MARKETBEAT

# MOBILE/BALDWIN COUNTIES

MULTIFAMILY Q4 2024

CUSHMAN & WAKEFIELD

## MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **91.7%** Stabilized Occupancy Rate | ▼ | ▼ |
| **753** YTD Net Absorption, units | ▲ | – |
| **$1,213** Effective Rent, PSF | – | – |

*(Overall, All Property Classes)*

## ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **290.6K** Mobile/Baldwin Employment | ▲ | ▲ |
| **3.5%** Mobile/Baldwin Unemployment Rate | ▲ | ▲ |
| **$64,270** Mobile/Baldwin Median Household Income | ▲ | ▲ |

*Source: BLS*

## ECONOMY

In Baldwin County, retail and leisure/hospitality are the dominant sectors. Combined with Mobile, roughly 73,000 people are directly or indirectly employed by the tourism industry. Mobile, on the other hand, has a strong manufacturing base, bolstered by its robust transportation infrastructure and the Port of Mobile. The second-fastest growing port in the United States, the Port of Mobile provides more than 350,000 jobs for residents of the area. Baldwin County is home to five of the 10 fastest-growing cities in Alabama and is the second-fastest growing county in the state. In addition to an inflow of working-age residents, Baldwin boasts one of the fastest-growing retiree populations in the country, which will help drive consumer demand in the coming years.

## MULTIFAMILY SUPPLY AND DEMAND

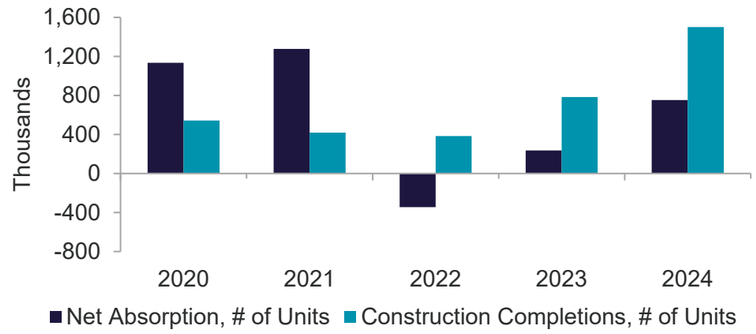
The stabilized occupancy rate—which excludes buildings still in their initial lease-up period—ended Q4 at 91.7%. Occupancy peaked in Q2 2021 at 95.5% amidst a period of explosive demand. Since the start of 2018, 5,110 units have been built in Mobile and Baldwin Counties, growing the multifamily inventory by 19.5%. Ten buildings completed construction in 2024 alone, delivering 1,501 units—the highest annual volume of new supply on record. All of these buildings were located in Baldwin County. No new projects broke ground in the second half of 2024 and the pipeline has begun to dwindle significantly. Only 608 units remain underway, which should relieve downward pressure on occupancy going forward.

More than 200 units were absorbed during Q4, the fourth consecutive quarter of positive absorption. This drove the 2024 total to 753 units of occupancy gains, the highest annual figure since 2021. Effective rents remained largely stable in recent quarters, ending the year at $1,213 per unit. Despite the recent tapering in rent growth, effective rents have increased 26.5% over the past five years.

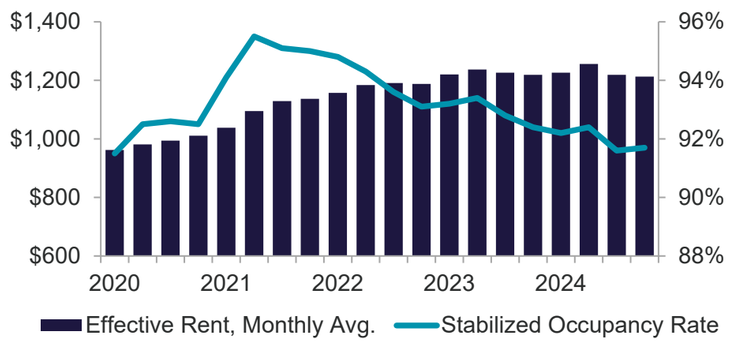
## 2025 INSURANCE MARKET OUTLOOK

There has been a large influx of new capacity into the Excess and Surplus Lines market for frame multifamily property risks, but these carriers do not typically write one individual property. The larger schedules of properties (2,500+ units) that are placed on layered and shared programs will record the largest decreases in 2025. Newer single locations, especially those located more than a mile from the coast, will also experience reductions. However, the market for older, distressed assets has yet to bounce back; there has not yet been an influx of new capacity for these risks and a decrease on these property types is not expected in 2025. For assets with clean loss history and strong security measures, flat renewals are achievable, but most properties should budget a 10%-15% increase with changes in terms.

## DEMAND / DELIVERIES




## STABILIZED OCCUPANCY & EFFECTIVE RENT




*Source: Moody's, CoStar, Cushman & Wakefield Research*



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## LOCAL ECONOMIC ANNOUNCEMENTS

- Gulf State Park Pier reopened after hurricane damage repairs
- Bay Minette proposes economic development project downtown
- MAA receives $2M grant for Brookley Aeroplex expansion
- 5-msf logistics park underway in Mobile
- Mobile's $300 million Civic Center project
- Mobile International Airport opening March 2026
- Novelis $4.1B aluminum plant underway at S Alabama mega site
- Airbus announces 1,000 jobs added at Mobile assembly plant
- Austal awarded $450M for Mobile shipyard facility

## CONSTRUCTION COMPLETIONS

| PROPERTY | SUBMARKET | UNITS | COMPLETION DATE |
|---|---|---|---|
| Rockwell Place | Baldwin County | 252 | Dec 2024 |
| Fallingwater | Baldwin County | 141 | Aug 2024 |
| Las Colinas Townhomes | Baldwin County | 100 | Jun 2024 |
| The Rivi | Baldwin County | 144 | May 2024 |
| Cottages at Foley Farms | Baldwin County | 321 | Apr 2024 |
| Allier Foley | Baldwin County | 130 | Apr 2024 |
| Cottages at Port Washington | Baldwin County | 18 | Feb 2024 |
| The Flats at East Bay | Baldwin County | 240 | Jan 2024 |
| Cottages at Wyld Palms | Baldwin County | 103 | Jan 2024 |
| Cottages at Craft Farms | Baldwin County | 52 | Jan 2024 |

## KEY PROJECTS UNDER CONSTRUCTION/RENOVATION

| PROPERTY | SUBMARKET | UNITS | COMPLETION DATE | STATUS |
|---|---|---|---|---|
| The Portier at Midtown | West Mobile | 264 | Nov 2026 | New Build |
| Exchange at Foley | Baldwin County | 264 | Jan 2025 | New Build |
| The Waters at McGowin | Downtown Mobile | 252 | Jul 2025 | New Build |
| The Park | West Mobile | 201 | May 2025 | Renovation |
| Allier Gulf Shores | Baldwin County | 92 | Jan 2026 | New Build |
| Government Square Apartments | Downtown Mobile | 54 | Jan 2025 | Renovation |

*Source: RCA, CoStar, Cushman & Wakefield Research*



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