MARKETBEAT

BIRMINGHAM

MULTIFAMILY Q1 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.8% Market Vacancy Rate	–	–
454 YTD Net Absorption, units	▲	–
$1.28 Effective Rent, PSF	–	–
$79,900 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
571.8K Birmingham Employment	▲	▲
2.6% Birmingham Unemployment Rate	▼	▲
0.6% Birmingham Household Growth Rate YOY	▲	▲
0.8% U.S. Household Growth Rate YOY	▲	▲

Source: BLS Q4 2025, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

SUPPLY AND DEMAND

Birmingham's multifamily market entered 2026 on firmer footing as construction activity continued to retreat and demand remained stable across much of the market. After several years of elevated development activity, supply-side pressure eased meaningfully in Q1. Units under construction declined sharply to just under 300 units, down significantly from over 2,300 units one year prior, reflecting a decisive shift toward a more constrained development pipeline. Development activity remained fully concentrated in one submarket, Shelby County. Deliveries totaled zero units during the quarter, marking a pause in new supply following several periods of elevated completions.

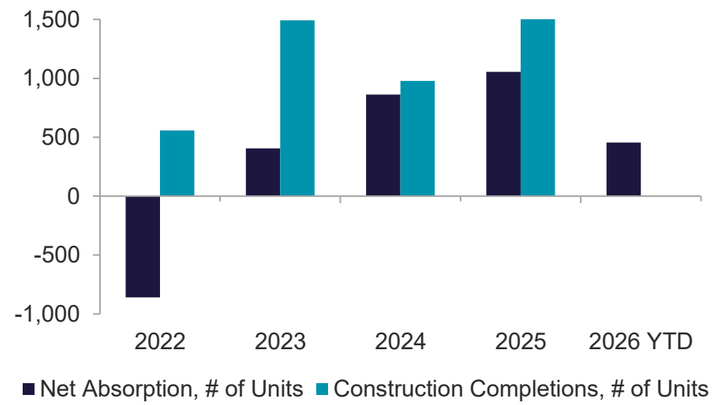
Demand fundamentals remained steady in Q1 2026. Net absorption reached 454 units, improving from 255 units in the prior quarter and indicating renter demand continued to absorb available inventory at a measured pace. While absorption strengthened on a quarterly basis, leasing activity remained somewhat uneven across submarkets. Stronger performance was generally observed in more affordable and suburban-oriented areas such as Outlying Jefferson County (+97 units) and Bessemer/Fairfield (+85 units).

Market vacancy declined slightly to 11.8%, improving by 10 basis points (bps) quarter-over-quarter (QOQ) but remaining 10 bps above the prior year level. Vacancy trends reflected the lingering impact of earlier supply deliveries, though the lack of new completions in Q1 helped support modest stabilization. Performance continued to vary by submarket, with lower vacancy generally concentrated across both established submarkets such as Cahaba Heights (7.2%) and more affordability-driven areas such as Shelby County (7.6%) and Outlying Jefferson County (9.2%).

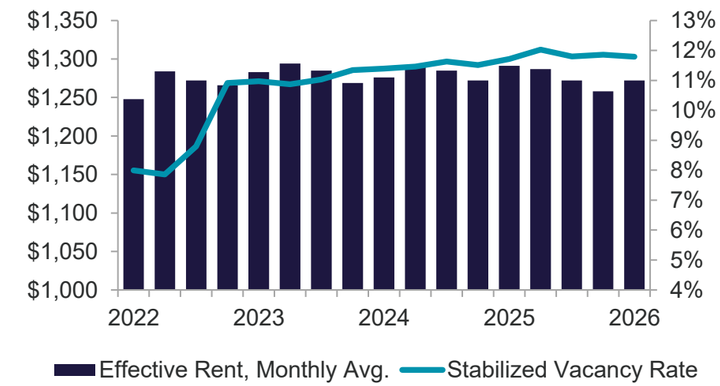
PRICING

Effective rents remained under pressure in Q1 2026, reflecting ongoing adjustment following the recent supply cycle. Rents averaged $1,272 per unit and $1.28 per square foot, representing a 1.5% decline year-over-year (YOY). Rent performance varied across submarkets, with more affordable areas generally exhibiting greater resilience relative to higher-priced segments of the market. While effective rent softness persisted, the adjustment was driven in part by elevated concession activity, suggesting operators continued to prioritize occupancy over headline rent reductions.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



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BIRMINGHAM
MULTIFAMILY Q1 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	MARKET VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Bessemer Fairfield	3,613	0	0.0%	0	85	14.5%	-340	$1,126	$1.20	-0.4%
Cahaba Heights	4,329	0	0.0%	0	51	7.2%	-20	$1,537	$1.46	-0.7%
Center Point	3,741	0	0.0%	0	16	14.5%	-20	$881	$0.91	0.7%
Downtown Birmingham	6,749	0	0.0%	0	41	14.4%	280	$1,437	$1.84	-0.5%
Homewood	7,284	0	0.0%	0	72	14.7%	-250	$1,234	$1.26	-4.2%
Hoover Vestavia Hills	11,395	0	0.0%	0	74	14.7%	80	$1,242	$1.14	0.0%
Outlying Jefferson County	8,344	0	0.0%	0	97	9.2%	160	$1,309	$1.29	-2.0%
Shelby County	9,220	0	0.0%	289	9	7.6%	0	$1,281	$1.24	-3.2%
St Clair County	1,112	0	0.0%	0	9	4.0%	-140	$1,212	$1.17	1.9%
TOTAL MARKET	**55,787**	**0**	**0.0%**	**289**	**454**	**11.8%**	**10**	**$1,272**	**$1.28**	**-1.5%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Advenir at Station 121	Downtown Birmingham	255	2010
Retreat at Greystone	Shelby County	312	2014
Summer Rise Apartments	Center Point	96	1971
The RiverHouse Apartments	St Clair County	144	1980
Chateau Glen Oaks	Bessemer/Fairfield	229	1977
The Outlook at Greystone	Shelby County	300	2007

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
The Heights at Inverness	Shelby County	289	Q4 2026
Irn Haus	Outlying Jefferson County	277	Q4 2025
The James on Highland Avenue	Downtown Birmingham	272	Q4 2025
Colina Hillside	Hoover Vestavia Hills	475	Q4 2025
Turnberry Park	Outlying Jefferson County	294	Q4 2025
The Station at Lakeshore	Bessemer/Fairfield	155	Q3 2025
Colina WeHo Apartments	Homewood	310	Q3 2025

OUTLOOK

- Ongoing economic development activity across Jefferson county is expected to support steady job creation, reinforcing gradual household formation and renter demand.
- Continued investment in healthcare and education, led by major institutions such as UAB and Children's of Alabama, will provide a stable employment base and long-term population retention.
- Improving downtown activity, including rising office utilization and increased retail and dining momentum, is expected to support demand for centrally located multifamily housing.

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