MARKETBEAT

BIRMINGHAM, AL

INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD | EGS

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.7%* Vacancy Rate (Overall)	▲	▼
-566K YTD Net Absorption, SF	▼	▲
$7.57 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
570.3K Birmingham-Hoover Employment	▲	▲
2.8% Birmingham-Hoover Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate (June 2026)	—	▲

Source: BLS, Moody's Analytics
2026Q2 data are based on latest available data.

** Overall Vacancy Rate not reflective of U.S. Industrial MarketBeat*

ECONOMIC OUTLOOK

Alabama's economy remains fundamentally healthy. While the state's preliminary June unemployment rate increased modestly to 3.2% from 3.0% in May and 2.9% one year ago, it remains well below the national average and reflects a labor market that continues to support business expansion. Recent statewide announcements include Mercedes-Benz's planned $4 billion investment in Tuscaloosa County, Virginia Transformer's new 600,000-square-foot (sf) manufacturing facility in Muscle Shoals, and JST Corp.'s $500 million expansion in Guntersville. These projects, along with continued investment across Alabama's automotive, manufacturing and aerospace industries, support leasing activity and occupier confidence throughout Birmingham's industrial market.

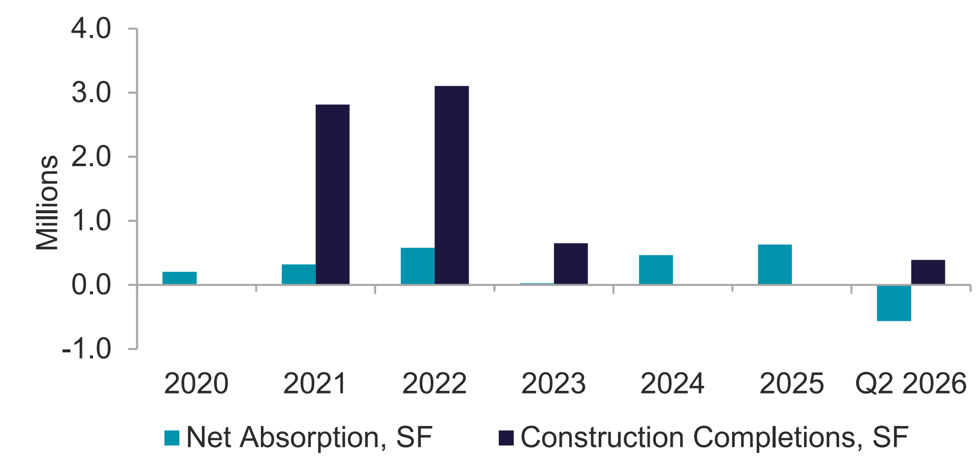
SUPPLY AND DEMAND

Birmingham's multi-tenant industrial market showed signs of stabilization in Q2 2026 following a supply-driven slowdown in Q1. Overall net absorption totaled negative 80,287 sf, a significant improvement from negative 485,530 sf in Q1. Leasing activity also improved, increasing nearly 50% to 255,656 sf leased in Q2.. Much of the quarter's leasing activity occurred in the Eastern submarket, highlighted by Gateway Tire's 142,000-sf expansion and a 52,000-sf lease at Moody Commerce Park. Direct vacancy increased to 7.1% in Q2 up from 6.7% in Q1, while overall vacancy rose to 8.7% as sublease availability remained elevated. In development news, the Community Food Bank of Central Alabama completed its new 115,000-sf warehouse facility in Bessemer, while Coca-Cola UNITED Bottling Company continued construction on its new $330 million production and distribution campus in Birmingham. Although both are owner-user projects, they reflect continued confidence in the market. With no speculative construction currently underway, market fundamentals appear to be stabilizing as supply and demand return to better balance.

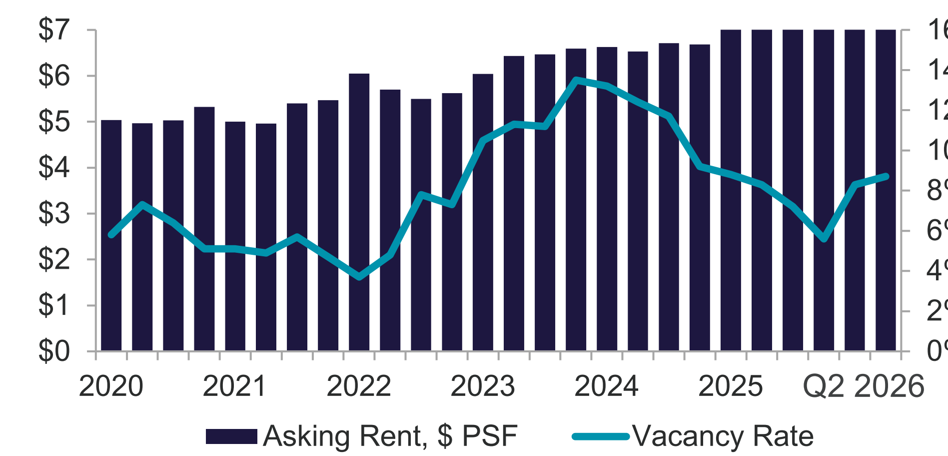
PRICING

Average asking rents across Birmingham's industrial market ended Q2 2026 at $7.57 per square foot (psf), a 6% increase over $7.14 psf one year ago. Service Center properties continued to command the market's highest asking rents at $11.18 psf, followed closely by Office/Warehouse properties at $11.07 psf. Bulk Distribution rates increased to $7.07 psf, up from $6.76 psf one year ago, reflecting continued pricing strength despite higher vacancy.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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

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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	341,182	7.3%	-58,717	-68,466	300,000	0	n/a	$10.44	$6.48
Eastern	2,588,906	8,850	0.3%	55,900	49,000	0	0	n/a	$10.00	$10.00
Oxmoor Valley	3,046,211	242,000	7.9%	-71,845	-67,053	0	115,000	n/a	$12.36	$8.44
Southern	4,164,319	312,115	7.5%	-5,625	-77,165	0	0	n/a	$9.91	$7.07
Southwestern	3,120,128	343,718	11.0%	0	-402,133	0	275,000	n/a	$7.00	$7.79
BIRMINGHAM TOTALS	**17,602,298**	**1,247,865**	**7.1%**	**-80,287**	**-565,817**	**300,000**	**390,000**	**n/a**	**$11.18**	**$7.37**

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

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3249 Moody Pky	Eastern	Marathon Electrical Contractors	251,986	New
2415 US Highway 78	Eastern	Gateway Tire & Service Center	156,040	Renewal*
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Birmingham Food Terminal, Building 23	Central	The Colonnade Group, Inc.	82,800	Renewal*
3900 Pinson Valley Pky	Fultondale	Undisclosed	76,229	Sublease
Moody Commerce Park, Phase I	Eastern	Landing Furniture, Inc.	52,000	New
Oxmoor South Industrial Park, Building IV	Oxmoor Valley	Parkline South	33,000	New

**Renewals not included in leasing statistics.*

KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1811 Woodlands Industrial Drive	Eastern	EBSCO Industries Inc / Culton Holdings LLC	130,318	$7.3M / $56
501 Republic Circle	Central	NTA Graphics South Inc / 501 Republic Circle Lp	44,487	$2.2 / $49
3441-A Parkwood Road	Southwestern	Norwood Enterprises LLC / Sunshine Holding Group LLC	43,696	$1.5M / $34

PROJECTS UNDER CONSTRUCTION Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER/DEVELOPER
1101 40th Street North	Central	Coca-Cola UNITED	300,000	Coca-Cola UNITED

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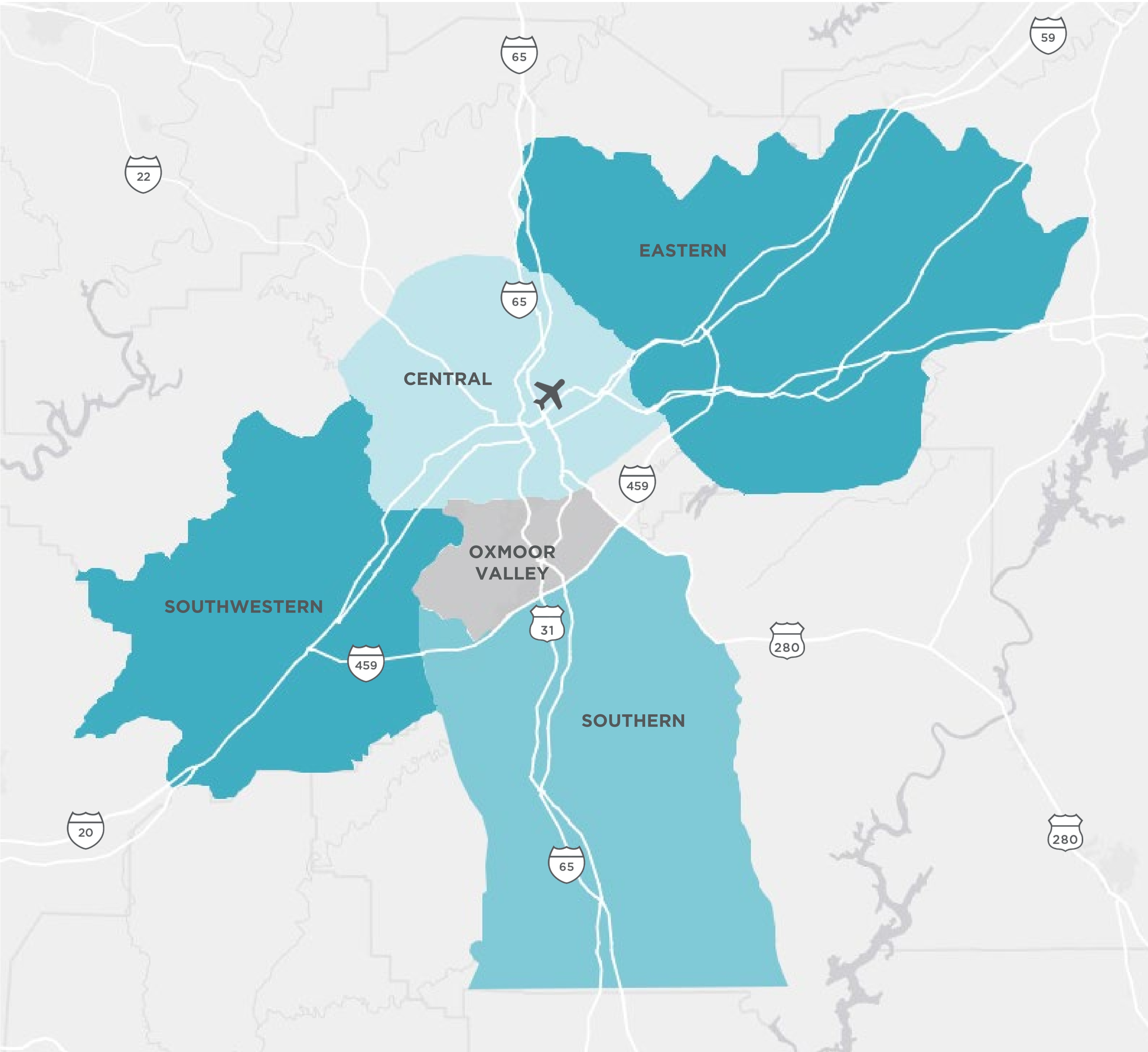
INDUSTRIAL SUBMARKETS



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