

# COMMERCIAL REAL ESTATE REPORT Q3 2022

Birmingham-Hoover, AL Metro Area

## Demographics and Economy

### Demographics

0.0%	29.8%	4.7%	49.6%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

-2.7%	21,800	4.1%	4.7%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$55,851	2.4%	13.7%	52.2%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-716,513	-775,032	2.4%	\$22	12.1%
Q3 2021	-66,916	-326,251	2.2%	\$21	10.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	58,174,722	18,120	252,461	\$76,443,408	8.0%
Q3 2021	57,922,261	11,092	41,549	\$60,263,384	8.1%

### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	-96	476	4.2%	\$1,145	\$1,136	7.7%
Q3 2021	233	1,254	9.7%	\$1,099	\$1,092	7.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	59,856	0	500	5.6%		
Q3 2021	59,356	432	943	5.7%		

### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	60,330	64,568	3.7%	\$15	3.5%
Q3 2021	290,450	858,763	3.3%	\$14	3.4%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	85,381,631	7.5%	\$259,235,296	\$121	
Q3 2021	85,219,066	7.5%	\$150,762,752	\$82	

### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	225,688	2,249,800	13.2%	\$7	2.4%
Q3 2021	181,336	3,019,352	8.6%	\$6	2.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	130,291,814	513,283	2,605,604	7.5%	\$117,153,816
Q3 2021	127,686,210	80,000	3,137,979	7.5%	\$76,958,256

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q3 2022

Huntsville, AL Metro Area

## Demographics and Economy

### Demographics

<b>1.8%</b>	<b>28.9%</b>	<b>1.9%</b>	<b>53.6%</b>
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

<b>0.8%</b>	<b>6,800</b>	<b>2.7%</b>	<b>4.8%</b>
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
<b>\$67,070</b>	<b>2.1%</b>	<b>18.0%</b>	<b>66.4%</b>
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	96,867	-166,911	3.1%	\$20	7.9%
Q3 2021	67,083	293,789	3.9%	\$19	6.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	23,045,610	0	259,130	\$2,917,700	8.3%
Q3 2021	22,786,480	0	353,028	\$17,949,850	8.4%

### 2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	258	1,158	4.7%	\$1,185	\$1,172	11.1%
Q3 2021	345	1,340	8.8%	\$1,132	\$1,127	7.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	33,826	879	2,691	4.6%		
Q3 2021	31,135	324	2,183	5.0%		

### 3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	184,935	417,365	6.4%	\$17	2.7%
Q3 2021	-22,385	13,587	3.3%	\$16	3.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	27,472,090	7.0%	\$26,848,616	\$261	
Q3 2021	27,210,145	7.1%	\$99,346,872	\$177	

### 4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	433,390	6,131,786	12.9%	\$8	8.5%
Q3 2021	103,740	2,255,666	8.0%	\$7	9.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	46,813,436	478,760	6,193,270	7.0%	\$16,675,000
Q3 2021	40,620,166	735,461	2,136,914	7.0%	\$62,024,600

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q3 2022

Mobile, AL Metro Area

## Demographics and Economy

### Demographics

<b>-0.3%</b>	<b>35.5%</b>	<b>2.9%</b>	<b>52.6%</b>
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

<b>-3.7%</b>	<b>-100.00</b>	<b>-0.1%</b>	<b>0.8%</b>
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
<b>\$52,843</b>	<b>3.4%</b>	<b>7.7%</b>	<b>28.3%</b>
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	372	18,595	2.4%	\$17	5.4%
Q3 2021	52,179	137,784	4.7%	\$16	5.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	14,865,978	0	-10,324	\$16,429,800	9.8%
Q3 2021	14,876,302	0	80,948	\$5,454,050	9.8%

### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	-64	-160	7.3%	\$1,007	\$1,003	6.6%
Q3 2021	-14	628	12.0%	\$939	\$935	5.8%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	21,069	0	0	5.7%		
Q3 2021	21,069	83	162	6.0%		

### 3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	196,138	644,096	5.4%	\$16	3.4%
Q3 2021	133,306	-10,788	3.3%	\$15	5.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	29,944,665	7.8%	\$106,300,360	\$204	
Q3 2021	29,837,498	7.9%	\$30,894,208	\$76	

### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-241,302	579,576	13.4%	\$7	4.2%
Q3 2021	7,574	-35,035	8.5%	\$6	5.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	35,824,063	203,580	213,580	7.7%	\$4,970,400
Q3 2021	35,610,483	0	-151,341	7.6%	\$17,501,722

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q3 2022

Montgomery, AL Metro Area

## Demographics and Economy

### Demographics

0.0%	34.6%	0.6%	53.1%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

### Economy

-1.2%	4,100	2.4%	2.0%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$46,982	3.0%	8.1%	39.6%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	3,792	219,839	2.7%	\$16	4.1%
Q3 2021	91,587	78,434	4.3%	\$16	5.4%

  

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	16,667,794	0	0	\$10,507,400	9.3%
Q3 2021	16,667,794	0	-8,500	\$12,053,145	9.5%

### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	110	-202	6.5%	\$963	\$957	8.4%
Q3 2021	-9	118	10.8%	\$904	\$899	7.3%

  

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
Q3 2022	19,953	0	10	6.1%
Q3 2021	19,943	0	0	6.6%

### 3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-23,339	244,380	6.3%	\$14	5.1%
Q3 2021	-11,578	451,114	3.8%	\$13	5.8%

  

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
Q3 2022	27,205,948	7.3%	\$22,343,148	\$120
Q3 2021	27,139,831	7.4%	\$37,537,104	\$188

### 4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	34,373	1,046,348	13.4%	\$5	3.7%
Q3 2021	15,887	-229,565	8.7%	\$5	6.7%

  

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	34,641,213	0	0	8.0%	\$550,000
Q3 2021	34,641,213	117,000	57,000	7.9%	\$10,230,000

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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