



MARKET AT A GLANCE



**OCCUPANCY RATE** 96.8%  
Up 20 bps since 2Q19



**EFFECTIVE RENT** \$897  
Up 6.2% since 2Q19

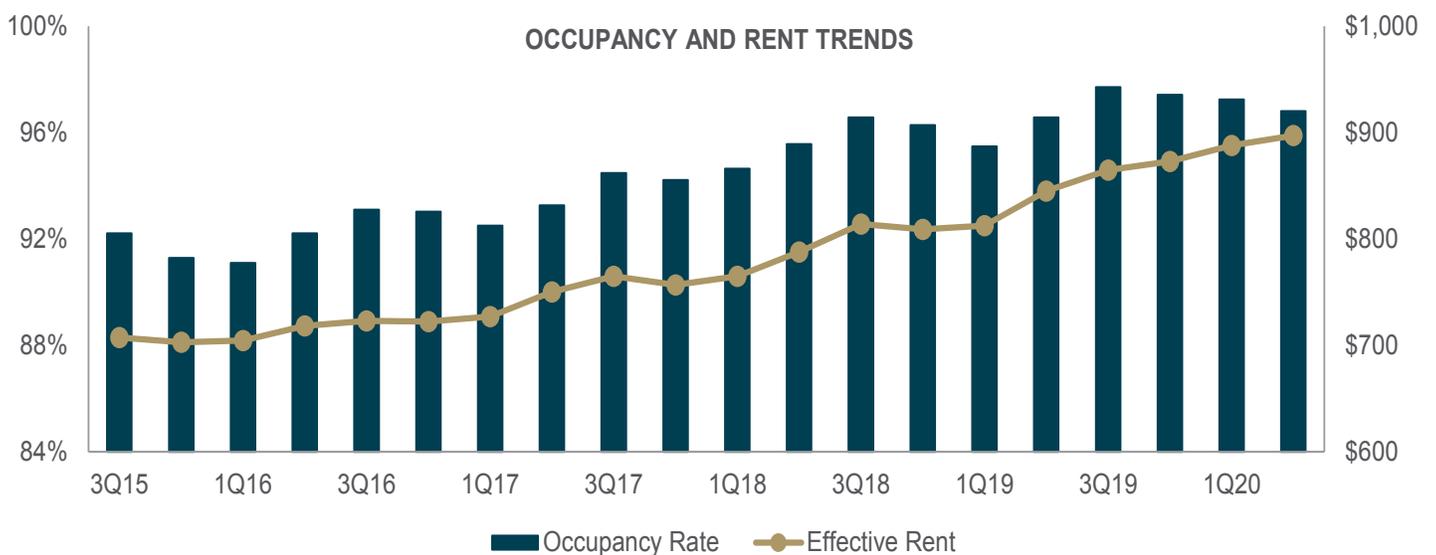


**TOTAL INVENTORY** 30,843

OCCUPANCY AND RENT TRENDS

AS APARTMENT DEMAND PERSISTS, RENT RISES 2.8% IN 2020

With apartment occupancy hitting a record high in the Huntsville's metro during 2019, builders worked to meet the housing need. This effort led to 456 units coming online in the first half of 2020. The additions facilitated leasing activity as absorption elevated in the first quarter, then the effects of the coronavirus led to a slowdown in rental demand in the second quarter. Overall, supply side pressure led to a 60-basis-point decline in apartment occupancy during 2020 to an average of 96.8% in the second quarter. Even with the drop, the rate was 240 basis points higher than the five-year average. With sustained demand amid inventory growth, monthly effective rent advanced 2.8% this year to an average of \$897 in the second quarter. Continued rent growth will depend on how Huntsville's economy rebounds from the 14,100 jobs lost during the second quarter. One industry continuing activity was construction. Work was underway on large-scale projects like the \$1.6 billion manufacturing plant for Toyota and Mazda, which is expected to create approximately 4,000 high-paying jobs when it opens next year. Builders also continued development of 10 apartment communities in the second quarter, representing 2,385 additional units.



# HUNTSVILLE

MULTIFAMILY REPORT

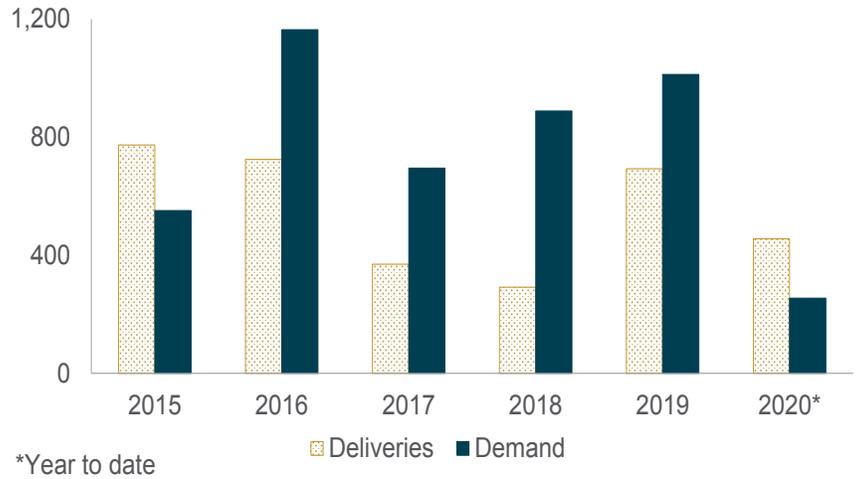
## DELIVERIES AND DEMAND



**DELIVERIES** 456  
Units YTD



**NET ABSORPTION** 255  
Units YTD



## ECONOMIC TRENDS

2019 2.5% ..... **UNEMPLOYMENT\*** ..... 2020 6.0%  
**350 BPS CHANGE**

2019 244.6k ..... **EMPLOYMENT\*** ..... 2020 232.5k  
**-4.9% CHANGE**

2019 11.9k ..... **EXISTING SFH SALES\*** ..... 2020 8.0k  
**-32.8% CHANGE**

2019 472.6k ..... **POPULATION\*** ..... 2020 480.2k  
**1.6% CHANGE**

2019 2.07% ..... **10-YEAR TREASURY\*** ..... 2020 0.73%  
**-130 BPS CHANGE**

\*June



# HUNTSVILLE

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Central/East Huntsville	96.8%	-40	30	\$777	0.8%	4.7%	-63	302	0	259
West Huntsville/Madison	96.8%	-50	10	\$1,016	1.1%	7.2%	72	479	149	473
<b>TOTALS</b>	<b>96.8%</b>	<b>-50</b>	<b>20</b>	<b>\$897</b>	<b>1.0%</b>	<b>6.2%</b>	<b>9</b>	<b>781</b>	<b>149</b>	<b>732</b>



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