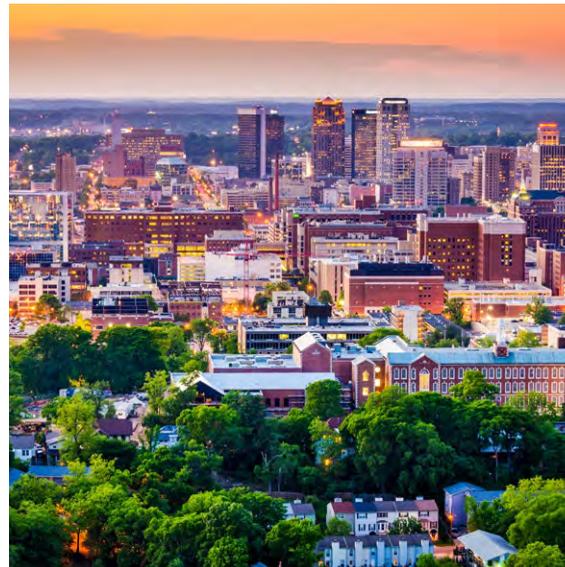


BIRMINGHAM, ALABAMA

APARTMENT DELIVERIES RISE AS RENTAL DEMAND GROWS WITH HIRING

Apartment developers indicated confidence in the Birmingham market as construction activity ramped up. After 20 market-rate units came online in 2019, builders brought approximately 370 units online last year. Development was concentrated in the Central Birmingham/Mountain Brook submarket in 2020, and builders will continue to focus deliveries in the area during 2021. For the first time in years, new units will be added in the surrounding submarkets as developers target neighborhoods with numerous retail hubs near major transportation lines. A total of 1,375 units are scheduled to begin lease-up in 2021, the highest annual additions in more than 20 years. A combination of more housing options and a rebounding economy should underpin a positive shift in leasing activity. After Greater Birmingham employment contracted in 2020, employers are expected to grow the labor force over the next four quarters. The trade, transportation, and utilities sector will also be boosted this year with the opening of two Amazon.com Inc. delivery stations, a FedEx Corp. distribution center, and a Lowe's Companies Inc. distribution center that will create hundreds of jobs each. Even with the rising payrolls fortifying annual apartment absorption, leasing activity is projected to trail inventory growth and lead to a 60-basis-point drop in average occupancy over the next four quarters to 94.0%. With occupancy nearly on par with the five-year average, apartment operators are expected to keep upward pressure on rent. At an average of \$1,050 by year-end, monthly effective rent is forecast to increase 2.2%.



2021 MARKET AT A GLANCE

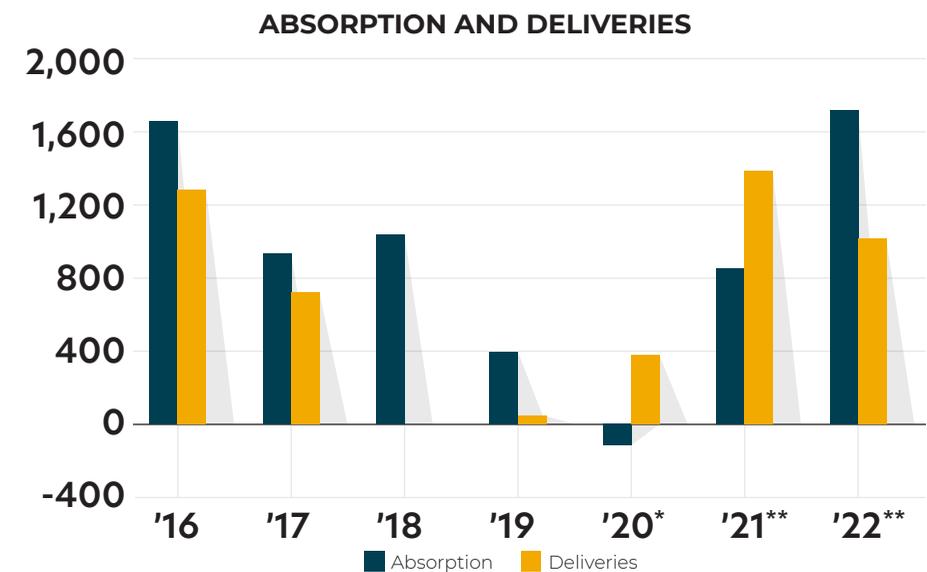
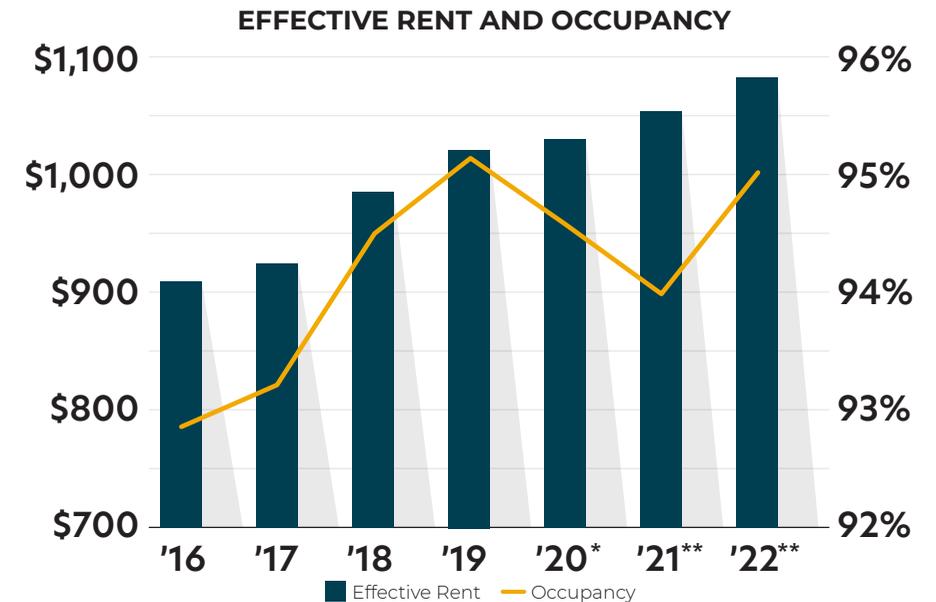
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OCCUPANCY RATE
94.0%
 Down 60 bps YOY
- 

EFFECTIVE RENT
\$1,050
 Up 2.2% YOY
- 

RENT SHARE OF WALLET
20.3%
 Up 60 bps YOY

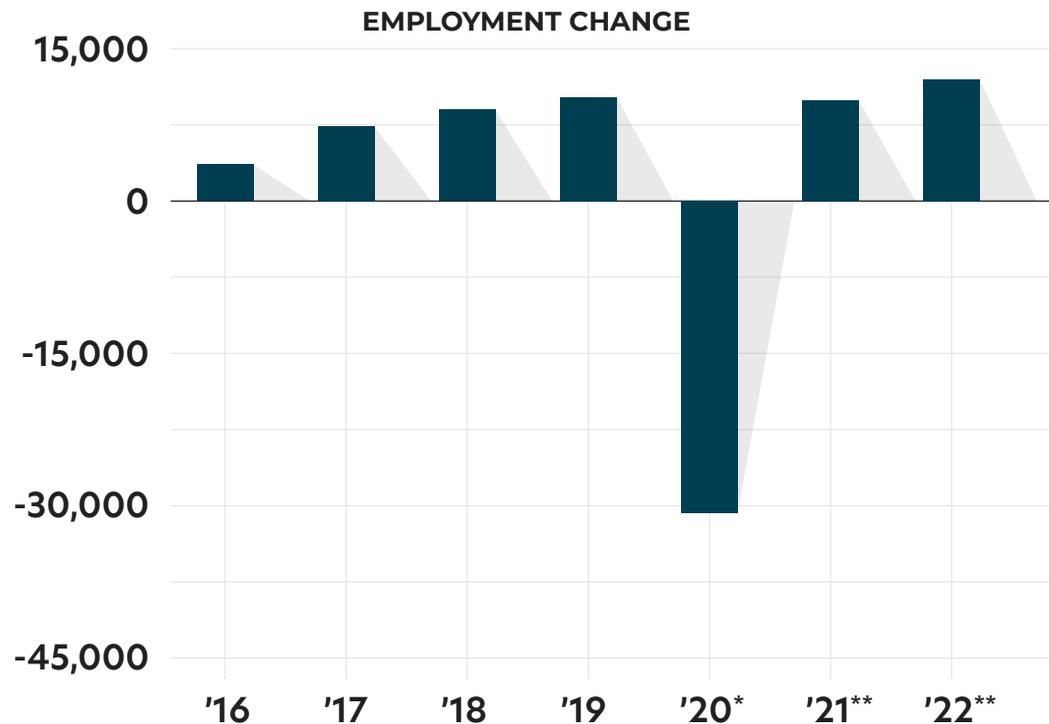
MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

BIRMINGHAM, ALABAMA

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
553,100	-5.5%	522,700	1.8%	531,900

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	430 BPS	6.0%	50 BPS	6.5%

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,155,700	0.2%	1,158,400	0.2%	1,160,700

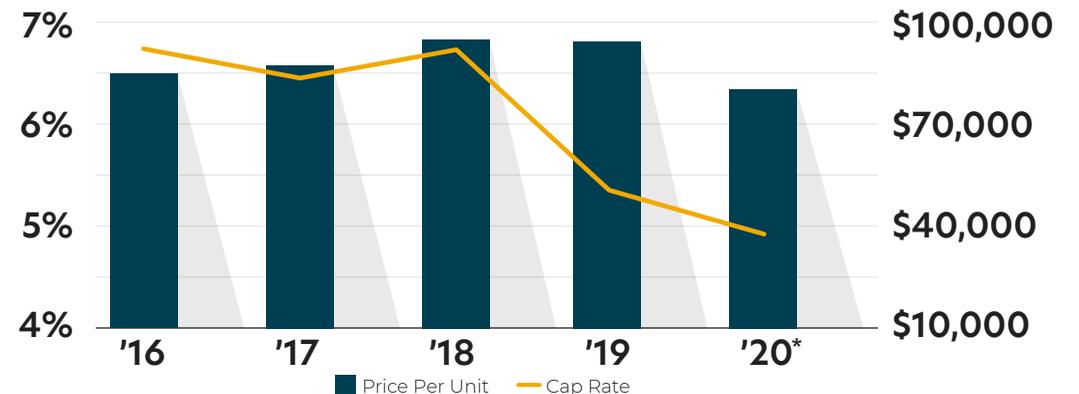
2019	YOY CHANGE	2020	YOY CHANGE	2021
466,900	0.8%	470,600	0.7%	473,700

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$57,058	9.4%	\$62,409	-0.6%	\$62,041

SALES TRENDS

2019	YOY CHANGE	2020*
\$94,410	-15.9%	\$79,356

2019	YOY CHANGE	2020
5.3%	-40 BPS	4.9%



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