

Demographics and Economy

Demographics

0.2% population growth (2023) U.S.: 0.4%	30.5% share of renters (2022) U.S.: 34.8%	4.7% renter household formation (2022) U.S.: 2.4%	Net Migration in Alabama 36,128 (2023) 32,838 (2022)
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Economy

8.6% GDP growth (2022) U.S.: 9.1%	7,600 12-month job creation (March 2024)	0.3% 1-year job growth (March 2024) U.S.: 1.9%	0.3% 1-year wage growth (March 2024) U.S.: 4.1%
\$55,630 Average wage per year (March 2024) U.S.: \$62,050	2.6% unemployment rate (February 2024) U.S.: 3.9%	11.8% share of workers teleworking (2022) U.S.: 17.9%	International Migration in Alabama 5,384 (2023) 4,374 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2024 Q1	-541,866	-730,786	1.6%	\$23	12.3%
2023 Q1	146,505	-1,154,361	3.6%	\$22	10.9%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2024 Q1	58,781,461	16,100	58,148		9.7%
2023 Q1	58,723,313	10,842	-518,258	\$38.48M	9.2%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2024 Q1	97	689	-0.4%	\$1,200	\$1,185	11.8%
2023 Q1	135	-468	2.8%	\$1,205	\$1,193	10.7%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
2024 Q1	63,830	397	1,571	6.8%
2023 Q1	62,259	591	1,125	6.2%

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	-446,859	18,018	-2.6%	\$15	3.8%
2023 Q1	-96,171	489,721	5.5%	\$16	3.4%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
2024 Q1	86,909,564	7.7%		
2023 Q1	86,589,189	7.6%	\$79.18M	\$219

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	-611,497	-1,362,408	7.0%	\$8	4.4%
2023 Q1	-417,136	22,393	11.0%	\$7	3.2%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2024 Q1	135,344,137	0	225,000	8.9%	
2023 Q1	135,119,137	120,699	1,569,322	8.5%	\$49.44M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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Demographics and Economy

Demographics

2.3% population growth (2023) U.S.: 0.4%	29.5% share of renters (2022) U.S.: 34.8%	3.4% renter household formation (2022) U.S.: 2.4%	Net Migration in Alabama 36,128 (2023) 32,838 (2022)
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Economy

9.1% GDP growth (2022) U.S.: 9.1%	6,700 12-month job creation (March 2024)	2.8% 1-year job growth (March 2024) U.S.: 1.9%	2.8% 1-year wage growth (March 2024) U.S.: 4.1%
\$70,320 Average wage per year (March 2024) U.S.: \$62,050	2.4% unemployment rate (February 2024) U.S.: 3.9%	14.2% share of workers teleworking (2022) U.S.: 17.9%	International Migration in Alabama 5,384 (2023) 4,374 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2024 Q1	-82,212	174,557	1.5%	\$22	9.4%
2023 Q1	63,904	-73,554	5.1%	\$22	9.0%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2024 Q1	25,130,571	28,000	299,314		10.1%
2023 Q1	24,831,257	374,842	606,142	\$9.41M	9.7%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2024 Q1	1,480	3,712	-2.8%	\$1,251	\$1,216	18.2%
2023 Q1	668	1,941	0.7%	\$1,286	\$1,268	14.7%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
2024 Q1	42,890	2,328	6,115	5.7%
2023 Q1	36,775	1,495	4,416	5.2%

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	113,912	340,598	4.8%	\$19	2.7%
2023 Q1	53,292	445,382	5.8%	\$18	2.6%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
2024 Q1	28,491,405	7.5%		
2023 Q1	28,113,617	7.4%	\$38.62M	\$185

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	2,383,811	3,824,779	6.9%	\$9	6.1%
2023 Q1	-86,154	575,201	10.7%	\$9	8.8%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2024 Q1	51,804,553	1,142,700	2,650,789	8.3%	
2023 Q1	49,153,764	188,360	1,073,025	7.9%	\$17.12M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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Demographics

-0.4%	33.7%	-3.8%	Net Migration in Alabama
population growth (2023)	share of renters (2022)	renter household formation (2022)	36,128 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	32,838 (2022)

Economy

10.0%	500	6.0%	6.0%
GDP growth (2022)	12-month job creation (March 2024)	1-year job growth (March 2024)	1-year wage growth (March 2024)
U.S.: 9.1%		U.S.: 1.9%	U.S.: 4.1%
\$53,910	3.7%	8.0%	International Migration in Alabama
Average wage per year (March 2024)	unemployment rate (February 2024)	share of workers teleworking (2022)	5,384 (2023)
U.S.: \$62,050	U.S.: 3.9%	U.S.: 17.9%	4,374 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2024 Q1	69,936	121,594	1.7%	\$17	4.4%
2023 Q1	80,308	77,368	4.8%	\$17	5.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2024 Q1	15,229,561	0	15,000		11.5%
2023 Q1	15,214,561	0	6,600	\$11.78M	11.3%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2024 Q1	-39	-193	1.5%	\$1,062	\$1,049	8.7%
2023 Q1	-7	-270	6.6%	\$1,046	\$1,039	7.1%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2024 Q1	21,274	0	160			6.9%
2023 Q1	21,114	0	0			6.4%

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	-106,410	-184,591	4.3%	\$17	3.9%
2023 Q1	32,857	425,381	5.0%	\$16	3.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2024 Q1	30,204,523	7.8%			
2023 Q1	30,173,811	7.9%	\$21.26M	\$217	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	126,063	480,748	7.3%	\$8	4.9%
2023 Q1	-390,770	-260,520	11.1%	\$7	5.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2024 Q1	38,189,976	2,818	201,977	8.9%	
2023 Q1	37,987,999	0	303,286	8.4%	\$36.18M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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0.4% population growth (2023) U.S.: 0.4%	31.9% share of renters (2022) U.S.: 34.8%	-7.6% renter household formation (2022) U.S.: 2.4%	Net Migration in Alabama 36,128 (2023) 32,838 (2022)
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Economy

8.8% GDP growth (2022) U.S.: 9.1%	2,600 12-month job creation (March 2024)	9.2% 1-year job growth (March 2024) U.S.: 1.9%	9.2% 1-year wage growth (March 2024) U.S.: 4.1%
\$52,540 Average wage per year (March 2024) U.S.: \$62,050	2.9% unemployment rate (February 2024) U.S.: 3.9%	7.7% share of workers teleworking (2022) U.S.: 17.9%	International Migration in Alabama 5,384 (2023) 4,374 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2024 Q1	-193,650	-347,149	1.5%	\$17	5.4%
2023 Q1	3,500	110,750	5.0%	\$16	3.6%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2024 Q1	17,028,044	0	-49,010		11.3%
2023 Q1	17,077,054	0	0	\$6.89M	10.9%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2024 Q1	-61	-359	3.8%	\$1,003	\$997	12.8%
2023 Q1	-28	-427	2.3%	\$966	\$960	11.0%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
2024 Q1	20,260	0	0	7.4%
2023 Q1	20,260	127	127	6.9%

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	-54,685	-96,535	4.6%	\$15	5.6%
2023 Q1	-30,442	13,929	5.4%	\$14	5.2%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
2024 Q1	28,321,142	7.5%		
2023 Q1	28,295,821	7.7%	\$22.23M	\$291

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2024 Q1	-146,277	-647,895	7.4%	\$6	5.0%
2023 Q1	135,366	781,609	11.4%	\$5	3.1%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2024 Q1	37,518,467	0	50,000	9.6%	
2023 Q1	37,468,467	150,000	800,000	9.0%	\$1.87M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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