MARKETBEAT
HUNTSVILLE
MULTIFAMILY Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.0% Market Vacancy Rate	–	▼
1,961 YTD Net Absorption, units	▲	▲
$1.18 Effective Rent, PSF	–	▲
$93,300 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
294.5K Huntsville Employment	▲	▲
2.4% Huntsville Unemployment Rate	–	▲
1.2% Huntsville 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

Huntsville's multifamily market strengthened during Q2 2026 as robust leasing activity and slowing construction activity supported continued improvement in fundamentals. The development pipeline contracted to just over 2,200 units under construction, down 11.0% quarter-over-quarter (QOQ) and 6.2% year-over-year (YOY), reflecting a continued moderation in new supply. Meanwhile, year-to-date (YTD) deliveries totaled fewer than 300 units, a sharp decline from the more than 2,000 units delivered during the first half of 2025, reducing near-term pressure on occupancy and rents.

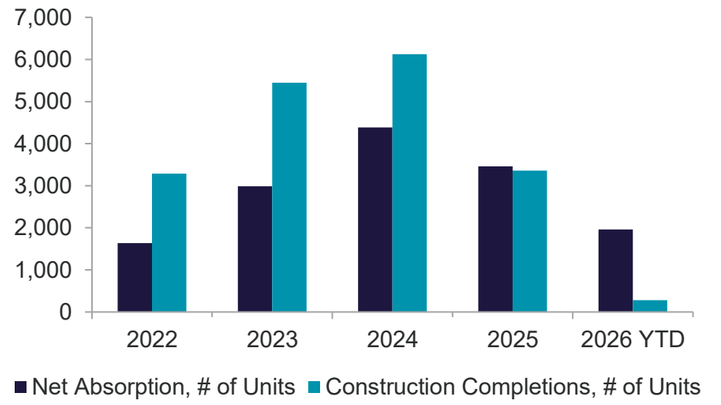
Demand remained a bright spot during the quarter. Net absorption totaled 1,194 units in Q2 2026, up significantly from 767 units in Q1 and more than four times the 282 units delivered during the quarter. YTD absorption reached nearly 2,000 units, exceeding the same period last year by 3.7% and highlighting the market's ability to absorb recently completed inventory. Demand was particularly evident in Madison/Airport (+668 units) and University/Research Park (+489 units).

Following several years of upward pressure from elevated deliveries, vacancy declined for a second consecutive quarter, suggesting the market was moving beyond the peak effects of the recent construction cycle. Market vacancy registered 11.0% in Q2 2026, improving 90 basis points (bps) QOQ. While vacancy remained just 30 bps higher YOY, the recent decline reflected improved demand and a moderation in new deliveries. The tightest vacancy levels were observed in Southwest (7.5%), where the established inventory base continued to support occupancy, and Madison/Airport (9.7%), where strong absorption contributed to improving vacancy trends. Overall, strong absorption, declining vacancy and a shrinking construction pipeline pointed to a market that continued to work through the effects of the recent supply cycle.

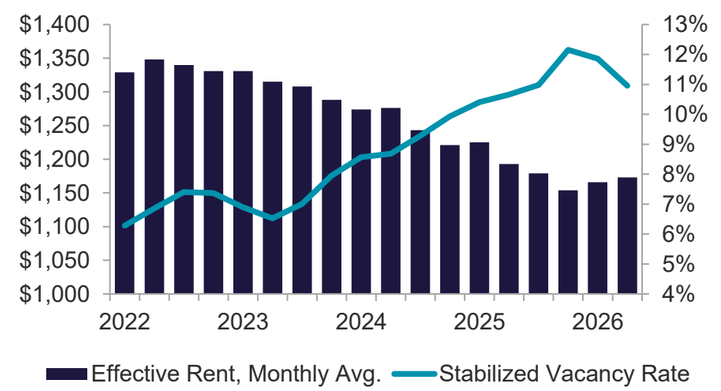
PRICING

Effective rents showed encouraging stabilization during Q2 2026 as supply and demand conditions became increasingly balanced. Effective rents ended the quarter at $1,173 per unit and $1.18 per square foot, holding steady from Q1 2026 after several quarters of downward pressure. While effective rents remained 1.6% below year-ago levels, flat quarterly performance represented a positive step toward pricing stability as demand remained robust and development activity continued to moderate. Annual rent declines also eased considerably from the mid-single-digit losses recorded throughout much of 2025, indicating that pricing fundamentals continued to gain traction as supply pressures subsided and market conditions improved.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



© 2026 Cushman & Wakefield

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	257	10.4%	360	$1,357	$1.56	-6.8%
Limestone County	5,079	282	5.9%	0	261	12.6%	-10	$1,209	$1.11	2.1%
Madison/Airport	14,483	0	0.0%	0	668	9.7%	-120	$1,212	$1.12	-1.5%
Outlying Madison County	3,222	0	0.0%	1,353	97	11.6%	-10	$1,210	$1.18	0.4%
South Madison County	5,461	0	0.0%	0	100	14.9%	130	$1,054	$1.08	-6.5%
Southwest	2,752	0	0.0%	0	90	7.5%	40	$927	$1.25	-1.3%
University/Research Park	13,925	0	0.0%	376	489	10.7%	90	$1,162	$1.23	-0.3%
TOTAL MARKET	**47,815**	**282**	**0.6%**	**2,274**	**1,961**	**11.0%**	**30**	**$1,173**	**$1.18**	**-1.6%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Belle Mor	Madison/Airport	272	2023
The Grand Reserve at Madison	Madison/Airport	232	2003
The Liam at Hays Farm Apartments	South Madison County	329	2024
The Manor on County Line	Limestone County	316	2024
Zen Gardens Apartments	Madison Airport	120	2021

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
Beacon Place North Valley	Outlying Madison County	800	Q4 2026
Rowena at Martinson Ranch	Outlying Madison County	553	Q1 2027
The Residences at Front Row	Central	545	Q3 2026
Emma at Arabella Village	Limestone County	282	Q2 2026
The Viola	University/Research Park	204	Q2 2027
REV3 at Grant Park	University/Research Park	172	Q1 2027
Madison Farms	Limestone County	130	Q4 2025

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.

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