MARKETBEAT

BIRMINGHAM

MULTIFAMILY Q3 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.2% Stabilized Vacancy Rate	▲	–
596 YTD Net Absorption, units	–	▲
$1.30 Effective Rent, PSF	–	–
$74,000 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
572.5K Birmingham Employment	▲	▼
2.8% Birmingham Unemployment Rate	▼	▲
0.7% Birmingham Household Growth Rate YOY	▲	▲
0.9% U.S. Household Growth Rate YOY	▲	▲

ECONOMY

Birmingham continues to strengthen its position as a dynamic Southern metro, recently ranked among the top 25 U.S. cities for small business growth. The city benefits from a diversified employment base, a growing healthcare sector, and robust infrastructure investment. Recent developments such as the Coca-Cola Amphitheater, Uptown District, and Brasfield & Gorrie's expansion, coupled with Birmingham's competitive cost of living and strong in-migration, continue to draw talent and investment across sectors. Birmingham boasts one of the lowest unemployment rates in the nation at 2.8%, far below the national rate at 4.3%.

SUPPLY AND DEMAND

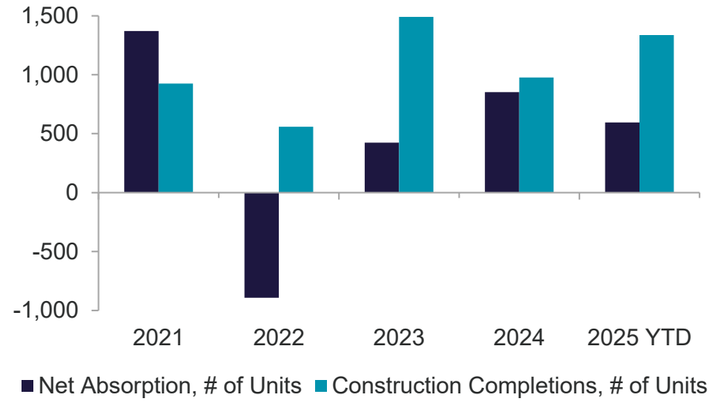
The Birmingham multifamily market is navigating a transitional phase. Units under construction declined 42.5% year-over-year (YOY), indicating a slowdown in new supply. This mirrors broader trends as developers respond to elevated vacancy and shifting demand.

Despite the construction pullback, renter demand remains resilient. Year-to-date (YTD) absorption totaled 596 units, in line with the units absorbed during the same time last year, suggesting continuous leasing momentum.

Stabilized vacancy rose slightly to 12.2%, just 10 basis points (bps) higher quarter-over-quarter, and up 60 bps YOY, hinting at early signs of stabilization. Submarkets benefiting from revitalization efforts and affordability are helping to absorb new deliveries.

Construction completions reached 1,336 units YTD, a 36.7% increase YOY, reflecting the tail end of prior development cycles. With fewer projects in the pipeline, the market is poised for improved fundamentals in the coming quarters.

DEMAND / DELIVERIES



STABILIZED VACANCY & EFFECTIVE RENT



PRICING

Effective rents in Birmingham remained relatively stable, with the average rent at $1,291 per unit and $1.30 psf in Q3 2025. This represents just a 0.2% YOY decline, reflecting competitive leasing strategies amid elevated vacancy. While rent growth has softened, Birmingham's affordability and economic momentum continue to support long-term pricing stability. As new supply moderates and demand strengthens, rent performance is expected to remain steady.

Source: BLS, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

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MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Bessemer Fairfield	3,663	294	6.4%	0	-45	15.5%	170	$1,125	$1.20	-2.3%
Cahaba Heights	4,329	0	0.0%	0	9	7.3%	-70	$1,528	$1.45	2.7%
Center Point	3,742	0	0.0%	0	-16	16.1%	50	$896	$0.92	3.0%
Downtown Birmingham	6,476	273	4.4%	272	144	13.4%	140	$1,472	$1.88	-3.0%
Homewood	7,388	379	5.4%	0	238	17.2%	-90	$1,259	$1.29	-3.3%
Hoover Vestavia Hills	10,752	0	0.0%	475	-203	15.3%	170	$1,248	$1.15	-0.6%
Outlying Jefferson County	7,971	390	5.1%	382	270	7.7%	40	$1,318	$1.30	1.1%
Shelby County	9,220	0	0.0%	289	221	7.6%	-10	$1,338	$1.30	1.9%
St Clair County	1,112	0	0.0%	0	-21	6.3%	300	$1,184	$1.15	-0.3%
TOTAL MARKET	**54,653**	**1,336**	**2.4%**	**1,418**	**596**	**12.2%**	**60**	**$1,291**	**$1.30**	**-0.3%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Rise Lakeview	Downtown Birmingham	53	2012
Stonegate Apartment Homes	Bessemer	260	2007
Center Pointe Landings	Center Point	140	1972
Clay Landings Apartments	Center Point	124	1974
Pineview Pointe	Center Point	140	1968
The Woodford	Center Point	250	1982/2021

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
The Station at Lakeshore	Sand Ridge	294	July 2025
Colina WeHo Apartments	Homewood	310	July 2025
The James on Highland Avenue	Downtown Birmingham	272	October 2025
Colina Hillside	Hoover Vestavia Hills	475	October 2025
Turnberry Park	Gardendale	155	October 2025
Irn Haus	Outlying Jefferson County	277	December 2025
The Heights at Inverness	Shelby County	289	May 2026

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THE MULTIFAMILY ADVISORY GROUP

BIRMINGHAM

RECENTLY SOLD



MULTIFAMILY COMMUNITY
Birmingham, AL
+/- 600 Units | Built 1998



THE FLATS AT EAST BAY
Fairhope, AL
240 Units | Built 2024



STONEGATE
Birmingham, AL
260 Units | Built 2008



LODGE AT JOHNS ROAD
Huntsville, AL
83 Units | Built 2015

CURRENT LISTINGS



LANDMARK
Tuscaloosa, AL
264 Units | Built 2007



EAST BAY FLATS
Panama City, FL
270 Units | Built 2022



THE RIVI
Foley, AL
144 Units | Built 2024



THE HAVEN AT GREENHILL
Birmingham, AL
128 Units | Built 1985/2023

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