MARKETBEAT
BIRMINGHAM
MULTIFAMILY Q1 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
92.1% Stabilized Occupancy Rate	▲	▲
145 YTD Net Absorption, units	▼	–
$1,262 Effective Rent, per unit	▲	–

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
569.7K Birmingham Employment	▲	▲
3.0% Birmingham Unemployment Rate	▲	▲
$73,000 Birmingham Median HH Income	▲	▲

Source: BLS

ECONOMY

Birmingham is Alabama's largest MSA and home to three Fortune 1000 companies: Regions Financial, Vulcan Materials, and Encompass Health. At 3.0%, Birmingham maintains one of the lowest unemployment rates in the nation while earning status as a medical research, banking, and technology hub. Construction of the Coca-Cola Amphitheater is nearing completion and is slated to open in June 2025. The 9,380-capacity venue serves as a key example of how together with its affordable tax climate and low cost of living, Birmingham is poised for continued economic growth.

However, as home to the top five ranked middle schools in Alabama, in conjunction with a high median household income, substantial zoning restrictions, and a lack of developable land, the multifamily market across the Birmingham metro contends with extremely high barriers to entry.

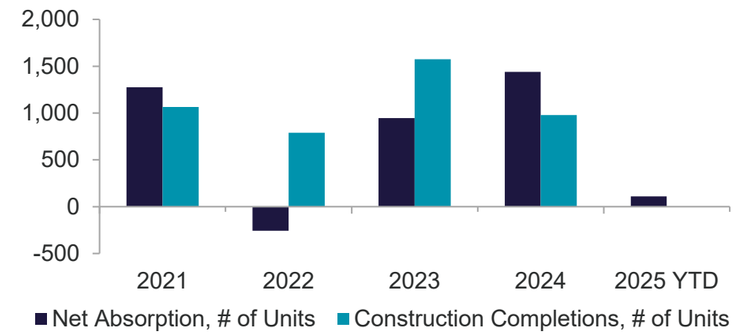
MULTIFAMILY SUPPLY AND DEMAND

Birmingham's healthy market fundamentals persisted into 2025. The metro recorded 145 net move-ins in Q1, the ninth consecutive quarter of positive absorption. Over the past five years, the region netted more than 4,100 tenant move-ins. This high demand kept close pace behind the explosive supply of 5,166 units delivered in that time.

At the end of Q1, 10 buildings remained under construction totaling 2,372 units, 80.0% of which is slated to deliver by the end of 2025. However, following several years of robust new supply, the pipeline has dwindled substantially. Groundbreakings have been limited, with no construction starts in Q1 and only two projects breaking ground over the past 12 months. This should insulate the metro from significant overbuilding as it has remained steady thus far with a stabilized occupancy rate—which excludes properties still in their initial lease-up period—of 92.1%.

Effective rents rose substantially since 2020, climbing 20.1% over the past five years to $1,262 per unit. However, growth has leveled off recently, remaining fairly stable for the past eight quarters with only modest increases. Still, Birmingham remains an affordable market compared to peer markets and the national average.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



LOCAL ECONOMIC ANNOUNCEMENTS

- Work begins on massive Birmingham mixed-use development
- Truckworx plans $6.8M corporate headquarters in Birmingham
- Poarch Band of Creek Indians purchases Birmingham Race Course, plans redevelopment

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

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BIRMINGHAM
MULTIFAMILY Q1 2025

CONSTRUCTION PIPELINE HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	COMPLETION DATE
West Row Lofts & Townhomes	Homewood	69	Apr 2025
Colina WeHo Apartments	Homewood	310	May 2025
The Fitzroy	Downtown Birmingham	273	May 2025
Livano Liberty Park	Vestavia Hills	270	May 2025
The Station at Lakeshore	Lakeshore	294	Jun 2025
Turnberry Park	Gardendale	155	Jun 2025
The James on Highland Avenue	Five Points	272	Oct 2025
7931 Crestwood Blvd.	Irondale	227	Dec 2025
Colina Hillside	Hoover	475	Apr 2026

PROPOSED PROPERTIES

PROPERTY	SUBMARKET	UNITS	ESTIMATED CONSTRUCTION START
601 University Park Pl	Homewood	540	Sep 2025
The Heights at Inverness	Hoover	289	May 2025
The Hub at Grants Mill	Outlying Jefferson County	330	Nov 2025
10450 County Road 11	Shelby County	284	Feb 2026
The Kelsey Avondale	Avondale	47	Mar 2026
Hwy 280 Multifamily	Inverness	TBD	TBD

Source: RCA, CoStar, Cushman & Wakefield Research



CRAIG HEY
Vice Chair
205 518 9283
craig.hey@cushwake.com



ANDREW BROWN
Executive Managing Director
205 518 9282
andrew.h.brown@cushwake.com



PARKER CALDWELL
Senior Director
205 518 9285
parker.caldwell@cushwake.com



BEN THOMAS
Director
205 518 9288
ben.thomas@cushwake.com



TOMMY COLEMAN
Senior Associate
205 518 9283
tommy.coleman@cushwake.com

CHRISTA DILALO
Senior Research Director, East
christa.dilalo@cushwake.com

ALEXIS FORREST
Research Analyst, Southeast
alexis.forrest@cushwake.com

SHERRA GILBERT
Senior Research Manager, Houston & Sunbelt Multifamily
sherra.gilbert@cushwake.com

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