



MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.3% Vacancy Rate	▼	▼
159K YTD Net Absorption, SF	▲	▲
\$7.14 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
572.4K Birmingham-Hoover Employment	▲	▲
3.1% Birmingham-Hoover Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMIC OUTLOOK

At mid-year 2025, Alabama’s economy remained stable, supported by strong employment and resilient core industries. The state’s seasonally adjusted unemployment rate fell to 3.2% in June, down from 3.3% in May, and remains well below the U.S. rate of 4.2%. Alabama’s automotive, manufacturing, and aerospace sectors continue to drive growth evidenced by recent investment announcements. RPI Rentals plans to relocate and expand its headquarters to a new \$9.6 million facility in Birmingham. Mercedes-Benz announced it will localize production of a core segment vehicle at its Vance facility, strengthening Alabama’s role in its global network. Nelson Brothers chose Alabama over larger U.S. metros for a \$19.4 million expansion in Walker County. Together, these projects strengthen the region’s industrial base and signal continued demand for space.

SUPPLY AND DEMAND

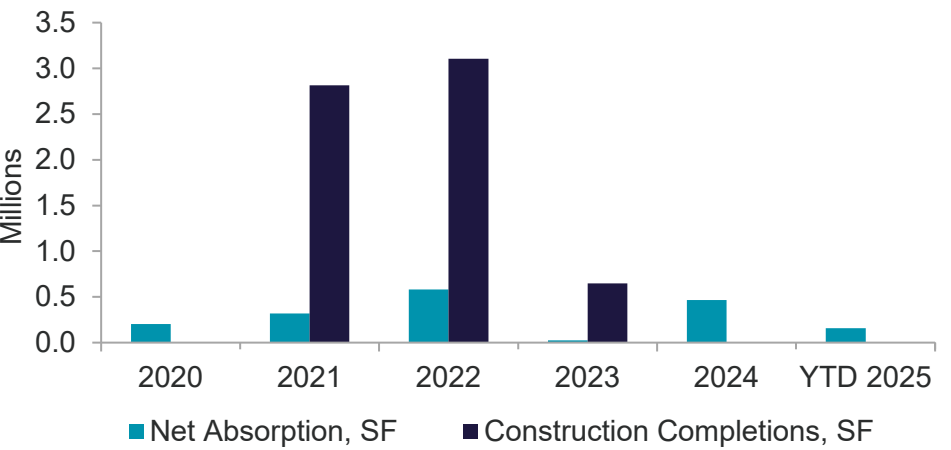
Birmingham’s multi-tenant industrial market posted another quarter of positive growth, with 91,207 square feet (sf) absorbed in Q2 2025, following 68,247 sf absorbed in Q1. Overall vacancy fell to 8.3% from 8.8% in Q1, while direct vacancy declined to 7.6% from 8.2%. Leasing activity eased in Q2 with 171,870 sf leased, but year-to-date volume reached 447,466 sf leased, which is above the 345,298 sf leased during the same period last year.

In development news, construction continues on 1 McAshan Drive (Building 3), a 275,000-sf speculative project in Jefferson Metropolitan Park. In addition, Coca-Cola UNITED Bottling Company’s new \$330 million production and distribution campus in Birmingham is underway, while the Community Food Bank of Central Alabama began construction on a new facility in Bessemer that will double the size of its current warehouse. Though owner-user projects, both underscore the vitality of the region’s industrial landscape.

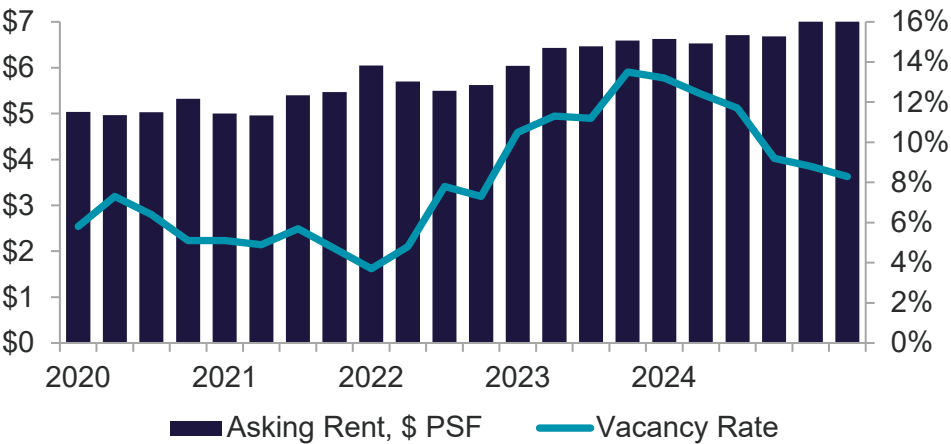
PRICING

After trending upward, Birmingham’s industrial rental rates stabilized in Q2 2025. The overall average weighted net asking rate ended the quarter at \$7.14 per square foot (psf), down slightly from \$7.22 psf in Q1. Office Service Centers led the market at \$11.33 psf, followed by Warehouse/Distribution at \$6.97 psf. With limited new supply and healthy fundamentals, modest rent growth is expected in the months ahead.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Source: AL Department of Labor, Birmingham Business Alliance, BLS, CoStar, Real Capital Analytics, [www.madeinalabama.com](http://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	379,516	8.1%	36,550	29,787	300,000	0	n/a	\$12.00	\$6.45
Eastern	2,588,906	67,750	2.6%	1,575	-58,375	0	0	n/a	\$12.00	\$6.81
Oxmoor Valley	3,046,211	235,611	7.7%	45,527	-32,129	115,000	0	n/a	\$12.04	\$7.51
Southern	4,164,319	236,575	5.7%	-8,645	203,971	0	0	n/a	\$7.37	\$6.59
Southwestern	2,845,128	392,400	13.8%	16,200	16,200	275,000	0	n/a	\$7.00	\$7.38
BIRMINGHAM TOTALS	17,327,298	1,311,852	7.6%	91,207	159,454	690,000	0	n/a	\$11.33	\$6.97

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
400 Industrial Drive	Oxmoor Valley	Southeastern Meats	81,678	Renewal*
Cahaba Valley Business Park	Southern	Total Filtration Services	41,083	Renewal* / Expansion
Daniel Payne Corporate Center	Central	Crawford Electric	40,000	Expansion
Shades Creek Business Park, Bldg 101	Oxmoor Valley	Rampart IC	32,214	New
5551 Parkwest Drive	Southwestern	Compass Group USA	31,350	New
Oxmoor South Industrial Park	Oxmoor Valley	Vivint	23,434	New

\*Renewals not included in leasing statistics.

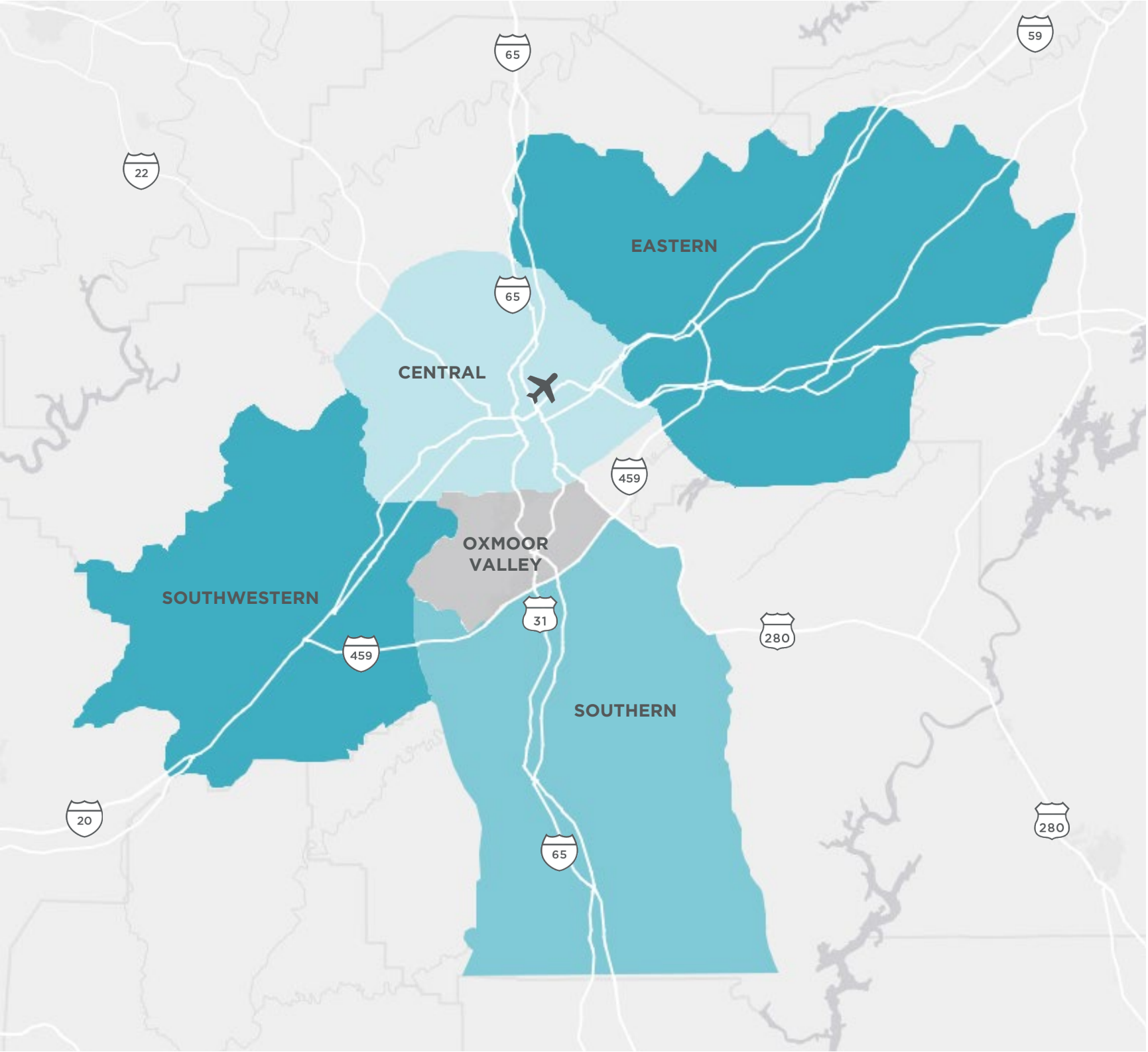
KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Riverchase Business Park	Southern	AL Hoover Riverchase LLC / SunCap Real Estate Investments	155,000	\$20.74M / \$116
3501 1 <sup>st</sup> Avenue South	Central	Red Rock Realty Group / Good People Brewing	95,468	\$5.2M / \$54
1510 - 1530 Simmsville Road	Southern	Nina Kessler Family Trust / Stoic Equity Partners	51,234	\$3M / \$67
291 - 301 Fleming Road	Fultondale	TFI International Inc. / Southwood Development Company, LLC	46,262	\$3.4M / \$73
2195 Parkway Lake Drive	Southern	Undisclosed / Hoover City Board of Education	21,428	\$3.3M / \$154

PROJECTS UNDER CONSTRUCTION Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER/DEVELOPER
1101 40 <sup>th</sup> Street North	Central	Coca-Cola UNITED	300,000	Coca-Cola UNITED
1 McAshan Drive (Bldg 3)	Southwestern	N/A (Speculative Construction)	275,000	Prestige Development Partners
4336 Turin Drive	Oxmoor Valley	Community Food Bank of Central AL (CFBCA)	115,000	CFBCA

INDUSTRIAL SUBMARKETS



**AUDRA WILLINGHAM**  
*Vice President - Marketing*  
Tel: +1 205 314 5556  
[awillingham@egsinc.com](mailto:awillingham@egsinc.com)

**BRENTLEY WATSON**  
*Marketing Coordinator*  
Tel: +1 205 314 5511  
[bwatson@egsinc.com](mailto:bwatson@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](http://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.