MARKETBEAT
HUNTSVILLE
MULTIFAMILY Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.8% Market Vacancy Rate (Market vacancy excludes properties in lease-up)	—	▼
2,660 YTD Net Absorption, units	▲	▲
$1.16 Effective Rent, PSF	▼	▲
$93,400 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
296.8K Huntsville Employment	▲	▲
2.8% Huntsville Unemployment Rate	▲	▲
2.6% Huntsville Household Growth Rate YOY		
0.5% U.S. Household Growth Rate YOY		

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

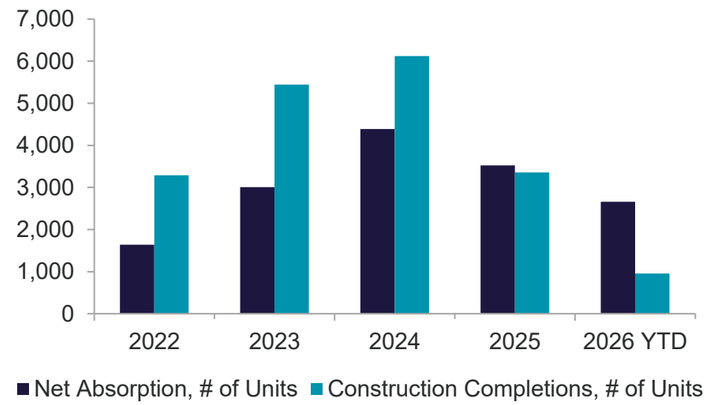
SUPPLY AND DEMAND

Huntsville's multifamily market remained fundamentally healthy in Q3 2026 as demand continued to absorb supply and the development pipeline contracted further. The number of units under construction declined to 1,813 units, down 23.1% quarter-over-quarter (QOQ) and 31.7% year-over-year (YOY), reflecting a meaningful slowdown in development activity following several years of elevated deliveries. While 545 units were completed during the quarter, year-to-date (YTD) deliveries totaled 957 units, a 67.0% decline from the same period last year, significantly reducing incoming supply pressure on market fundamentals.

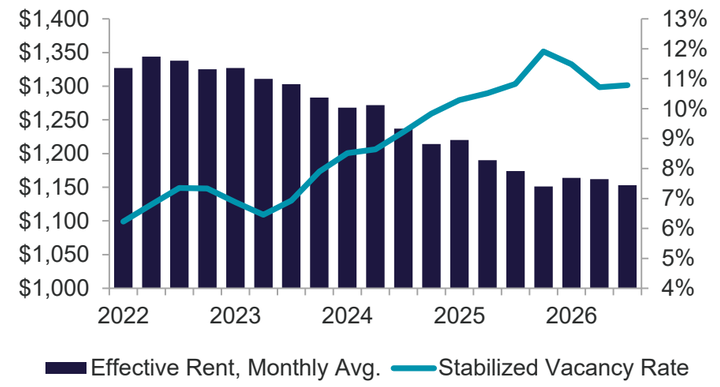
Leasing activity remained positive during the quarter. Net absorption totaled 724 units in Q3 2026, bringing YTD absorption to 2,660 units. Although absorption moderated from the exceptionally strong pace recorded during the first half of the year, demand continued to outpace deliveries on a YTD basis, underscoring the market's ability to integrate recently completed inventory. Madison/Airport and University/Research Park remained the primary demand drivers, posting YTD net absorption of 927 units and 697 units, respectively.

Market vacancy ended Q3 2026 at 10.8%, remaining relatively stable on both a QOQ and YOY basis. While vacancy saw little movement during the quarter, the broader trend has been positive, with the market reducing vacancy by 110 basis points since reaching 11.9% in Q1 2026.

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	3,438	545	18.8%	0	316	11.9%	290	$1,302	$1.49	-5.9%
Limestone County	5,079	282	5.9%	0	281	9.7%	-50	$1,254	$1.15	4.9%
Madison/Airport	14,443	0	0.0%	0	927	9.1%	-130	$1,181	$1.09	-3.3%
Outlying Madison County	3,222	0	0.0%	1,353	125	13.2%	120	$1,265	$1.23	5.2%
South Madison County	5,461	0	0.0%	0	204	16.2%	360	$1,078	$1.10	-0.2%
Southwest	2,941	0	0.0%	84	112	7.3%	-70	$903	$1.21	-3.3%
University/Research Park	14,055	130	0.9%	376	695	10.7%	-80	$1,106	$1.17	-3.5%
TOTAL MARKET	**48,639**	**957**	**2.0%**	**1,813**	**2,660**	**10.8%**	**0**	**$1,153**	**$1.16**	**-1.8%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
The Kensington	University/Research Park	390	1960
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
Mill Creek Redevelopment	Southwest	84	Q3 2027
The Viola	University/Research Park	204	Q2 2027
REV3 at Grant Park	University/Research Park	172	Q1 2027
Rowena at Martinson Ranch	Outlying Madison County	553	Q1 2027
Beacon Place North Valley	Outlying Madison County	800	Q4 2026
The Residences at Front Row	Central	545	Q3 2026
Emma at Arabella Village	Limestone County	282	Q2 2026

OUTLOOK

- The declining construction pipeline is expected to support a more balanced supply-demand environment over the coming quarters, allowing the market to further absorb recently delivered inventory.
- Demand is anticipated to remain healthy as population growth and job creation continue to support household formation across the metro.
- Huntsville's expanding economic base, combined with ongoing federal and private-sector investment, is expected to sustain the market's long-term multifamily investment appeal.

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