HUNTSVILLE, ALABAMA
MULTIFAMILY
MARKET OVERVIEW

Year-End 2025

Presented for:

Apartment Association of North Alabama (AANA)

February 27, 2026

Presented by:

David Wilson, MAI with RCP COMPANIES




EDITORIAL COMMENT / SOURCE MATERIAL

The New Construction Pipeline data herein is based on primary "first-hand" research of properties under construction, in lease-up and planned, by David Wilson. David has been closely tracking new multifamily construction activity in the Huntsville market granularly for 32 years and maintains close relationships with owners, regional managers and on-site managers of Huntsville area properties, often obtaining "confidential" information not disclosed to others. Data is also obtained from municipal planning departments and regular drive-by's of each property.

Much of the Occupancy Rate data herein is also derived from David's direct contact with the property, or those with direct knowledge, while some reliance on third-party data is necessary, but tempered with his other direct and indirect sources and insights in many cases.

David produces a comprehensive "deep dive" on the market twice a year and some of the comparisons herein are based on comparisons with his Spring 2025 or Year-End 2024 reports.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY – Great News

THE WAVE OF NEW CONSTRUCTION HAS CRESTED

2026 will be a year of healing

Only 12 Properties Under Construction with 1,573 Units Not Yet Delivered

AND

I expect only 425 of those will be delivered in the first half of 2026

BUT
There are 33 Completed Properties that are still in initial lease-up, although almost 2/3 of those average 74% occupied.

We're still on a wild ride,
but that should change soon.

EXECUTIVE SUMMARY – Construction Activity Subsides

PROPERTIES UNDER CONSTRUCTION

YEAR-END 2023	YEAR-END 2024	YEAR-END 2025
60	30	12

EXECUTIVE SUMMARY – National Source Data

Source	Period Reflected	Total Supply	12-Month Delivered Units	Trailing 12 Absorption	Current Occupancy Rate	T-12 Asking Rent Growth	Units Under Construction
RealPage	2025 Q3	50,376	4,594	4,175	93.3%	-2.8%	1,833
CoStar	Trailing 12 Mos.	50,273	3,121	3,177	82.4%	-3.0%	1,517
NOTE 1: RealPage's occupancy and rent growth data is based on a Sample Size of 32,346 units (64.2% of total inventory)							
NOTE 2: RealPage and CoStar are based on Huntsville MSA, which includes Athens, AL							
NOTE 3: RealPage occupancy rate excludes properties in initial lease-up, whereas CoStar occupancy includes all properties							

RCP Comments:

- RealPage does not include properties in active "lease-up" in their Occupancy Rate calculations and therefore does not provide a realistic representation of the true Occupancy Rate. However, we have found RealPage to provide reliable national source data for new construction pipeline activity.
- CoStar data includes new properties in lease-up in their Occupancy Rate calculations resulting in a more realistic estimate.
- We rely on David Wilson for new supply related data as it is more thoroughly verified, observed and compiled.

RCP COMPANIES

EXECUTIVE SUMMARY – Quick Stats & Outlook

Description	Most Recent Data	Wilson Forecast
Population Growth - Huntsville MSA	13,600/year (2023 and 2024)	Rising in 2025, 2026 and 2027
Property Starts (Excluding Affordable)	2 in 2025 (412 units)	4-5 in 2026 (800-1,250 units)
Properties Under Construction, Not Complete *	12 as of Dec. 31, 2025	5 as of Dec. 2026
Properties in Lease-Up (Under 90%) **	40 as of Dec. 31, 2025	15 to 20 as of YE26; Only 5 by YE27
Vacant Units Among Those In Initial Lease-Up ***	4,900 as of Dec. 31, 2025	Steadily declining throughout 2026
Unit Deliveries	6,196 in 2024, 4,680 in 2025	930 in 2026 and 2,000 in 2027
Absorption - Overall	4,500-5,850 in 2024; 3,175-4,175 in 2025	3,500 - 4,500 in 2026
Occupancy Rate - Overall	82.4% as of Dec. 31, 2025	High 80%'s to Low 90%'s at YE2026
Rent Growth	Negative in 2023, 2024 and 2025	Turning positive in 2026

Sources for Most Recent Data:

1. Population Data: U.S. Census Bureau

2. Supply-Related data: David Wilson, MAI

3. Absorption: CoStar and RealPage (rounded data)

4. Occupancy: CoStar

5. Rent Growth: All sources

NOTES:

* Excluding 3 LIHTC/Affordable properties under construction (296 units)

* 12 properties comprising 1,573 units not yet delivered

** 40 properties, of which 33 were fully complete

*** Includes 356 units not yet delivered, but underway

EXECUTIVE SUMMARY – Noteworthy Items

Of the 40 Properties in Initial Lease-Up

- 33 are already 100% complete, with only 7 still under construction

  (and 6 of the 7 have 55 units or less remaining to deliver)

- The 545-unit Front Row project downtown doesn’t expect 1st units until Q3 2025

- Five properties totaling 1,407 units delivered 100% of their units in the last half of 2026

  (so there’s a big group of units still in early lease-up competing for residents – exacerbating the pressure)

- But, 21 of the 33 completed properties have occupancy rates over 50% (avg. 74% occupancy), and approximately 1,000 units of demand would bring them to 92% average

- **Approximately 3,800 units of demand would bring all 40 properties still in lease-up to 92% average occupancy**

RCP COMPANIES

EXECUTIVE SUMMARY – Our Outlook

- 2026 will be much better than 2025 – the wave of new supply has crested
- 2026 will see occupancy stabilization for most properties & rapidly declining concessions
- Economic outlook is excellent, expecting escalating population growth

Future new construction "starts" should be limited as:

- Effective Rents need to improve significantly to justify financial feasibility
- Debt and equity sources are being extremely cautious
- The current over-supply is causing most developers to tread slowly
- As of Feb. 2026, rent concessions were still very elevated and "the bottom" had not yet been revealed via the data. Spring leasing season will provide the transition.

Total Annual 2025 Absorption = 3,600+ units for "market rate" properties

Source: David Wilson, MAI

If demand in 2026 is similar to 2025 demand, the majority of the new properties not yet stable will achieve stabilization.

MACRO ECONOMIC DATA

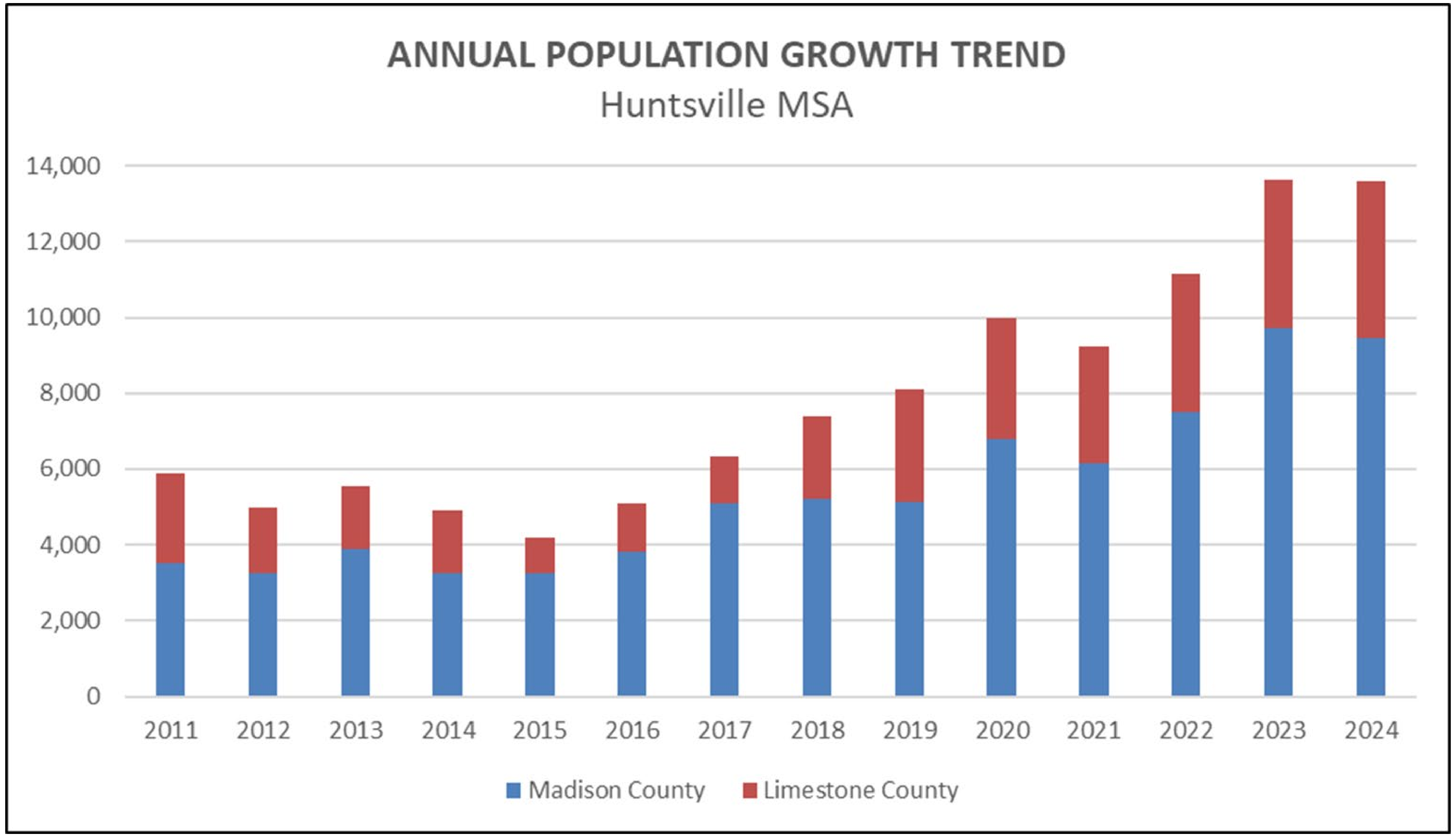
POPULATION FUELING DEMAND

Population growth rate has more than doubled in the past 6-7 years.

Was averaging near 5,000/year from 2012-2016, then averaged near 10,000/year from 2020-2022,

But has accelerated to over 13,600/year for past two years for which data is available.

Expectation is for accelerated growth.



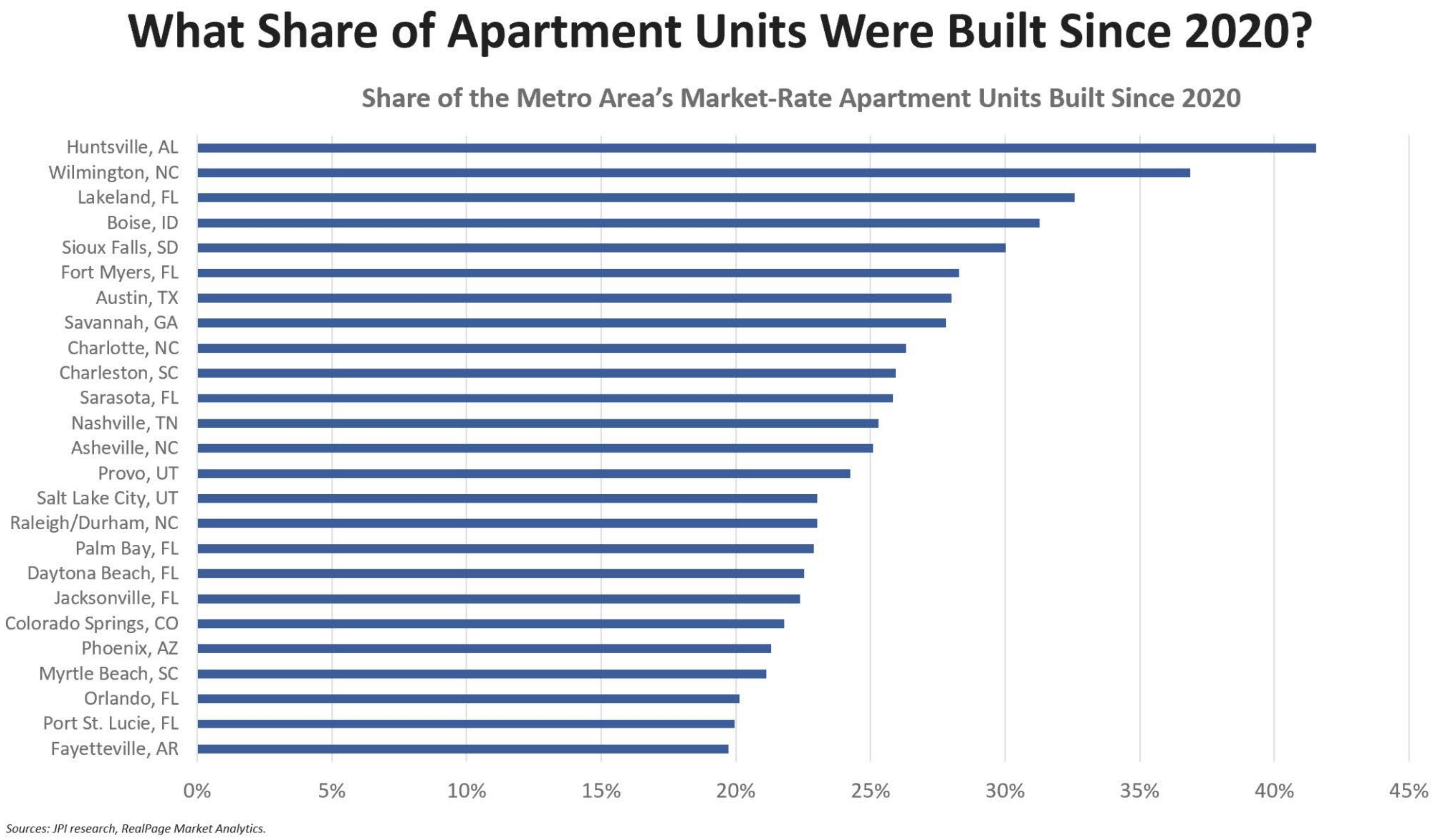
Source: *U.S. Census Bureau, American Community Survey (ACS), Population Estimates by County*

Annual Growth:
2022 - 11,133
2023 - 13,613
2024 - 13,603

NEW CONSTRUCTION

RCP COMPANIES

NATIONAL VIEW – New Supply Perspective



HUNTSVILLE #1 IN U.S.

DAVID'S ANALYSIS

20,016 units added in Huntsville since 2020

(Source: David Wilson)

47,561 population gain of Huntsville MSA from 2021-2024

(Source: U.S. Census Bureau ACS)

Add another 13,600 for 2025

(same growth as 2024 and 2023)

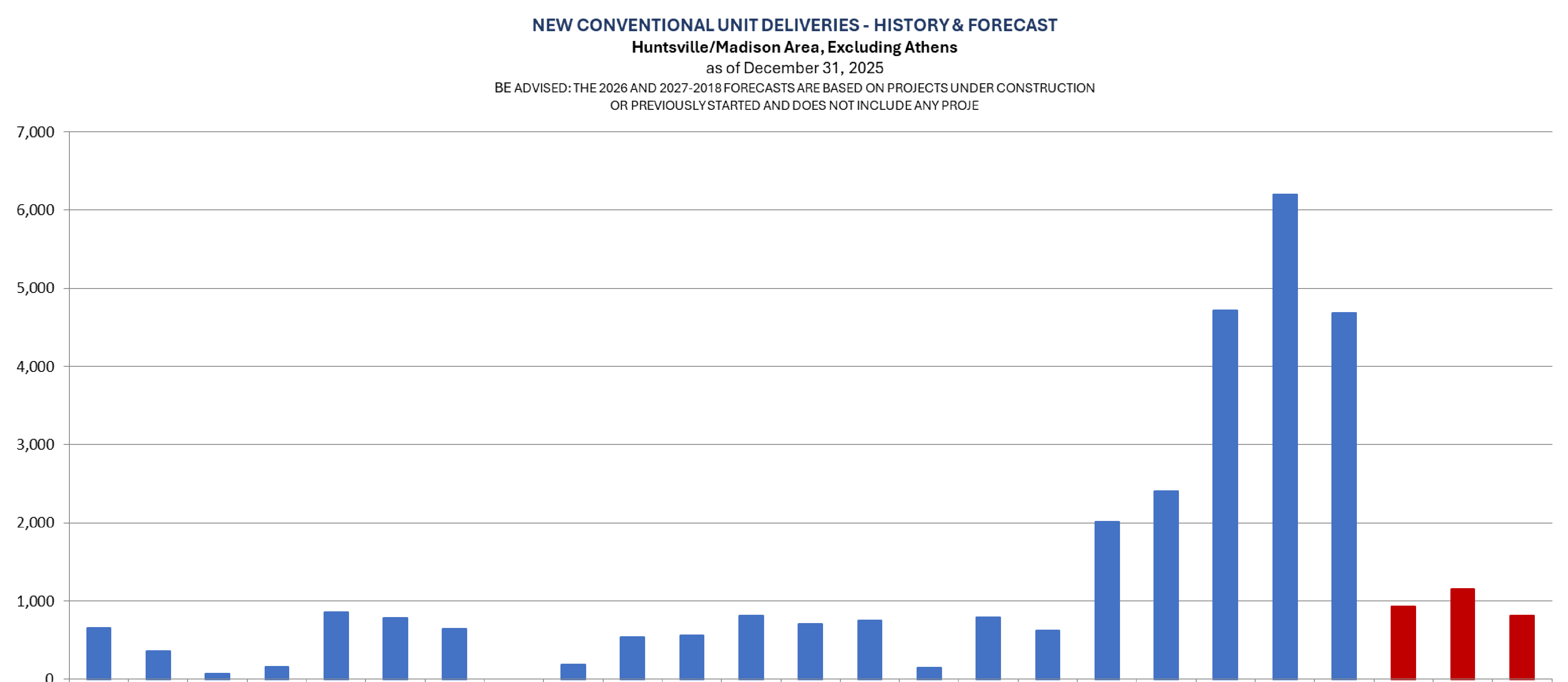
=

61,000+ people added since 2020

(1 unit for every 3 people)

NOTE: Graph provided via Jay Parsons' LinkedIn Post on 02.25.2026. If you're not following Jay Parsons on LinkedIn, I highly recommend you do.

NEW UNIT DELIVERIES TREND



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-F	2027-F	2028-F
Units	655	355	72	160	860	781	644	0	189	538	557	818	708	750	142	797	627	2,016	2,409	4,715	6,196	4,680	930	1,150	810

Source: David Wilson, MAI (Validated Every Year); 2014-2023 data compiled while at Berkadia Real Estate Advisors, and while at Rock Apartment Advisors before 2014, Crunkleton Commercial Real Estate in late 2024-early 2025, and RCP Companies since Oct. 2025.

THE WAVE HAS CRESTED

2026 will be a year of healing

2027 supply will be substantially below demand

INTERESTING FACT

6,551 Units Added From 2009-2020 (12 Years)

vs.

6,196 Units Added in 2024

RCP COMPANIES

Pipeline Map

Red

Complete, In Lease-Up

33 Properties – 8,752 Units

Map excludes 2 properties in north Madison County

Blue

Partially Complete, Leasing

7 Properties – 1,386 Units

Green

Underway, No Deliveries Yet

5 Properties – 1,217 Units

Brown

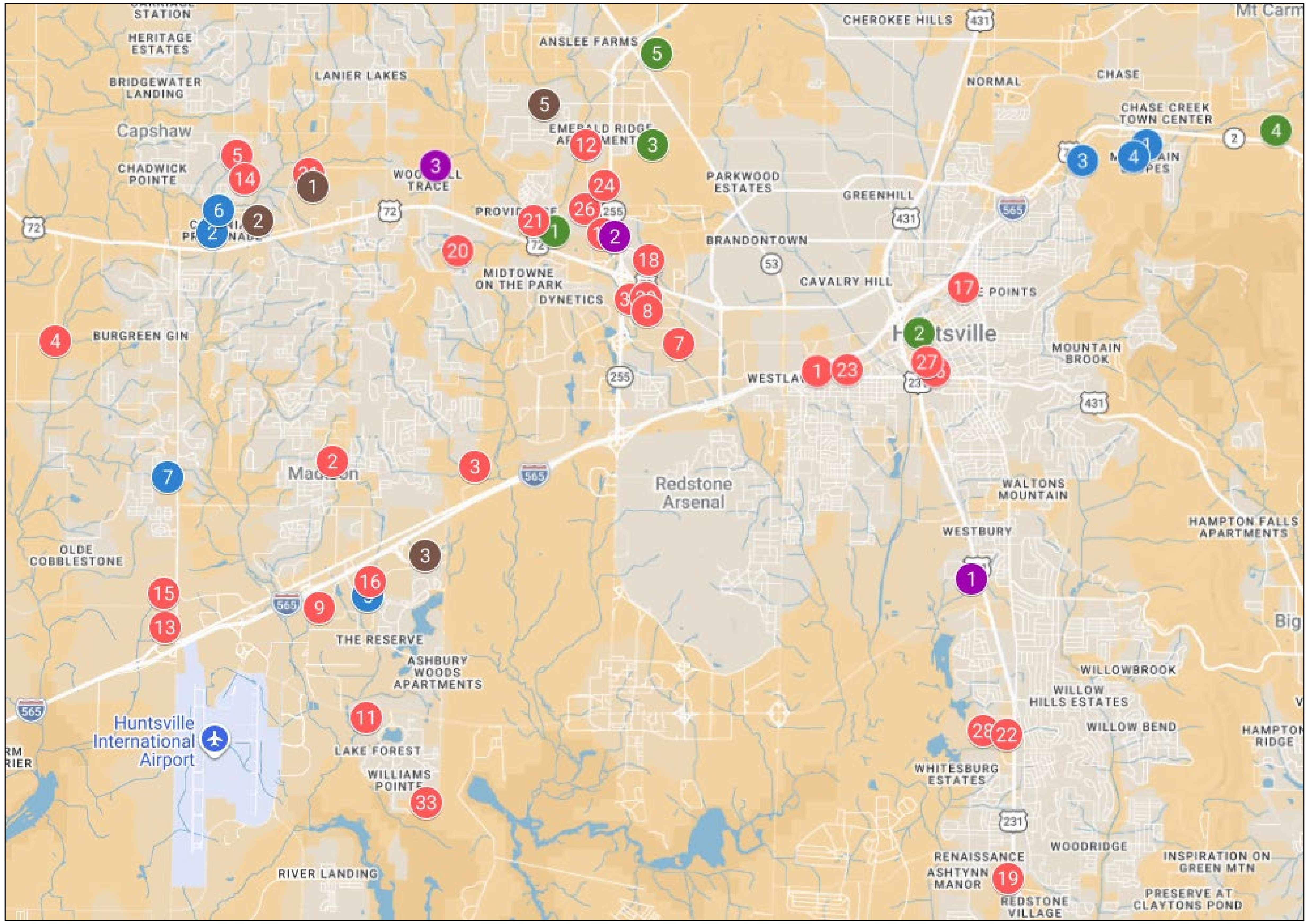
Started, But On-Hold

5 Properties – 1,118 Units

Purple

Affordable Properties, Under Construction

3 LIHTC/Affordable Properties – 296 Units



Source: David Wilson, MAI (as of 12.31.2025)

NEW CONSTRUCTION – Pipeline & Occupancy at a Glance

Status	Total Properties	Delivered Units	Units Under Construction	Total Units	Occupied Units	Occupancy Rate (On Delivered Units)	Occupancy Rate (On Total Units)
Completed, In Lease-Up	33	8,752	0	8,752	4,737	54.1%	54.1%
Construction Pipeline Underway							
Under Construction, Partially Complete	7	1,030	356	1,386	467	45.3%	33.7%
Under Construction, No Deliveries *	5	0	1,217	1,217	0	0.0%	0.0%
Construction Started, But Halted	5	0	1,118	1,118	0	0.0%	0.0%
TOTAL PIPELINE UNDERWAY	**17**	**1,030**	**2,691**	**3,721**	**467**	**45.3%**	**12.6%**

Source: David Wilson, MAI; RCP Companies

** Excludes 3 "Affordable" properties totaling 296 units*

RCP Comments:

Occupancy data above is based on primary research by David Wilson from conversations with managers, regional managers or owners for all properties except for six properties that would not participate, whereby their occupancy was estimated via third-party sources or other data available to David Wilson.

NEW CONSTRUCTION

RCP COMPANIES

#	Project Name	Municipality	Submarket	Previously Delivered	Units Under Construction	Total Units
1	The Foundry at Stovehouse	Huntsville	SW Huntsville	342	0	342
2	The Everstead at Madison (BFR)	Madison	Madison - South	231	0	231
3	Paxton Place	Huntsville	West Huntsville	350	0	350
4	Argento at Oakland Springs	Madison	Madison - South	264	0	264
5	Twin Oaks (SFR) - Haven Homes	Huntsville	West Huntsville	135	0	135
6	LEO at Flint Crossing (BFR)	Unincorp Madison	Meridianville	266	0	266
7	The Arcadia	Huntsville	West Huntsville	250	0	250
8	Encore MidCity	Huntsville	West Huntsville	232	0	232
9	Livano at Town Madison	Madison	Madison - South	316	0	316
10	The Villas at Old Monrovia (BFR)	Huntsville	West Huntsville	276	0	276
11	Attain at Bradford Creek	Huntsville	West Huntsville	347	0	347
12	Norwood	Huntsville	West Huntsville	175	0	175
13	Brio Parc (garden & THs)	Huntsville/Limestone	West Huntsville	451	0	451
14	The Gabriel	Unincorp. Madison County	West Huntsville	288	0	288
15	The Manor on County Line	Huntsville	West Huntsville	316	0	316
16	The Robert at Town Madison	Madison	Madison - South	284	0	284
17	Stella at Five Points	Huntsville	Downtown	352	0	352
18	Hamlett at MidCity (BFR)	Huntsville	West Huntsville	231	0	231
19	Memorial Village I & II (BFR)	Huntsville	SE Huntsville	174	0	174
20	Sanctuary at Indian Creek (BFR)	Huntsville	West Huntsville	244	0	244
21	2020 at Providence	Huntsville	West Huntsville	360	0	360
22	Liam at Hays Farm	Huntsville	SE Huntsville	329	0	329
23	Mural at Stovehouse	Huntsville	SW Huntsville	200	0	200
24	Boardwalk at Research Park	Huntsville	West Huntsville	287	0	287
25	Vista at Councill Square	Huntsville	Downtown	332	0	332
26	1589 Residences	Huntsville	West Huntsville	96	0	96
27	Bartley Lofts at City Centre	Huntsville	Downtown	273	0	273
28	Jessam at Hays Farm	Huntsville	SE Huntsville	318	0	318
29	Wellory Living at MidCity	Huntsville	West Huntsville	325	0	325
30	Anthem House at MidCity (micro)	Huntsville	West Huntsville	161	0	161
31	The Collier at Clift Farm	Unincorp. Madison County	West Huntsville	316	0	316
32	Holly Anne Rental Homes, Ph I (SFR)	Unincorp. Madison County	Hazel Green	30	0	30
33	Nestledown Farms (BFR)	Huntsville	West Huntsville	201	0	201
	TOTAL			**8,752**	**0**	**8,752**

RECENTLY COMPLETED - IN LEASE-UP — as of December 31, 2025

Source: David Wilson, MAI; RCP Companies

NEW CONSTRUCTION

PARTIALLY COMPLETE & IN LEASE-UP as of December 31, 2025						
#	Project Name	Municipality	Submarket	Previously Delivered	Units Under Construction	Total Units
1	Chase Creek Apartment Homes	Huntsville	East Huntsville	346	24	370
2	Solstice at Promenade	Huntsville	West Huntsville	234	34	268
3	Terraces at High Mountain	Huntsville	East Huntsville	174	24	198
4	The Enclave at Trailhead (BFR)	Huntsville	East Huntsville	80	4	84
5	Ovation at Town Madison, Ph II	Madison	Madison - South	33	54	87
6	Lakeside Residences (TH's and SFR)	Huntsville	West Huntsville	88	55	143
7	Vlux at Madison (BFR)	Unincorp. Limestone County	Madison - South	75	161	236
	TOTAL			**1,030**	**356**	**1,386**

Source: David Wilson, MAI; RCP Companies

NEW CONSTRUCTION

UNDERWAY, BUT NO DELIVERIES as of December 31, 2025						
#	Project Name	Municipality	Submarket	Previously Delivered	Units Under Construction	Total Units
1	Walden at Providence, Phase II **	Huntsville	West Huntsville	0	130	130
2	Front Row	Huntsville	Downtown	0	545	545
3	Grant Park Townhomes (SFR)	Huntsville	North Huntsville	0	172	172
4	Rovena at Martinson Ranch TH's	Huntsville	East Huntsville	0	130	130
5	North Valley	Huntsville	North Huntsville	0	240	240
	TOTAL - Market Rate Properties			**0**	**1,217**	**1,217**
1	Primrose Place (LIHTC-family)	Huntsville	SE Huntsville	**0**	44	44
2	The Grove at Indian Creek (LIHTC-senior)	Huntsville	West Huntsville	**0**	48	48
3	The Viola	Huntsville	West Huntsville	**0**	204	204
	TOTAL - Affordable/LIHTC Properties			**0**	**296**	**296**

Source: David Wilson, MAI; RCP Companies

** Properties that have started preleasing, but have not yet delivered units

RCP Comments:

- Walden at Providence will deliver its 130 units in Q1 2026. Front Row will deliver in phases in late 2026 and 2027.
- Grant Park, Rovena at Martinson Ranch and North Valley are all still in site-work phase with no vertical construction started.
- Primrose Place and The Grove are pretty far along, but The Viola is still in early site-work phase.

FRONT ROW

MIXED-USE - DOWNTOWN HUNTSVILLE

Total Multifamily Units –	545
Product Type -	Class A+ Rental
First Units Expected -	Q3 2025
Final Completion –	Spring 2027

Comments -

Expected to be delivered in 4 “quads” with first two in 2026 and remainder in 2027. Also features ground floor retail and commercial space, and additional 2nd floor commercial space.

NEW CONSTRUCTION

	STARTED - BUT ON HOLD No Deliveries Yet as of December 31, 2025					
	Property Name	**Municipality**	**Submarket**	**Previously Delivered**	**Units Under Construction**	**Total Units**
1	Ovation at Clift Farm (BFR)	Unincorp. Madison County	West Huntsville	0	200	200
2	Silver Collection at Clift Farm	Unincorp. Madison County	West Huntsville	0	378	378
3	Silver Collection at Town Madison	Madison	Madison - South	0	368	368
4	Holly Anne Rental Homes, Ph II (SFR)	Unincorp. Madison County	Hazel Green	0	125	125
5	Oaks at Indian Creek, Ph II (BFR)	Unincorp. Madison County	Harvest	0	47	47
	TOTAL			**0**	**1,118**	**1,118**

Source: David Wilson, MAI; RCP Companies

RCP Comments:

It appears very possible that at least two of the properties above will resume construction in 2026, most likely the Ovation at Clift Farm and one of the Silver properties.

RCP COMPANIES

POSSIBLE NEW STARTS FOR 2026+

PLANNED - NOT STARTED
The Most Likely Near-Term Starts
as of December 31, 2025

	Property Name	Municipality	Submarket	Location	Previously Delivered	Units Under Construction	Total Units
1	Inspire Lofts	Huntsville	West Huntsville	Zierdt Road at Martin Road	0	0	237
2	4808 Bradford (senior 55+)	Huntsville	Research Park	Bradford Road, east of Wynn Drive	0	0	203
3	Tate Farms	Huntsville	West Huntsville	Old Monrovia Rd, Waddell Road	0	0	237
4	Stadium Commons	Huntsville	SE Huntsville	Memorial Pkwy S, south of Drake Ave	0	0	243
5	Knox Creek Flats	Huntsville	Limestone County	Highway 72 West at Henderson Road	0	0	900
6	Wildridge apts (144 units) and cottages	Huntsville	West Huntsville	McCrary Road, west of Nance Road	0	0	195
	TOTAL - Market Rate Properties				**0**	**0**	**2,015**
7	Mill Creek, Ph I (Affordable - Disabled)	Huntsville	SW Huntsville	Governors Drive at Seminole	0	0	85
8	Locust Grove (LIHTC)	Huntsville	North Huntsville	Mastin Lake, west of Blue Springs	0	0	174
9	TBD - Highway 431 Apartments (LIHTC)	Huntsville	Hampton Cove	Hwy 431, near Food City	0	0	156
	TOTAL - Affordable/LIHTC Properties				**0**	**0**	**415**

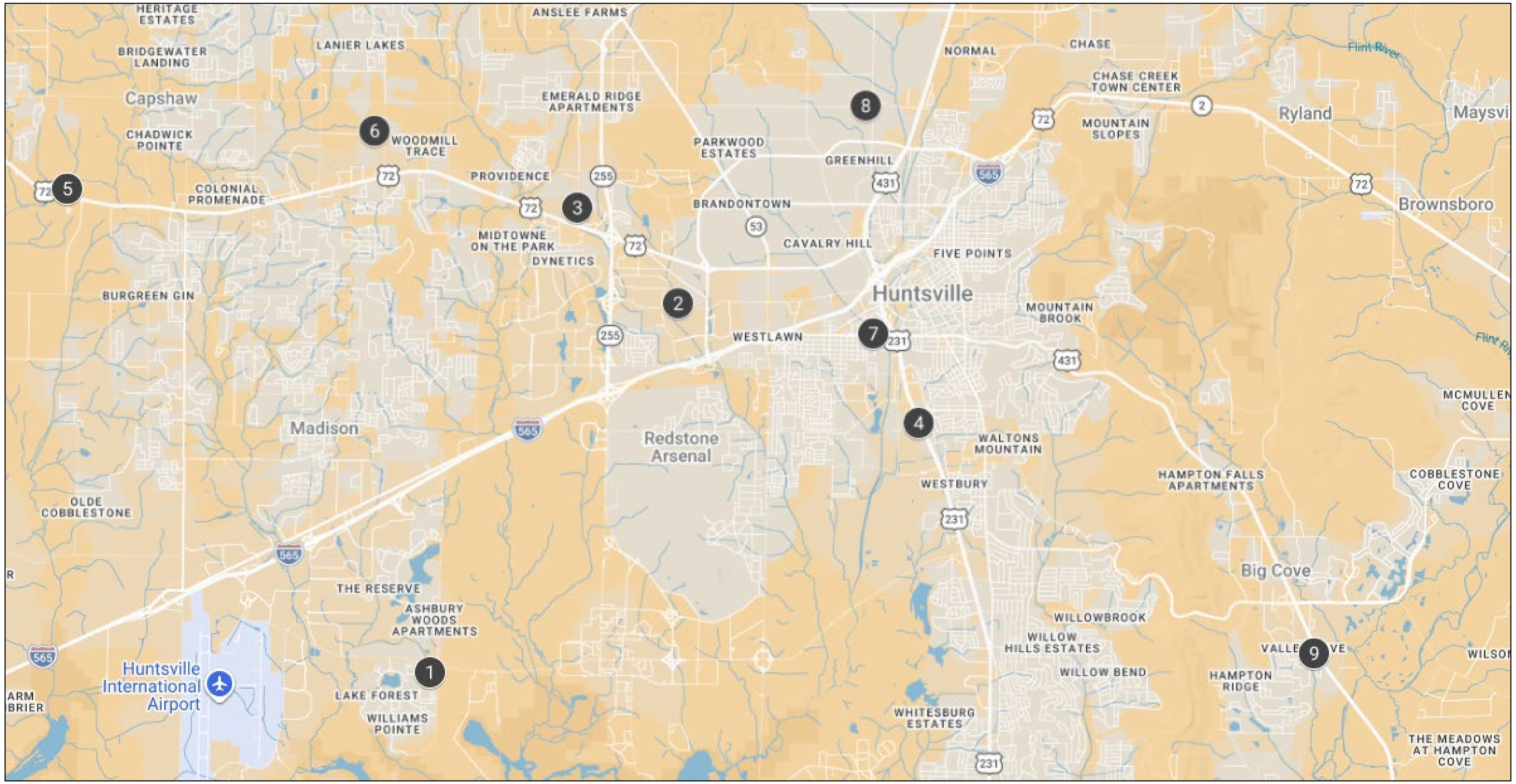
Source: David Wilson, MAI; RCP Companies

RCP Comments:

The properties above reflect those properties that appear to have the highest likelihood of getting started in 2026, in the opinion of David Wilson, although there could be others. The 900-unit Knox Creek project developer is Edward Rose & Sons and they would deliver over a 5+ year period, with likely deliveries under 120 units per year. While there are other projects identified where land has already been acquired and developer is assessing timing, those above appear most likely to start soonest. However, it appears unlikely all 6 of the market-rate properties would start in 2026, although three of the market-rate project developers have indicated a desire to start in the first half of 2026.

ALSO, IT IS VERY POSSIBLE THAT SEVERAL PROJECTS THAT HAVE BEEN ON HOLD MAY GET STARTED IN 2026.

POSSIBLE NEW STARTS FOR 2026+



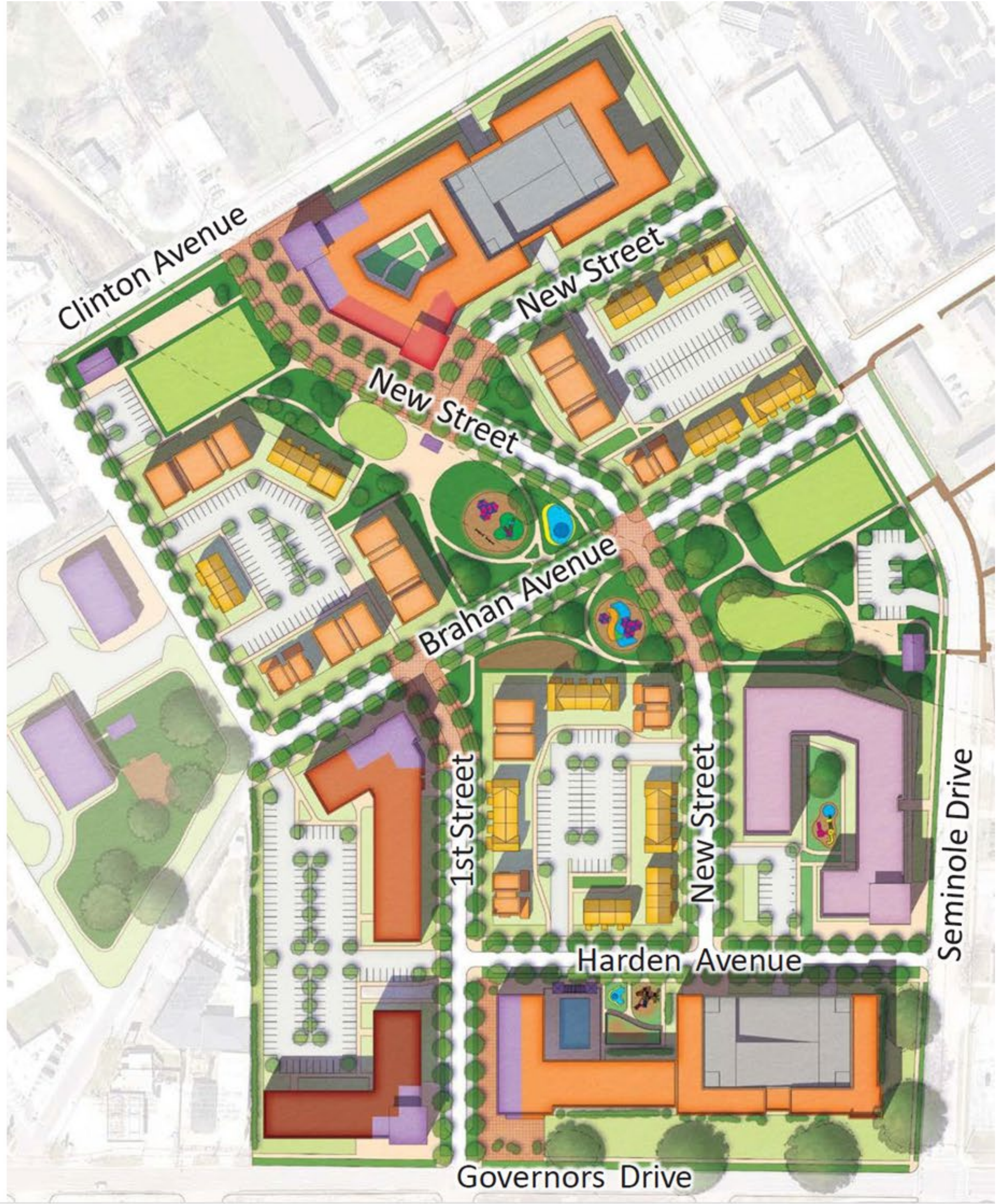
MILL CREEK

A NEW "AFFORDABLE" HOUSING DISTRICT JUST WEST OF DOWNTOWN HUNTSVILLE

- Fronts Governors Drive & Clinton Avenue
- 705 new housing units
- Constructed over 4-5 years
- LIHTC, Public Housing & Market Rate
- Developer has been selected
- Phase 1 to commence in mid-2026
- Will include retail components

Huntsville Hospital has committed to be involved with one development to provide affordable housing for their employees.

Housing Plan



OCCUPANCY, ABSORPTION & RENTS, CONCESSIONS

CURRENT OCCUPANCY ESTIMATE

OVERALL OCCUPANCY RATE ESTIMATE Market-Rate Properties - Huntsville/Madison/East Limestone Area (Excludes Athens) as of 12.31.25								
							Occupancy Rate	
Status	Total Properties	Delivered Units	Under Construction	Total Units	Vacant Units (Includes Non-Delivered)	Occupied Units	On Delivered Units	On Total Units
Established Properties - All Ages	152	32,045	0	32,045	2,243	29,802	93.0%	93.0%
Completed, Actively In Lease-Up	33	8,752	0	8,752	3,954	4,798	54.8%	54.8%
Under Construction, Partially Complete	7	1,030	356	1,386	919	467	45.3%	33.7%
OVERALL	**192**	**41,827**	**356**	**42,183**	**7,116**	**35,067**	**83.8%**	**83.1%**
				Excluding non-delivered -->	6,760			

NOTE 1 *- Established Properties count based on various publications by David Wilson from 1994-2024 and includes properties with 60+ units, of all ages/class, excluding LIHTC, student and public housing.*

NOTE 2 *- Established Properties occupancy rate of 93% is an assumption and "approximate" based on various national publications.*

Source: David Wilson, MAI; RCP Companies

RCP Comments:

The Occupancy Rate for "Under Construction, Partially Complete" properties was based on data obtained directly from the property manager, or their regional managers, for almost every property. For other "Completed" properties, the data was also collected from such sources for over 75% of the properties and from third-party sources for others. In short, we have high confidence in the occupancy data.

OCCUPANCY RATE STRATIFICATION

OCCUPANCY RATE STRATIFICATION - COMPLETED PROPERTIES IN LEASE-UP as of December 31, 2025						
Occupancy Range	**Properties**	**Total Units**	**Occupied Units (12.31.25)**	**Vacant Units (12.31.25)**	**Avg Occupancy**	**Units Needed to Stabilize at 92%**
Over 75% occupied	9	2,469	2,022	447	81.9%	249
50% to 75%	12	3,060	2,090	970	68.3%	725
25% to 50%	3	980	405	575	41.3%	497
Under 25%	9	2,243	281	1,962	12.5%	1,783
TOTAL	**33**	**8,752**	**4,798**	**3,954**	**54.8%**	**3,254**

Source: David Wilson, MAI; RCP Companies

RCP Comments:

- For all except four properties, the number of Occupied Units for properties was derived from data obtained directly by David Wilson from the property manager, their regional managers, or owners. For the other four that would not participate, data was derived from third-party sources, or other methods deemed reliable.
- 21 of the properties are 50% occupied or higher and would require 1,000 units of demand to achieve 92% average occupancy
- Only 9 properties are under 25% occupancy and would require 1,800 units of demand to achieve 92% average occupancy
- **In total, for all 33 properties, 3,250 units of demand would allow the group to achieve 92% average occupancy.**

RECENTLY STABILIZED

STABILIZED IN 2025 as of December 31, 2025					
#	Project Name	Municipality	Submarket	Location	Total Units
1	Waterleaf at Cold Springs	Huntsville	East Huntsville	Highway 72 East, east of Shields Road	324
2	Ovation at Town Madison (BFR)	Madison	Madison - South	Lime Quarry Road, Town Madison	165
3	The Watts Hampton Cove	Huntsville	Big Cove	Hwy 431, at Hays Nature Preserve	336
4	The Rockwell	Huntsville	West Huntsville	Providence Main at Oakwood Road	175
5	Ariza	Huntsville	West Huntsville	Oakwood Road, east of Research Park Blvd	316
6	The Dempsey by Novare	Madison	Madison - South	Lime Quarry Road, Town Madison	290
7	The Gallery at Lowe Mill	Huntsville	SW Huntsville	Seminole Ave. at Lowe Mill	108
8	Elio at Research Park (SFR)	Huntsville	West Huntsville	Discovery Point Drive at Hwy 53	42
9	Monrovia Hill (BFR)	Huntsville	West Huntsville	Old Monrovia Road, at Wayne Road	222
10	The Lofts at Town Madison	Madison	Madison - South	Iberville Street in Town Madison	42
11	Cottages at Oak Grove Dairy (BFR)	Huntsville	SE Huntsville	Memorial Pkwy at Green Cove	318
12	Edison at Madison	Huntsville	West Huntsville	Nance Road, north of Hwy 72	252
13	Highfield at Madison	Huntsville	West Huntsville	Nance Road, north of Highway 72	258
14	The Winchester	Huntsville	East Huntsville	Winchester Road at Homer Nance Road	264
15	Paxton Place	Huntsville	West Huntsville	Slaughter Road, north of I-565	350
16	Villas at Capital Twenty (BFR)	Huntsville/Limestone	West Huntsville	Highway 20, west of County Line Rd	162
	TOTAL				**3,624**

Source: David Wilson, MAI; RCP Companies

ABSORPTION ESTIMATE FOR NEW PROPERTIES

2025 ABSORPTION CALCULATION FOR NEW CONVENTIONAL PROPERTIES
Huntsville/Madison/East Limestone Area (Excludes Athens)
as of 12.31.25

Property Status	Total Properties	Delivered Units	Units Under Construction as of 12.31.25	Total Units	Occupied Units 12.31.24	Occupied Units 12.31.25	Total Units Absorbed in 2025
Stabilized in 2025	16	3,624	0	3,624	2,440	3,310	870
Completed, In Lease-Up, as of 12.31.25	33	8,752	0	8,752	2,270	4,737	2,467
Under Construction, Partially Complete, as of 12.31.25	7	1,030	356	1,386	186	467	281
TOTALS	**56**	**13,406**	**356**	**13,762**	**4,896**	**8,514**	**3,618**

Source: David Wilson, MAI; RCP Companies

Total Annual 2025 Absorption = 3,600+ units for "market rate" properties

For the 33 non-stable properties, 3,250 units of demand would allow the group to achieve 92% average occupancy.

Another 800 units of demand would allow the 7 partially complete properties to achieve 92% average occupancy.

Thus, if demand in 2026 is similar to 2025 demand, the majority of the new properties not yet stable will achieve stabilization.

RCP COMPANIES

ABSORPTION

- 2024 Overall Absorption = 4,850 to 6,500 units, depending on source (CoStar and RealPage, respectively)
- 2025 Overall Absorption = 3,175 to 4,175 units, depending on source (CoStar and RealPage, respectively)
- **2025 Class A Absorption = 3,600 units, David Wilson's count among the new conventional construction**

- The "macro" absorption in 2024 was record-setting & strong; but moderated in 2025, yet still very healthy.
- Absorption at individual property level has been weak, due to plethora of properties competing for residents
- Most new properties are leasing at a pace of 3 to 12 Units per Month (Average = 6-7 UPM)

BRIGHT SPOTS

Our Year-End 2025 research of the 56 most recent new conventional properties indicated:

- Absorption rate spikes of **30 units per month** have been achieved recently at a few properties
- Sustained absorption spikes of **15 to 20 units per month** have been achieved at more than 5 properties
- Nine properties had "annual average" absorption of between 10-20 units per month – but none over 20 UPM

NOTE: *In 2024, Alabama A&M University master-leased two whole properties (526 units collectively) and also leased blocks of units at numerous properties, helping to inflate organic absorption. No such master-leasing occurred in 2025, and a new private-sector developed 249-unit student property was opened in mid-2025 adjacent to the UAH campus (Nexus on Holmes).*

CoStar and RealPage include Athens in their geography, whereas David Wilson's data excludes Athens

RENTAL RATES & CONCESSIONS

- Effective Rent Growth is negative - and has been for 3+ years
- Concessions of 1 to 2 months free are the norm for new construction – 3 months free is not uncommon
- Concession use has intensified throughout 2025, but it's always darkest before the dawn and **concessions should begin to wane in Spring 2026**

- Top-of-Market Rent – Just over $2.15/SF, but with 1.5 to 2 months free
- 2020 Providence, Wellory Living, Bartley Lofts and Vista at Councill Square are the rent leaders for traditional properties
- Anthem House is the highest rent per SF, but is studios and small 1x1 units (unfurnished, but mixed-use building with hotel)
- Downtown rents have usually been highest – but now average $1.50 to $1.75/SF for "effective" rents
- Suburban Class A "effective" rents are now averaging $1.20 - $1.50/SF, but some higher, some lower

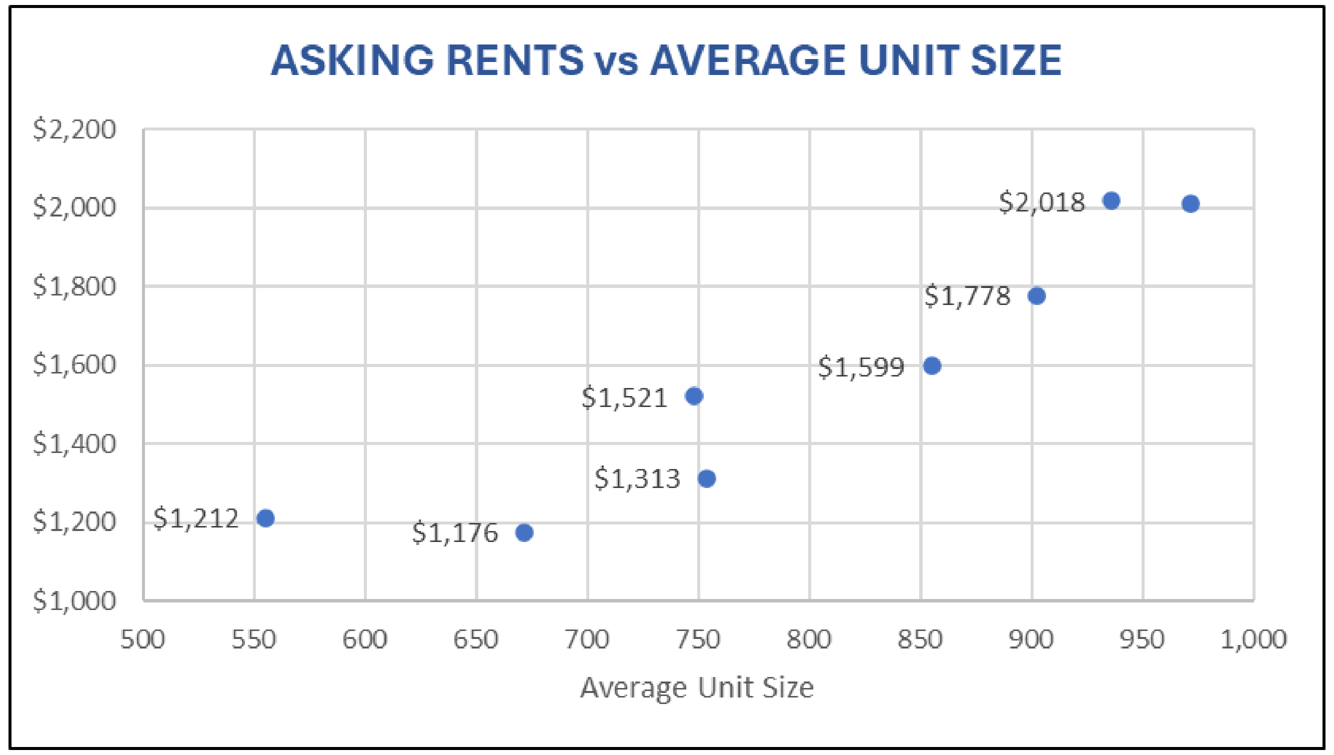
CONCLUSION

- Rent growth will likely not turn positive until the occupancy trend improves
- I believe the stage is being set for some substantial rent growth in 2026, if absorption holds up,
- as 2026 deliveries will be a fraction of their current/recent pace.

HIGHEST RENTAL RATES

AVERAGE ASKING RENTS AMONG SAMPLING OF NEW PROPERTIES As of January 2, 2026									
#	PROPERTY	SUBMARKET	BUILT	UNITS	UNIT TYPES	AVG SF	ASKING RENT *	RENT PER SF	CONCESSIONS
1	Anthem House	MidCity	2025	161	Std, 1	556	**$1,212**	**$2.18**	2 Months Free on 14 Mo
2	2020 Providence	Village of Providence	2023	360	1, 2, 3	936	**$2,018**	**$2.16**	1.5 Months Free
3	Wellory Living	MidCity	2025	325	Std, 1, 2, 3	972	**$2,010**	**$2.07**	1.5 Months Free
4	Vista @ Council Square	Downtown	2025	332	Std, 1, 2, 3	748	**$1,521**	**$2.03**	2.5 Mo Free+ 6mo Internet
5	Bartley Lofts	Downtown	2025	273	Std, 1, 2	902	**$1,778**	**$1.97**	1.5 Months Free
6	Stella at Five Points	Downtown - Near	2024	352	Std, 1, 2	855	**$1,599**	**$1.87**	2 Months Free
7	Mural at Stovehouse	Governors Drive	2025	200	Std, 1, 2	672	**$1,176**	**$1.75**	2-3 Mo Free+gift card
8	Arcadia Apartments	Research Park	2024	250	Std, 1, 2	754	**$1,313**	**$1.74**	1.5 Months Free

Source: HelloData, as of 01.02.26 — ** Asking Rent for Comps is the most recent 30-Day Average of rents for Advertised Units per HelloData.*



HIGHEST RENT PROPERTIES

Anthem House at MidCity – Hotel & Apartments

2020 Providence

Wellory Living at MidCity

Vista at Councill Square

Bartley Lofts

Mural at Stovehouse

TRANSACTION ACTIVITY

LARGEST 2025 TRANSACTIONS

SALES COMP SUMMARY as of 12.31.25				
	1	2	3	4
Property Name	**The Manor at County Line Road**	**Zen Garden**	**The Robert at Town Madison**	**The Vue at Rocket City**
Municipality	Huntsville	Huntsville	Madison	Huntsville
County	Limestone	Madison	Madison	Madison
Location	County Line Road - south	Slaughter Road	Town Madison	Old Madison Pike
Date of Sale	12/08/25	11/10/25	05/20/25	05/22/25
Buyer	Greystone Properties	Timberland Properties	PEM Real Estate	Overbrook Asset Mgt
Year Built	2024	2021	2024	1979-1993
Total Units	316	120	284	155
Total SF	329,588	120,000	290,348	70,370
Average Unit SF	1,043	1,000	1,022	454
Occupancy Rate at Sale	88.0%	90.0%	40.0%	88.0%
Sale Price	$60,000,000	$19,100,000	$50,150,000	$11,200,000
Price per Unit	$189,873	$159,167	$176,585	$72,258
Price per SF	$182	$159	$173	$159

Source: David Wilson, MAI; RCP Companies


The Manor at County Line Road


Zen Garden


The Robert at Town Madison


The Vue at Rocket City

RCP Comments:

- Transaction activity has increased in 2025 versus 2023-2024, but still only four large transactions, all of which were “stressed” circumstances.
- Large buyer pool looking for “distress,” but no foreclosures involving large properties that we’re aware of.
- More sellers “testing the waters” and we expect transaction activity to pick up in 2026.

CONCLUSION - THE FUTURE IS BRIGHT

- Multifamily supply deliveries will be nominal in 2026
- Absorption has continued to be strong – seems likely to remain strong or increase
- Individual property-level absorption appears to be improving
- 2026 will see occupancy rates improving, concessions declining and a return to stabilization for most properties. Likely to begin being felt in Spring 2026.

OUTLOOK FOR HUNTSVILLE'S CONTINUED GROWTH IS EXCEPTIONAL – GREAT DEMAND DRIVERS

- **FBI expansion** could lead to 4,000 direct jobs in next few years
- **U.S. Space Command** impact hasn't yet been felt (3,000+ new jobs expected) – should begin to be felt in 2026
- **Eli Lilly** plant construction expected to trigger 3,000+ jobs over the next few years during its construction
- The "**Golden Dome**" initiative will be a boom for Huntsville with numerous companies already scaling-up.
- Huntsville's mix of technology, missile defense, cybersecurity, genetics research and other STEM-economy jobs are a recipe for future growth.
- The City of Huntsville has been investing heavily in "quality of life" initiatives, making Huntsville "cool" and inviting to young professionals and others. It is also attracting substantial numbers of "empty nesters" following their children.

DAVID WILSON, MAI

Director of Mixed-Use Assets

RCP Companies

RCP Companies is a Huntsville-based mixed-use development company with a 20+ year history heavily grounded in the retail sector and more recently active as one of Huntsville's premier mixed-use developers. RCP is also the largest asset management company for Class A multifamily in Huntsville, with a portfolio of six properties comprising 1,746 units.

RCP's largest development is the 140-acre MidCity District adjacent to Cummings Research Park featuring almost 1,200 multifamily units in four mixed-use projects, the Orion Amphitheater, TopGolf, REI Outdoors, Trader Joe's, Dave & Busters, Highpoint Climbing, and another 85,000+ SF of retail space, 35,000+ SF of office space, two hotels, numerous restaurants, a city park and more. And it's not even 40% build-out.

Huntsville's Multifamily Specialist for Past 32 Years

- David joined RCP Companies in October 2025, bringing a depth of knowledge and experience for the multifamily market and local economy, as well as prior expertise in retail, office, hotel and land. David has been involved with RCP's MidCity District as a land broker and multifamily advisor since its inception.

- David was a broker with Crunkleton Commercial Real Estate in late-2024/mid-2025, one of Huntsville's most active commercial brokerage, leasing and development companies.

- David was an apartment broker with Berkadia Real Estate Advisors with their Alabama Team for 10 years until November 2024, leading the team for those last three years. He was a broker with Birmingham-based Rock Apartment Advisors before Berkadia. **As an apartment broker from 2006 to 2024, David brokered over $1 Billion in apartment and/or apartment land transactions**.

- **David's 1st Huntsville Apartment Market Survey in December 1994 introduced annual statistical tracking and reporting of Huntsville occupancy, rental rates, rent growth, concessions, absorption, submarket trends and new development – way before RealPage, Yardi, CoStar, etc**. He continued this report until 2008, and also produced regular multifamily reports for Birmingham, Mobile, Montgomery, Chattanooga and the Florida panhandle until 2008 under the Rock banner.

- At RCP, David continues to regularly track new development, transactions and market trends and **keeps more detailed data on Huntsville's new multifamily construction than anyone.**

- **His 30+ year career in Alabama markets** includes 19 years as an apartment broker, and over 20 years as a commercial appraiser, with 10 years exclusively focused as an apartment market analyst and apartment appraisal specialist.

- David lives in Huntsville with his wife Beth, and they have two grown children and three grandchildren. He has not operated as a practicing appraiser since Dec. 2014.