

MARKET FUNDAMENTALS

	YOY Chg	Outlook
19.6% Vacancy Rate	▲	▼
118K YTD Net Absorption, SF	▼	▲
\$21.96 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
570.3K Birmingham-Hoover Employment	▲	▲
3.0% Birmingham-Hoover Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

2025 Q1 data are based on latest available data.

Source: AL Department of Labor, Birmingham Business Alliance, BLS, CoStar, Moody's Analytics, Real Capital Analytics, REV Birmingham.

ECONOMIC OVERVIEW

Alabama's economy demonstrated resilience through Q1 2025, despite broader national uncertainty. The state's seasonally adjusted unemployment rate stood at 3.3% in February, outperforming the national average of 4.1%. Locally, economic activity is gaining traction, particularly in Birmingham's downtown area. REV Birmingham reported 25 new restaurant openings in 2024, with a dozen more announced for 2025, reflecting renewed investor interest and increased consumer confidence. The highly anticipated Coca-Cola Amphitheater, set to open this summer on Birmingham's northside, is expected to increase foot traffic and spur further development. This wave of activity continues to raise Birmingham's profile, earning the city a spot on *Southern Living's* list of the South's Best Cities for 2025.

SUPPLY AND DEMAND

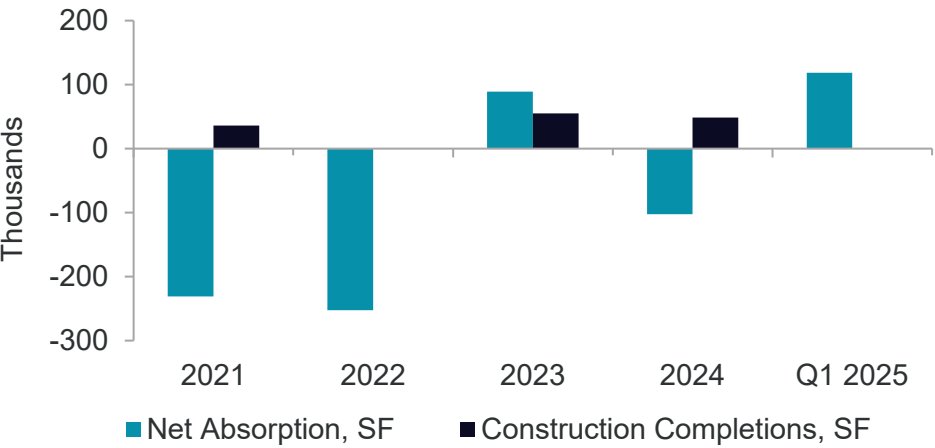
Birmingham's multi-tenant office market recorded overall positive absorption of 118,449 square feet (sf), reversing last quarter's negative trend. Overall vacancy improved to 19.6%, down from 20.2% at year-end. Leasing activity totaled 236,100 sf in Q1 2025, an encouraging increase from the 153,523 sf leased in Q1 2024. Class A product accounted for 80,004 sf of total activity, reflecting continued flight-to-quality trends.

New construction remains limited. Active projects include Morgan Stanley's build-to-suit in Midtown (30,000 sf) and a speculative office development in International Park (20,000 sf), both set to deliver in 2025. The limited pipeline is expected to benefit existing high-quality Class A inventory by allowing time for the absorption of current vacancies. Looking ahead, several large-scale redevelopment opportunities have the potential to reshape key submarkets across the Birmingham market. Projects such as the Alabama Power Steam Plant in the Central Business District (CBD), the Brookwood Mall revitalization in Midtown, and Riverwalk Village in Hoover/Riverchase could be a catalyst for long-term market stability and future investment.

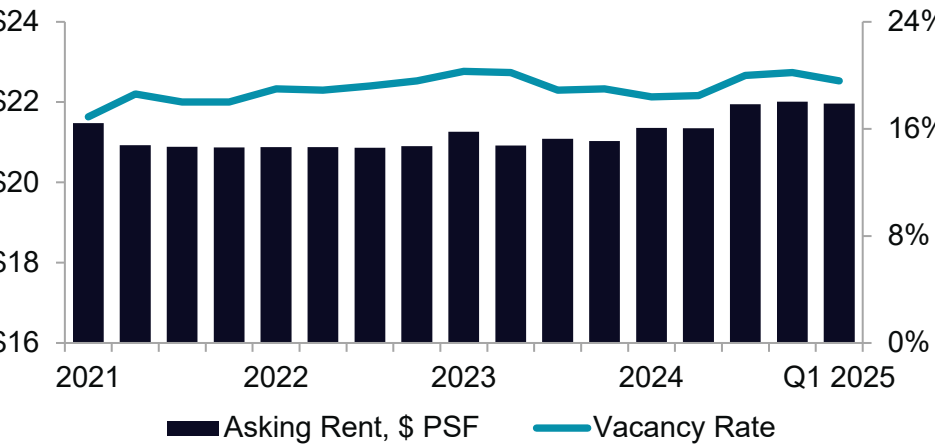
PRICING

The overall weighted average rental rate for Birmingham's multi-tenant office market ended Q1 2025 at \$21.96 per square foot (psf), which was also the rate for Class A space market wide. Midtown continued to command the highest rents at \$28.12 psf, followed by the CBD at \$23.28 psf. As new construction remains scarce, landlords with well-located, upgraded office space may be positioned to sustain or gradually increase asking rents in the quarters ahead.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	5,429,749	793,160	25,789	14.6%	42,604	42,604	45,650	0	\$23.28	\$23.72
Midtown	4,305,499	381,445	24,269	8.9%	43,209	43,209	98,170	29,930	\$28.12	\$30.50
280/Southern	5,494,591	1,318,983	158,097	24.0%	-5,255	-5,255	29,829	0	\$21.57	\$22.52
Hoover/Riverchase	1,935,330	351,060	2,158	18.1%	2,159	2,159	10,744	20,000	\$19.81	\$21.96
Vulcan/Oxmoor	1,596,182	286,709	327,272	18.0%	35,732	35,732	51,707	0	\$16.90	\$21.50
BIRMINGHAM TOTALS	18,761,351	3,131,357	537,585	16.7%	118,449	118,449	236,100	49,930	\$21.96	\$23.83

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2801 US 280 (Protective Center Bldg 3)	Midtown	AmWins	42,389	New
200 Wildwood Parkway	Vulcan/Oxmoor	Children’s Behavioral Health	27,797	New
801 Tom Martin Drive	Vulcan/Oxmoor	Synovis Micro Companies Alliance	23,910	New
17 North 20 th Street	CBD	CommerceOne Bank	20,571	New
One Perimeter Park South	280/Southern	Bradford Health	19,642	New
2311 Highland Avenue	Midtown	State Farm	10,250	New
505 20 th Street North	CBD	Urban League	6,260	New
Offices at 3000 Riverchase	Hoover/Riverchase	Centerwell Humana	4,650	New

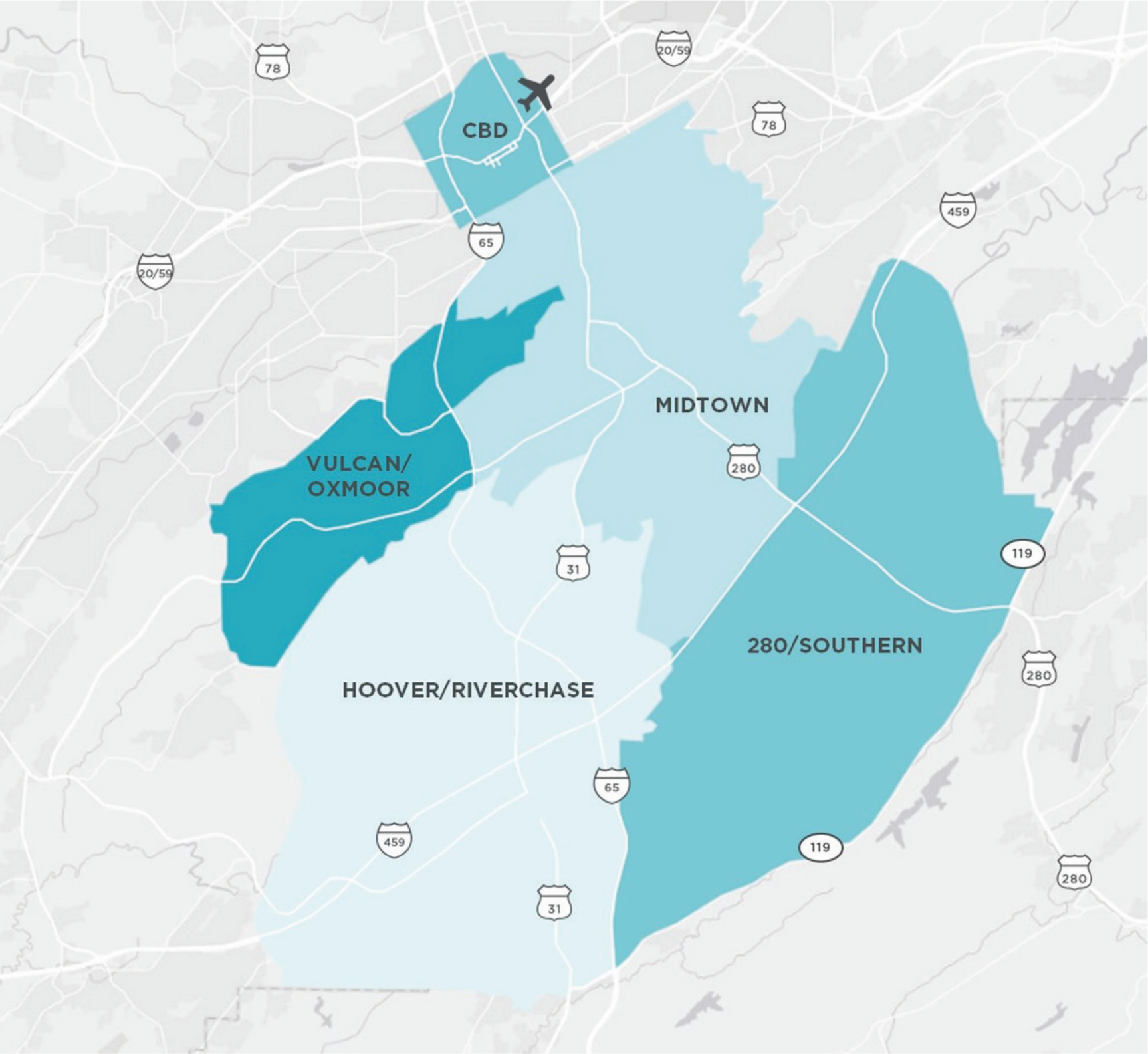
KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
201 London Parkway	Vulcan/Oxmoor	Arcis Investments / Barber Companies	57,000	\$8.6M / \$152
600 20 th Street North (Land Title Building)	CBD	CRA Investments LLC / Harvard Grace Capital Corp	31,000	\$2.93M / \$94

PROJECTS UNDER CONSTRUCTION 2025

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	QUOTED RENT	OWNER/DEVELOPER
740 Shades Creek Parkway	Midtown	Morgan Stanley (BTS)	29,930	N/A	The Five Stone Group
2401 International Park Place	Hoover/Riverchase	TBD	20,000	\$25.00 PSF	Byrom Building

OFFICE SUBMARKETS



AUDRA WILLINGHAM
Vice President - Marketing
Tel: +1 205 314 5556
awillingham@egsinc.com

BLAIR KELLY
Manager of Brokerage Services
Tel: +1 205 314 5517
bkelly@egsinc.com

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.