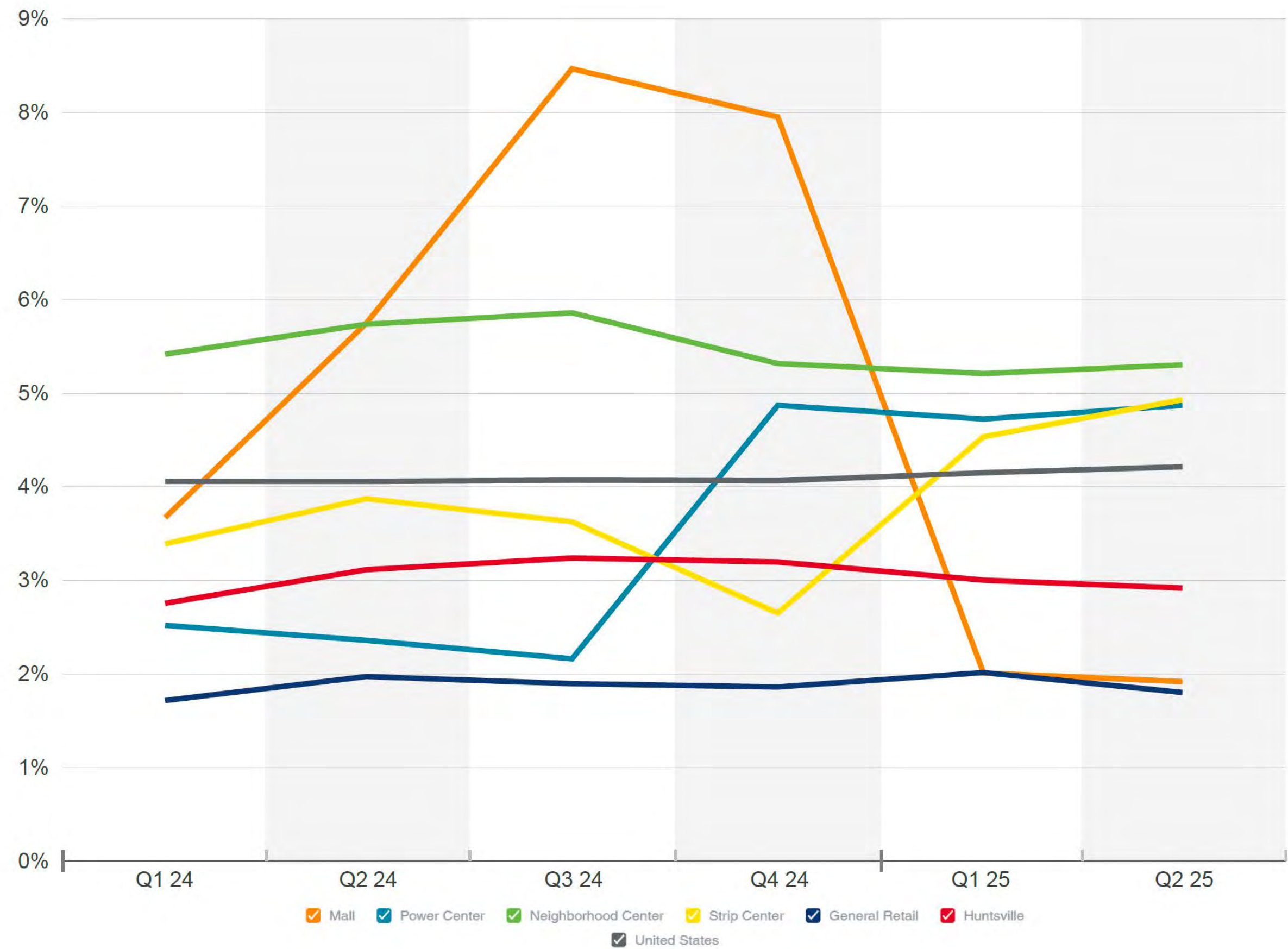


- Enhanced connectivity = Easier access to major highways (US-231/431, US-72)
- Improved access = Residential growth in surrounding areas.
- Residential growth = Increased population density & Boosted consumer base



- ***Population Growth:*** Rapid residential expansion is driving demand in South Huntsville.
- ***New Development:*** Major projects like Hays Farm are transforming the area.
- ***Retailer Demand:*** Retailers are actively seeking sites along this growing corridor.
- ***Improved Infrastructure:*** Enhanced roads and connectivity boost access and appeal.

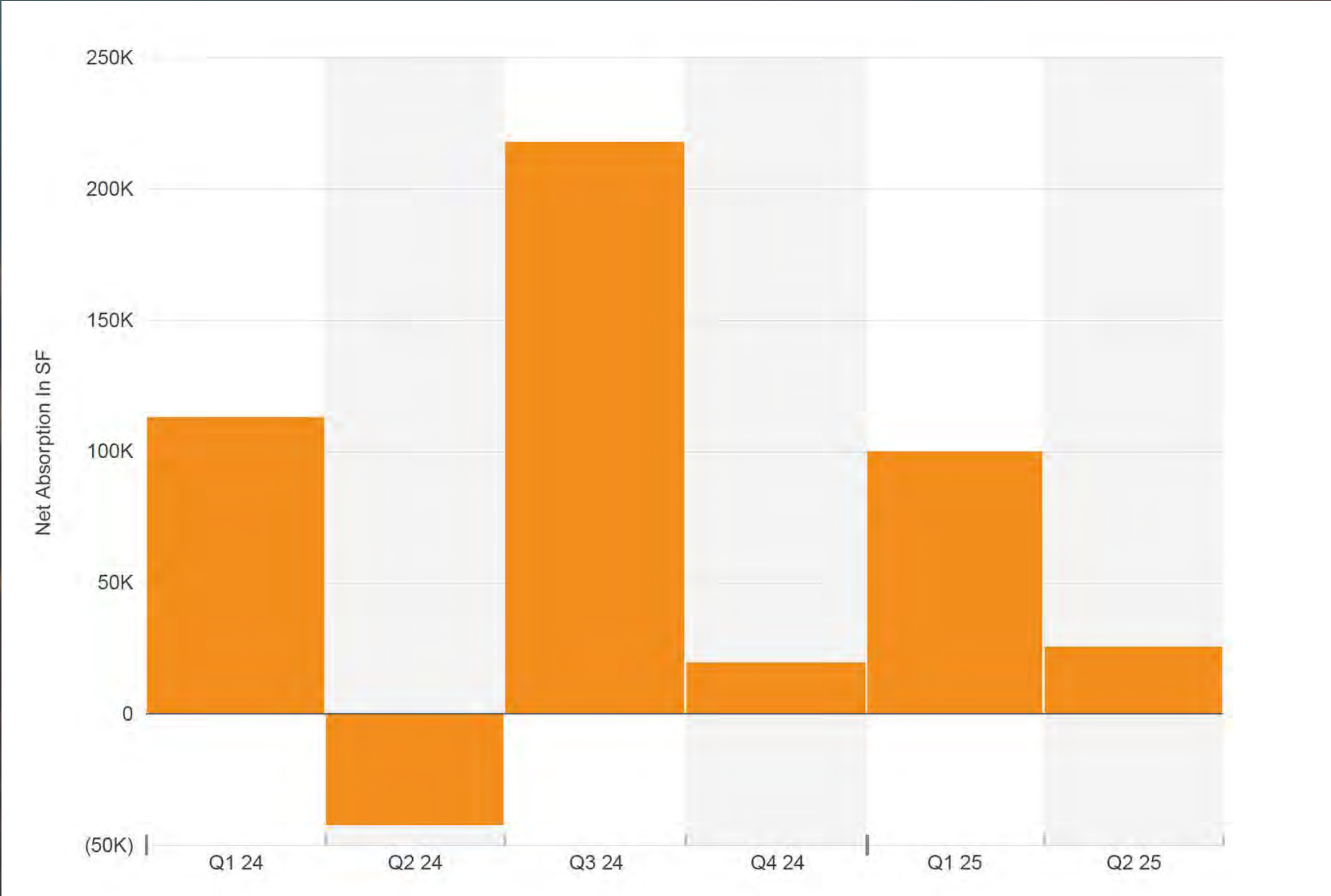
INSIDE THE NUMBERS: 2024 VACANCY RATE



	Huntsville	United States
Q1 2024	2.75%	4.05%
Q2 2024	3.11%	4.05%
Q3 2024	3.23%	4.07%
Q4 2024	3.19%	4.06%
Q1 2025	3.00%	4.15%
Q2 QTD 2025	3.01%	4.19%



INSIDE THE NUMBERS: 2024 ABSORPTION



	Huntsville
Q1 2024	112,856
Q2 2024	(42,310)
Q3 2024	217,780
Q4 2024	19,531
Q1 2025	99,981
Q2 QTD 2025	3,270



HUNTSVILLE MARKET KEY INSIGHTS:

VACANCY:

- **Consistently Low Vacancy**
 - Huntsville outperforms the national average
 - This indicates strong tenant demand and a healthy leasing environment.
- **Demand > Supply**
 - Persistent low vacancy reflects a supply-demand imbalance.
 - Space is leasing faster than it becomes available.
- **Development Opportunity**
 - With vacancy rates under 3.5% in most quarters, there's a clear need for new development to meet tenant demand.
- **Market Stability**
 - Even when vacancy ticks up slightly, it remains below national levels
 - This demonstrates resilience and long-term strength.

ABSORPTION:

- **Minimal Negative Absorption**
 - Only one quarter showed negative absorption—likely due to tenant closures or new space deliveries.
- **Strong Recent Performance**
 - 5 out of the last 6 quarters showed positive absorption
 - This signals a healthy, expanding market.
- **High Tenant Demand**
 - Sustained absorption reflects a consistent demand for space
 - This supports the case for new development to meet growing needs.

REWRITING THE BIG BOX NARRATIVE



- Large-format retail spaces are in high demand across the Huntsville metro area, with most available spaces leased off-market
- High construction costs make developing new big box spaces financially challenging, further driving demand for existing locations and increasing their value.
- This scarcity creates opportunity — landlords can command higher rents, and investors can capitalize on limited supply by repositioning or redeveloping underutilized properties (Example – Walmart Neighborhood Market on Oakwood)

RETAIL ON THE RISE

OPENINGS & ANNOUNCEMENTS IN FOCUS



EXPANSIONS IN FOCUS



RETAIL CAPITAL MARKETS: SALES & INVESTMENT ACTIVITY

MEDICAL PARK STATION



- **Price:** \$11,000,000.00
- **Cap Rate:** 6.48%

HERITAGE SQUARE



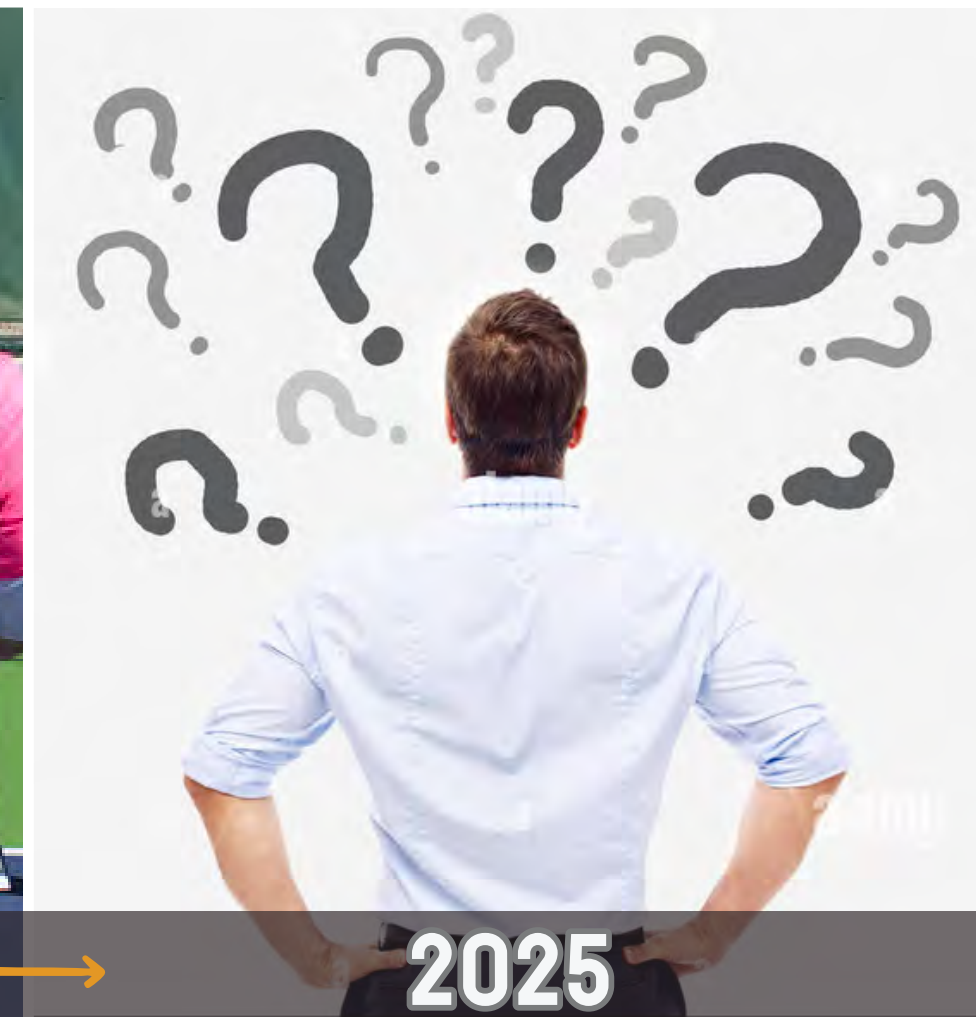
- **Price:** \$9,400,000.00
- **Cap Rate:** 7.63%

WALMART NEIGHBORHOOD MARKET



- **Price:** \$3,000,000.00
- **Cap Rate:** -

NATIONAL RETAIL TRENDS: WHAT'S IN / WHAT'S OUT



- High demand with limited new supply is creating a landlord-favorable market.
- Value-driven brands are expanding as consumers seek affordable options.
- Experiential retail is thriving by offering in-store experiences shoppers can't get online.
- Old retail spaces are being reimaged through adaptive reuse and mixed-use development.
- Smaller-format grocery stores are emerging to serve dense urban and suburban neighborhoods.
- Brick-and-mortar retail remains strong, especially for food, services, and convenience.

WHAT TO WATCH IN 2025



- ***Interest Rates***

- While interest rates remain above pre-pandemic levels, expectations of gradual rate cuts could lower borrowing costs, encouraging retail expansion and development.

- ***Shifts in Consumer Spending***

- Consumers may focus more on value-oriented spending, benefiting discount retailers and grocery-anchored centers.

- ***Trade Policy and Tariffs***

- Retailers will learn to adapt
- Some retailers are being cautious while most have not slowed down
- Landlords are increasingly focusing on leasing to businesses that are less impacted by tariffs, such as fitness centers and service-based retailers

- ***Rising Construction Costs***

- Higher labor and material costs may affect the feasibility of new retail developments
- Tenants must adapt to higher lease rates driven by rising construction costs



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256-384-7608

ANUSHA@CRUNKLETONASSOCIATES.COM

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