MARKETBEAT

BIRMINGHAM

MULTIFAMILY Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.1% Market Vacancy Rate	▼	▼
1,251 YTD Net Absorption, units	▲	▲
$1.27 Effective Rent, PSF	▲	▲
$81,600 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
570.3K Birmingham Employment	▲	▲
2.8% Birmingham Unemployment Rate	▲	▲
0.2% Birmingham Household Growth Rate YOY	▼	▲
0.4% U.S. Household Growth Rate YOY	▼	▲

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

SUPPLY AND DEMAND

Birmingham's multifamily market maintained positive momentum during Q2 2026 as healthy renter demand and limited development activity supported improving fundamentals across the market. Construction remained muted, with just under 300 units underway at quarter-end, unchanged from Q1 2026 and down 85.7% year-over-year (YOY). At its lowest level since 2017, the development pipeline reflected a significant pullback in new supply following several years of elevated construction activity. With no deliveries recorded during the first half of 2026, the market faced minimal new supply pressure, allowing existing inventory to absorb demand more efficiently.

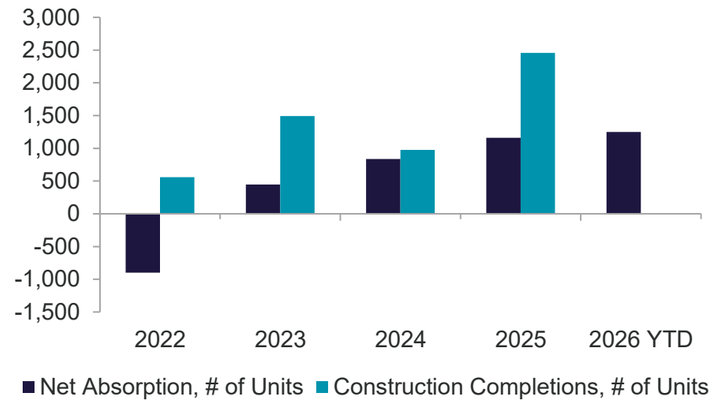
Leasing activity accelerated during the quarter. Net absorption totaled nearly 700 units in Q2 2026, increasing from 558 units in Q1 2026 and bringing first-half absorption to 1,251 units. Demand significantly outpaced the 361 units absorbed during the first half of 2025, reflecting a notable strengthening in leasing fundamentals. Outlying Jefferson County (+292 units) and Hoover/Vestavia Hills (+269 units) generated the strongest absorption through midyear, accounting for a sizable share of market demand.

Market vacancy registered 11.1% in Q2 2026, declining 50 basis points (bps) quarter-over-quarter and 100 bps YOY. Vacancy improved for the third consecutive quarter, reflecting sustained demand and the absence of meaningful new supply additions. The lowest vacancy rates were reported in St. Clair County (2.8%), Cahaba Heights (5.9%) and Shelby County (6.7%), where limited development activity and stable resident retention supported occupancy. As demand continued to outpace supply growth, occupancy conditions continued to improve.

PRICING

Effective rents increased to $1,268 per unit and $1.27 per square foot, representing the highest level recorded since Q1 2025. Annual rent growth turned positive for the first time in more than a year, rising 0.2% YOY following four consecutive quarters of annual declines. The improvement suggested that pricing conditions were stabilizing as strong demand and limited new supply continued to support the market. Performance remained uneven across submarkets, although several areas posted solid gains. St. Clair County led the market with 5.1% YOY rent growth, followed by Bessemer/Fairfield (3.8%) and Cahaba Heights (3.0%). The return to positive annual rent growth, combined with declining vacancy and limited construction activity, underscored the improving health of Birmingham's multifamily market during the first half of 2026.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



© 2026 Cushman & Wakefield

BIRMINGHAM
MULTIFAMILY Q2 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	138	14.5%	-100	$1,172	$1.25	3.8%
Cahaba Heights	4,329	0	0.0%	0	95	5.9%	-170	$1,515	$1.44	3.0%
Center Point	3,821	0	0.0%	0	42	14.4%	-210	$862	$0.89	-0.4%
Downtown Birmingham	6,609	0	0.0%	0	180	14.0%	-60	$1,457	$1.85	0.5%
Homewood	7,052	0	0.0%	0	128	14.7%	-270	$1,244	$1.27	0.7%
Hoover/Vestavia Hills	11,395	0	0.0%	0	269	13.7%	-50	$1,220	$1.12	0.2%
Outlying Jefferson County	8,344	0	0.0%	0	292	7.9%	50	$1,311	$1.29	-0.3%
Shelby County	9,220	0	0.0%	289	87	6.7%	-90	$1,265	$1.23	-2.7%
St Clair County	1,112	0	0.0%	0	19	2.8%	-360	$1,248	$1.20	5.1%
TOTAL MARKET	**55,495**	**0**	**0.0%**	**289**	**1,251**	**11.1%**	**-100**	**$1,268**	**$1.27**	**0.3%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Hills at Hoover	Hoover/Vestavia Hills	320	1972
Jubilee Townhomes	St Clair County	72	2012
Berry Falls Apartments	Hoover/Vestavia Hills	120	1972
The Ellison	Downtown Birmingham	255	2010
Palms at Center Point	Center Point	136	1971
Retreat at Greystone	Shelby County	312	2014

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.

SHERRA GILBERT
Senior Research Manager
Tel: +1 713 260 0282
sherra.gilbert@cushwake.com

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.
You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

© 2026 Cushman & Wakefield