MARKETBEAT

HUNTSVILLE

MULTIFAMILY Q1 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
12.0% Market Vacancy Rate	▲	▼
743 YTD Net Absorption, units	–	▲
$1.23 Effective Rent, PSF	▼	▲
$91,500 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
291.8K Huntsville Employment	▲	▲
2.3% Huntsville Unemployment Rate	▼	▲
1.7% Huntsville 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

Huntsville's multifamily market began 2026 with improving balance as development activity continued to moderate and demand remained constructive. Following a prolonged period of elevated construction, pipeline pressure eased further in Q1 2026. Units under construction totaled just over 2,350 units, down from nearly 2,900 units one year earlier, reflecting a continued pullback from recent peak levels. While still above historical norms, the declining pipeline signaled a shift toward more sustainable supply conditions. No new units were delivered during Q1, providing a pause in supply growth after several periods of elevated completions.

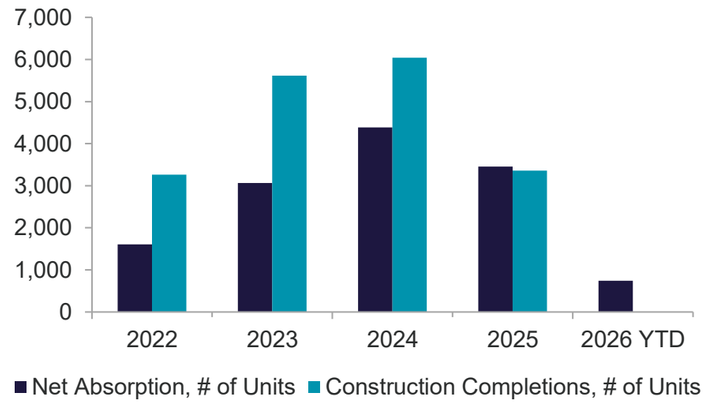
Leasing activity remained healthy in Q1 2026, supported by steady underlying demand. Net absorption reached almost 750 units, increasing from just over 500 units in the prior quarter and indicating continued progress in absorbing recently delivered inventory. Although absorption moderated compared to the prior year, demand remained sufficient to support ongoing lease-up activity. Absorption was concentrated in employment-driven nodes such as Madison/Airport (+288 units) and University/Research Park (+123 units), while the established Central submarket also posted healthy gains (+108 units).

Market vacancy registered at 12.0% in Q1 2026, declining just 10 basis points (bps) quarter-over-quarter but remaining 160 bps higher year-over-year (YOY) due to the cumulative impact of prior deliveries. The lack of new completions helped limit additional upward pressure, while conditions continued to vary across submarkets. More established submarkets such as Southwest (9.6%) maintained relatively tight vacancy, while more suburban and affordability-driven areas like Outlying Madison County (11.3%) also demonstrated stable occupancy.

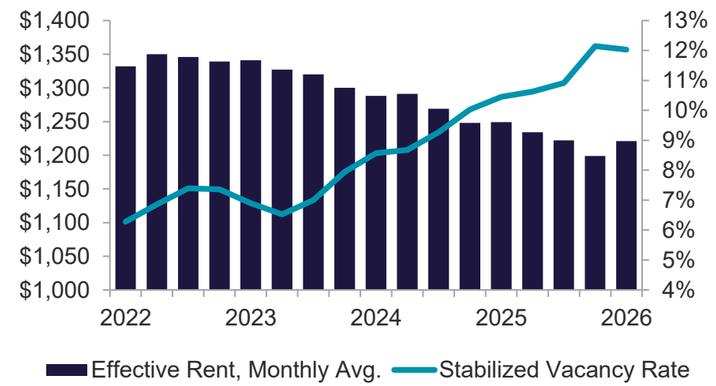
PRICING

Rent performance reflected ongoing normalization following the recent supply cycle. Effective rents averaged $1,221 per unit and $1.23 per square foot in Q1 2026, representing a 2.2% YOY decline. Performance varied across the market, with more established and competitively priced properties demonstrating greater resilience. Reflecting its role as a high-growth submarket, Limestone County outperformed the broader market, registering a 3.2% YOY increase in effective rent. As the construction pipeline continues to contract and near-term deliveries remain limited, downward pressure on rents is expected to moderate, supporting gradual improvement in pricing fundamentals.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



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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
Central	2,893	0	0.0%	545	108	13.1%	640	$1,425	$1.64	-5.2%
Limestone County	4,797	0	0.0%	282	77	13.8%	130	$1,260	$1.19	3.2%
Madison Airport	14,539	0	0.0%	0	288	11.6%	20	$1,259	$1.16	-3.5%
Outlying Madison County	3,222	0	0.0%	1,353	53	11.3%	70	$1,266	$1.22	0.2%
South Madison County	5,461	0	0.0%	0	57	12.5%	-230	$1,152	$1.18	-0.2%
Southwest	2,752	0	0.0%	0	38	9.6%	320	$962	$1.30	-3.2%
University Research Park	13,925	0	0.0%	172	123	12.2%	340	$1,185	$1.25	-3.1%
TOTAL MARKET	**47,589**	**0**	**0.0%**	**2,352**	**743**	**12.0%**	**160**	**$1,221**	**$1.23**	**-2.3%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
The Manor on County Line	Limestone County	316	2024
The Foundry at Stonehouse	Southwest	342	2023
Zen Gardens Apartments	Madison Airport	120	2021
Cambridge Court Apartments	South Madison County	64	1983
Continental Apartments	University Research Park	68	1965
Cottages at Thirty 04	Southwest	56	1950

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
Bartley Lofts	Central	273	Q3 2025
Madison Farms	Limestone County	130	Q4 2025
The Residences at Front Row	Central	545	Q2 2026
REV3 at Grant Park	University/Research Park	172	Q3 2026
Emma at Arabella Village	Limestone County	282	Q4 2026
Beacon Place North Valley	Outlying Madison County	800	Q4 2026
Rowena at Martinson Ranch	Outlying Madison County	553	Q1 2027

OUTLOOK

- Expansion in defense, aerospace, and technology sectors anchored by Redstone Arsenal and NANA will continue to drive job creation and investment, reinforcing Huntsville's position as a leading high-tech employment hub.
- Population growth and in-migration will remain elevated, with Huntsville now Alabama's largest city and one of the fastest-growing U.S. metros, supporting sustained household formation.
- Continued federal investment and projects such as U.S. Space Command are expected to support sustained employment growth and regional economic expansion.

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