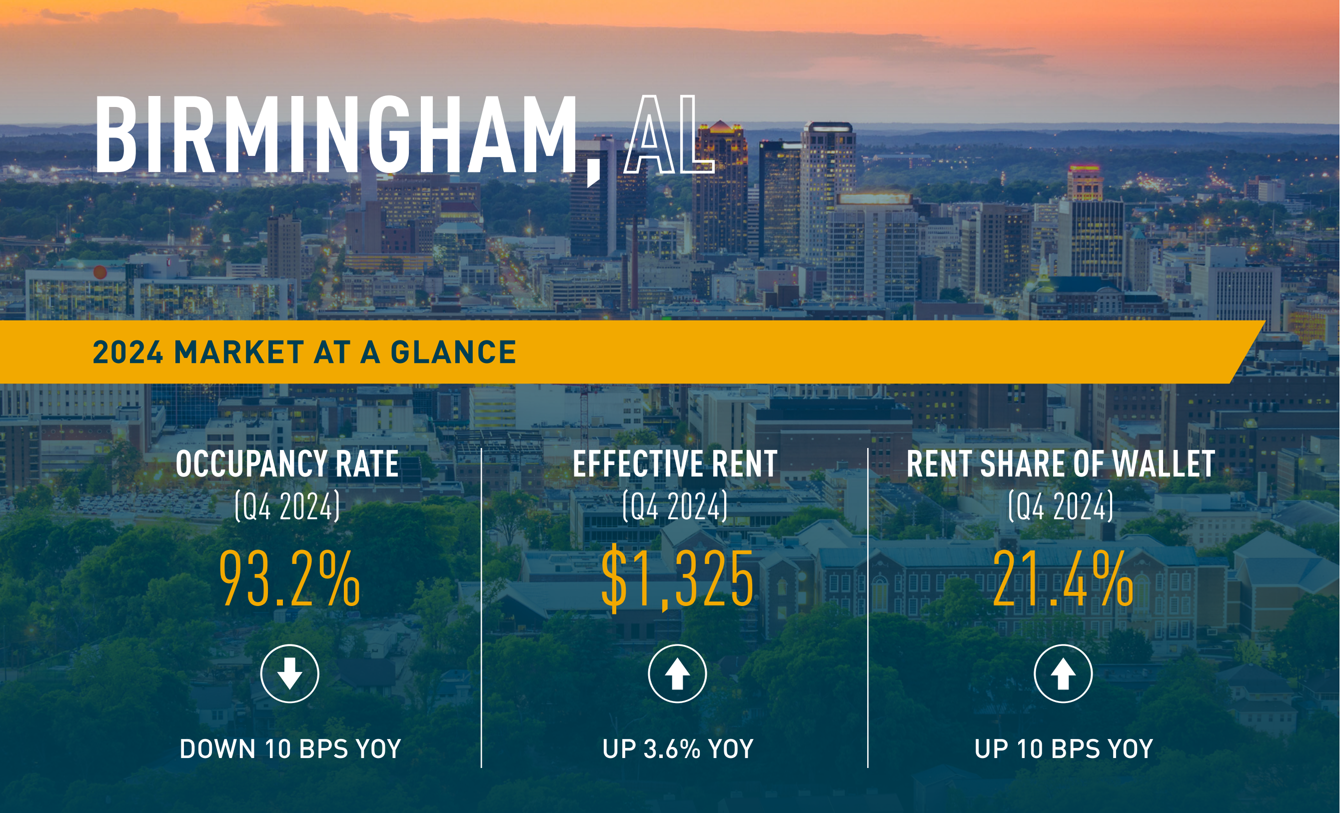


BIRMINGHAM, AL

2024 MARKET AT A GLANCE

OCCUPANCY RATE
(Q4 2024)
93.2%
DOWN 10 BPS YOY

EFFECTIVE RENT
(Q4 2024)
$1,325
UP 3.6% YOY

RENT SHARE OF WALLET
(Q4 2024)
21.4%
UP 10 BPS YOY

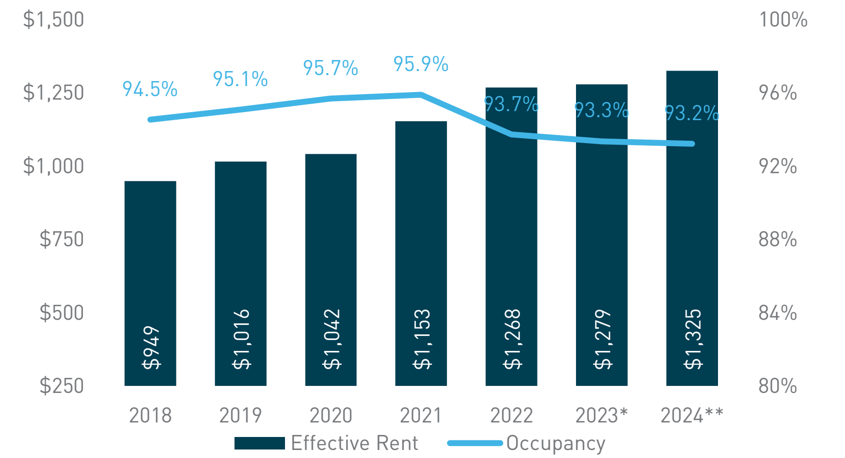
Business Investments and Total Job Growth Further Birmingham Apartment Market

Greater Birmingham is expecting an elevated level of new apartment construction heading into 2024, but not to the same extent as 2023. An estimated 1,479 apartments are expected to be brought online this year, likely to be met with strong apartment leasing activity of 1,280 net units. Healthy demand is expected to enable operators to increase effective rent 3.6% by the fourth quarter of 2024 to $1,325 per month. Household income growth is also expected during 2024, which will align with increases in apartment rents. While the new supply is projected to slightly outpace apartment demand marketwide, absorption in the Central Birmingham/Mountain Brook submarket will surpass the rate of new supply. Residents in the submarket have ease of access to major white-collar employers in the area, including Ascension St. Vincent's Health, Regions Bank, and the University of Alabama at Birmingham. When paired with entertainment options given the submarket's downtown presence, it is with good reason that builders have guided the bulk of new apartment construction into this pocket. Another submarket that will experience a similar trend where apartment demand outpaces the rate of new supply is Homewood/Southwest Birmingham, which encompasses the area just south of Downtown Birmingham. To expand their financial network, Bank of America recently announced their plans to open a financial center in Birmingham with a completion date sometime in 2024, and the opening of four more area centers by 2026.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

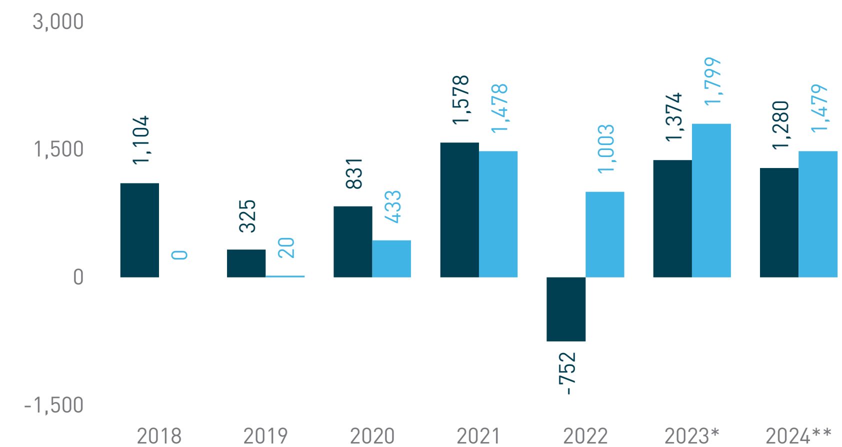


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



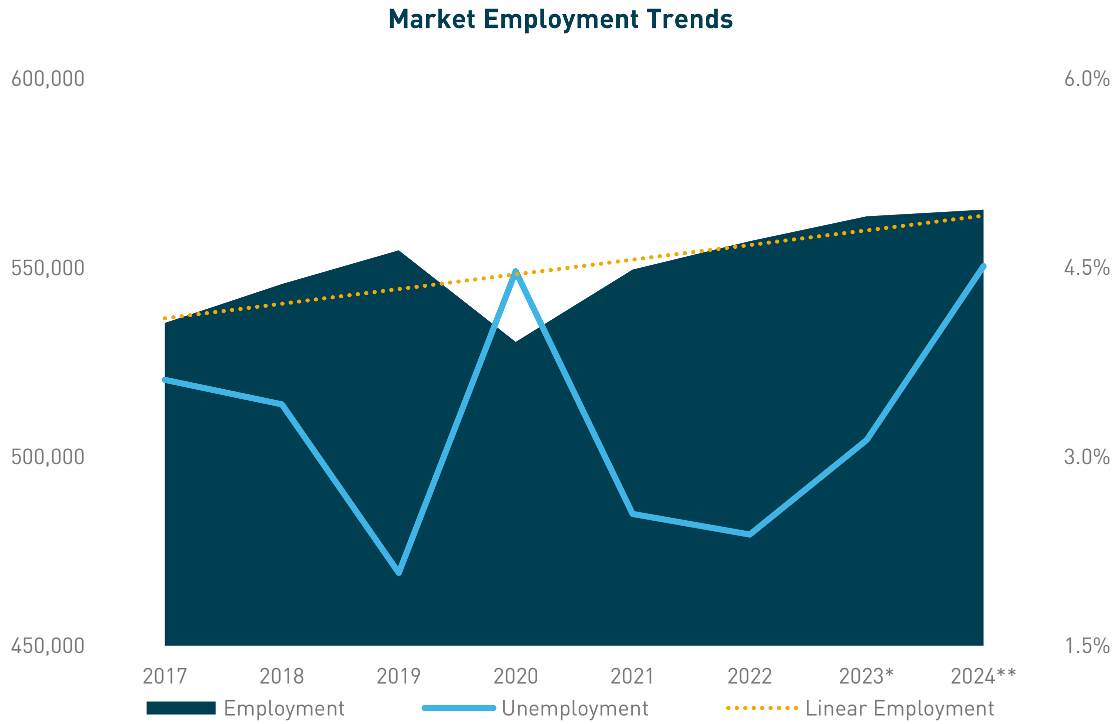
Sources: RealPage; CoStar Group; Yardi Systems

Net Absorption Deliveries

*Projected **Forecast

BIRMINGHAM, AL

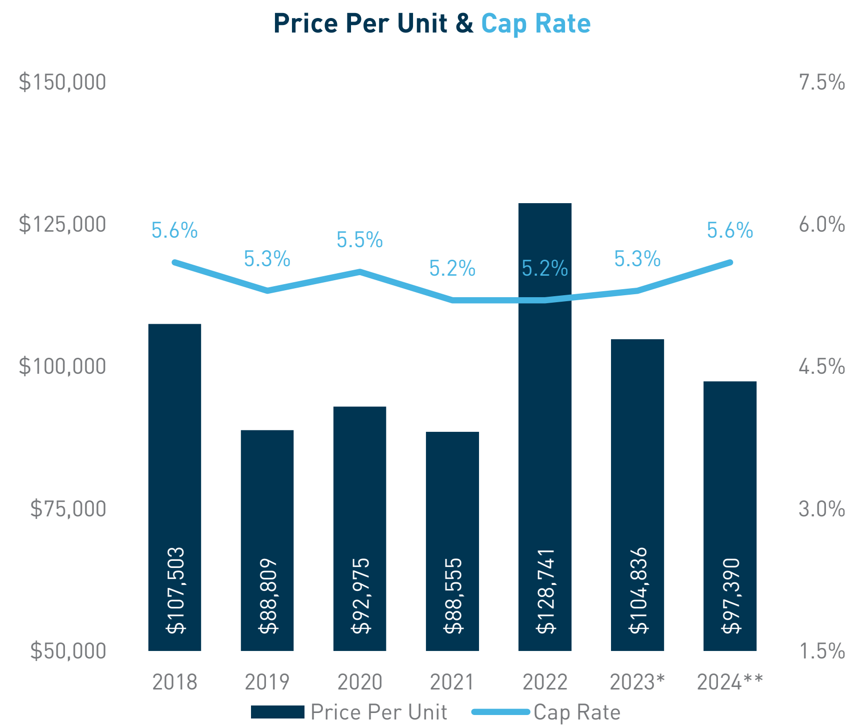
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
565,400	4.5%	$74,279
UP 1,800 JOBS YOY	UP 140 BPS YOY	UP 2.9% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$97,390	5.6%
DOWN 7.1% YOY	UP 30 BPS YOY