



**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>5.6%</b> Vacancy Rate	▼	▼
<b>629K</b> YTD Net Absorption, SF	▲	▲
<b>\$7.25</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>572.7K</b> Birmingham-Hoover Employment	▲	▼
<b>2.7%</b> Birmingham-Hoover Unemployment Rate	▼	▲
<b>4.6%</b> U.S. Unemployment Rate	▲	▲

Source: BLS, Moody's Analytics  
 2025 Q4 data are based on latest available data.

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

**ECONOMIC OUTLOOK**

Alabama's economy remained stable at the close of 2025, supported by positive job growth and continued labor market strength. The state's preliminary, seasonally adjusted unemployment rate held at 2.7% in December, well below the 3.3% rate one year earlier and the current U.S. rate of 4.6%. Recent announcements underscore continued momentum across Alabama's industrial real estate markets. Governor Kay Ivey's *New & Expanding Industry Announcements Report* cited a record year for economic development, with 234 projects announced in 2025 representing \$14.6 billion in capital investment—the highest annual total in state history—and 9,388 new job commitments. Investment spanned a wide range of sectors, including automotive, aerospace, biosciences, advanced materials, and technology, supporting sustained industrial demand statewide.

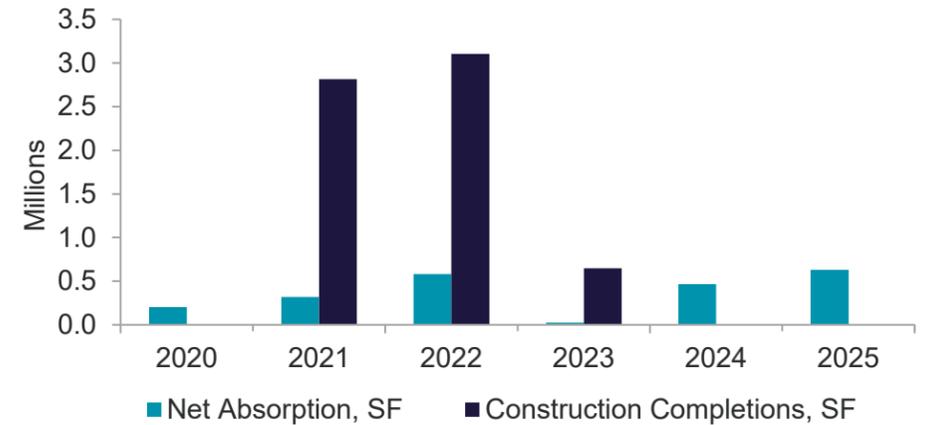
**SUPPLY AND DEMAND**

Birmingham's multi-tenant industrial market closed Q4 2025 with continued momentum, posting 282,593 square feet (sf) of positive absorption, bringing the year-to-date total to 629,123 sf. Overall vacancy, which includes sublease space, declined to 5.6% in Q4 from 7.2% in Q3, while direct vacancy fell to 5.0% from 6.5%. Leasing activity totaled 346,825 sf in Q4 2025, driven largely by one bulk warehouse transaction in Birmingham's Southwestern submarket, which significantly impacted both absorption and leasing volume. Total leasing activity for 2025 reached 922,716 sf, which was in line with 2024 levels. On the development front, recently delivered and ongoing projects include the 275,000-sf speculative building at 1 McAshan Drive (Building 3), along with build-to-suit developments for Coca-Cola UNITED and the Community Food Bank of Central Alabama, reinforcing the region's industrial strength.

**PRICING**

Industrial asking rents in Birmingham remained relatively steady in Q4 2025 as vacancy tightened and market fundamentals remained solid. Overall average weighted net asking rents ended the quarter at \$7.25 per square foot (psf), down slightly from \$7.40 psf in Q3 but well above the \$6.68 psf level recorded at year-end 2024. Office Service Center properties continued to command the highest rents at \$11.64 psf, followed by Warehouse/Distribution facilities at \$6.93 psf. With limited new supply and sustained demand for modern, well-located industrial space, modest rent growth is anticipated throughout 2026.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



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	391,516	8.4%	24,000	53,787	300,000	0	n/a	\$12.00	\$6.53
Eastern	2,588,906	57,850	2.2%	11,900	-48,475	0	0	n/a	\$10.00	\$6.75
Oxmoor Valley	3,046,211	132,637	4.4%	-10,139	66,308	115,000	0	n/a	\$12.36	\$9.01
Southern	4,164,319	238,075	5.7%	-1,500	202,471	0	0	n/a	\$8.93	\$6.75
Southwestern	2,845,128	53,568	1.9%	258,332	355,032	275,000	0	n/a	\$7.00	\$6.50
<b>BIRMINGHAM TOTALS</b>	<b>17,327,298</b>	<b>873,646</b>	<b>5.0%</b>	<b>282,593</b>	<b>629,123</b>	<b>690,000</b>	<b>0</b>	<b>n/a</b>	<b>\$11.64</b>	<b>\$6.93</b>

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

KEY LEASE TRANSACTIONS 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
602 Powder Plant Road SW	Southwestern	US Postal Service	311,900	New
Shelby Commerce Park IV	Southern	IES Electrical	225,496	New
Shelby West Distribution Center	Southern	SGI	116,563	Renewal*
3944 Valley East Industrial Drive	Eastern	Kane Steel	106,452	New
428 Industrial Lane	Oxmoor Valley	Storyteller Overland	81,795	New
400 Industrial Drive	Oxmoor Valley	Southeastern Meats	81,678	Renewal*
Perimeter Industrial Park, Building 2	Southwestern	Undisclosed	80,500	New
511 Vulcan Drive	Eastern	Sims-Lohman Fine Kitchens and Granite	66,600	New

\*Renewals not included in leasing statistics.

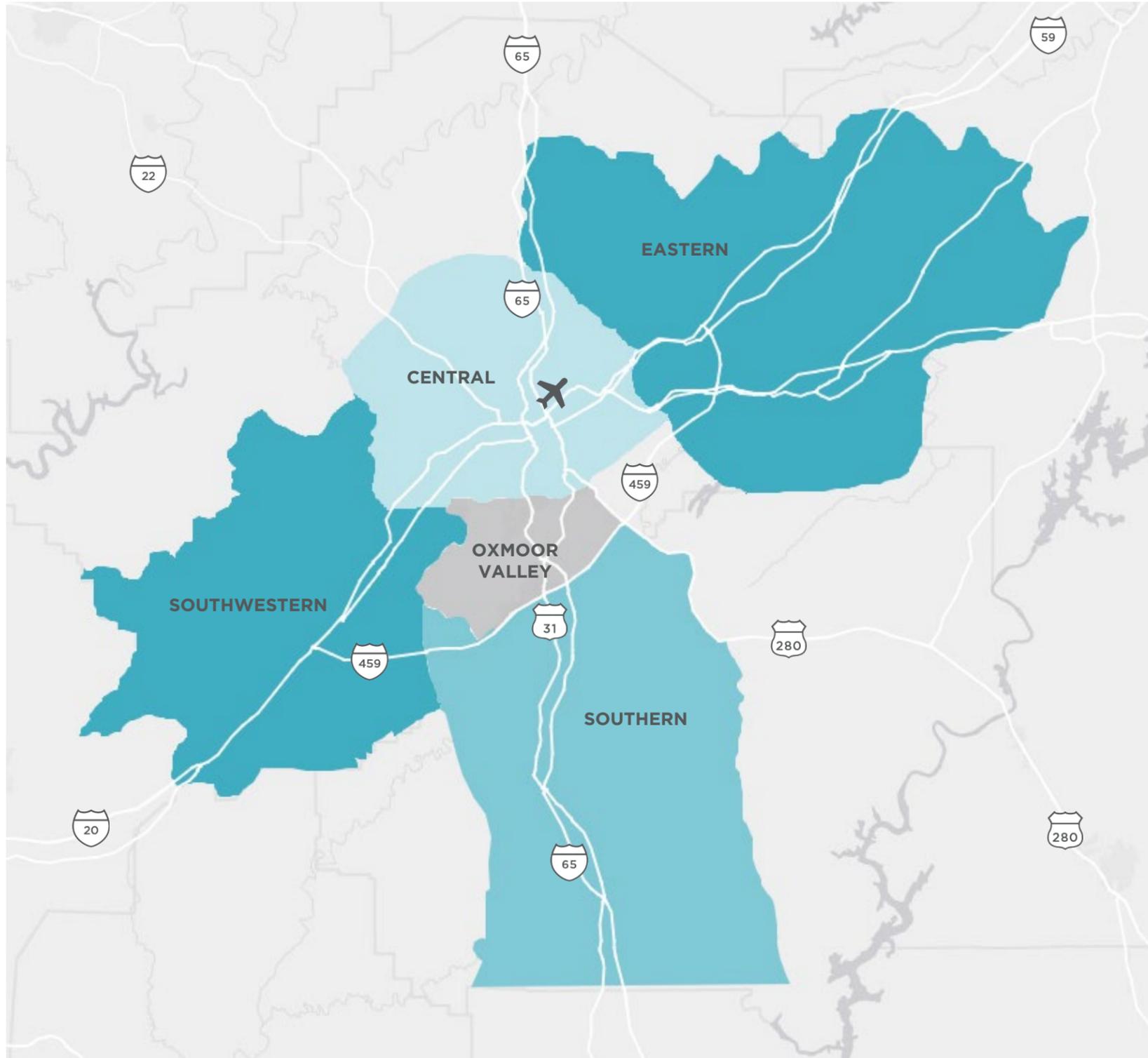
KEY SALE TRANSACTIONS 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
603 Tin Mill Road	Southwestern	Royal Oak Enterprises / 111 Eaton Drive LP	230,000	\$8.5M / \$39
Riverchase Business Park	Southern	AL Hoover Riverchase LLC / SunCap Real Estate Investments	155,000	\$20.74M / \$116
511 Vulcan Drive	Central	Farra LLC / Atlas Real Estate Advisors	148,920	\$6M / \$40
34 West Oxmoor Road	Oxmoor Valley	Lumpkin Development / City of Birmingham	109,882	\$7M / \$64
3501 1 <sup>st</sup> Avenue South	Central	Red Rock Realty Group / Good People Brewing	95,468	\$5.2M / \$54
428 Industrial Lane	Oxmoor Valley	Storyteller Overland / Bretwood LLC	81,795	\$7.75M / \$95
1830 Powell Avenue South	Central	Alabama Power Company / Kulture City	80,105	\$11M / \$137
3217 Messer Airport Highway	Central	Own Alabama / Shamrock Investments	76,250	\$7.95M / \$105
107 Walter Davis Dive	Oxmoor Valley	Community Food Bank of Central AL / Dixie Produce	74,000	\$5.5M / \$74

PROJECTS UNDER CONSTRUCTION 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).

©2026 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.