



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.7% Vacancy Rate	▲	▼
34K YTD Net Absorption, SF	▼	▲
\$6.71 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
576K Birmingham-Hoover Employment	▲	▲
2.6% Birmingham-Hoover Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▼

ECONOMY REMAINS STABLE DESPITE CHALLENGES

Alabama's economy continued to demonstrate resilience in Q3 2024, despite ongoing economic uncertainties. The state's unemployment rate rose slightly to 2.9% in September 2024, up from 2.7% a year earlier, but remained well below the national rate of 4.1%. The state continues to be recognized for its pro-business environment, securing the No. 8 spot in *Area Development's* 2024 "Top States for Doing Business" report, marking yet another year in the Top 10. Key factors such as favorable tax policies, workforce development, and infrastructure contribute to Alabama's competitive edge.

MARKET REBOUNDS WITH POSITIVE ABSORPTION

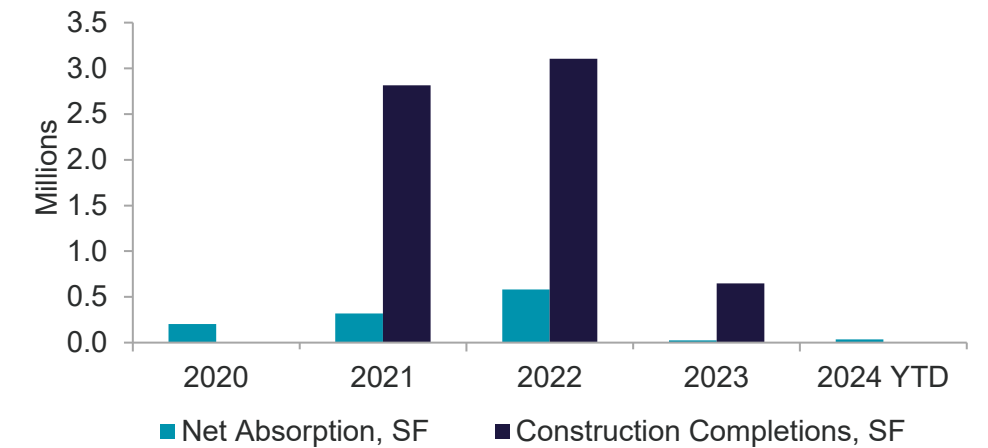
Birmingham's multi-tenant industrial market showed modest improvement in Q3 2024, with overall absorption returning to positive territory. Overall absorption of 116,475 square feet (sf) was recorded in in Q3 2024, compared to negative 137,773 sf absorbed in Q2 2024. This rebound led to a slight improvement in overall vacancy, which fell to 11.7% in Q3 2024, down from 12.4% the previous quarter. Direct vacancy fell to 10.0%, down from 10.8%. Leasing activity was more encouraging in Q3 2024 with 271,085 sf of transactions signed, bringing the year-to-date total to 616,383 sf leased.

Due to ongoing challenges with interest rates, election uncertainties and the amount of available Class A bulk space in the market, there are no new speculative projects in the pipeline for the remainder of 2024 or early 2025. This should benefit existing inventory, allowing current properties to attract more tenants and potentially support higher asking rents.

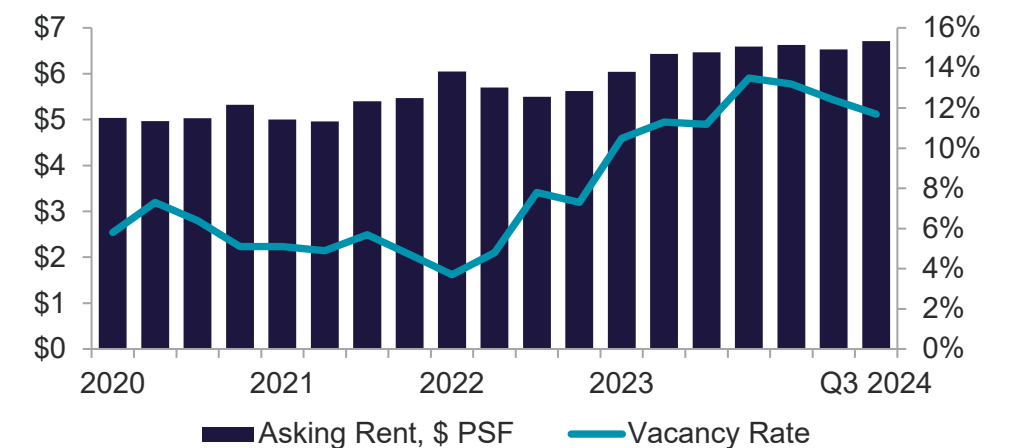
PRICING: INDUSTRIAL RENTS SEE MODEST GROWTH

Industrial asking rents in the Birmingham market experienced a slight increase during Q3 2024. Overall average weighted net asking rents for all property types ended Q3 2024 at \$6.71 per square foot (psf), up from \$6.53 psf in the previous quarter. Office Service Centers commanded the highest rates at \$10.65 psf, followed by Warehouse/Distribution properties at \$6.56 psf. Modest rent growth is expected to continue throughout the remainder of 2024.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Source: AL Department of Labor, Birmingham Business Alliance, BLS, CoStar, Real Capital Analytics, www.madeinalabama.com

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Central	4,682,734	510,495	10.9%	97,282	56,157	0	0	n/a	\$10.03	\$6.62
Eastern	2,588,906	9,900	0.4%	-102,400	-102,400	0	0	n/a	\$10.00	\$6.50
Oxmoor Valley	3,046,211	270,181	8.9%	57,133	-4,575	0	0	n/a	\$11.92	\$7.30
Southern	4,164,319	516,148	12.4%	64,460	196,363	0	0	n/a	\$8.96	\$5.84
Southwestern	2,845,128	423,750	14.9%	0	-111,850	0	0	n/a	\$7.00	\$6.94
BIRMINGHAM TOTALS	17,327,298	1,730,474	10.0%	116,475	33,695	0	0	n/a	\$10.65	\$6.56

**Rental rates reflect weighted net asking \$psf/year*

KEY LEASE TRANSACTIONS Q3 2024

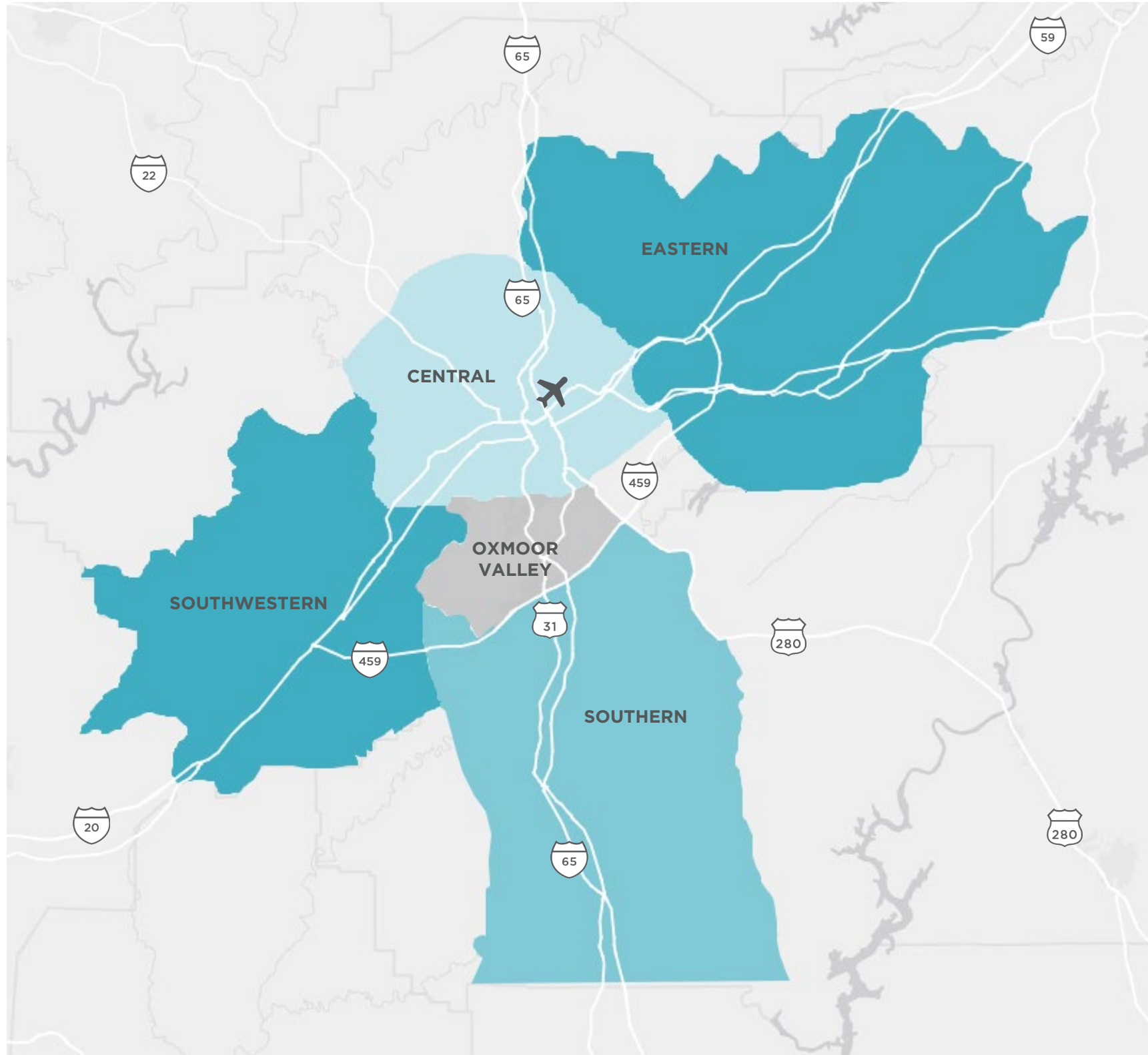
PROPERTY	SUBMARKET	TENANT	SF	TYPE
Calera Distribution Center	Southern	Black Friday Deals	150,900	New
CenterState Logistics Park One	Central	Conklin Metal Industries	51,750	New
Oxmoor South Industrial Park	Oxmoor Valley	Birmingham Humane Society	26,434	New
Oxmoor West Service Center II	Oxmoor Valley	Asteria Health	19,076	New
250 Lyon Lane	Oxmoor Valley	Tellworks Communications LLC	12,600	New

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
3536 US 31 (SCP Bldg C)	Southern	Becknell Industrial JV UBS Realty Investors LLC / Tempus Realty Partners	248,042	\$15.35M / \$62
2800 Messer Airport Highway	Central	Good Things LLC (IronVest Partners) / Undisclosed	116,600	\$2.73M / \$23
3230 Messer Airport Highway	Central	Berman AL Company Inc. / TruCore Investments LLC	96,000	\$5.8M / \$61
100 Airpark Industrial Road	Southern	South Hall Self-Storage / Ironvest Partners	87,000	\$3.75M / \$43
1300 7th Avenue North	Central	Airgas-South Inc / Darragh Company	75,000	\$3.3M / \$44
2617 4th Avenue South	Central	Wharf Realty LLC / Matthew Graham	50,193	\$4.5M / \$90

INDUSTRIAL SUBMARKETS



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