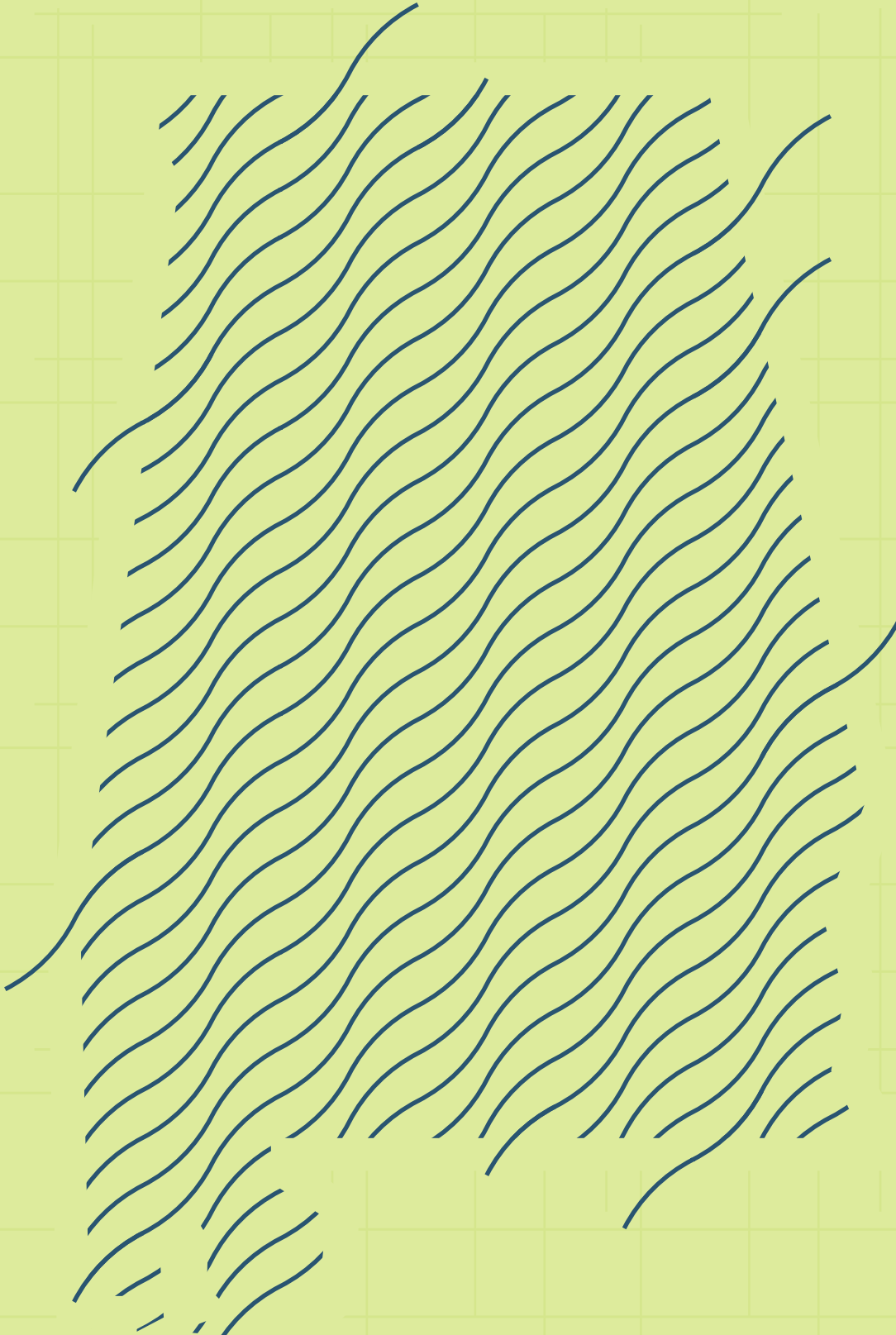


Alabama Economic & Real Estate Report

March 2026





ALABAMA MONTHLY HOME SALES REPORT

MARCH 2026

KEY TAKEAWAYS

- Alabama had **5,438 home sales** in March, a decrease of 776 from last year but an increase of 8.2% from the previous month.
- The median sales price increased by \$45,139 compared to a year ago to **\$262,009**. This is an annual increase of 20.8% and a 4.8% increase month-over-month.
- The sold volume was **\$1.56 billion** in March 2026, a decrease of \$0.03 billion from last March. This marks a 1.9% annual decrease, but a 9.1% increase month-over-month.
- The **20,355 active listings** at the end of March mark an increase of 10.5% compared to 18,415 one year ago.
- The **689 foreclosures** in March represent a 54.8% increase year-over-year and a 21.3% increase month-over-month. However, the March 2026 value is below the pre-COVID 873 foreclosures of March 2019.

ALABAMA HOUSING MARKET SUMMARY, MARCH 2026

	Mar-25	Mar-26	Change	% Change	YTD '25	YTD '26	Change	% Change
Sales	6,214	5,438	-776	-12.5%	17,359	15,227	-2,132	-12.3%
Median Sales Price (\$)	216,870	262,009	45,139	20.8%	209,970	252,214	42,244	20.1%
Average Sales Price (\$)	255,737	287,768	32,031	12.5%	247,078	284,826	37,748	15.3%
Sales Volume (\$ billions)	1.59	1.56	-0.03	-1.9%	4.30	4.34	0.04	0.9%
Average Days on Market	61	66	5	8.2%	75	71	-4	-5.3%
Active Listings	18,415	20,355	1,940	10.5%	18,035	19,570	1,535	8.5%
Months of Supply	4.2	5.3	1.1	26.2%	4.3	5.3	1.0	23.3%
Foreclosures	445	689	244	54.8%	1,296	1,797	501	38.7%



ECONOMIC OVERVIEW

Recent data from the Bureau of Labor Statistics (BLS) shows net downward revisions to national job creation. December 2025 payrolls were reduced by 65,000, January 2026 was revised upward by 34,000, and February 2026 was revised downward by 41,000—resulting in a combined net loss of 72,000 jobs across the three months. Despite these adjustments, early estimates for March 2026 indicate strong labor market performance, with 178,000 jobs added—triple consensus expectations and 58,000 more than in March 2025.

At the state level, revisions also point to weaker employment growth in Alabama. Total job creation for 2025 was revised down from 10,900 to 4,400, significantly below the 14,900 jobs added in 2024 and 43,800 in 2023.

Inflation accelerated in March 2026, rising to 3.3% year-over-year, up from 2.4% in February. The increase was largely driven by energy prices, which surged 12.5%—the highest among major categories—due to a 19.4% jump in energy commodities and a 5.0% rise in energy services. Food prices rose 2.7%, a slight moderation from February's 3.1%, led by a 3.8% increase in food away from home. Core inflation (excluding food and energy) increased 2.6%, primarily driven by services (excluding energy), which rose 3.0%. Within this category, transportation services increased 4.1%, medical care services rose 3.7%, and shelter costs climbed 3.0%.

In the South, inflation reached 3.0% year-over-year in March, up from 1.8% the prior month. As with the national trend, energy prices were the primary driver, rising 13.2%, including a 21.5% increase in gasoline. Core inflation in the region rose 2.2%, up from 1.9% in February. Shelter costs increased 2.5%, remaining below the national rate. Owners' equivalent rent rose 2.7%, while rent of primary residence increased 1.7%, both unchanged from the previous month. Notably, used car prices declined 3.6% in the South, compared to a 3.2% decline nationally.

Economic growth slowed sharply at the end of 2025. Real gross domestic product (GDP) growth was revised down to 0.5% for the fourth quarter, from earlier estimates of 1.4% and 0.7%. Although GDP expanded in 35 states, Alabama's growth was modest at an annualized rate of 0.1%, ranking 35th nationally. The state outperformed Mississippi (-1.7%) but trailed Florida (1.2%), Tennessee (0.5%), and Georgia (0.2%). Growth in Alabama was led by wholesale trade, followed by professional, scientific, and technical services, according to the Bureau of Economic Analysis.

Personal income growth also lagged in Alabama. Nationally, current dollar personal income increased at an annual rate of 3.4% in the fourth quarter of 2025, while Alabama saw a 2.2% increase, ranking 35th in the nation. The state outpaced Georgia (1.9%) and Mississippi (0.6%) but fell behind Tennessee (4.1%) and Florida (3.6%).

Mortgage rates trended upward through March and early April, with the average 30-year rate reaching 6.46% on April 2—the largest monthly increase in 15 months—before easing to 6.30% by April 16. The earlier rise reflected higher 10-year Treasury yields driven by elevated inflation expectations and geopolitical tensions involving Iran. More recently, a fragile ceasefire and declining crude oil prices have contributed to lower yields and modest rate relief.

The Federal Reserve is widely expected to hold the federal funds rate steady at its late-April meeting. Persistent inflation above the Fed's 2.0% target, elevated energy prices, and a resilient labor market continue to support a cautious stance. According to the CME FedWatch Tool, markets assign virtually no chance of a rate cut in April, with a 99.5% probability that the target range will remain at 3.50%–3.75%. Expectations for the next rate cut remain distant, with markets not assigning greater than a 50% probability to a reduction until the July 2027 meeting.



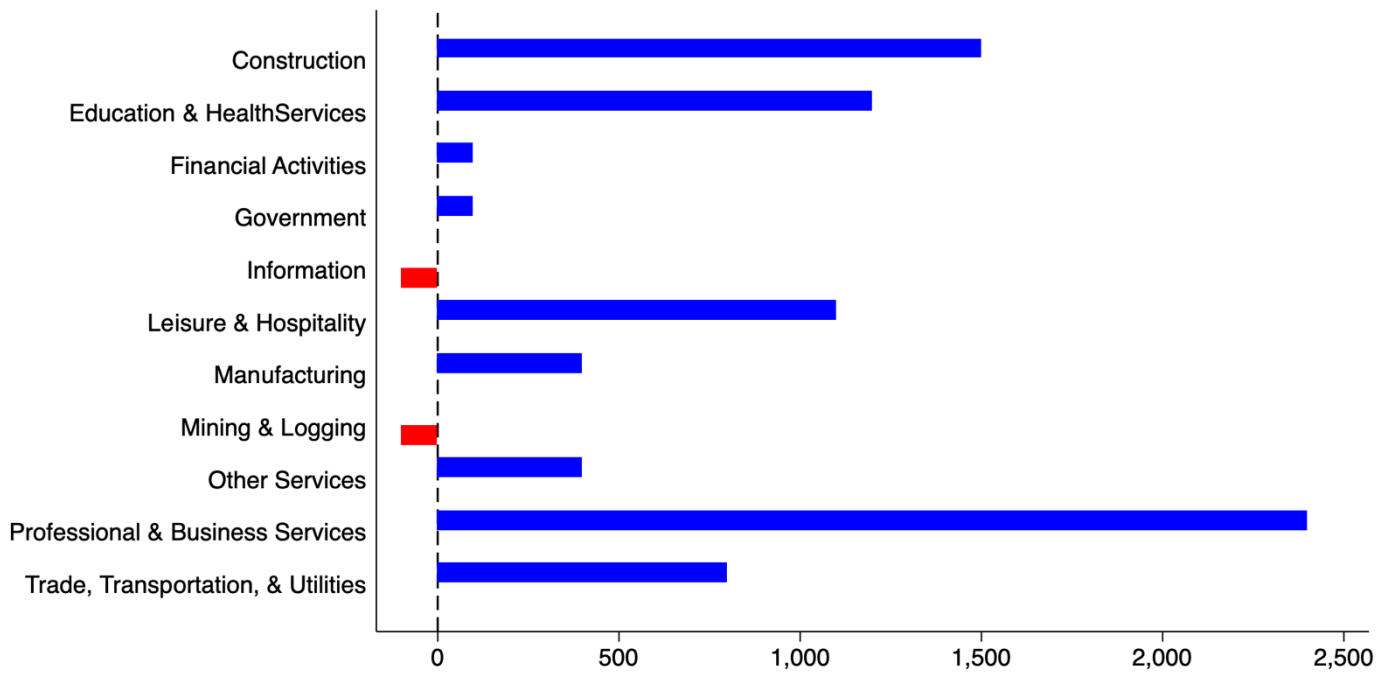
JOBS

Preliminary data from the Bureau of Labor Statistics (BLS) shows that 178,000 jobs were added nationally in March, well above the consensus estimate of 59,000. However, the latest release also includes net downward revisions for the prior three months. February job losses were revised higher, from 92,000 to 133,000, while January job gains were revised upward from 126,000 to 160,000. December 2025 saw the most significant adjustment, shifting from a reported gain of 48,000 jobs to a loss of 17,000.

At the state level, Alabama’s December figures were also revised downward, with job gains reduced from 2,400 to 1,000. Despite this adjustment, early estimates indicate stronger momentum to start the year, with 7,800 jobs added in January 2026. This brings total employment in the state to 2,204,000.

By sector, Professional and Business Services led job growth in Alabama, adding 2,400 positions in January. Construction followed with 1,500 new jobs, while Education and Health Services added 1,200. Job losses were limited, occurring in Mining and Logging (100 jobs) and Information (100 jobs).

Alabama Jobs Changes from December 2025 to January 2026





EMPLOYMENT

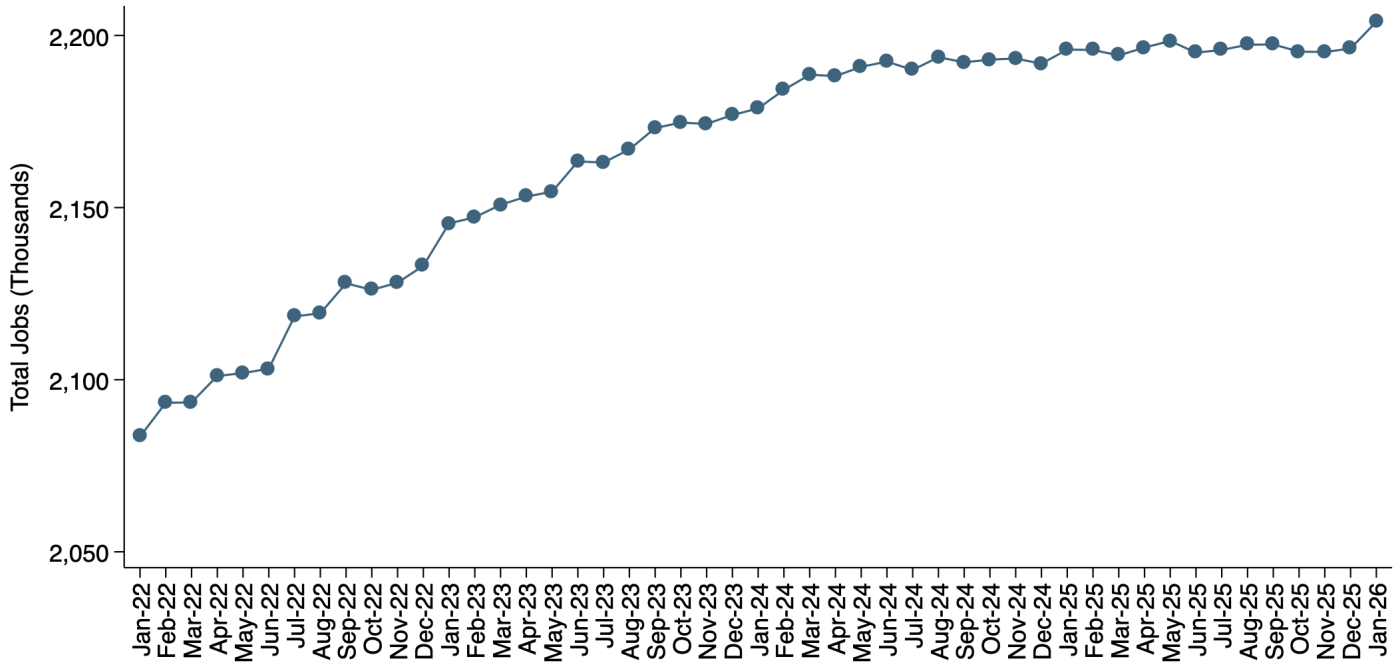
The preliminary unemployment rate for Alabama was 2.7% in January 2026. This marks the third consecutive month at that level and the fifth consecutive month the rate has remained below 3.0%. The 2.7% reading over the final three months of 2025 represents the lowest unemployment rate for the state since October 2023. January 2026 is the most recent data available at the state level.

For comparison, the national unemployment rate declined to 4.3% in January 2026, marking a second consecutive monthly decrease following a recent peak of 4.5% in November 2025. The rate then edged up to 4.4% in February before falling back to 4.3% in March, according to preliminary data from the Bureau of Labor Statistics. Despite the recent improvement, this remains slightly above the 4.2% rate recorded in March 2025.

Alabama's unemployment rate was 1.6 percentage points below the national average in January 2026, narrowing from a 1.7 percentage point gap in December. The Federal Reserve is widely expected to hold the federal funds rate steady at its April meeting, citing persistently low unemployment alongside inflation that remains above its two percent target.

Alabama's labor force participation rate held steady at 57.6% in January 2026, as December 2025 was revised downward from 57.7% to 57.6% in the latest BLS release. This marks the eleventh consecutive month below the revised peak of 57.8% reached in February 2025. Nationally, the labor force participation rate declined to 62.1% in January, marking a second consecutive monthly decrease. It continued to ease to 62.0% in February and 61.9% in March 2026, based on preliminary estimates.

Alabama Total Jobs (Thousands)



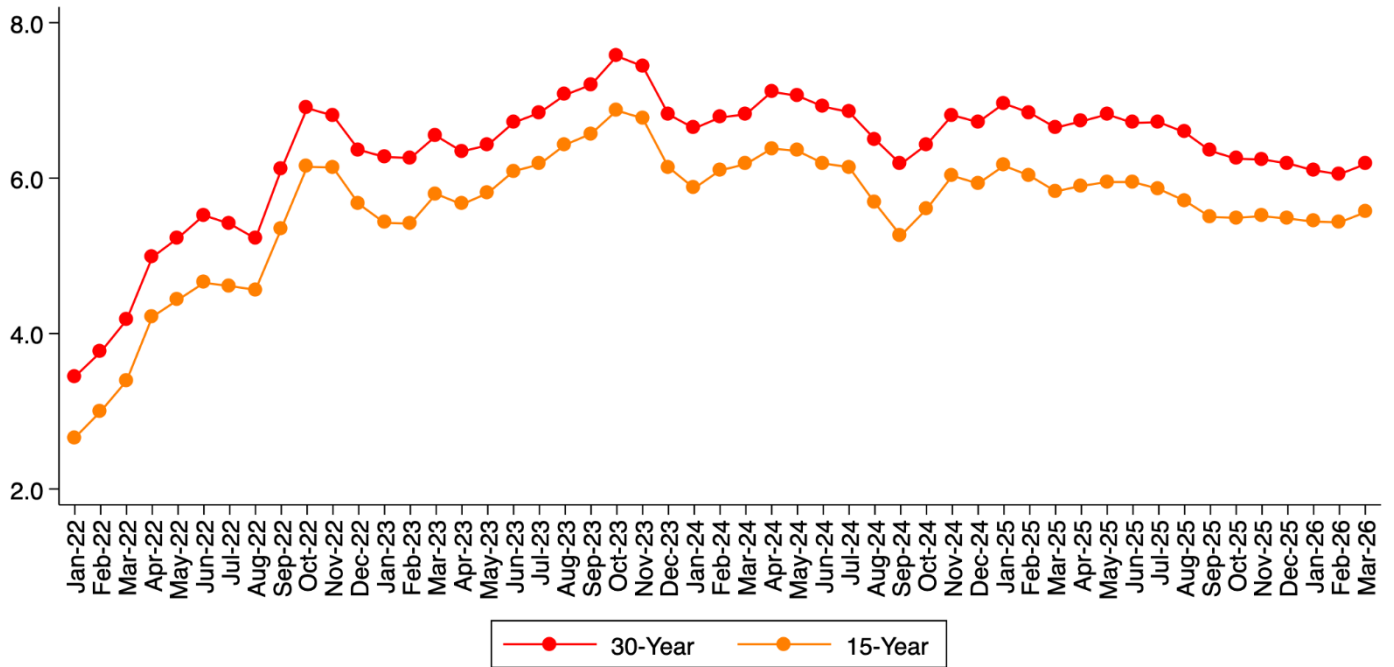


MORTGAGE RATES

The average 30-year fixed mortgage rate increased steadily throughout March, rising each week during the month. The rate edged up by two basis points at the start of March, followed by an additional 38 basis point increase through March 26. It then rose another eight basis points at the beginning of April, reaching 6.46% on April 2. This marked the largest four-week increase in the 30-year fixed rate since November 2024.

Rates began to ease shortly thereafter, declining by 16 basis points over the next two weeks to 6.30% by April 16. Despite the earlier run-up, the average rate over the most recent four-week period (March 26 through April 16) remained notably lower than during the same period in 2025. As of this writing, the four-week average is 31 basis points below the 6.69% recorded at this time last April.

U.S. Fixed-Rate Mortgage Averages



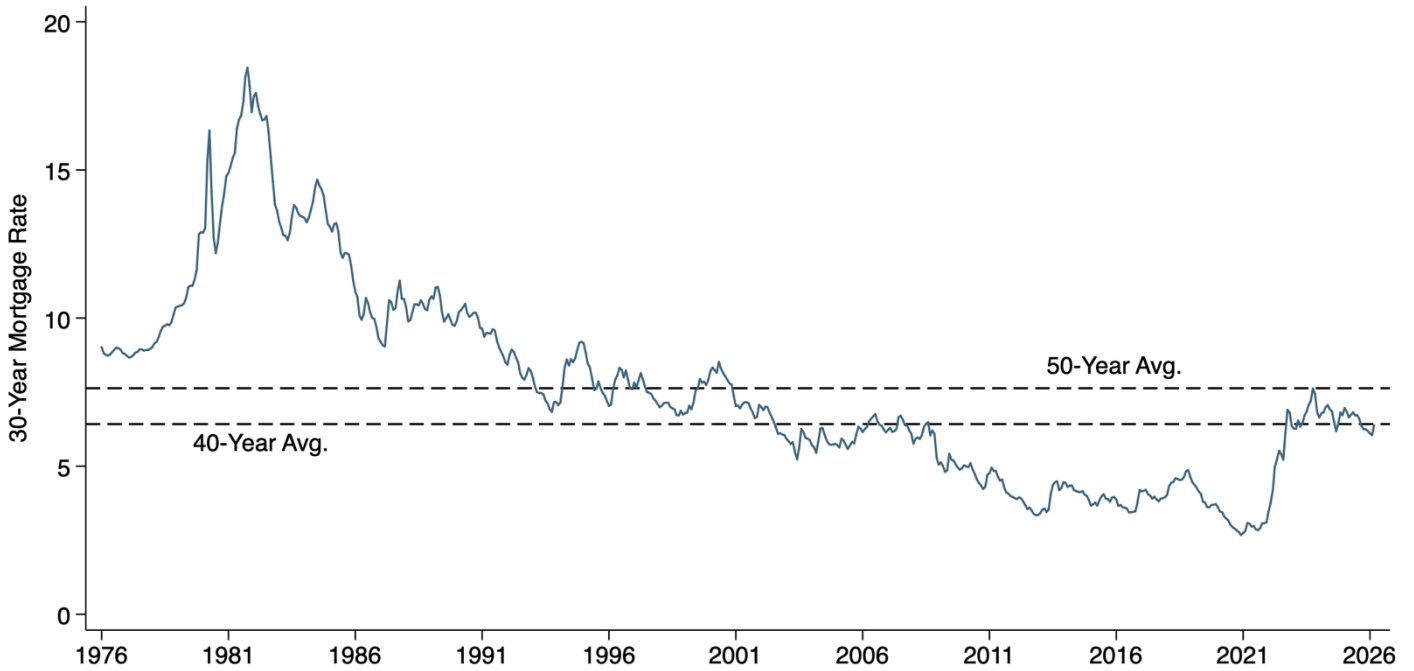


MORTGAGE RATES OVER THE DECADES

The average 30-year fixed mortgage rate reached a historic high of 18.63% on October 9, 1981, and a low of 2.65% on January 7, 2021. Over the past 40 years, the rate has averaged 6.52%, compared to a 50-year average of 7.67%.

In recent years, mortgage rates have generally remained within this historical range. However, the March 2026 average of 6.18% has now fallen below that range for the seventh consecutive month. Despite this, March marked the first monthly increase in the average rate since May 2025.

U.S. Fixed-Rate Mortgage Averages





HOUSING MARKET INDICES

The Housing Market Index (HMI), published by the National Association of Home Builders and Wells Fargo, edged up from February to March to a reading of 38 (with values above 50 indicating more builders view conditions as favorable). Despite the increase, this marks the 23rd consecutive month the index has remained below 50.

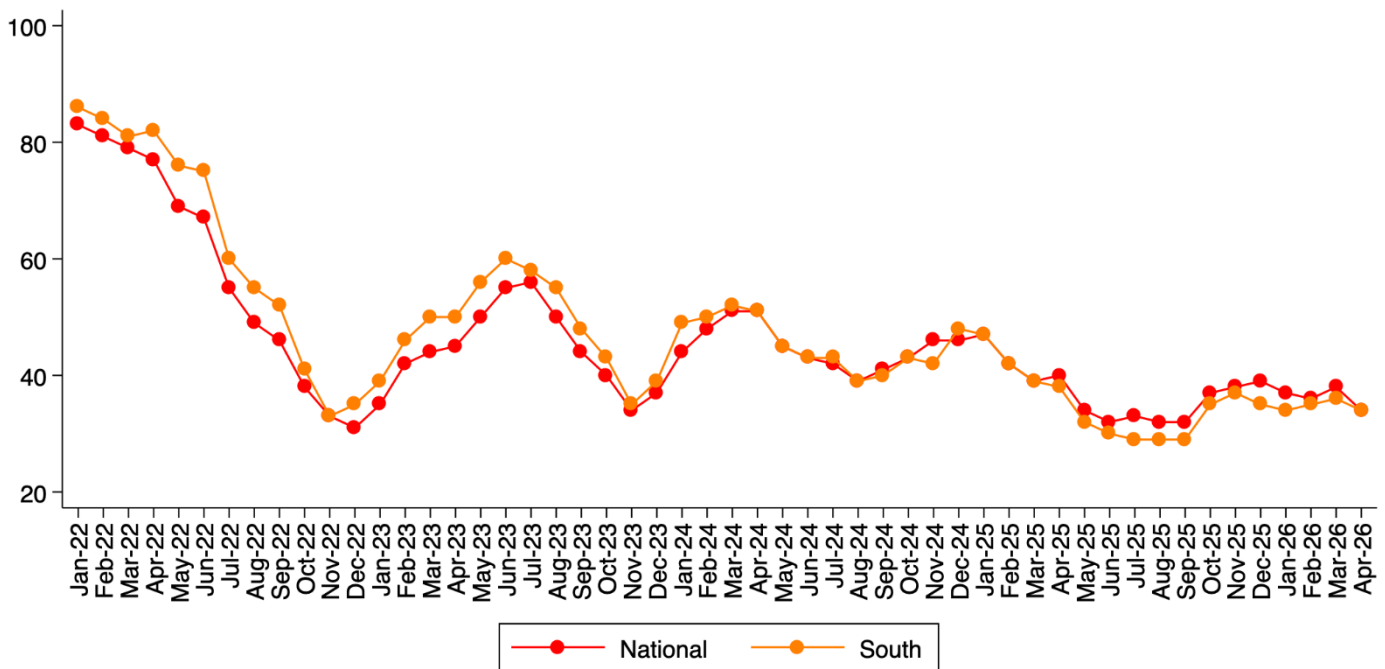
Preliminary data for April 2026 shows the HMI falling four points to 34—the largest monthly decline since May 2025. This extends the streak of sub-50 readings to 24 consecutive months and places the index six points below its April 2025 level of 40.

The April decline was driven by weakness across all three components. The “Single-Family Sales: Next six months” index dropped seven points, from 49 to 42. “Single-Family Sales: Present” declined four points, from 41 to 37, while “Traffic of Prospective Buyers” fell three points to 22. This marks the fourth consecutive month—and the ninth time in the past 12 months—that all three components have registered below 50.

Regionally, the South HMI rose one point to 36 in March but declined two points to 34 in April. The Midwest experienced the steepest drop, falling seven points to 38. The West declined five points, from 31 to 26, remaining the weakest region, while the Northeast saw the smallest decline, slipping one point to 41 and maintaining the strongest regional reading.

All regional HMI readings have remained below 50 for the sixth consecutive month and for 11 of the past 12 months.

NAHB/Wells Fargo HMI Indices





Mortgage Loans Outstanding

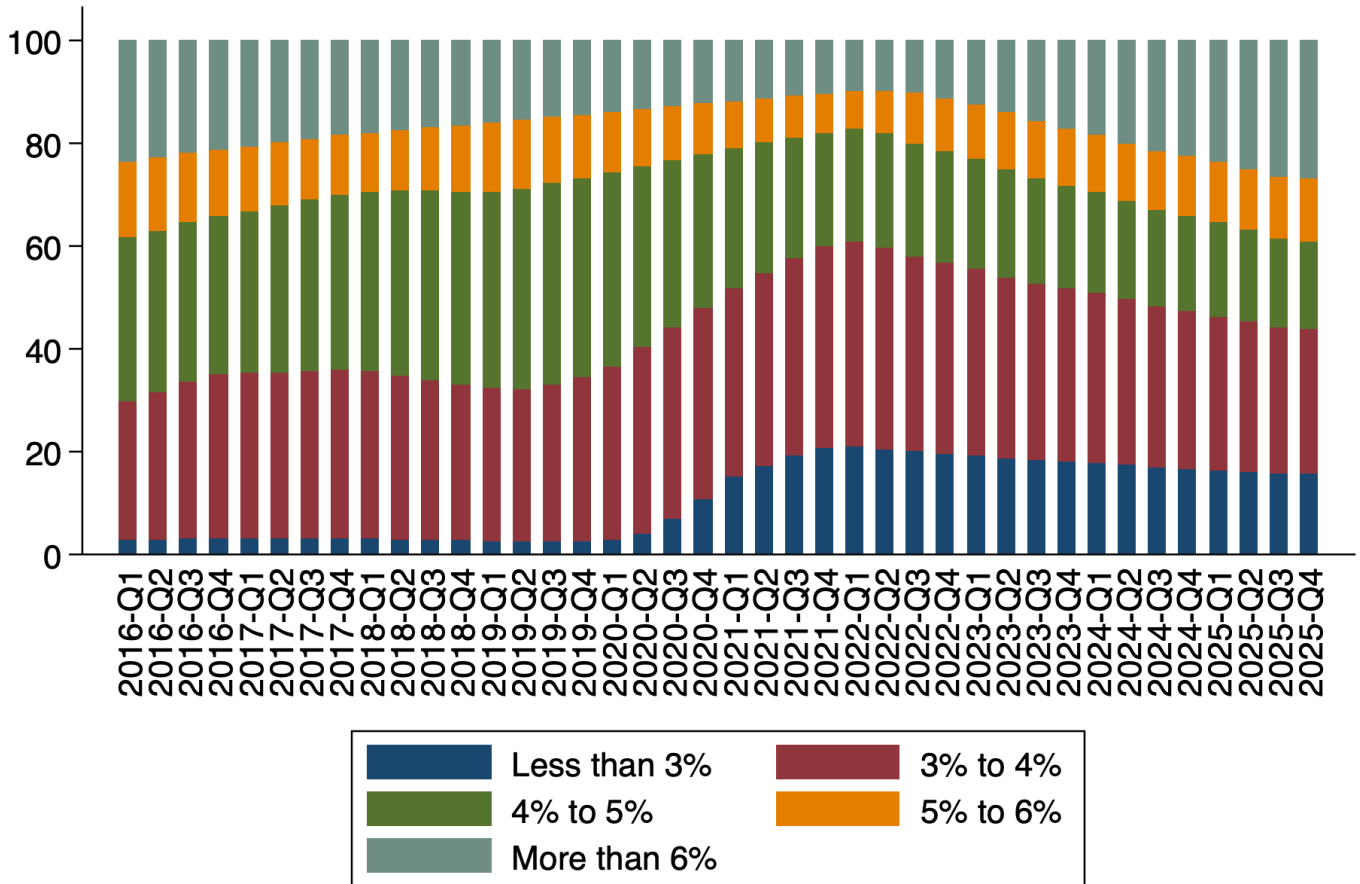
During the fourth quarter of 2025, the share of outstanding mortgages in Alabama with interest rates above 6% continued its upward trend, which began in the third quarter of 2022. These higher-rate mortgages now account for 26.9% of all outstanding loans in the state. This aligns with national trends, where the average 30-year mortgage rate remained above 6%, despite declining from 6.57% in Q3 2025 to 6.23% in Q4 2025.

The share of mortgages with rates between 5% and 6% increased slightly by 0.3 percentage points. All other rate categories declined over the same period. Mortgages with rates between 4% and 5% fell by 0.2 percentage points, those between 3% and 4% declined by 0.3 percentage points, and those below 3% decreased by 0.1 percentage points.

The distribution of outstanding mortgage rates in Alabama for Q4 2025 is summarized below:

- 26.9% of mortgage holders have rates above 6%
- 12.2% of mortgage holders have rates between 5-6%
- 17.2% of mortgage holders have rates between 4-5%
- 28.1% of mortgage holders have rates between 3-4%
- 15.5% of mortgage holders have rates below 3%

Share of Mortgage Loans Outstanding by Mortgage Rates in Alabama





HOUSING MARKET OVERVIEW

SALES

The number of sales transactions that closed during the month

Home sales activity decreased year-over-year. However, the 5,438 sales represent an 8.2% increase in month-over-month sales.

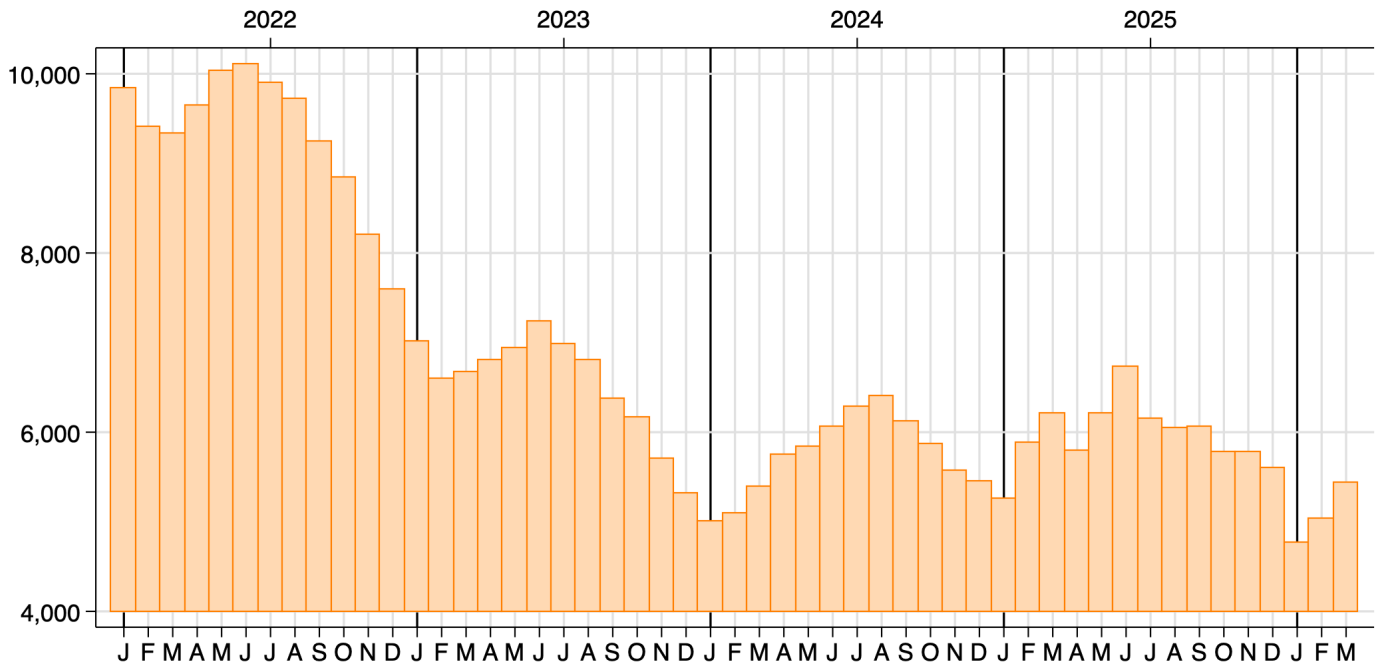
Alabama Monthly Home Sales Figures

Month	Sales	Percent Change Year-over-Year
Year-to-Date	15,277	-12.3%
March 2026	5,438	-12.5%
February 2026	5,028	-14.6%
January 2026	4,761	-9.5%
December 2025	5,604	2.9%
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%

AAR's Forecast

AAR projects that state total home sales will increase between March and April 2026 by approximately 4.9% to 5,704.

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 20.8% year-over-year and 4.8% month-over-month.

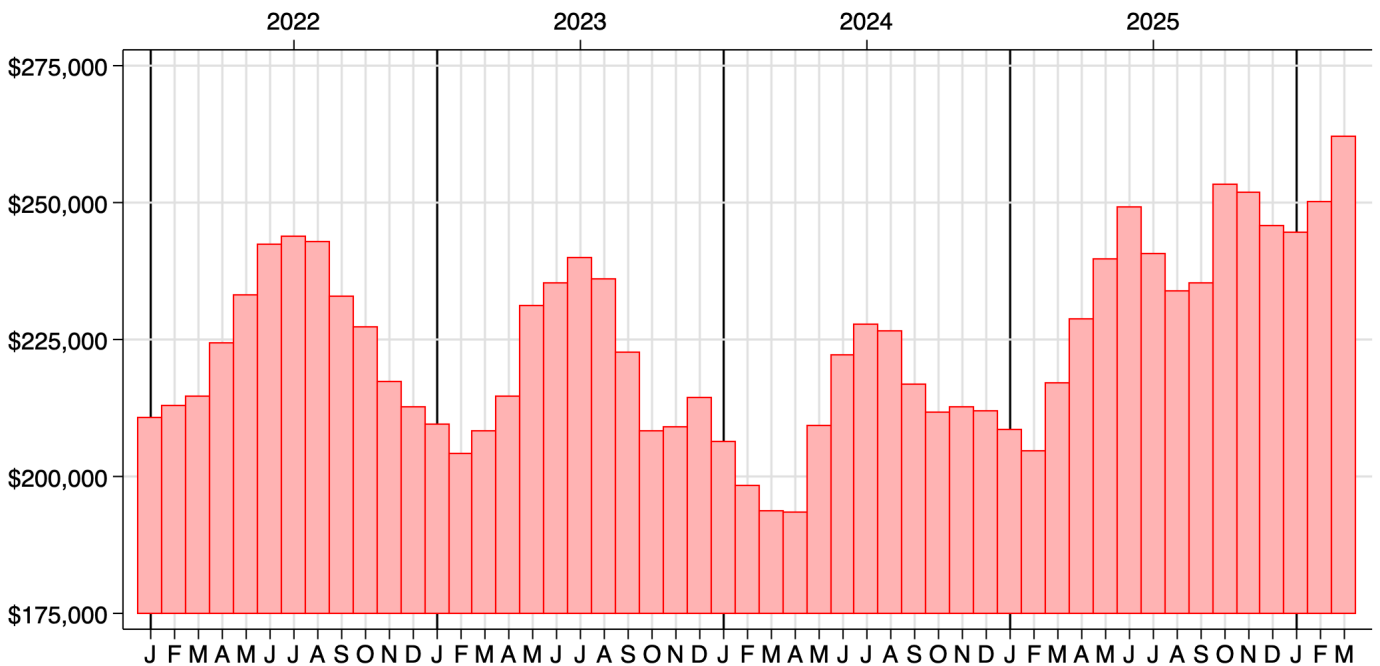
Alabama Median Sales Prices

Month	Median Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	252,214	20.1%
March 2026	262,009	20.8%
February 2026	250,113	22.3%
January 2026	244,520	17.3%
December 2025	245,615	15.9%
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%

AAR’s Forecast

AAR projects that the state median home sales price will increase between March and April 2026 by approximately 2.4% to \$268,410.

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 increased by \$2,544 relative to last month. This is an increase of 0.9% month-over-month and of 12.5% year-over-year.

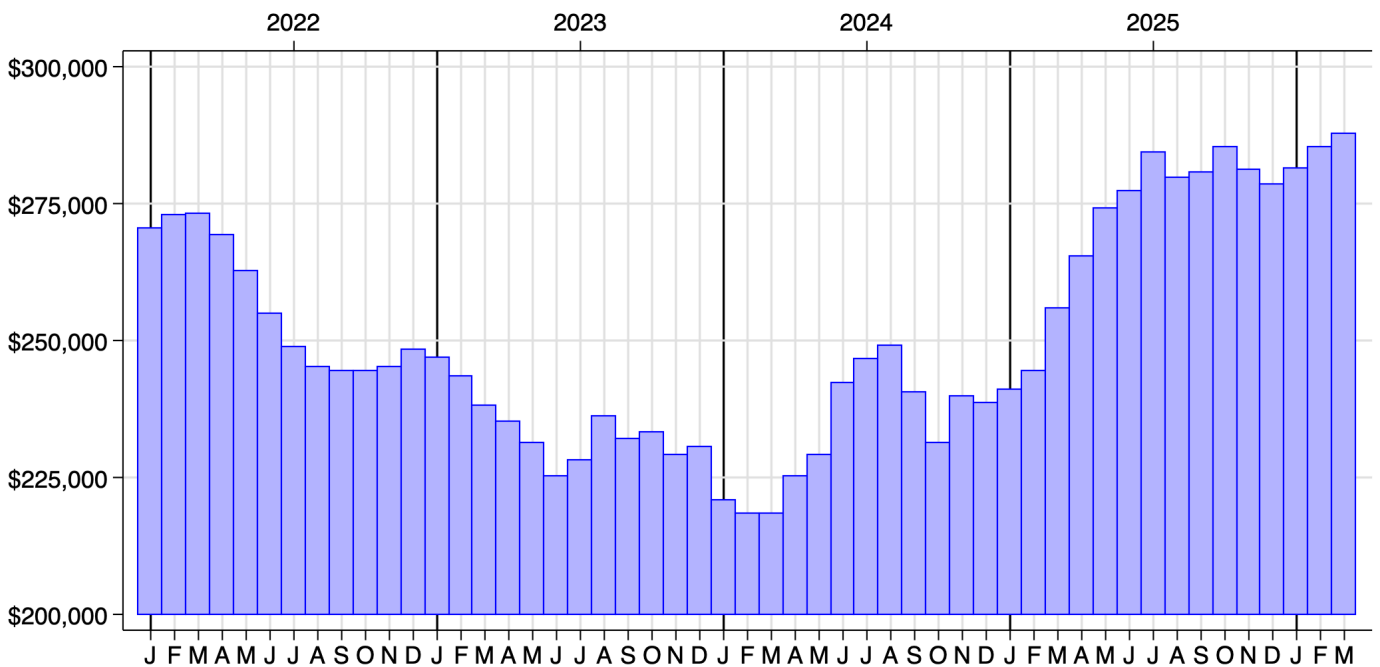
Alabama Average Sales Prices

Month	Average Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	284,826	15.3%
March 2026	287,768	12.5%
February 2026	285,224	16.7%
January 2026	281,485	16.8%
December 2025	278,396	16.7%
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%

AAR's Forecast

AAR projects that the state average home sales price will increase between March and April 2026 by approximately 0.7% to \$289,705.

Alabama Average Sales Prices (\$), 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 more in March 2026 relative to February 2026. Homes sold in March were on the market for 66 days on average. This figure is also five days more compared to one year ago (61 days).

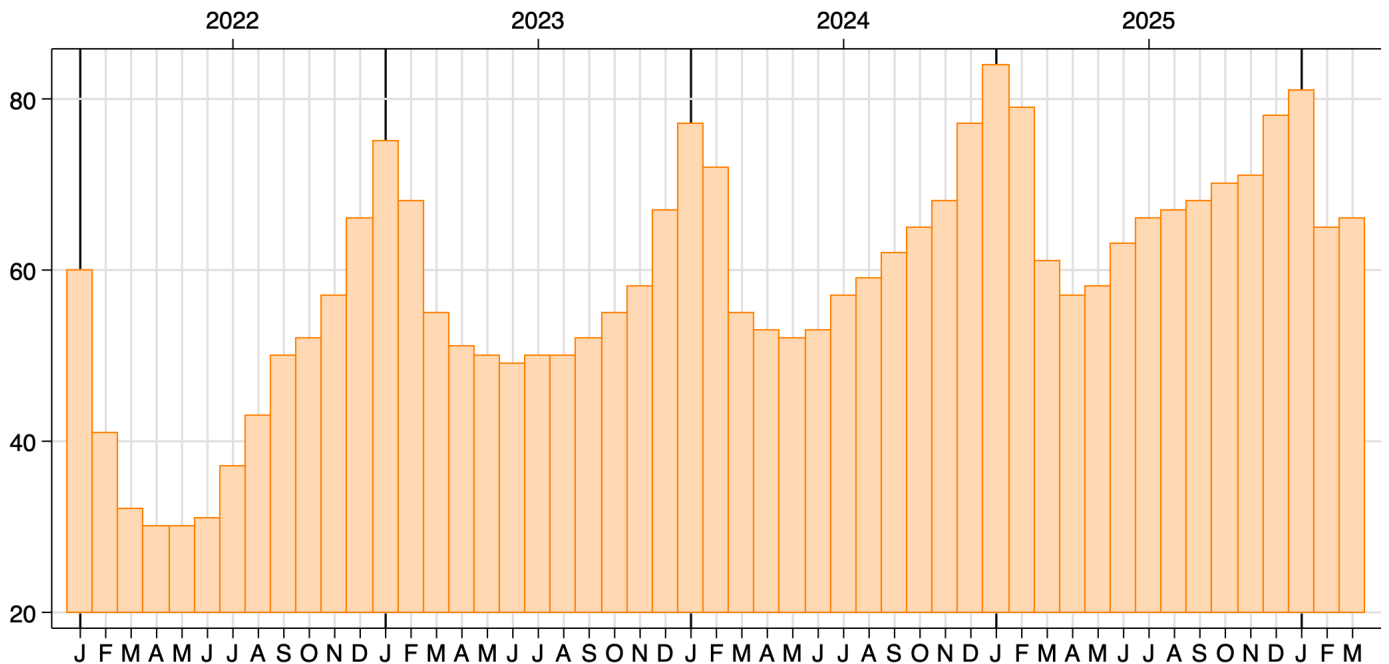
Alabama Residential Days on Market

Month	Days on Market	Percent Change Year-over-Year
Year-to-Date	71	-5.3%
March 2026	66	8.2%
February 2026	65	-17.7%
January 2026	81	-3.6%
December 2025	78	1.3%
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%

AAR's Forecast

Based upon current economic trends, AAR projects that state residential days on market will remain roughly unchanged between March and April 2026.

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 slightly in March 2026 relative to February 2026, as there were 5.3 months of supply. However, this figure is more than a month greater than that of one year ago (4.2 months).

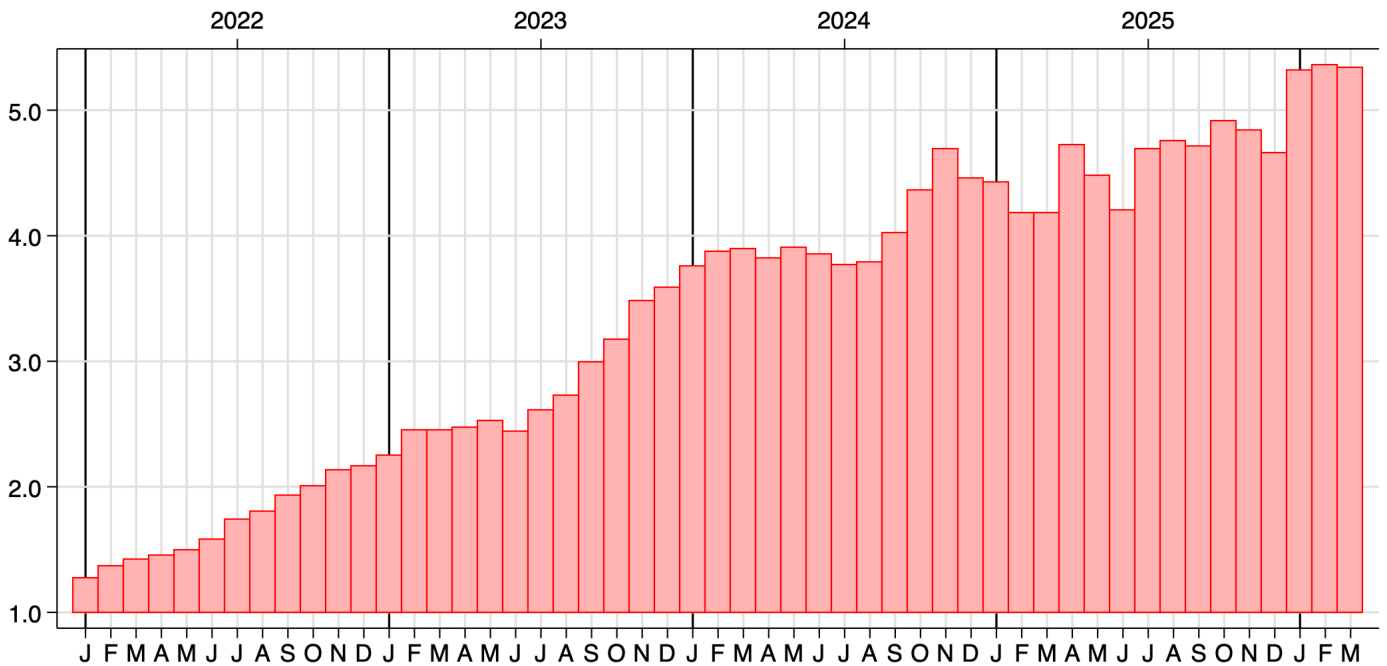
Alabama Months of Supply

Month	Months of Supply	Percent Change Year-over-Year
Year-to-Date	5.3	23.3%
March 2026	5.3	26.2%
February 2026	5.4	28.6%
January 2026	5.3	20.5%
December 2025	4.7	4.4%
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%

AAR's Forecast

AAR projects that state housing supply will remain roughly unchanged between March and April 2026.

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 March 2026 (20,355) compared to one year ago (18,415). This figure represents a 10.5% annual increase and marks a 5.6% increase relative to last month. March 2026 listings were up by 1,072 relative to February 2026. This marks the second consecutive month of increase in the number of listings.

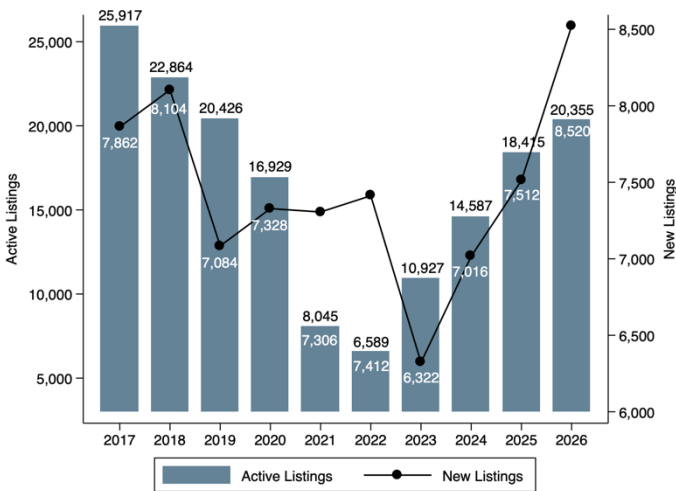
Alabama Active Residential Listings

Month	Active Listings	Percent Change Year-over-Year
Year-to-Date	19,570	8.5%
March 2026	20,355	10.5%
February 2026	19,283	7.4%
January 2026	19,073	7.5%
December 2025	19,808	7.3%
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%

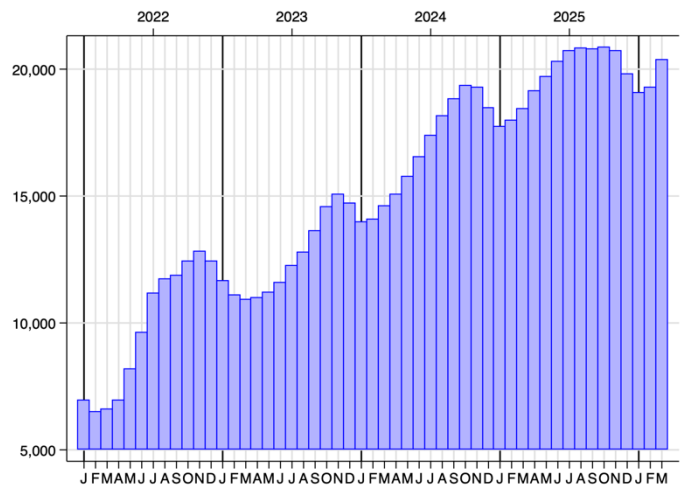
AAR's Forecast

Based upon current economic trends, AAR projects state residential active listings will increase between March and April 2026 by approximately 3.8% to 21,123.

Alabama Active and New Residential Listings, March 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 244 more foreclosures in March 2026 (689) compared to one year ago (445). The March value marks the fourth consecutive monthly increase in foreclosures and the highest level since the pandemic.

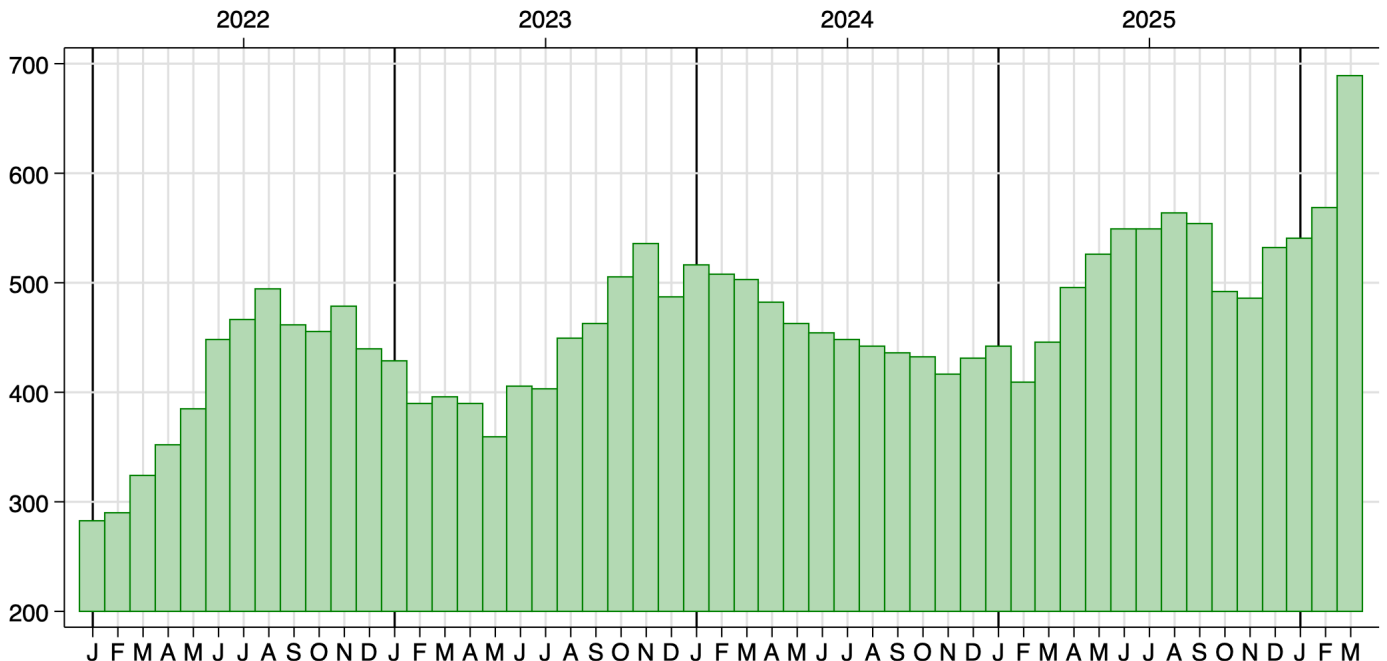
Alabama Residential Foreclosures

Month	Foreclosures	Percent Change Year-over-Year
Year-to-Date	1,797	38.7%
January 2026	689	54.8%
February 2026	568	38.9%
January 2026	540	22.2%
December 2025	531	23.5%
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%

AAR's Forecast

AAR projects that state housing foreclosures will increase between March and April 2026 by approximately 4.6% to 721.

Alabama Residential Foreclosures, Monthly Figures





HOUSING MARKET OVERVIEW

NEW HOME BUILDING PERMITS

Permits for construction of new one-unit residential homes owned by individuals

Building permits for new one-unit structures, i.e. new homes, increased to 1,366 units in January 2026. This represents an increase of 10.3% month-over-month and an increase of 9.5% year-over-year.

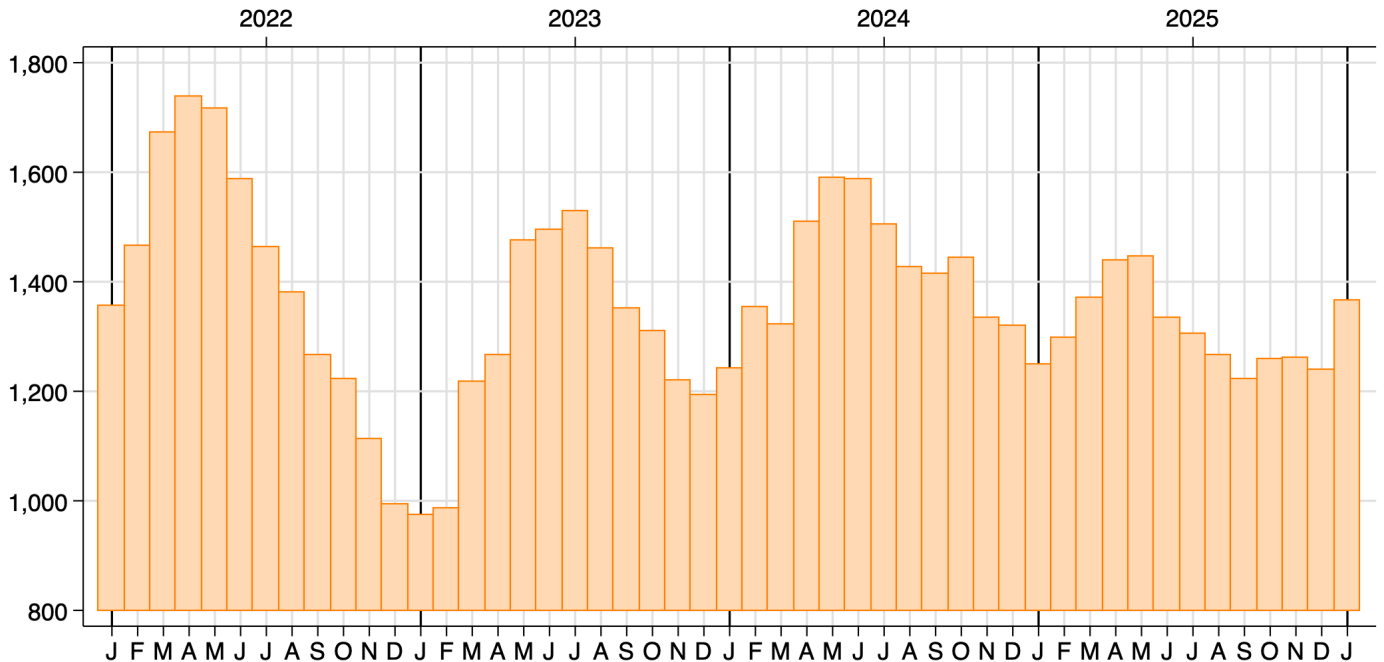
Alabama New Home Building Permits

Month	Permits	Percent Change Year-over-Year
Year-to-Date	1,366	9.5%
January 2026	1,366	9.5%
December 2025	1,239	-6.1%
November 2025	1,262	-5.5%
October 2025	1,259	-11.0%
September 2025	1,222	-13.6%
August 2025	1,235	-14.4
July 2025	1,305	-13.2%
June 2025	1,333	-16.1%
May 2025	1,445	-9.1%
April 2025	1,439	-4.7%
March 2025	1,371	3.7%
February 2025	1,298	-4.1%
January 2025	1,248	0.6%

AAR's Forecast

Based upon current economic trends, AAR projects that state new home building permits will increase between January and February 2026 by approximately 4.0% to 1,421.

Alabama New Home Building Permits, Monthly Figures



AAR's Forecast

Alabama's housing sales momentum this spring is being tested by a combination of geopolitical uncertainty, volatile borrowing costs, and a notable shift in consumer sentiment. The state's housing market enters the second quarter with expanded inventory but cautious participation from buyers and sellers.

Factors to consider in the near term:

- Alabama is expected to see increased home sales over the next two months, though recent national trends suggest the spring market may begin to stall as buyers react to ongoing conflict in the Middle East. Despite this uncertainty, the state's housing inventory continues to normalize. Active listings reached 20,355 units in March, a 10.5% year-over-year increase. With 5.3 months of supply, the market is better positioned to meet demand than in recent years. However, insights from the Beige Book suggest that slowing housing starts could eventually constrain new supply.
- A notable shift is emerging in the distressed property segment. According to ATTOM's Q1 2026 report, Alabama experienced a 132% year-over-year increase in bank repossessions. This surge suggests that a backlog of distressed inventory is now entering the market, potentially expanding lower-priced options for entry-level buyers. At the same time, the added supply could place modest downward pressure on price growth, slightly tempering overall median price appreciation. However, it should be noted that REOs are well below the pre-COVID levels of Q1 2018 (down by 79%) and Q1 2019 (down by 42%).
- Average 30-year fixed mortgage rates have shown notable volatility over the past six weeks, ranging from a low of 5.98% at the end of February to a monthly high of 6.38% by the end of March, before easing to 6.30% by mid-April following a fragile ceasefire in the Middle East. Updated projections from Fannie Mae now place the average 30-year fixed rate at 6.3% for the second quarter, marking a shift from earlier, more optimistic forecasts that anticipated rates dipping below 6%.
- The spike in March inflation to 3.3%, driven by a 19.4% increase in energy commodities, has weighed heavily on consumer sentiment, which has fallen to historically low levels. The University of Michigan Consumer Sentiment Index dropped 10.7% in April to 47.6. This decline, largely driven by elevated day-to-day costs such as gas and food, may prompt prospective buyers to take a "wait-and-see" approach despite seasonal housing momentum. Additionally, both the New York Fed Survey of Consumer Expectations and the University of Michigan Survey of Consumers show a notable increase in one-year inflation expectations, now ranging between 3.4% and 4.8%.
- The Alabama housing market is entering a phase of cautious recalibration. The spring uptick in activity is materializing, but sellers should expect longer days on market as buyer confidence softens. Rising foreclosure completions may create new opportunities for investors and entry-level buyers, adding incremental inventory in an otherwise relatively price-resilient environment. At the same time, sellers continue to benefit from elevated equity levels and steady long-term price appreciation, while buyers are seeing one of the most diverse inventory environments in several years. Overall, the statewide market is still expected to follow its typical seasonal upward pattern, though gains are likely to be more muted than in recent years.

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.

