

BIRMINGHAM, AL

2022 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 80 BPS YOY

Effective Rent

\$1,216



UP 5.6% YOY

Rent Share of Wallet

24.5%



UP 40 BPS YOY

Expanding Workforce Attracts New Residents and Driving Apartment Demand

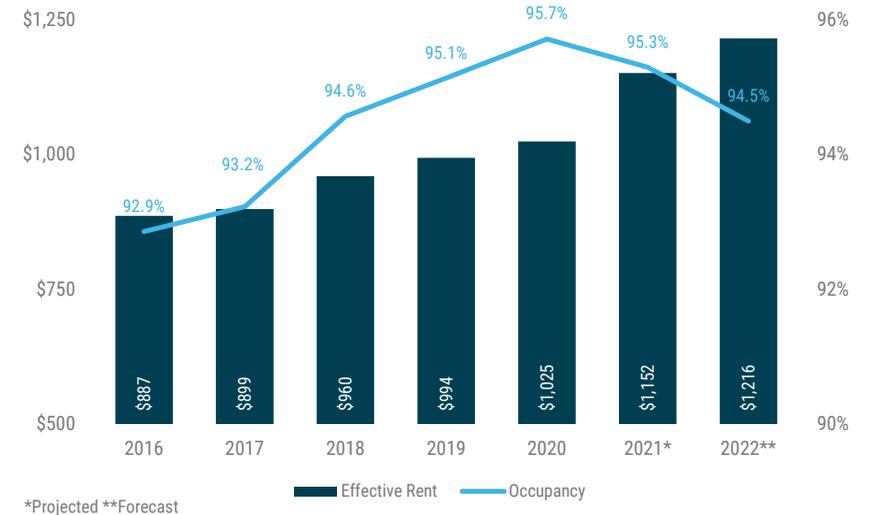
Greater Birmingham payrolls are expected to exceed pre-pandemic levels by year-end 2022, a positive signal for the health of the apartment market. More than 10,000 net workers are expected to be added to the local workforce over the next 12 months. One of the fast-growing sectors in the last year and the forecast period is the information industry, helping the area earn the nickname “Silicon Valley of the Southeast.” Companies like Landing and Shipshape Solutions Inc. will be growing their staff by hundreds of positions this year and beyond. These high-paying jobs, combined with the quality of life provided in Birmingham, are attracting new residents. Annual net migration is expected to accelerate in 2022. While the relative affordability of the single-family home market will meet the housing needs of some new residents, homes available for sale are expected to remain below the preceding five-year average. Apartment developers look to meet the housing gap with nearly 1,500 units scheduled to come online by year-end. The new inventory will facilitate leasing activity as annual net absorption is expected to remain near the five-year average. Demand is anticipated to be greatest in the Central Birmingham/Mountain Brook submarket, where the most units are scheduled to come online this year. Even with positive absorption, leasing activity in the submarket and across the metro will trail inventory growth to shift occupancy closer to the five-year average of 94.6%. As a result, apartment operators are expected to moderate annual effective rent growth from 12.4% in 2021 to 5.6% this year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

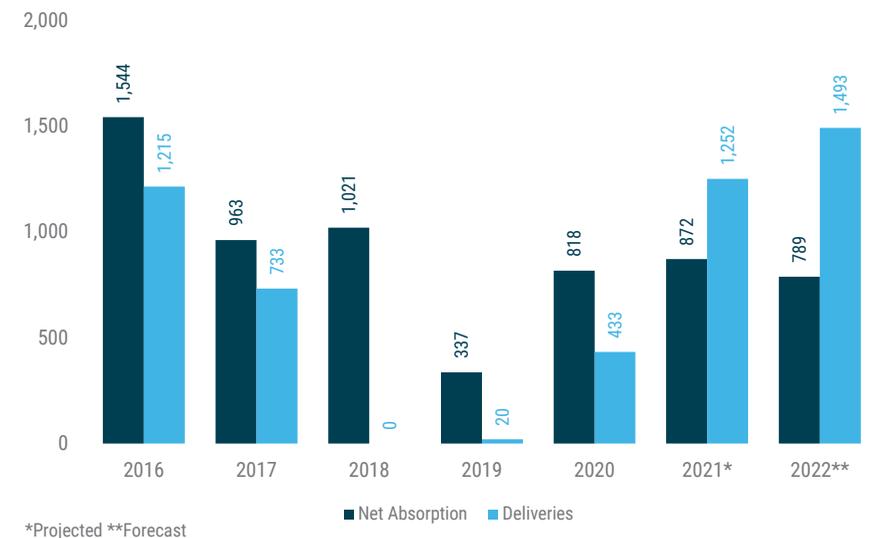
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

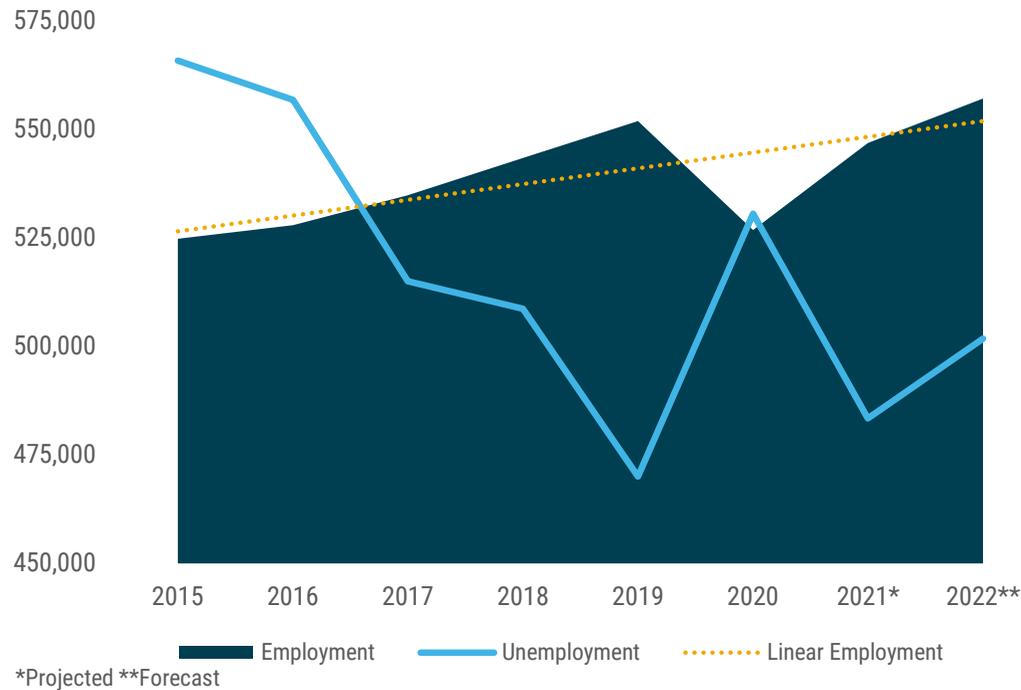


Absorption & Deliveries



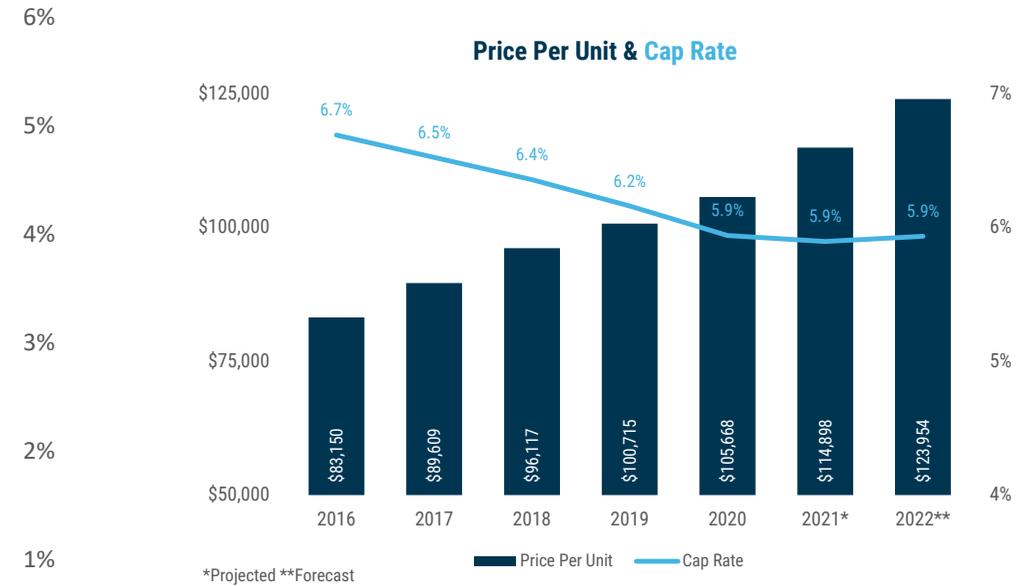
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment

557,200



UP 1.9% YOY

Unemployment

3.1%



UP 80 BPS YOY

Median Household Income

\$59,519



UP 3.6% YOY

Price Per Unit

\$123,954



UP 7.9% YOY

Cap Rate

5.9%



UNCHANGED YOY