

BIRMINGHAM, AL MARKET REPORT

2026

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WHY BIRMINGHAM?

Birmingham is emerging as one of America's most wallet-friendly real estate markets—a golden opportunity for investors seeking affordability with steady demand. This report explores why rental yields are so high and what this means for your investment strategy.



Stable Rental Yields

Consistently strong rental income due to lower prices and favorable economic factors.



Diverse Economy

Not dependent on one sector—steady demand for residential rentals.



Affordable Entry

Average property price around \$195K with 3-5% annual growth.



Growing Population

Young professionals and families driving rental demand.



Low Volatility

Stable market with fewer sharp fluctuations—ideal for steady returns.

ECONOMIC OVERVIEW: BIRMINGHAM'S EVOLVING LANDSCAPE

Birmingham has transformed from an industrial steel city into a diversified economic hub. Healthcare, education, and finance now drive growth alongside manufacturing, creating stability and attracting young, educated professionals—crucial for a thriving rental market.

Healthcare Leader

UAB is one of the nation's largest academic medical centers with 23,000+ employees, driving housing demand from professionals and researchers.

Education Hub

UAB, Samford University, and Birmingham Southern College attract students and faculty, fueling rental property demand.

Financial Services

Regions Financial Corporation and Southern Company provide stable employment and economic strength.

Tech Innovation

Innovation Depot incubator attracts tech startups and young professionals, diversifying the economy.



EMPLOYMENT EXPANSION & ECONOMIC RESILIENCE



3%

Job Growth Rate

Far exceeds U.S. average of 1.3%

2.6%

Unemployment

Below national rate of 3.5%

\$67K

Median Income

Household income (2024)

Birmingham's 3% annual job growth—driven by healthcare, education, and technology—far surpasses the national average. Low unemployment and rising incomes create robust housing demand, attracting job seekers and families to the city.

BIRMINGHAM VS. OTHER MID-SIZED CITIES



Birmingham, AL

Unemployment: 2.9%

Median Home: \$195K

Strength: Diversified, stable economy

Las Vegas, NV

Unemployment: 5.1%

Risk: Tourism-dependent, high volatility

San Francisco, CA

Median Home: \$1.5M

Appreciation: 10–12% annually

Barrier: Steep entry costs

Orlando, FL

Unemployment: 3.7%

Risk: Tourism reliance, seasonal fluctuations

BIRMINGHAM'S GROWING NEIGHBORHOODS

1 — Downtown Birmingham

Transformed into a thriving urban hotspot through revitalization projects, attracting young professionals and students.

2 — Southside & Avondale

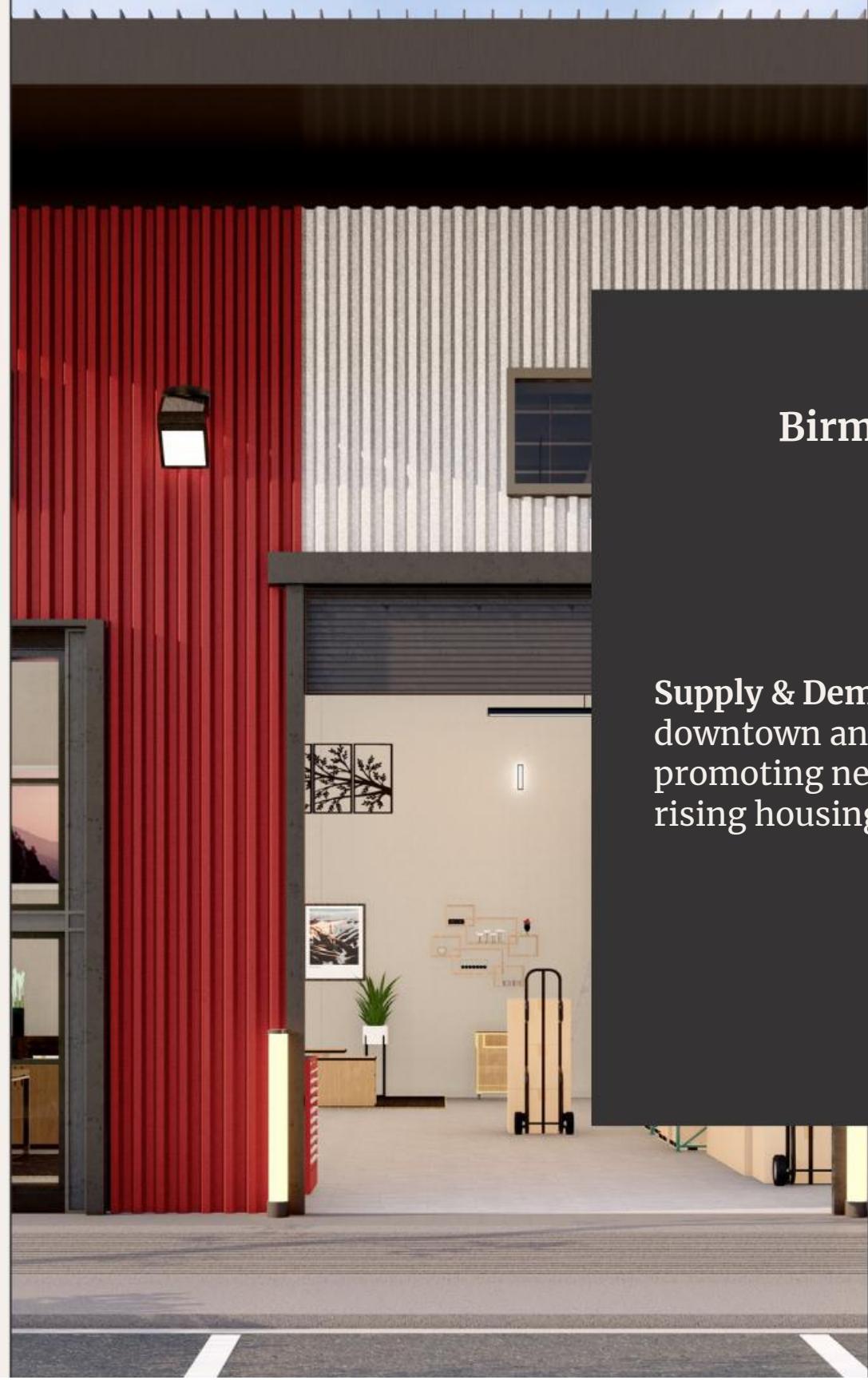
Heritage homes meet trendy lofts. Popular with younger crowds for nightlife and proximity to UAB and downtown.

3 — Lakeview

Entertainment district with restaurants and bars, drawing renters seeking urban lifestyle.

4 — Homewood

Family-friendly suburb near downtown and UAB. Strong schools and community spirit attract families and professionals.



Birmingham's Housing & Rental Market

Supply & Demand: Demand is surging in downtown and Southside. The city is promoting new developments to meet rising housing needs.

BIRMINGHAM'S HOUSING & RENTAL MARKET

Affordable Living

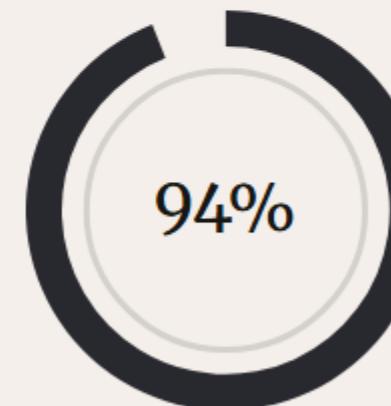
Birmingham's median home price of **\$195,000** is 55% below the national median of **\$433,229**. The cost of living is 16% lower than the national average—attracting first-time buyers, families, and investors.

Affordability Index: 90.84 (vs. San Francisco's 119.8)



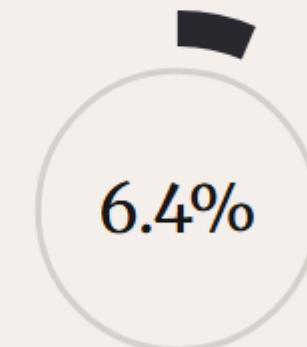
Rental Yields

Among highest in Southeastern U.S.



Occupancy Rate

Consistent rental demand citywide



Vacancy Rate

Below national average

Strong Rental Returns

Rental yields reach **7-9%** depending on neighborhood—significantly higher than saturated markets. Average rent for a one-bedroom: **\$1,100/month**.

Occupancy Rate: 94% citywide

Vacancy Rate: 6.4% (below national 6.6%)

A photograph of a row of single-story houses with light-colored siding and dark roofs, set against a backdrop of trees and a clear sky.

RISK ASSESSMENT

INVESTMENT RISKS & MARKET CHALLENGES

Birmingham offers stable, long-term income with fewer ups and downs than other markets. However, every city has challenges. Understanding these helps you make informed decisions.

Moderate Appreciation

3-5% annual growth offers stability over quick returns. Ideal for long-term investors, not short-term flippers.

Regulatory Considerations

Landlords may face challenges with property management and tenant relations. Stay informed on local regulations.

Data Availability

Limited comprehensive real estate data can complicate data-driven decision-making. Work with local experts.

A decorative graphic consisting of four light green chevron shapes pointing to the right, arranged horizontally. Each chevron contains a city name and a brief description of its market characteristics.

1

Austin, TX

Rapid appreciation, tech-driven. High costs and volatility.

3

Orlando, FL

Tourist-driven, strong rentals. Vulnerable to tourism shifts.

2

Charlotte, NC

High appreciation, booming population. Rapidly increasing prices.

4

Birmingham, AL

Stable income, low volatility. Perfect for long-term investors.

SEAMLESS INVESTING WITH TURNKEY PROPERTIES

The Peak Group offers meticulously renovated, tenant-ready properties in Birmingham, providing investors with a truly passive income stream from day one.

Hassle-Free Ownership

Properties are fully renovated and often come with tenants already in place, eliminating the complexities of initial setup and lease-up.

Immediate Cash Flow

Begin earning rental income without delay. Our turnkey solutions are designed for profitability from the moment of acquisition.

Professional Management

Benefit from expert property management, handling everything from tenant relations to maintenance, allowing you to invest from anywhere.

Long-Term Wealth Creation

Focus on expanding your portfolio and building equity, knowing your investments are being professionally managed for sustained growth.





INVESTMENT ADVANTAGES SUMMARY



Urban Revitalization

Growth opportunities in redeveloping neighborhoods offer additional value for long-term investors.



Affordability

Low property prices with strong affordability index (90.84), accessible to wide range of investors.



Inflation Hedge

Real estate acts as hedge against inflation, with rental rates adjusting to maintain profitability.



Economic Stability

Diversified economy with healthcare, education, and manufacturing ensures resilience during downturns.

For investors seeking a less volatile, cash-flow-focused market with long-term growth potential, Birmingham remains a highly viable option for 2026 and beyond.

LET'S CONNECT

Birmingham offers a unique opportunity for real estate investors seeking long-term stability and strong rental yields.

Whether you're looking for your first property or expanding your portfolio, The Peak Group can help you get started.

Website: www.thepeak.group

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