BIRMINGHAM
MULTIFAMILY REPORT

FIRST QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE
95.0%
Up **60 bps** since 1Q19

EFFECTIVE RENT
$1,019
Up **3.9%** since 1Q19

DELIVERIES
21
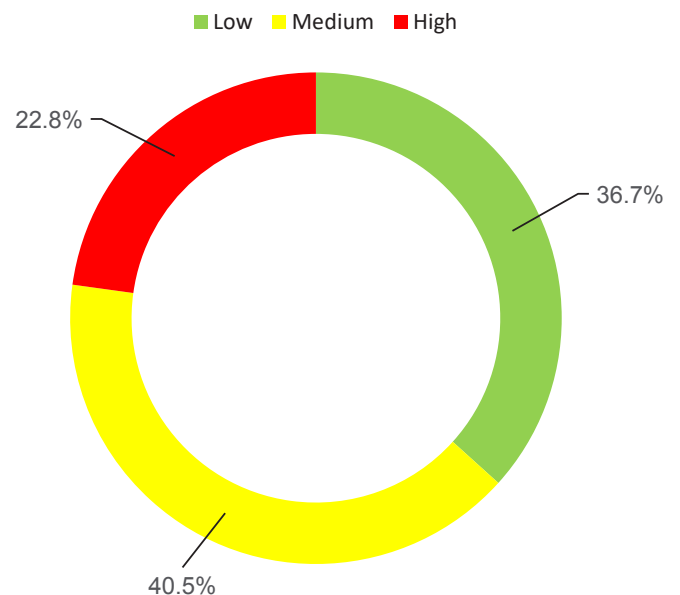Units YTD

MULITFAMILY TRENDS

OUTBREAK SPREAD FLATTENING, STAY-AT-HOME EASED

With Alabama hospitals coping with the spread of COVID-19 and cases flattening in the state, Governor Kay Ivey announced the ease of stay-at-home orders beginning next month. Under the easement, all retail businesses may re-open as long as they comply with a 50% occupancy rate and enact measures to keep customers six feet apart. This move to restart the economy is needed as, the state has disbursed more than $372 million in unemployment claims—boosted by funding from the CARES Act—since the stay-at-home order went into effect in early April. Even though the restriction lasted one month, the coronavirus outbreak has had a significant effect on the Birmingham economy, as exemplified by one of the metro's largest employers. UAB Medicine froze hiring and cut expenses as COVID-19 resulted in a $70 million loss in one month alone. A significant drop in revenue came as the hospital substantially reduced clinical activities as the hospital shifted more care for coronavirus patients. With Ivey's announcement, elective medical procedures may resume. This is key as UAB Medicine reduced surgeries from 155 each day to 57 a day during the stay-at-home order. Another boost to the metro's economy was Amazon.com Inc.'s new 855,000-square-foot fulfillment center in Bessemer. It opened this month and has not slowed down hiring with the goal of staffing 1,500 full-time positions at the location.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.1%	1.1%
Finance and insurance	8.1%	4.7%
Health care and social assistance	15.8%	16.0%
Information	1.7%	2.2%
Transportation and warehousing	3.7%	4.4%
Utilities	1.6%	0.4%
Wholesale trade	5.7%	4.7%
Total	**36.7%**	**33.4%**
MEDIUM		
Administrative and waste services	7.4%	7.4%
Educational services	1.3%	2.3%
Manufacturing	8.4%	10.1%
Mining, quarrying, and oil and gas extraction	0.6%	0.5%
Other services, except public administration	3.4%	3.6%
Professional and technical services	6.5%	7.5%
Retail trade	12.9%	12.2%
Total	**40.5%**	**43.6%**
HIGH		
Accommodation and food services	10.9%	11.1%
Arts, entertainment, and recreation	1.7%	1.9%
Construction	6.5%	6.1%
Management of companies and enterprises	2.0%	1.9%
Real estate and rental and leasing	1.8%	1.8%
Unclassified	0.0%	0.1%
Total	**22.8%**	**23.0%**

JOBS EXPOSURE

- Low
- Medium
- High

22.8%

36.7%

40.5%

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