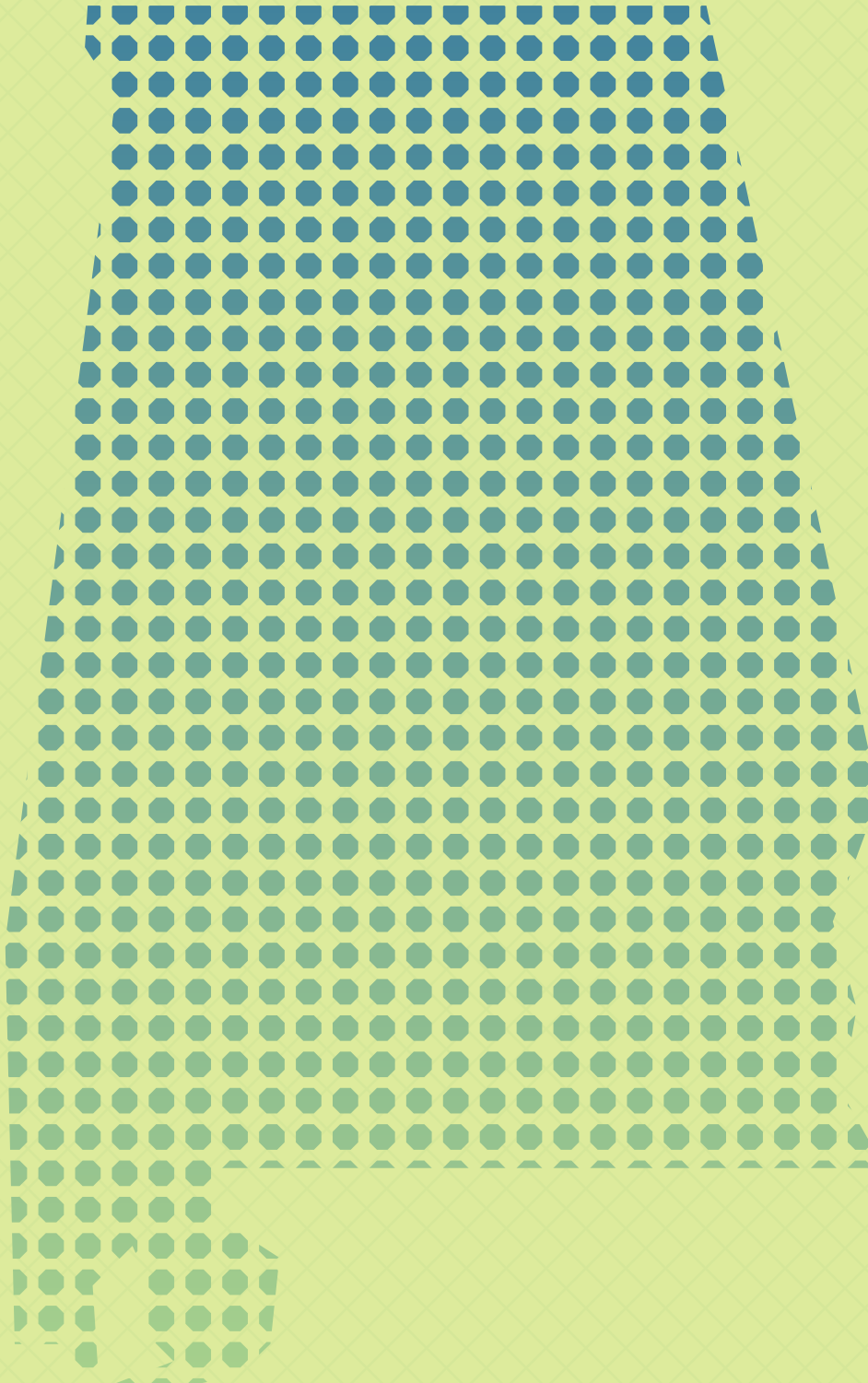


Alabama Economic & Real Estate Report

November 2025





ALABAMA MONTHLY HOME SALES REPORT

NOVEMBER 2025

KEY TAKEAWAYS

- Alabama had **5,778 home sales** in November, an increase of 213 from last year and of 0.1% from the previous month.
- The median sales price increased by \$39,275 compared to a year ago to **\$251,784**. This is an annual increase of 18.5%, but a 0.6% decrease month-over-month.
- The sold volume was **\$1.63 billion** in November, an increase of \$0.29 billion from last November. This marks a 21.8% annual increase, but a 1.8% decrease month-over-month.
- The **20,725 active listings** at the end of November mark an increase of 7.5% compared to 19,272 one year ago.
- The **485 foreclosures** in November represent a 16.6% year-over-year increase. However, it is a 1.2% decrease in foreclosures since last month.

ALABAMA HOUSING MARKET SUMMARY, NOVEMBER 2025

	Nov-24	Nov-25	Change	% Change	YTD '24	YTD '25	Change	% Change
Sales	5,565	5,778	213	3.8%	63,383	65,881	2,498	3.9%
Median Sales Price (\$)	212,509	251,784	39,275	18.5%	210,706	232,911	22,205	10.5%
Average Sales Price (\$)	239,901	281,101	41,200	17.2%	232,854	269,895	37,041	15.9%
Sales Volume (\$ billions)	1.33	1.62	0.29	21.8%	14.80	17.81	3.01	20.3%
Average Days on Market	68	71	3	4.4%	61	68	7	11.5%
Active Listings	19,272	20,725	1,453	7.5%	16,633	19,738	3,105	18.7%
Months of Supply	4.7	4.8	0.1	2.1%	4.0	4.6	0.6	15.0%
Foreclosures	416	485	69	16.6%	5,094	5,508	414	8.1%



ECONOMIC OVERVIEW

The December release from the Bureau of Labor Statistics (BLS) included net downward revisions to national job creation. August employment was revised from a gain of 22,000 jobs to a loss of 26,000 jobs, while September job growth was revised down by 11,000, bringing total job gains for that month to 108,000 instead of the previously reported 119,000. The release also showed a loss of 105,000 jobs in October. Despite these revisions, early estimates suggest job creation rebounded from October to November, with 64,000 jobs added nationally—exceeding consensus expectations. Even so, November job growth remained 197,000 jobs lower than in November 2024.

Inflation eased in November, with the year-over-year rate declining to 2.7% after rising to 3.0% in September. No October inflation reading was released due to the government shutdown, making November's figure the first decline in inflation since April. Energy prices posted the fastest increase among major categories, rising 4.2% year-over-year, driven primarily by a 7.4% increase in Energy Services. Food prices rose 2.6%, led by a 3.7% increase in Food Away From Home. Core inflation, measured by CPI for all items less food and energy, increased 2.6% year-over-year, largely reflecting higher costs for Services less Energy Services, which rose 3.0%. Within this category, Medical Care Services increased 3.3% and Shelter rose 3.0%.

The BLS has not released a full regional inflation breakdown for the South since August. However, the Southeast Consumer Price Index Card indicates inflation slowed to 2.2% year-over-year in November. Price increases in the region were driven by Other Goods and Services, which rose 3.7%, and Housing, which increased 3.2%. In contrast, apparel prices declined 0.7% year-over-year in the Southeast.

Average 30-year mortgage rates rose to 6.26% by the third week of November before declining to 6.19% in early December. The earlier increase followed hawkish comments from Federal Reserve officials and persistent inflation, while the subsequent decline reflected signs of a weakening labor market.

At its December 2025 meeting, the Federal Reserve lowered the federal funds rate target by 25 basis points to a range of 3.50%–3.75%, marking the third consecutive rate cut following similar reductions in September and October. The Federal Open Market Committee (FOMC) cited slowing job gains, a gradual rise in the unemployment rate through September, and continued inflationary pressures as justification for the move. The committee also noted that downside risks to employment have increased in recent months and reiterated that uncertainty about the economic outlook remains elevated. Looking ahead, expectations for additional rate cuts in early 2026 remain modest. As of this writing, the CME FedWatch Tool places the probability of a rate cut at 25.5% for the January 2026 meeting, rising to 53.2% for March 2026.

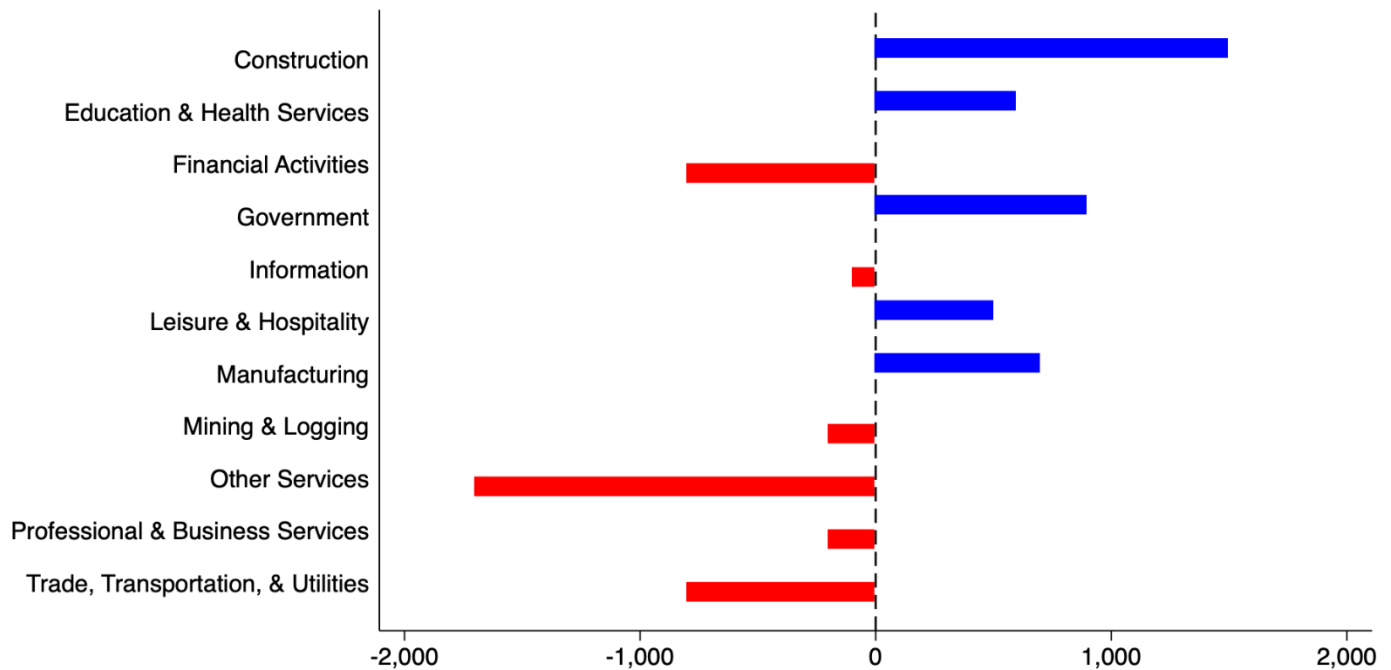
JOBS

Preliminary data from the Bureau of Labor Statistics (BLS) show that 64,000 jobs were added nationally in November, exceeding the consensus estimate of 40,000. However, the same release indicates that the U.S. economy lost 105,000 jobs in October, alongside downward revisions to prior months. September job growth was revised down from 119,000 to 108,000 jobs, while August was revised from a gain of 22,000 jobs to a loss of 4,000. July job growth was also revised lower, declining from 79,000 to 72,000 jobs.

While national August employment figures were revised downward, Alabama's employment estimate for that month was revised upward, with job gains increasing from 3,000 to 3,900. Preliminary data further indicate that Alabama added 400 jobs in September 2025, bringing total statewide employment to 2,216,200.

In September, construction led job growth in Alabama, adding 1,500 jobs since August. Government employment followed with an increase of 900 jobs, while manufacturing added 700 jobs. Job losses were concentrated in Other Services, which shed 1,700 jobs. Additional declines were reported in Financial Activities and in Trade, Transportation, and Utilities, each losing 800 jobs.

Alabama Jobs Changes from August to September 2025



EMPLOYMENT

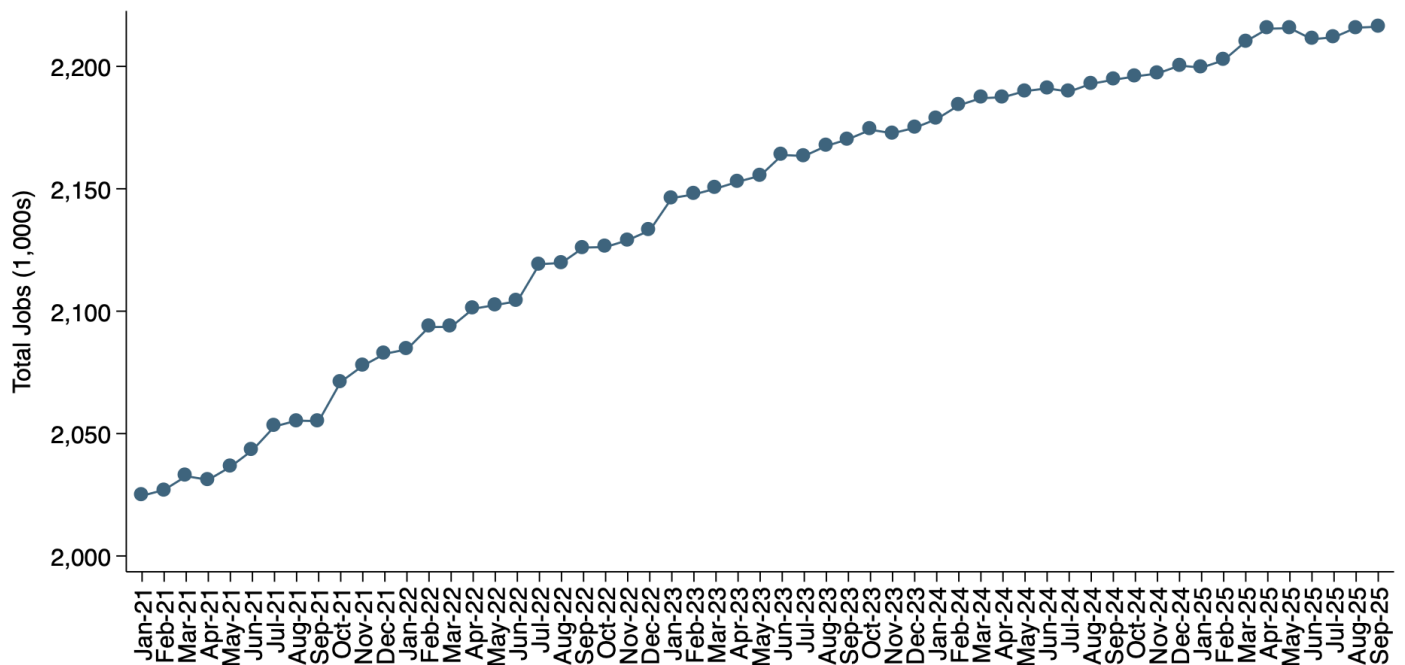
Alabama's preliminary unemployment rate was 2.8% in September 2025, the most recent state-level data available at the time of this writing. This marked the fourth consecutive monthly decline and the second straight month with the unemployment rate below 3.0%. The September figure is also the lowest unemployment rate recorded in the state since December 2023.

At the national level, the unemployment rate rose to 4.4% in September, marking the third consecutive monthly increase and the highest level since October 2021. Preliminary BLS data further indicate that the national unemployment rate increased to 4.6% in November, exceeding the 4.2% rate recorded in November 2024.

In September, Alabama's unemployment rate was 1.6 percentage points lower than the national rate, widening from a 1.4 percentage point gap in the previous month. This softening in the national labor market was cited by the Federal Reserve as a factor in its decision to cut the federal funds rate target at its December 2025 meeting.

Alabama's labor force participation rate held steady at 57.7% in September, marking the third consecutive month below the 58.0% level observed from April through June, which represented the state's highest participation rate in at least a decade. By comparison, the national labor force participation rate increased to 62.4% in September 2025, reflecting its second consecutive monthly gain.

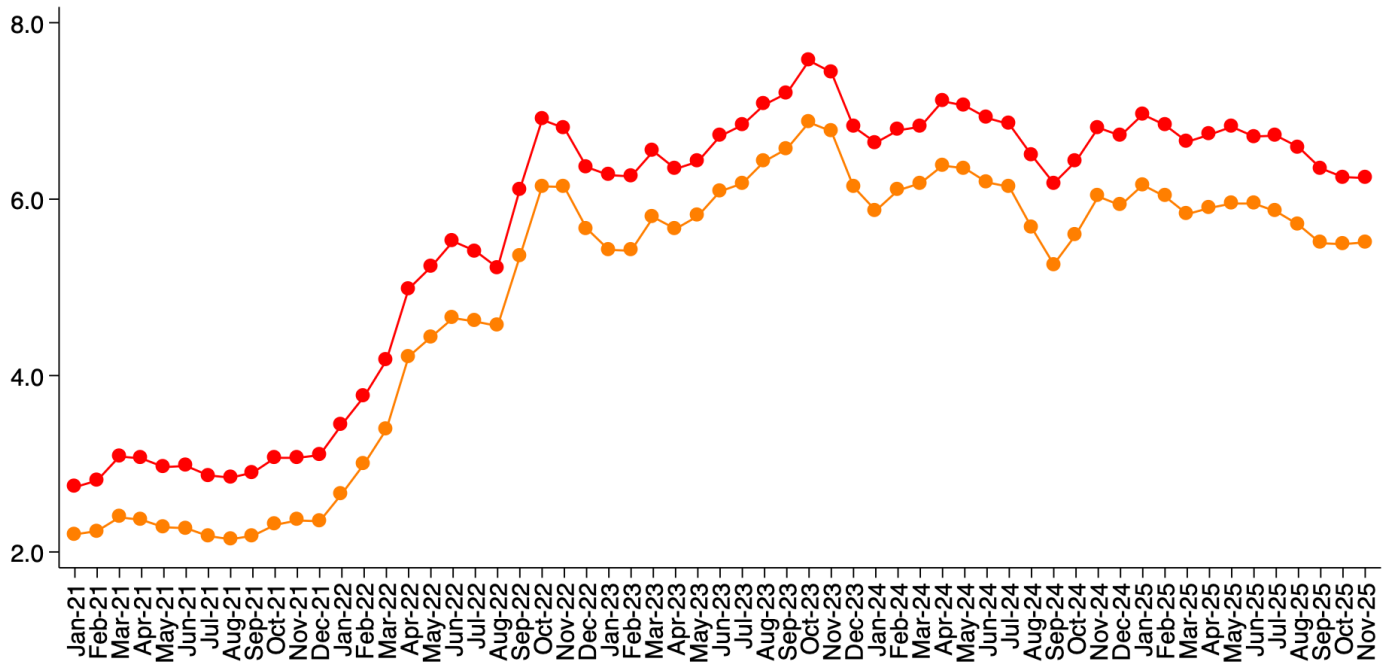
Alabama Total Jobs (Thousands)



MORTGAGE RATES

The average 30-year fixed-rate mortgage fell to 6.17% to end October then climbed through the next 3 weeks to 6.26% by November 20. While the rate increased, it is 62 basis points below this time one year ago. The average rate fell by seven basis points over the next two weeks, reaching 6.19% by December 4, before increasing three basis points to 6.22% the following week. The average 30-year fixed-rate mortgage for each of the last four weeks remains considerably lower than the corresponding weeks in 2024. At the time of this writing the four-week average is 52 basis points lower than the 6.74% of this time last December.

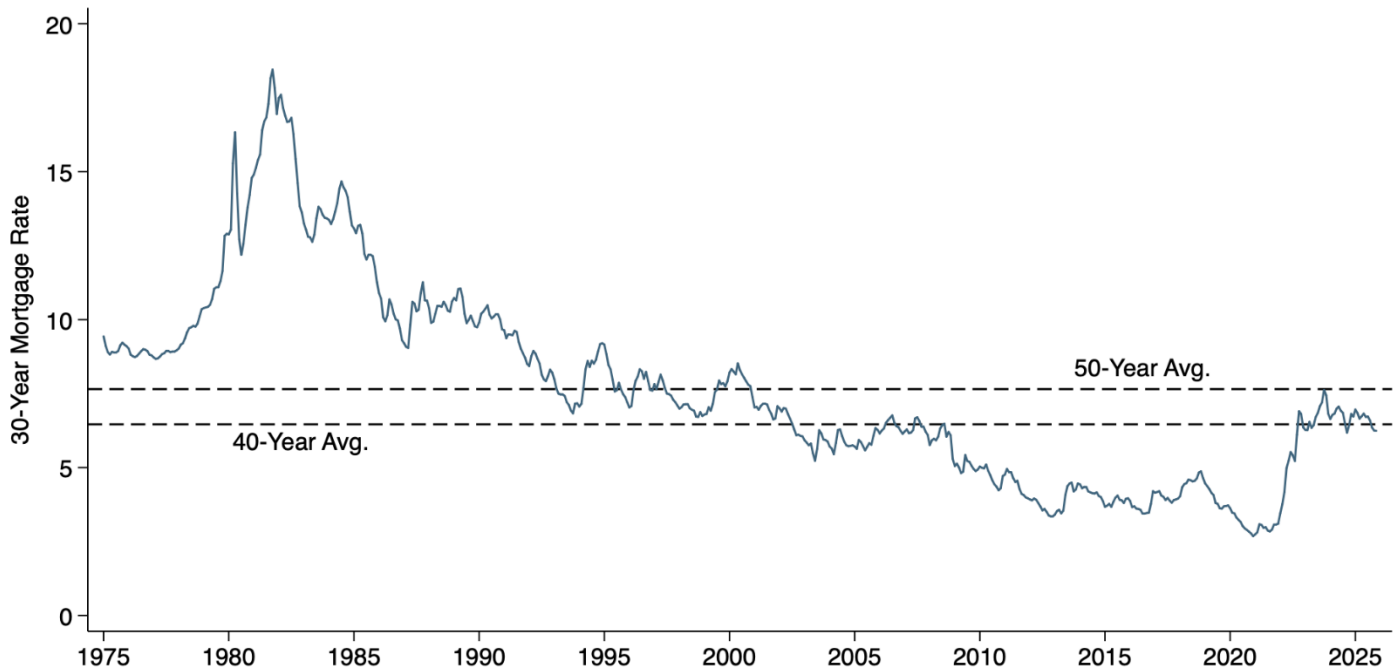
U.S. Fixed-Rate Mortgage Averages



MORTGAGE RATES OVER THE DECADES

The average 30-year fixed-rate mortgage peaked at 18.63% on October 9, 1981, and fell to a low of 2.65% on January 7, 2021. Over the last 40 years, the rate averaged 6.52%, and 7.67% over the last 50 years. Rates over the last two years have generally stayed within these averages; however, the November 2025 average 30-year fixed rate mortgage of 6.24% is below that range for the third consecutive month, and is the lowest monthly value since the September 2024 average of 6.18%.

U.S. Fixed-Rate Mortgage Averages



HOUSING MARKET INDICES

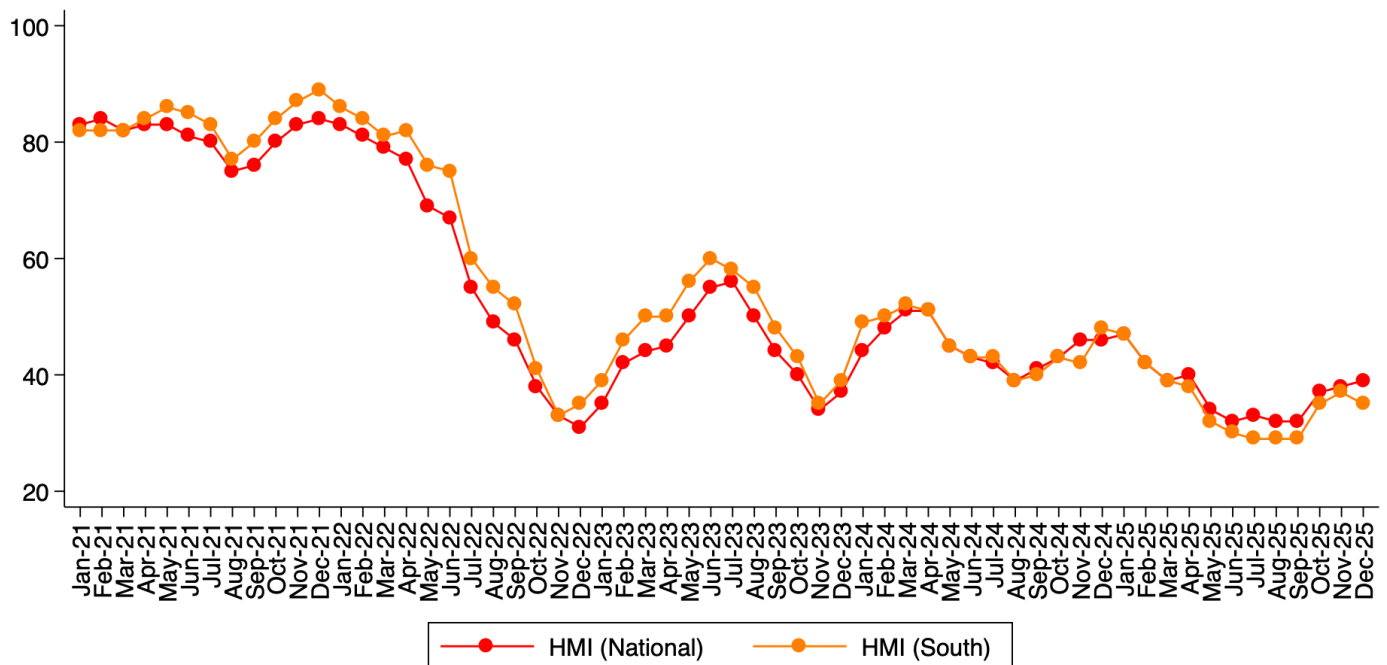
The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) increased by one point from October to November, to a value of 38 (a value above 50 indicates more home builders view conditions favorably). The November value of 38 marks the second consecutive monthly increase. This is also the 19th consecutive month with the HMI index below 50. The preliminary HMI value for December 2025 continues the upward trend and is one point higher at 39. Nevertheless, this extends the streak of index values below 50 to the 20th consecutive month, and it is seven points lower than the December 2024 value of 46.

The index increased in December due to gains in two of the three HMI components relative to November. “Single Family Sales: Present” increased by one point, rising from 41 to 42. “Single Family Sales: Next six Months” also increased by one point, climbing from 51 to 52. “Traffic of Prospective Buyers” remained unchanged at 26. This marks the third consecutive month, and the third time in eleven months, that one of the components has posted a value of at least 50.

The South HMI increased from October to November to a value of 37, its highest level since April 2025. However, the preliminary South HMI for December shows the index falling back to 35, matching its October value. The Northeast HMI was the only other regional index to decline, falling four points from 45 to 41 between November and December. The Midwest HMI posted the largest increase, climbing seven points from November to December to a value of 47. The West HMI rose by two points to 36, ending its streak as the lowest regional index after 13 consecutive months.

All regional HMI values were below 50 for the second consecutive month and for the ninth time in the last 10 months.

NAHB/Wells Fargo HMI Indices



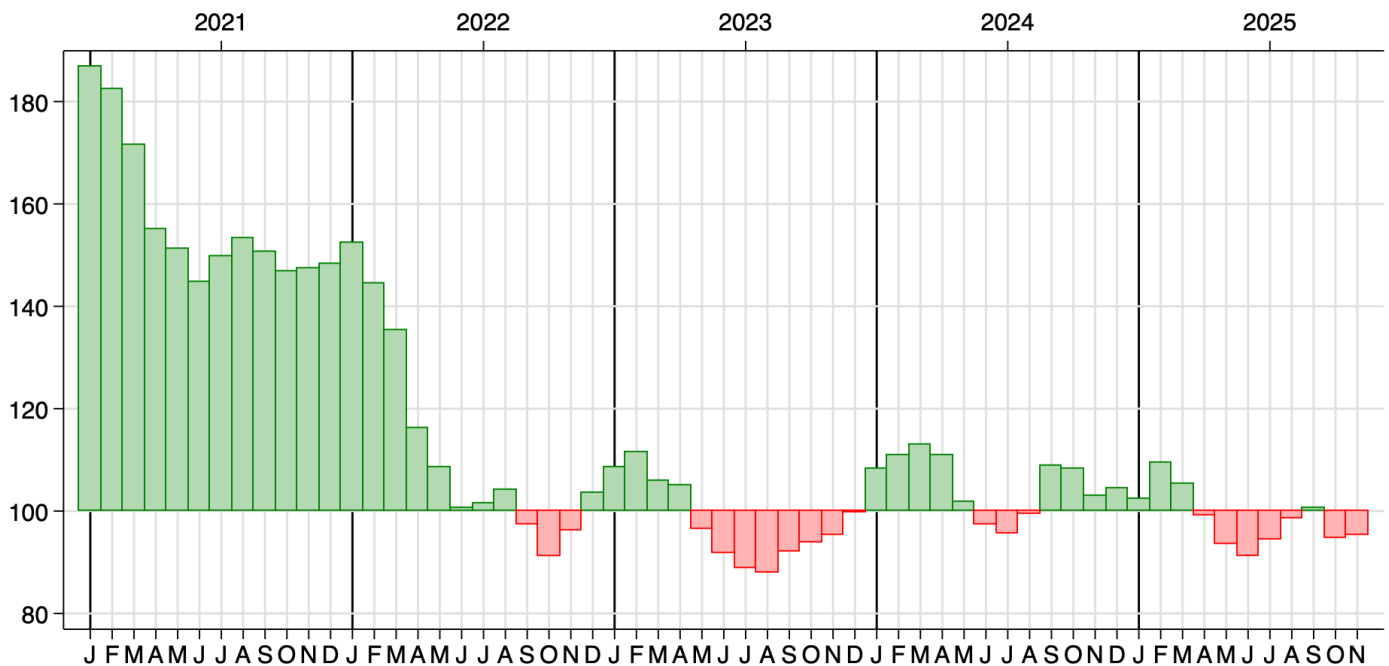
HOUSING AFFORDABILITY

Home affordability depends upon the median income of consumers in a given period, the average sale-price of a house at that time, and because most consumers finance their purchases, the prevailing mortgage rate. A housing affordability index compares the income of a typical consumer to the income required to purchase the median-priced home in a given market. An index value of 100 indicates that a buyer has exactly the income needed to qualify for the median home. Values below 100 signal reduced affordability, making homeownership more difficult for the average consumer, while values above 100 indicate relatively more affordable market conditions.

Historically, housing in Alabama has been affordable. However, affordability began a sustained decline around February 2021, coinciding with the acceleration of inflation in the U.S. economy. By June 2022, affordability stabilized and has remained near the index value of 100 since then. This suggests that although purchasing a home has become more challenging compared to earlier periods, median buyers and existing homeowners generally remain in competitive positions when bidding on typical homes.

In November 2025, housing affordability in Alabama improved modestly from the prior month but remained slightly below the threshold for the median household. At that time, the median Alabama household earned approximately 95.3% of the income required to afford the median home sold, based on an average 6.24% 30-year fixed mortgage rate. Nevertheless, since the summer of 2022, median household income in Alabama has consistently hovered at or near the level needed to afford the median-priced home. Affordability challenges are likely more pronounced for first-time homebuyers, who often face higher down payment requirements and lack equity from an existing home.

Affordability Index of Homes in Alabama



HOUSING MARKET OVERVIEW

SALES

The number of sales transactions that closed during the month

Home sales activity increased in November 2025 relative to November 2024. Additionally, the 5,778 sales represent a slight (0.1%) month-over-month increase in sales. Sales appear to have responded to the lower average mortgage rates.

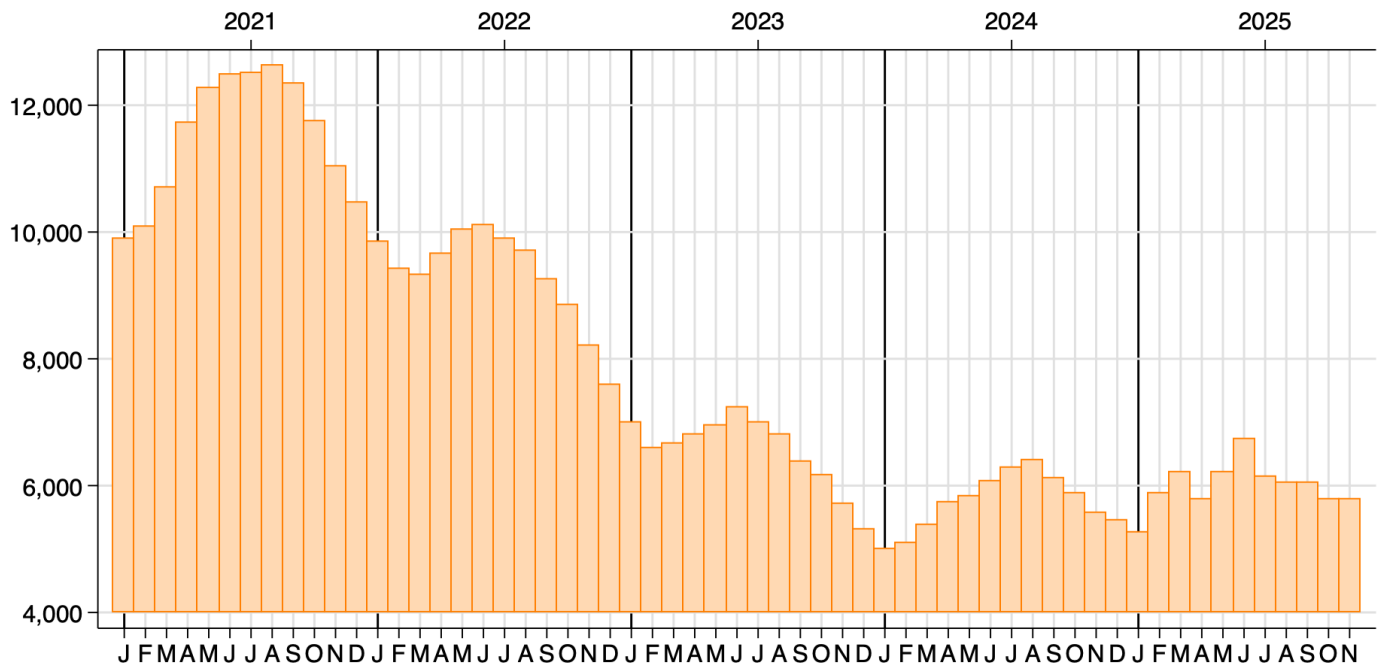
AAR's Forecast

AAR projects that state total home sales will remain roughly unchanged between November and December 2025.

Alabama Monthly Home Sales Figures

Month	Sales	Percent Change Year-over-Year
Year-to-Date	65,881	3.9%
November 2025	5,778	3.8%
October 2025	5,773	-1.7%
September 2025	6,055	-1.2%
August 2025	6,041	-5.6%
July 2025	6,146	-2.2%
June 2025	6,724	10.9%
May 2025	6,214	6.5%
April 2025	5,791	0.8%
March 2025	6,214	15.3%
February 2025	5,886	15.5%
January 2025	5,259	5.0%
December 2024	5,447	2.4%
November 2024	5,565	-2.5%

Alabama Home Sales, Monthly Figures



HOUSING MARKET OVERVIEW

MEDIAN SALES PRICE

Measures the “middle” price of homes that sold (half of the homes sold for a higher price, and half sold for less)

The median sales price increased by 18.5% year-over-year in November 2025 but fell by 0.6% month-over-month.

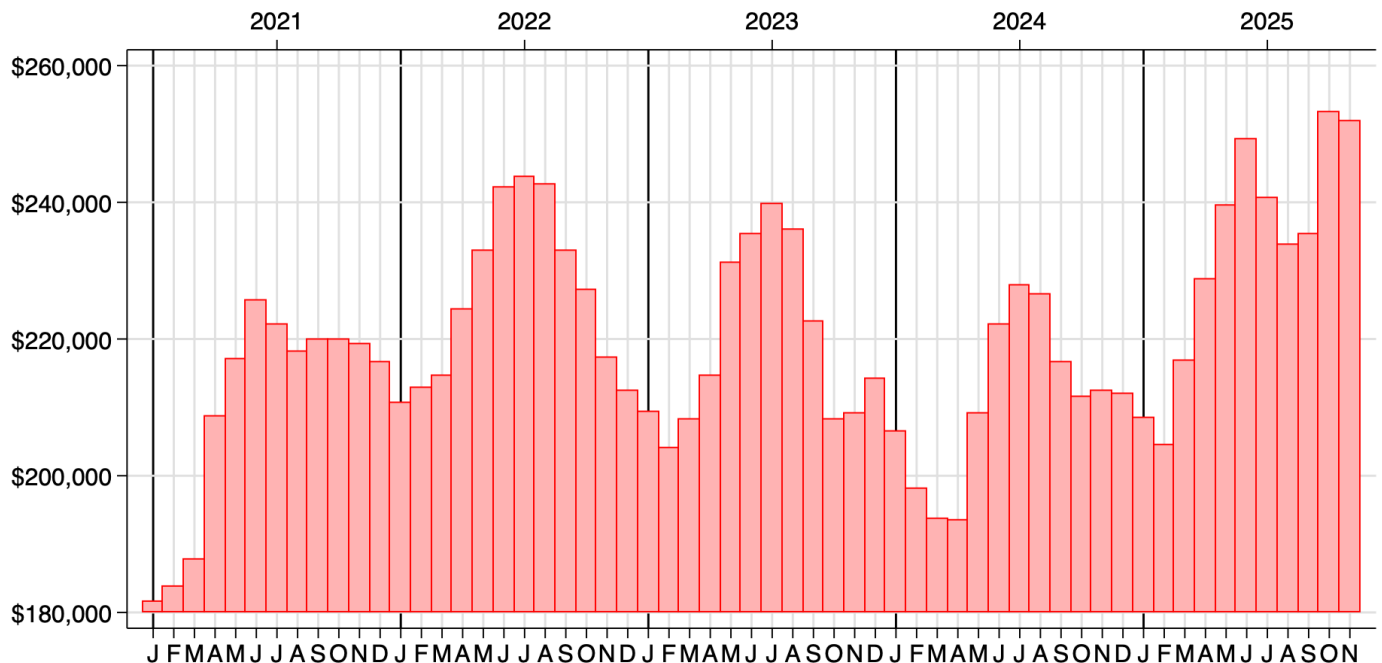
Alabama Median Sales Prices

Month	Median Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	232,911	10.5%
November 2025	251,784	18.5%
October 2025	253,201	19.7%
September 2025	235,246	8.6%
August 2025	233,814	3.2%
July 2025	240,584	5.6%
June 2025	249,204	12.2%
May 2025	239,515	14.5%
April 2025	228,761	18.3%
March 2025	216,870	12.0%
February 2025	204,571	3.3%
January 2025	208,468	1.0%
December 2024	211,889	-1.1%
November 2024	212,509	1.7%

AAR's Forecast

AAR projects that the state median home sales price will remain roughly unchanged between November and December 2025.

Alabama Median Sales Prices (\$), Monthly Figures



HOUSING MARKET OVERVIEW

AVERAGE SALES PRICE

The sum of all sales in dollars divided by the number of homes sold

The average, or mean, Alabama sales price decreased by \$4,244 relative to last month. This is a decrease of 1.5% compared to October 2025, but is 17.2% higher compared to November 2024.

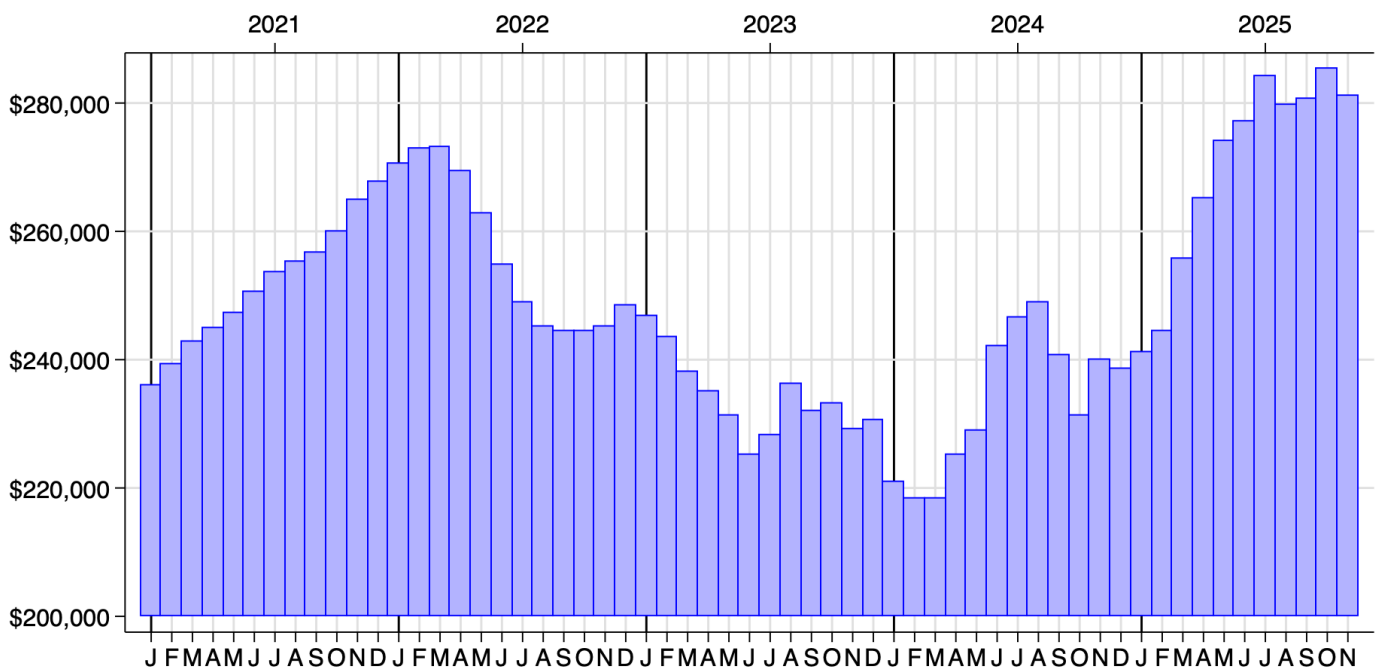
Alabama Average Sales Prices

Month	Average Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	269,895	15.9%
November 2025	281,101	17.2%
October 2025	285,345	23.4%
September 2025	280,721	16.7%
August 2025	279,733	12.4%
July 2025	284,242	15.2%
June 2025	277,138	14.4%
May 2025	274,096	19.7%
April 2025	265,232	17.8%
March 2025	255,737	17.1%
February 2025	244,451	11.9%
January 2025	241,047	9.1%
December 2024	238,469	3.4%
November 2024	239,901	4.7%

AAR's Forecast

AAR projects that the state average home sales price will decrease between November and December 2025 by approximately 1.0% to \$279,251.

Alabama Average Sales Prices (\$), Monthly Figures



HOUSING MARKET OVERVIEW

SALES VOLUME

Measures the combined sales price of all homes that closed during the month

The sold dollar volume in November 2025 was \$1.62 billion, which is up \$0.29 billion from November 2024. This sales figure represents a 21.8% increase year-over-year but a 1.8% decrease from last month.

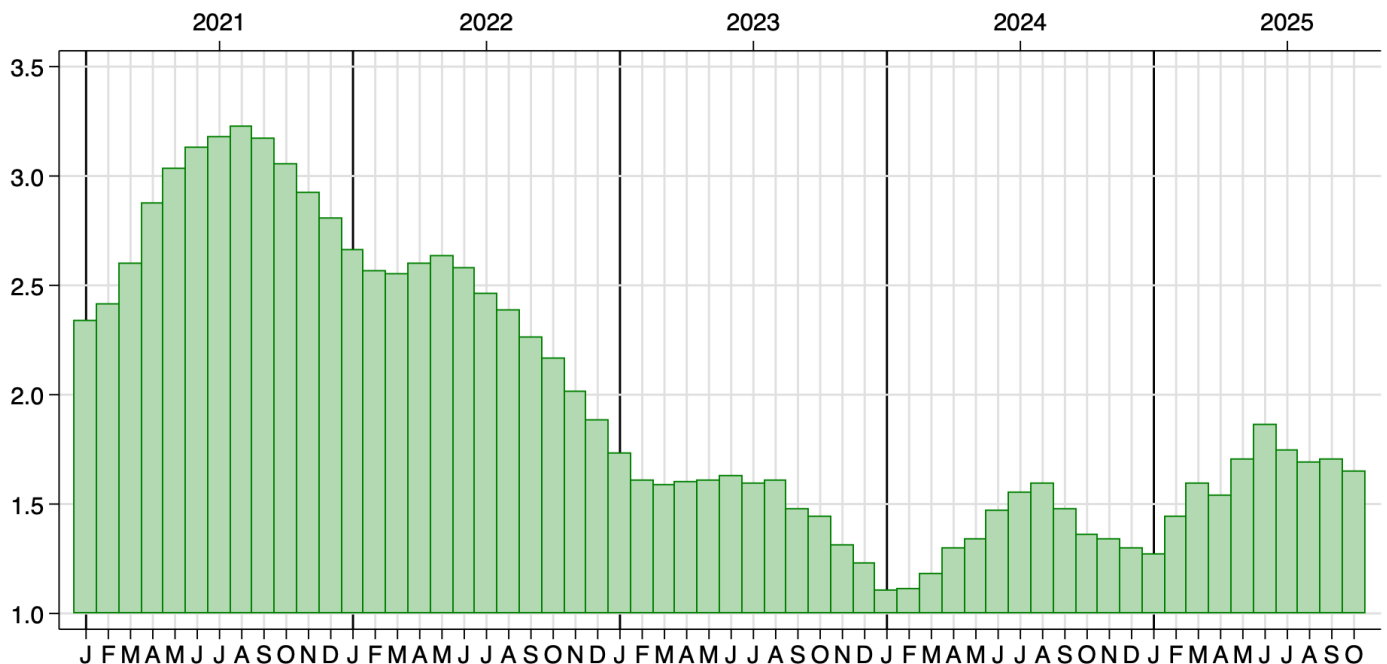
AAR's Forecast

AAR projects that state sales volume will remain roughly unchanged between November and December 2025.

Alabama Sales Volume (in Billions)

Month	Sales Volume (\$)	Percent Change Year-over-Year
Year-to-Date	3.01	20.3%
November 2025	1.62	21.8%
October 2025	1.65	21.3%
September 2025	1.70	15.6%
August 2025	1.69	6.3%
July 2025	1.75	12.9%
June 2025	1.86	26.5%
May 2025	1.70	26.9%
April 2025	1.54	18.8%
March 2025	1.59	35.1%
February 2025	1.44	29.2%
January 2025	1.27	14.6%
December 2024	1.30	5.9%
November 2024	1.33	2.1%

Alabama Sales Volume (in Billions), Monthly Figures



HOUSING MARKET OVERVIEW

DAYS ON MARKET

Measures how long it takes a home to sell after it has been listed on the market

Alabama homes stayed on the market for one day longer in November relative to October 2025. Homes sold in November 2025 were on the market for 71 days on average. This figure is three days longer compared to one year ago (68 days).

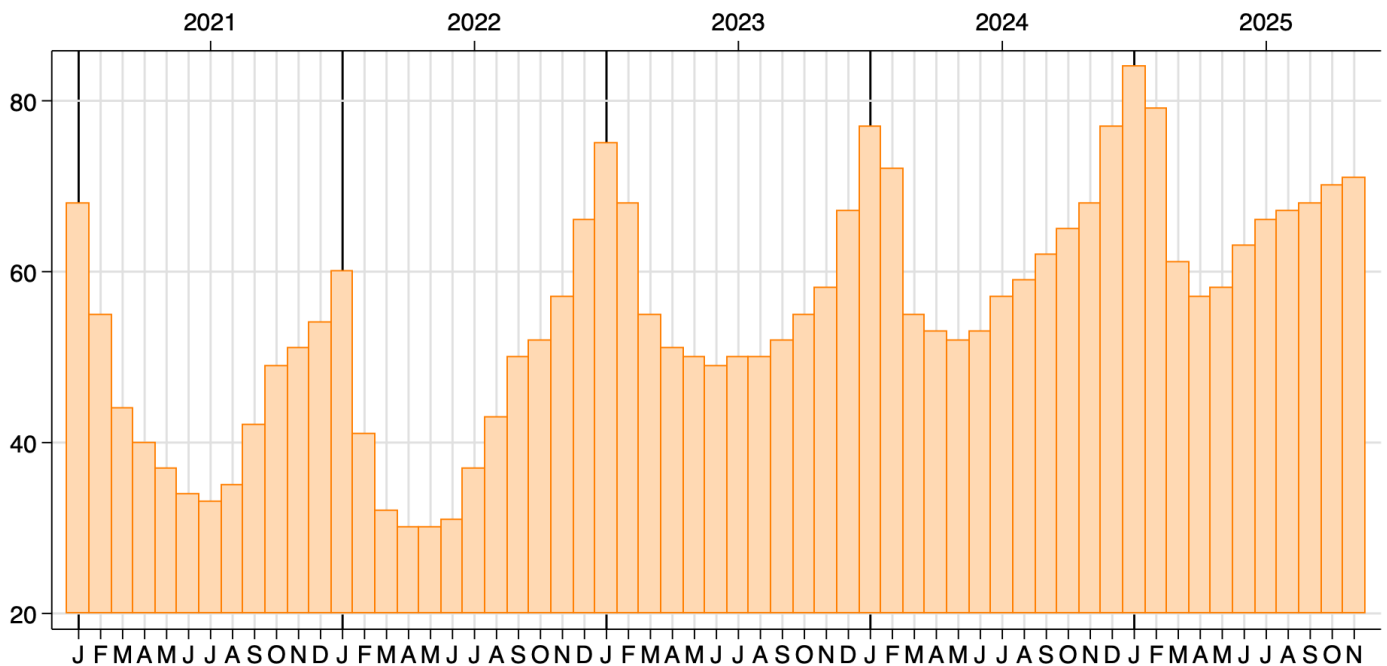
Alabama Residential Days on Market

Month	Days on Market	Percent Change Year-over-Year
Year-to-Date	68	11.5%
November 2025	71	4.4%
October 2025	70	7.7%
September 2025	68	9.7%
August 2025	67	13.6%
July 2025	66	15.8%
June 2025	63	18.9%
May 2025	58	11.5%
April 2025	57	7.5%
March 2025	61	10.9%
February 2025	79	9.7%
January 2025	84	9.1%
December 2024	77	14.9%
November 2024	68	17.2%

AAR's Forecast

Based upon current economic trends, AAR projects that state residential days on market will increase by approximately 9.9% to 78 days.

Alabama Residential Days on Market, Monthly Figures



HOUSING MARKET OVERVIEW

SUPPLY

Estimate of the number of months it will take for all homes listed on the market to sell

Housing supply levels decreased in November 2025 relative to October 2025, as there were 4.8 months of supply. However, this figure is greater than that of one year ago (4.7 months).

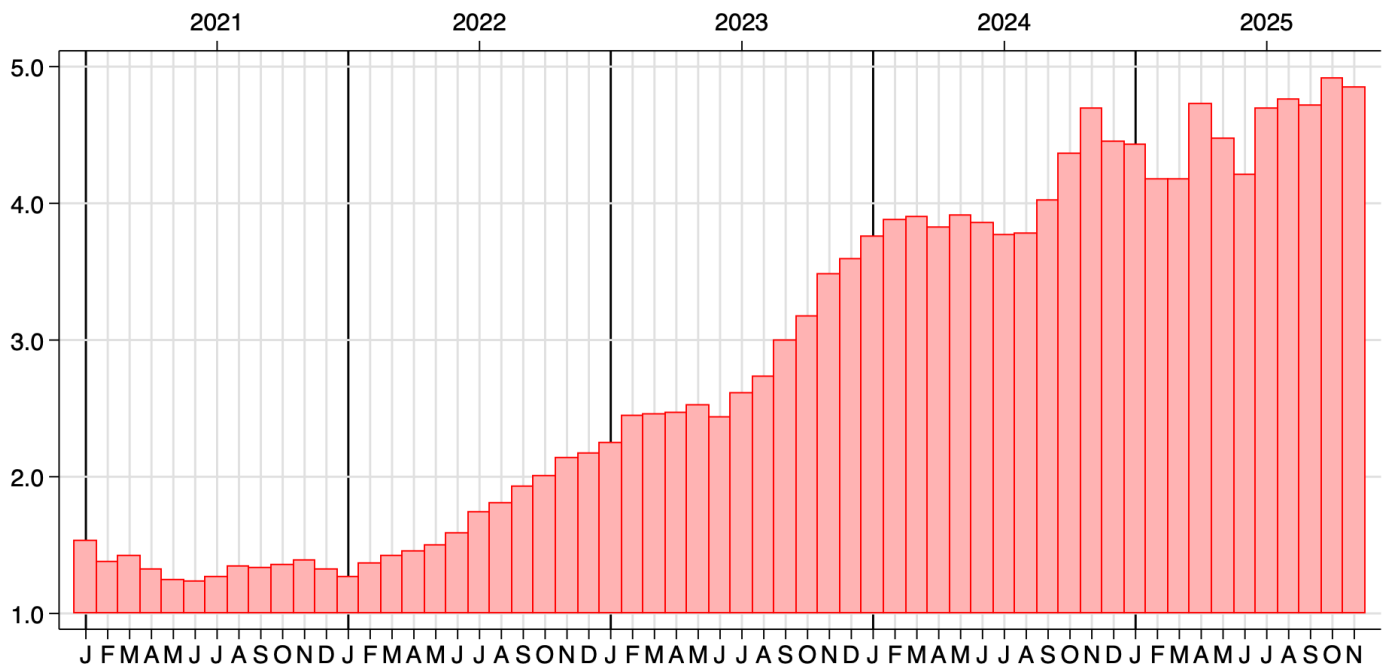
Alabama Months of Supply

Month	Months of Supply	Percent Change Year-over-Year
Year-to-Date	4.6	15.0%
November 2025	4.8	2.1%
October 2025	4.9	11.4%
September 2025	4.7	17.5%
August 2025	4.8	26.3%
July 2025	4.7	23.7%
June 2025	4.2	7.7%
May 2025	4.5	15.4%
April 2025	4.7	23.7%
March 2025	4.2	7.2%
February 2025	4.2	7.9%
January 2025	4.4	18.0%
December 2024	4.5	24.1%
November 2024	4.7	34.8%

AAR's Forecast

AAR projects that state housing supply will remain relatively unchanged between November and December 2025.

Alabama Months of Supply, Monthly Figures



HOUSING MARKET OVERVIEW

RESIDENTIAL LISTINGS

The number of properties listed on the market during the year

Alabama had more active listings at the end of November 2025 (20,725) compared to one year ago (19,272). This figure represents a 7.5% annual increase but a 0.7% decrease relative to last month. November 2025 listings were down by 141 relative to October 2025. Listings have remained above 20,000 for the last six months.

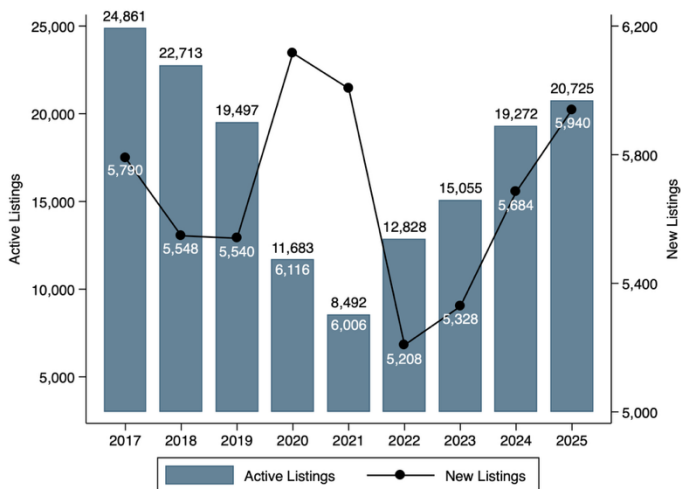
Alabama Active Residential Listings

Month	Active Listings	Percent Change Year-over-Year
Year-to-Date	19,378	18.7%
November 2025	20,725	7.5%
October 2025	20,866	8.0%
September 2025	20,765	10.3%
August 2025	20,803	14.7%
July 2025	20,698	19.2%
June 2025	20,298	22.7%
May 2025	19,709	24.9%
April 2025	19,144	27.0%
March 2025	18,415	26.2%
February 2025	17,956	27.4%
January 2025	17,735	27.0%
December 2024	18,468	25.4%
November 2024	19,272	28.0%

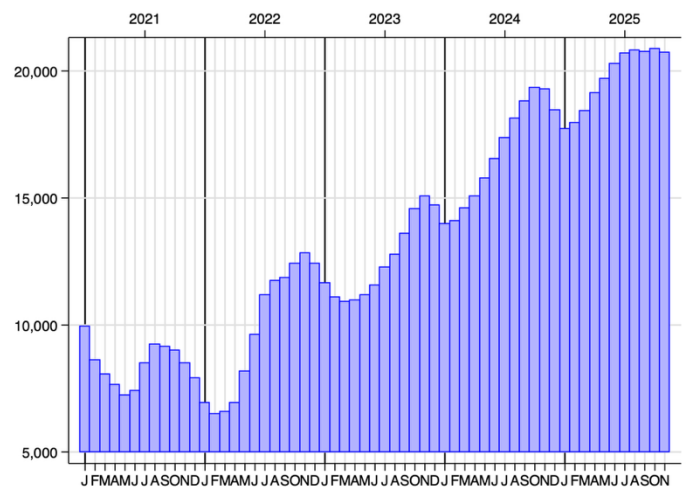
AAR's Forecast

Based upon current economic trends, AAR projects state residential active listings will remain roughly unchanged between November and December 2025.

Alabama Active and New Residential Listings, November Figures



Alabama Active Residential Listings, Monthly Figures



HOUSING MARKET OVERVIEW

FORECLOSURES

Homeowners failing to pay their mortgages, resulting in lender repossessed homes or foreclosure auctions

Alabama had 69 more foreclosures in November 2025 (485) compared to one year ago (416). The November value marks the third consecutive monthly decrease in the number of foreclosures.

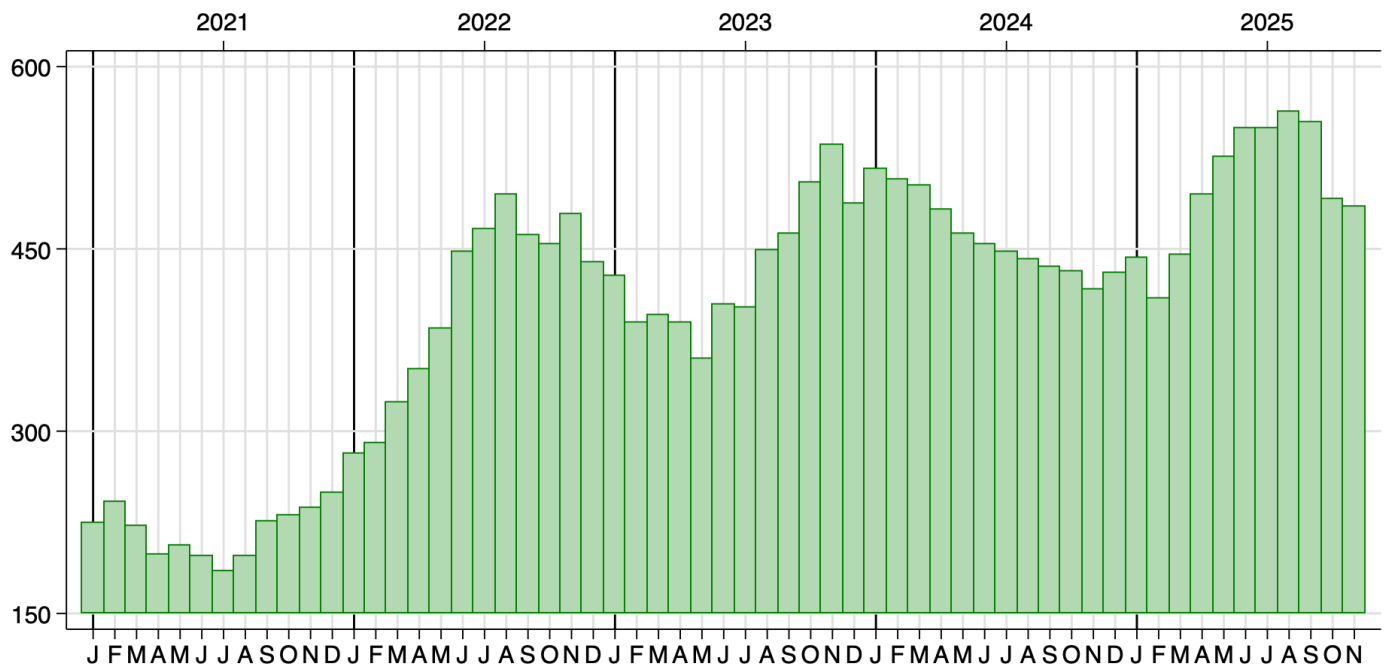
Alabama Residential Foreclosures

Month	Foreclosures	Percent Change Year-over-Year
Year-to-Date	5,508	8.1%
November 2025	485	16.6%
October 2025	491	13.7%
September 2025	554	27.4%
August 2025	563	27.7%
July 2025	549	22.8%
June 2025	549	20.9%
May 2025	526	13.9%
April 2025	495	2.7%
March 2025	445	-11.4%
February 2025	409	-19.3%
January 2025	442	-14.3%
December 2024	430	-11.7%
November 2024	416	-22.2%

AAR's Forecast

AAR projects that state housing foreclosures will decrease between November and December 2025 by approximately 1.0% to 480.

Alabama Residential Foreclosures, Monthly Figures



AAR's Forecast

Consumer sentiment fell in November, with the national labor market weakening. However, Alabama's labor market is relatively strong and residential market conditions are conducive to a year-over-year sales increase this December.

Factors to consider in the near term:

- Consumer sentiment weakened further in November. The Consumer Confidence Index declined 7.2% from October, while the Expectations Index fell 12.0% to 63.2. This marked the 10th consecutive month the Expectations Index has remained below 80, a level often viewed as signaling a potential recession. Composite Consumer Confidence also declined 5.0% in November. However, sentiment improved modestly in December, with the Index of Consumer Sentiment edging up to 53.3, though it remained 20.7 points below its December 2024 level of 74.0. Similarly, the Index of Consumer Expectations from the Survey of Consumers increased to 55.0 in December, but was still down 25.0% year-over-year.
- The national labor market has softened. The November unemployment rate rose to 4.6%, the highest level since September 2021. Job growth has also slowed, with 610,000 jobs added through the first 11 months of 2025, compared to 1,689,000 jobs over the same period in 2024. In addition, the four-week moving average of national initial unemployment claims increased from 214,750 for the week ending November 29 to 216,750 for the week ending December 6.
- Alabama's labor market continues to outperform the nation. The state's unemployment rate declined to 2.8% in September, its lowest level since December 2023. While national job growth has slowed significantly compared to last year, Alabama added 16,700 jobs through the first nine months of 2025, slightly exceeding the 16,000 jobs added over the same period in 2024. September represents the most recent data available for state employment and unemployment rates. Moreover, while initial unemployment claims have risen nationally, Alabama's four-week moving average declined from 1,972 on November 29 to 1,914 on December 6 and has fallen in each of the past five weeks.
- Mortgage rates have generally trended lower since May. This decline reflects a weakening national labor market, moderating GDP growth, and the Federal Reserve's shift toward cutting the federal funds rate at its last three meetings. Average 30-year mortgage rates fell 58 basis points from May to November. Notably, rates declined ahead of each of the last three rate cuts, then rose for two to three weeks following each cut. Even so, the average 30-year mortgage rate is expected to remain at least 50 basis points lower than a year earlier through January.
- Despite national economic pessimism, Alabama's fundamentals remain relatively strong. The labor market continues to be a key source of stability for the state. While days on market are likely to increase, comparatively lower mortgage rates and a higher number of active listings than a year ago provide reasons to expect stronger year-over-year home sales this December.

Alabama REALTORS® Economic and Real Estate Report

The Alabama Association of REALTORS® (AAR) is the largest statewide organization of real estate professionals comprised of over 19,000 members from 23 boards and 1,200 real estate companies. United by adherence to a Code of Ethics, our members work as real estate professionals in the sale, lease, appraisal, management and development of residential, commercial, rural and resort properties throughout Alabama.

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The goal of AAR's Economic and Real Estate Report is to produce timely, data driven economic and market analysis, authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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The numbers and figures in this report are drawn from numerous government and proprietary data sources and represent best information at the time of release. Information is deemed reliable but not guaranteed. As new data emerges, the Alabama Association of REALTORS® may, from time to time, update these figures to reflect more recent information.

