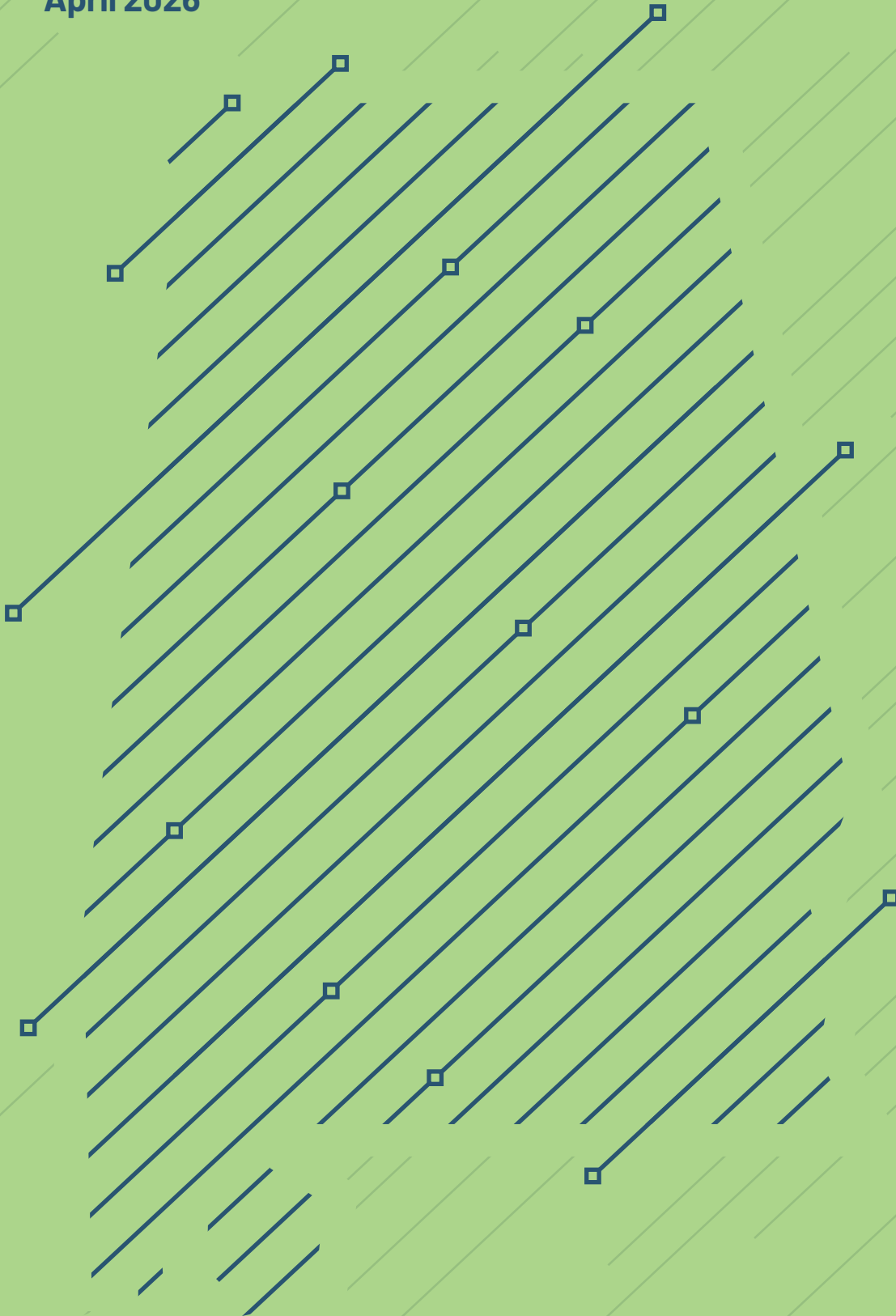


Alabama Economic & Real Estate Report

April 2026





ALABAMA MONTHLY HOME SALES REPORT

APRIL 2026

KEY TAKEAWAYS

- Alabama had **6,214 home sales** in April, an increase of 423 from last year and an increase of 14.3% from the previous month.
- The median sales price increased by \$34,757 compared to a year ago to **\$263,518**. This is an annual increase of 15.2% and a 0.6% increase month-over-month.
- The sold volume was **\$1.84 billion** in April 2026, an increase of \$0.30 billion from last April. This marks a 19.5% annual increase and a 17.9% increase month-over-month.
- The **20,928 active listings** at the end of April mark an increase of 9.3% compared to 19,144 one year ago.
- The **692 foreclosures** in April represent a 39.8% year-over-year increase. It is just a 0.4% increase in foreclosures since last month. *Note that the April 2026 value is below the 827 pre-pandemic foreclosures of April 2019.*

ALABAMA HOUSING MARKET SUMMARY, APRIL 2026

	Apr-25	Apr-26	Change	% Change	YTD '25	YTD '26	Change	% Change
Sales	5,791	6,214	423	7.3%	28,597	27,045	-1,552	-5.4%
Median Sales Price (\$)	228,761	263,518	34,757	15.2%	214,112	253,155	39,043	18.2%
Average Sales Price (\$)	265,232	295,709	30,477	11.5%	248,987	285,716	36,729	14.8%
Sales Volume (\$ billions)	1.54	1.84	0.30	19.5%	7.13	7.74	0.61	8.6%
Average Days on Market	57	59	2	3.5%	72	70	-2	-2.8%
Active Listings	19,144	20,928	1,784	9.3%	18,498	19,889	1,391	7.5%
Months of Supply	4.7	4.8	0.1	2.1%	4.4	5.1	0.7	15.9%
Foreclosures	495	692	197	39.8%	2,221	3,020	799	36.0%



ECONOMIC OVERVIEW

Recent data from the Bureau of Labor Statistics (BLS) shows a net downward revision to national job creation during the first quarter of 2026. Revised figures for February and March reflect 16,000 fewer jobs added than previously reported, driven by a 23,000-job reduction in February that was partially offset by a 7,000-job increase in March. Despite those revisions, preliminary April 2026 data points to a strong rebound, with the economy adding 115,000 jobs — marking the second consecutive month of stronger-than-expected gains. Even so, job growth remains 43,000 below the level recorded in April 2025. In Alabama, January job growth was revised downward from 7,800 to 6,700 jobs. Preliminary state data also indicates a slight contraction in February, with 200 jobs lost, followed by a modest recovery of 1,400 jobs added in March.

The inflation rate rose to 3.8% year-over-year in April 2026, up from 3.3% in March and marking the second consecutive monthly increase. Energy prices once again served as the primary driver of inflation, with the Energy category increasing 17.9% year-over-year, compared to 12.5% the previous month. The rise was fueled by a 29.2% increase in Energy Commodities, up from 19.4% in March, while Energy Services increased 5.4%, slightly above March's 5.0% gain. Food prices also accelerated, rising 3.2% year-over-year compared to 2.7% in March, led by a 3.6% increase in Food Away From Home prices. Core inflation, measured by the CPI for all items less food and energy, increased 2.8% year-over-year. This category continued to be driven primarily by Services less Energy Services, which rose 3.3%. Within that category, Transportation Services increased 4.3%, Shelter rose 3.3%, and Medical Care Services climbed 3.2%.

Inflation in the South reached 3.6% year-over-year in April 2026, up from 3.0% in March. Similar to national trends, energy costs were the primary driver, with the regional energy index climbing 17.9% year-over-year, compared to 13.2% the previous month. This increase was largely fueled by a 32.0% rise in gasoline prices, up from 21.5% in March. The South CPI excluding food and energy rose 2.4% year-over-year in April, up from 2.2% in March. Shelter costs increased 2.7% across the region, higher than March's 2.5% gain but still below the national rate of 3.3%. Owner's equivalent rent increased 2.8% year-over-year, while rent of primary residence rose 1.9%, both slightly above March levels. Meanwhile, used car prices in the South declined 2.9% year-over-year, slightly steeper than the national decline of 2.7%.

The average 30-year mortgage rate reached 6.46% on April 2, 2026, its highest level since early September 2025. Rates then declined over the following three weeks, falling to 6.23% by April 23, before rising again in early May and easing slightly to 6.36% as of May 13. Mortgage rate movements largely mirrored fluctuations in the 10-year Treasury yield, which climbed following elevated inflation readings, a stronger-than-expected Producer Price Index (PPI) increase of 6.0% year-over-year in April, and increasingly hawkish commentary from Federal Reserve officials.

The Federal Reserve maintained its target federal funds rate range of 3.50% to 3.75% at its April meeting, where it has remained since December 2025. In its statement, the Federal Open Market Committee (FOMC) noted that "economic activity has been expanding at a solid pace," while acknowledging that job gains have remained modest and inflation continues to run above target, driven in part by rising global energy prices. The committee also cited geopolitical instability in the Middle East as a continuing source of economic uncertainty. According to the CME FedWatch Tool, markets currently assign less than a 1% probability of a rate cut occurring before the end of 2026. In fact, market expectations now slightly favor a potential rate increase at the December 2026 meeting, with a probability of 50.26%. At this time, no rate cut is projected to carry a greater than 50% probability through July 2027, the final meeting currently included in the CME FedWatch projections.



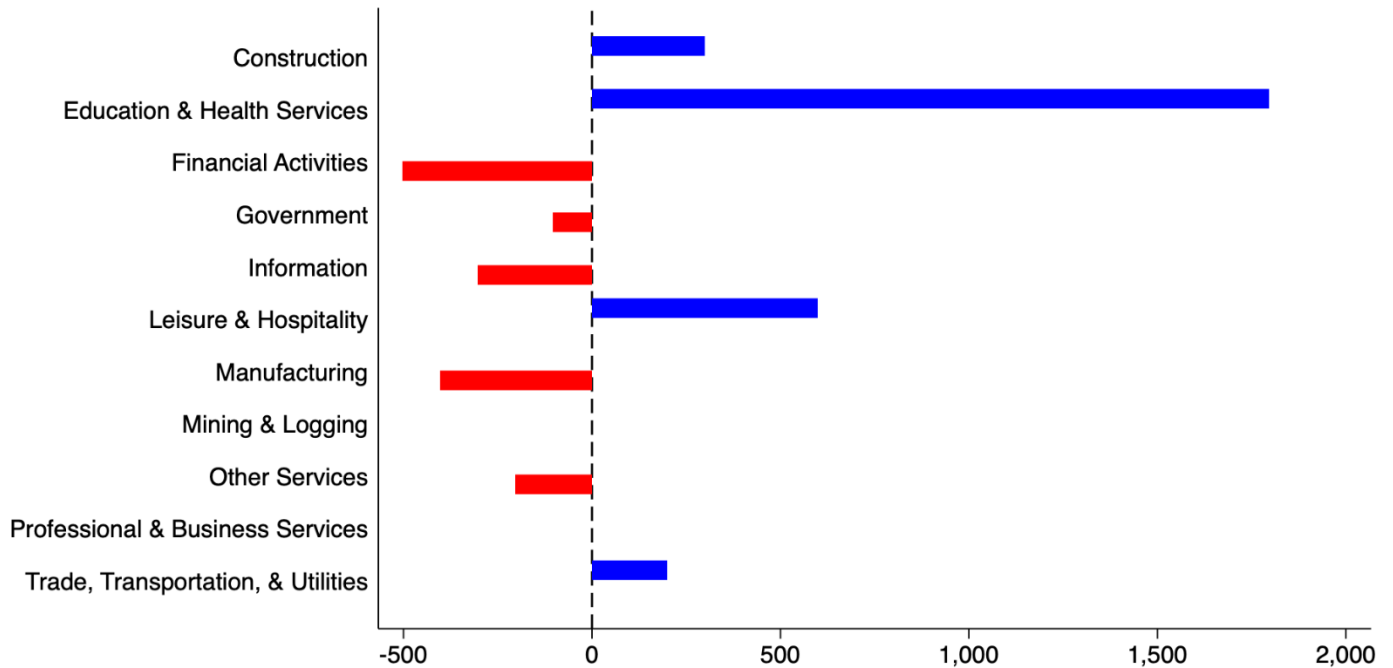
JOB

Preliminary data from the Bureau of Labor Statistics (BLS) indicates the U.S. economy added 115,000 jobs in April, significantly surpassing the consensus forecast of 67,000 jobs. The report also included revisions to the prior two months' employment figures. March job gains were revised upward from 178,000 to 185,000, while February job losses deepened from 133,000 to 156,000.

At the state level, Alabama's most recent revisions show slower job growth in January than previously reported, with payroll gains adjusted downward from 7,800 to 6,700 jobs. Preliminary data further indicates the state lost 200 jobs in February before rebounding with the addition of 1,400 jobs in March. Alabama's total employment now stands at 2,204,100 jobs.

Education and Health Services led Alabama's job growth in March, adding 1,800 positions. Leisure and Hospitality followed with 600 new jobs, while the Construction sector added 300 jobs. Meanwhile, Financial Activities posted the largest decline, shedding 500 jobs during the month. Additional losses were reported in Manufacturing, down 400 jobs, and Information, which declined by 300 jobs.

Alabama Jobs Changes from February 2026 to March 2026





EMPLOYMENT

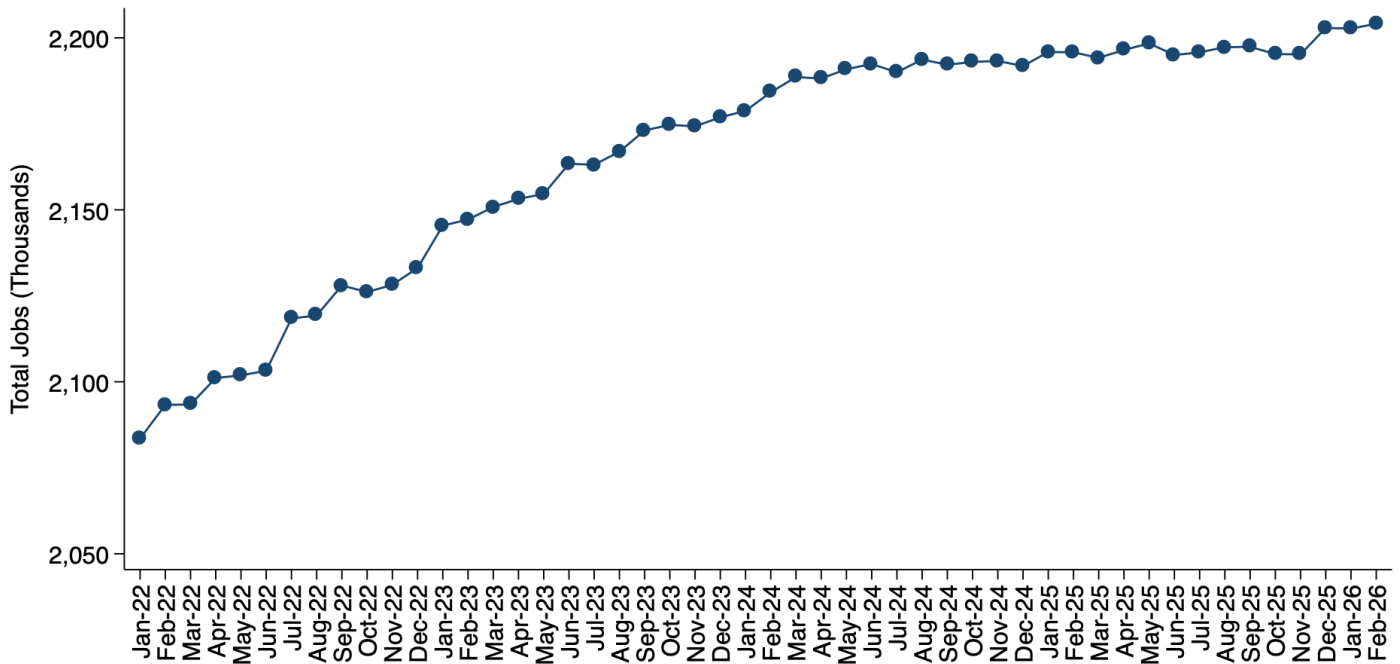
Alabama’s preliminary unemployment rate held steady at 2.7% in March 2026, marking the fifth consecutive month at that level and the twelfth straight month below 3.0%, according to revised data from the Bureau of Labor Statistics (BLS). The 2.7% unemployment rate is the lowest recorded for the state since October 2023. March 2026 is the most recent month for which state-level unemployment data is available.

Nationally, the unemployment rate declined to 4.3% in March 2026 after rising to 4.4% in February. Preliminary BLS data also shows the national unemployment rate remained unchanged at 4.3% in April 2026. Even so, the current national rate remains slightly above the 4.2% recorded in April 2025.

Alabama’s unemployment rate remained well below the national average in March, coming in 1.6 percentage points lower than the U.S. rate. While still significant, this gap narrowed slightly from the 1.7 percentage point difference recorded in February. With unemployment remaining historically low and inflation continuing to run above the Federal Reserve’s 2% target, policymakers are widely expected to leave the federal funds rate unchanged at the June 2026 meeting.

Meanwhile, Alabama’s labor force participation rate dipped to 57.5% in February and remained unchanged in March, marking the state’s lowest participation rate since August 2025. National labor force participation has also trended downward, declining for five consecutive months from 62.5% in November 2025 to a preliminary 61.8% in April 2026.

Alabama Total Jobs (Thousands)



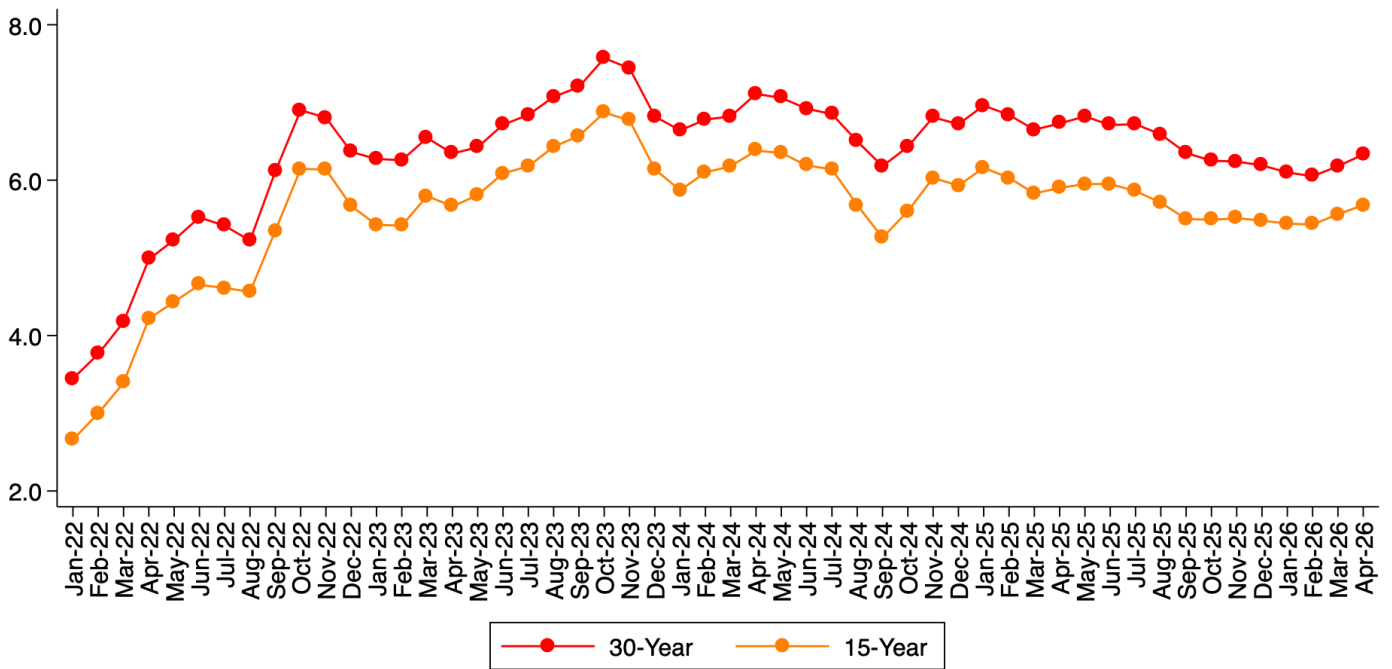


MORTGAGE RATES

The average 30-year fixed-rate mortgage declined throughout most of April after reaching a seven-month high of 6.46% on April 2. Rates fell steadily over the following three weeks, declining by roughly seven basis points per week to reach 6.23% by April 23. Mortgage rates then reversed course, rising seven basis points by the end of April and another seven basis points during the first week of May, climbing to 6.37% by May 7 before easing slightly to 6.36% on May 14.

Despite the recent uptick, mortgage rates remain well below year-ago levels. The May 14 average of 6.36% is 45 basis points lower than the 6.81% recorded one year earlier. Additionally, each of the past four weekly averages, spanning April 23 through May 14, came in significantly below the corresponding weeks in 2025. As of this writing, the current four-week average is 48 basis points lower than the 6.79% average recorded during the same period last year.

U.S. Fixed-Rate Mortgage Averages



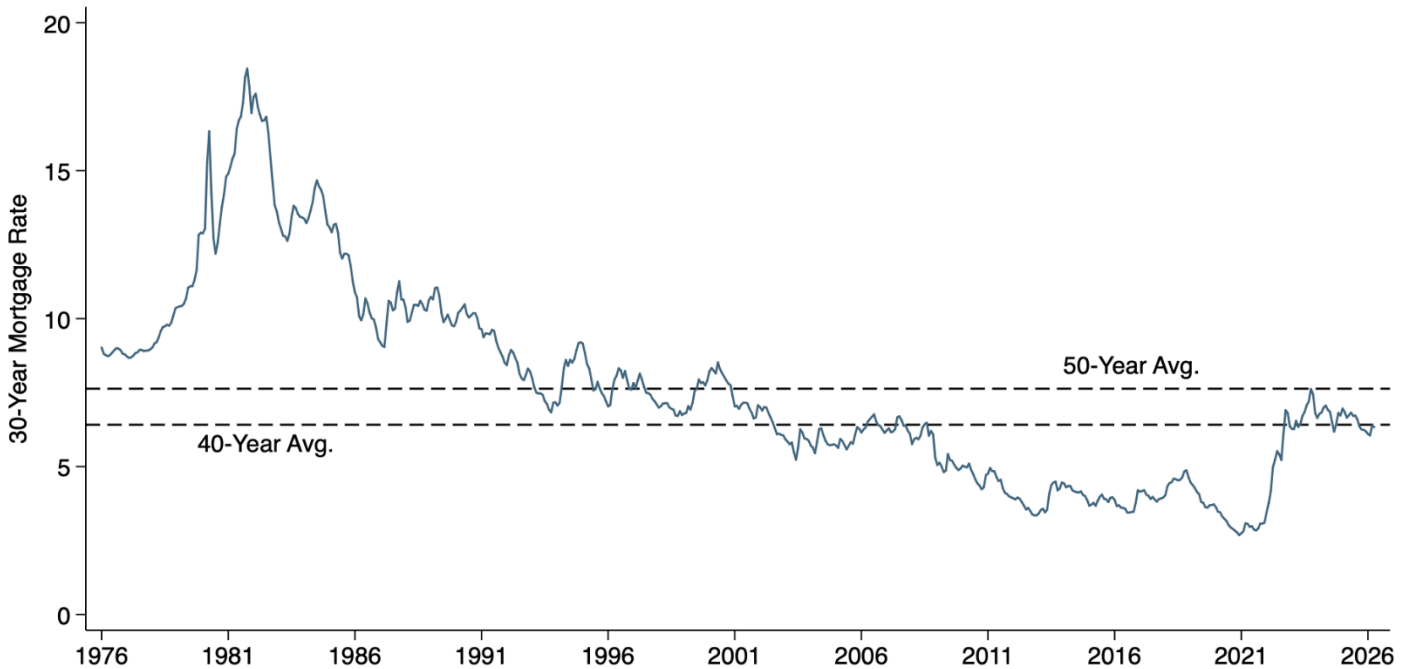


MORTGAGE RATES OVER THE DECADES

The average 30-year fixed-rate mortgage reached an all-time high of 18.63% on October 9, 1981, and a historic low of 2.65% on January 7, 2021. Over the past 40 years, mortgage rates have averaged 6.52%, while the 50-year average stands at 7.67%.

Although mortgage rates have fluctuated significantly in recent years, they have generally remained within these long-term historical averages. Notably, the average 30-year fixed mortgage rate in April 2026 was 6.33%, remaining below both the 40-year and 50-year averages for the eighth consecutive month. However, April also marked the second straight month of rising mortgage rates, signaling a modest upward trend following the lower-rate environment seen earlier in the year.

U.S. Fixed-Rate Mortgage Averages





HOUSING MARKET INDICES

The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) declined from March to April, falling to a value of 34, where any reading above 50 indicates that more builders view market conditions as favorable than unfavorable. April marked the 24th consecutive month the index remained below the neutral 50 threshold.

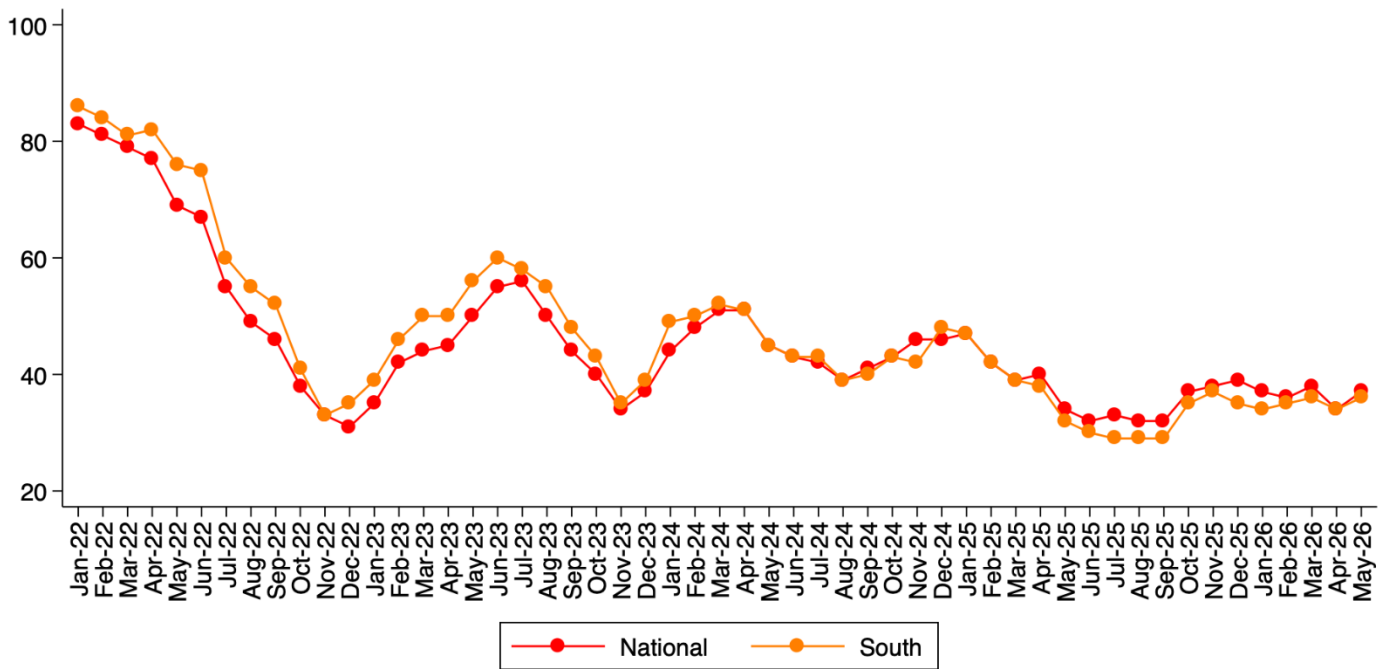
Preliminary data for May 2026, however, showed modest improvement, with the HMI rising three points to 37 — the largest monthly increase since September 2025. Despite the gain, May extended the streak of sub-50 readings to 25 consecutive months. The May index also came in three points higher than the 34 recorded one year earlier in May 2025.

All three major components of the index improved in May. The “Single-Family Sales: Next 6 Months” component rose from 42 to 45, while “Single-Family Sales: Present” increased from 37 to 40. Meanwhile, the “Traffic of Prospective Buyers” index climbed from 22 to 25. Even with these gains, all three components remained below 50 for the fifth consecutive month and for the ninth time in the past 12 months, underscoring continued caution among home builders.

Regionally, the South HMI declined two points from March to April to a value of 34 before rebounding to 36 in the preliminary May reading. The Midwest posted the strongest monthly improvement, rising six points to 45, the highest regional reading in the nation. The Northeast followed with a five-point increase, climbing from 39 to 44. The West saw the smallest improvement, edging up just one point from 26 to 27 and remaining the weakest regional market.

All four regional HMI readings remained below 50 in May, marking the seventh consecutive month in which every region posted unfavorable sentiment levels and the eleventh occurrence in the past 12 months.

NAHB/Wells Fargo HMI Indices





RATES SNAPSHOT

The chart below highlights recent movements in mortgage rates alongside the 10-year Treasury yield over the past two months, as well as a relatively stable effective Federal Funds Rate in 2026.

Late last year, the Federal Reserve moved to support a weakening labor market by lowering its Federal Funds Rate target, which reached 3.50%–3.75% in December 2025. However, that easing cycle has since been overshadowed by a shift in inflation dynamics.

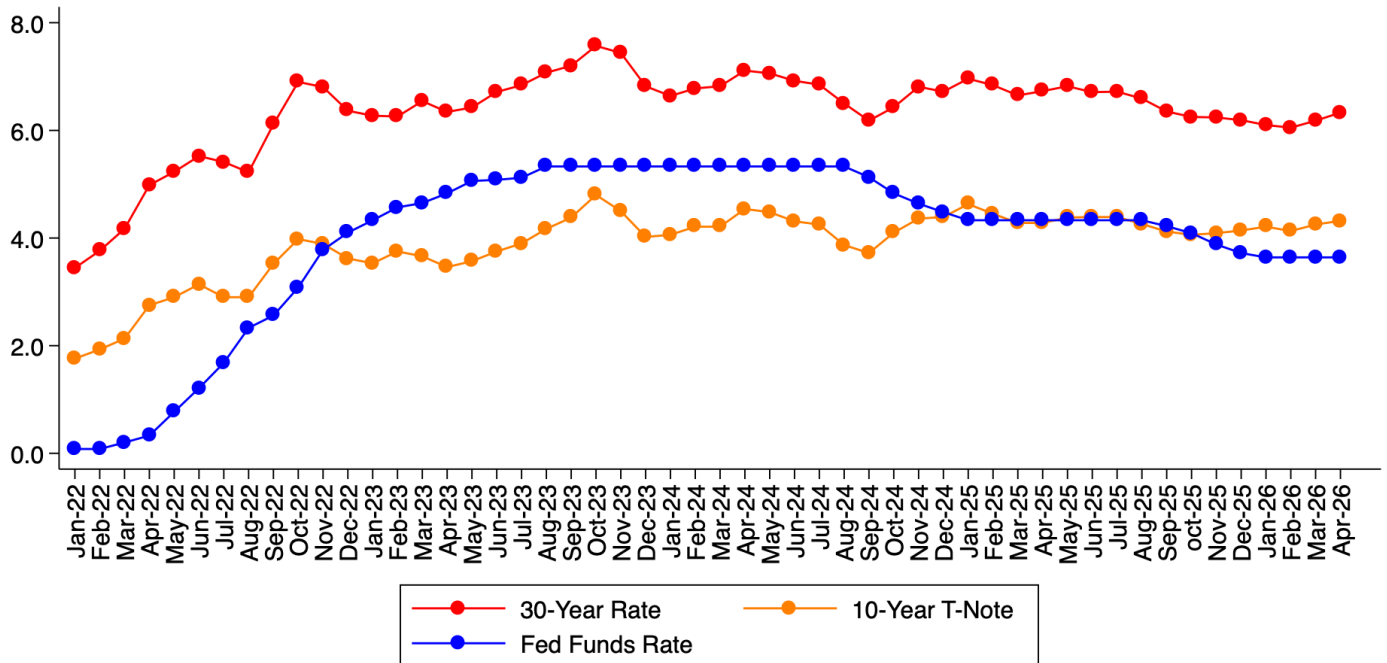
More recently, escalating geopolitical tensions in the Middle East involving the United States, Israel, and Iran have contributed to a sharp increase in inflationary pressures—particularly through energy markets. In inflationary environments like this, investors demand higher compensation to hold longer-term government debt, pushing bond yields higher. As a result, the 10-year Treasury yield has risen significantly since the onset of hostilities on February 28, 2026, increasing by approximately 70 basis points over that period.

Longer-term rates have followed suit. As of May 19, 2026, the 30-year Treasury yield reached 5.185%, its highest level since July 2007, just prior to the financial crisis. This upward pressure in Treasury yields has translated directly into higher borrowing costs across the economy.

Mortgage rates have reflected this shift. Prior to the outbreak of conflict with Iran, the average 30-year mortgage rate stood at 5.98%. Since then, it has risen by 38 basis points to 6.36% as of April.

Looking ahead, uncertainty remains elevated. Key unknowns include the duration and intensity of ongoing hostilities, whether energy flows—particularly through the Strait of Hormuz—stabilize or remain disrupted, and how incoming Federal Reserve Chair Kevin Warsh will approach monetary policy, especially given earlier expectations that rate cuts could continue under different conditions.

Fed Funds Rate, 10 Year Treasury Rate, and the Average 30-year Mortgage Rate





HOUSING MARKET OVERVIEW

SALES

The number of sales transactions that closed during the month

Home sales activity increased in April 2026 relative to April 2025. Additionally, the 6,214 sales represent an 14.3% increase in month-over-month sales.

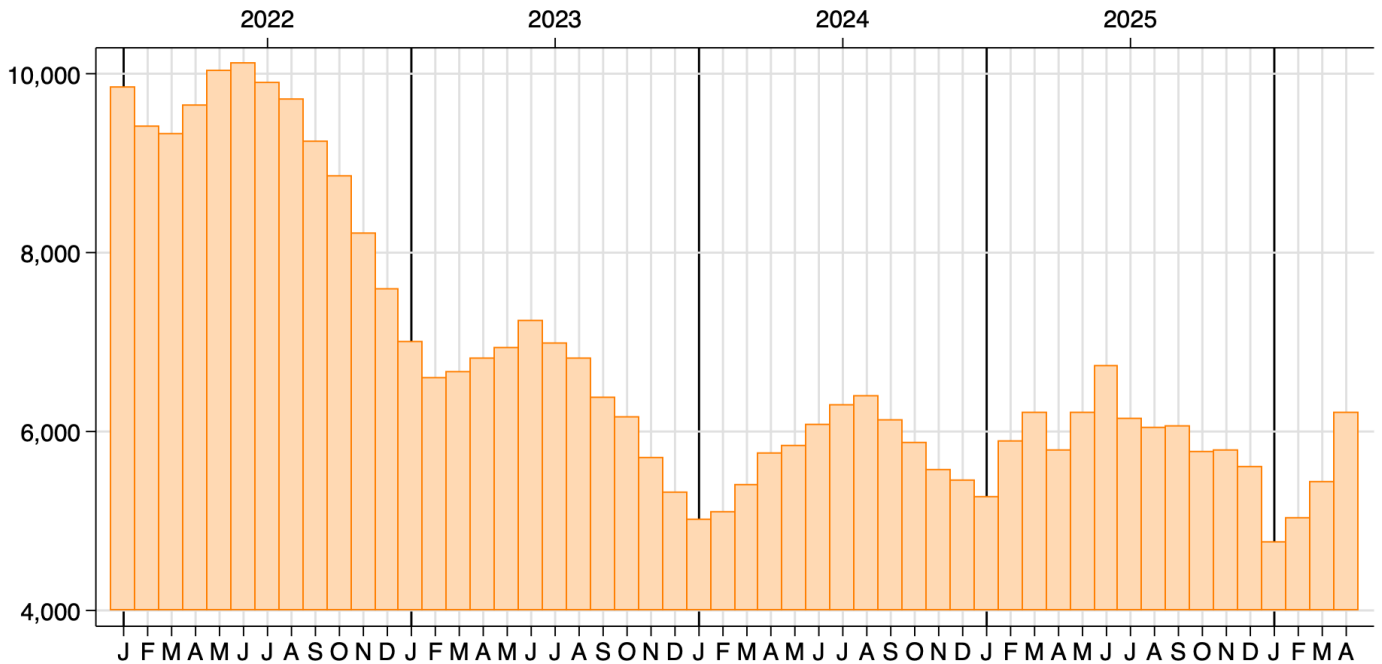
Alabama Monthly Home Sales Figures

Month	Sales	Percent Change Year-over-Year
Year-to-Date	27,045	-5.3%
April 2026	6,214	7.3%
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%

AAR's Forecast

AAR projects that state total home sales will increase between April and May 2026 by approximately 7.9% to 6,708.

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 15.2% year-over-year in April 2026. Additionally, the median sales price rose by 0.6% month-over-month.

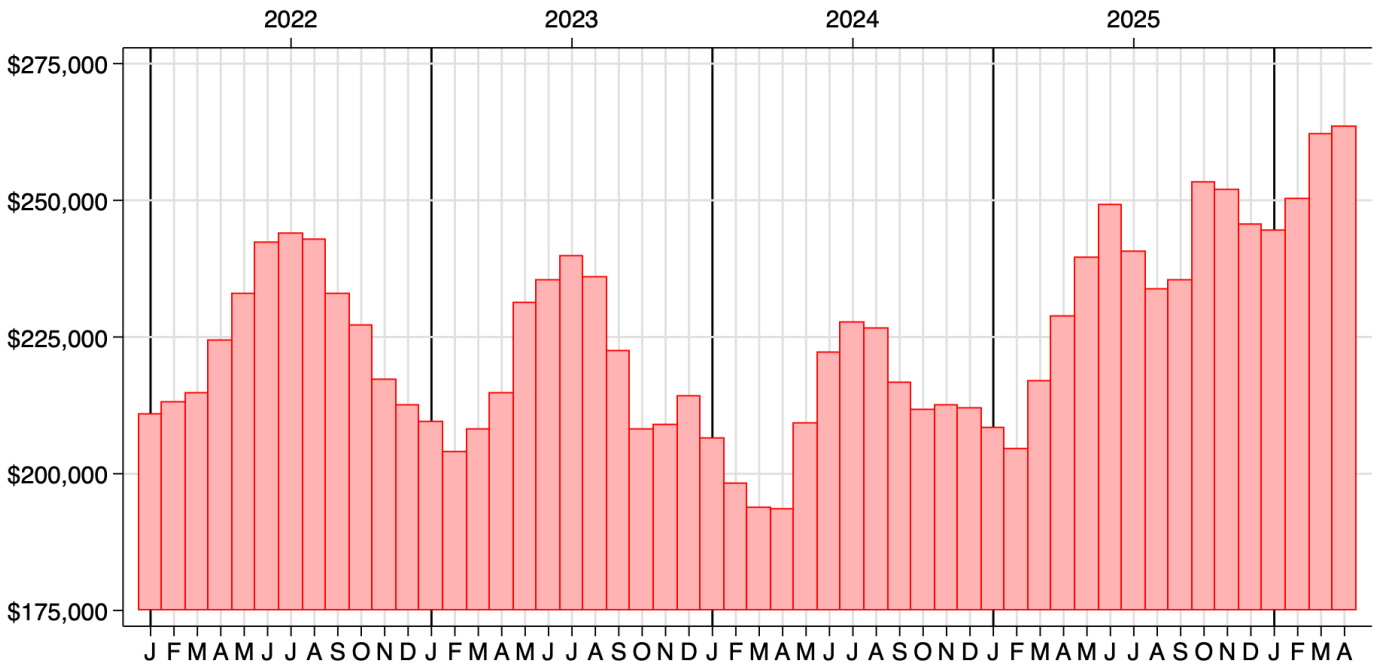
Alabama Median Sales Prices

Month	Median Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	253,155	18.2%
April 2026	263,518	15.2%
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%

AAR’s Forecast

AAR projects that the state median home sales price will remain roughly unchanged between April and May 2026.

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 \$7,941 relative to last month. This is an increase of 2.8% compared to March 2026, and is 11.5% higher compared to April 2025.

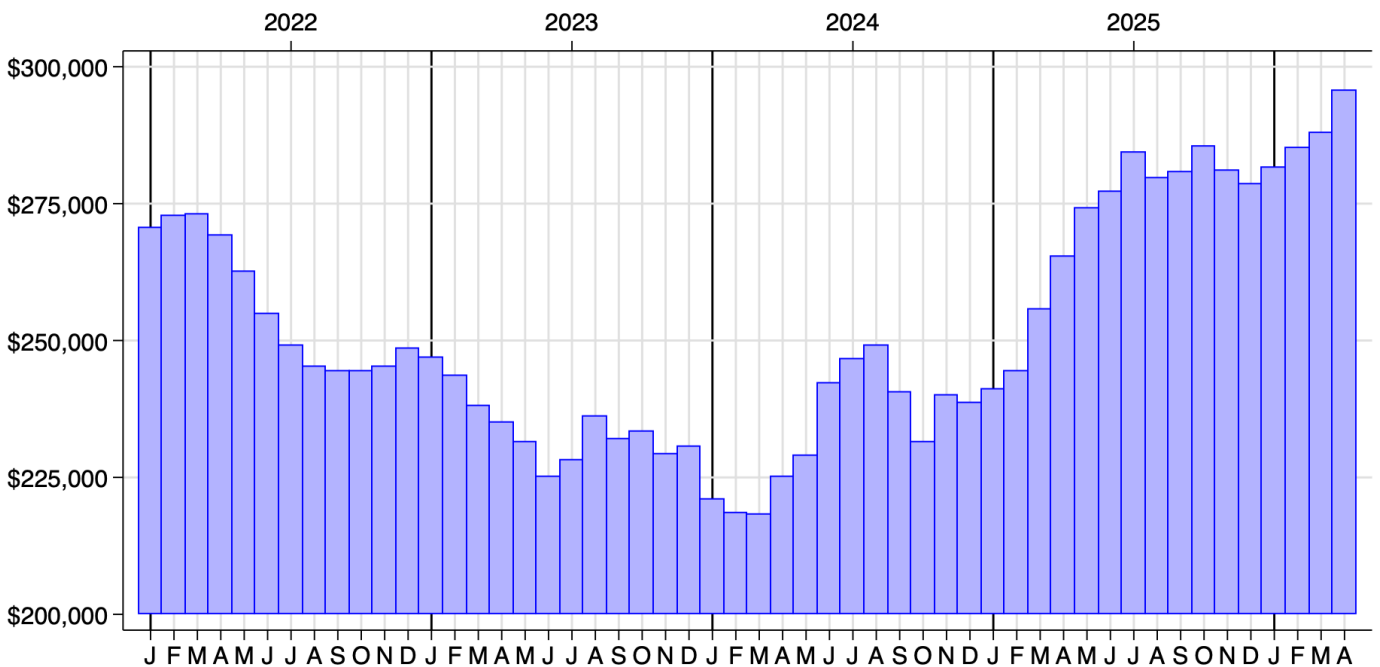
Alabama Average Sales Prices

Month	Average Sales Price (\$)	Percent Change Year-over-Year
Year-to-Date	285,716	14.8%
April 2026	295,709	11.5%
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%

AAR's Forecast

AAR projects that the state average home sales price will increase between April and May 2026 by approximately 1.7% to \$300,727.

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 April 2026 was \$1.84 billion, which is up \$0.30 billion from April 2025. This sales figure represents a 19.5% increase year-over-year. Furthermore, the April sales dollar volume is 17.9% greater than last month.

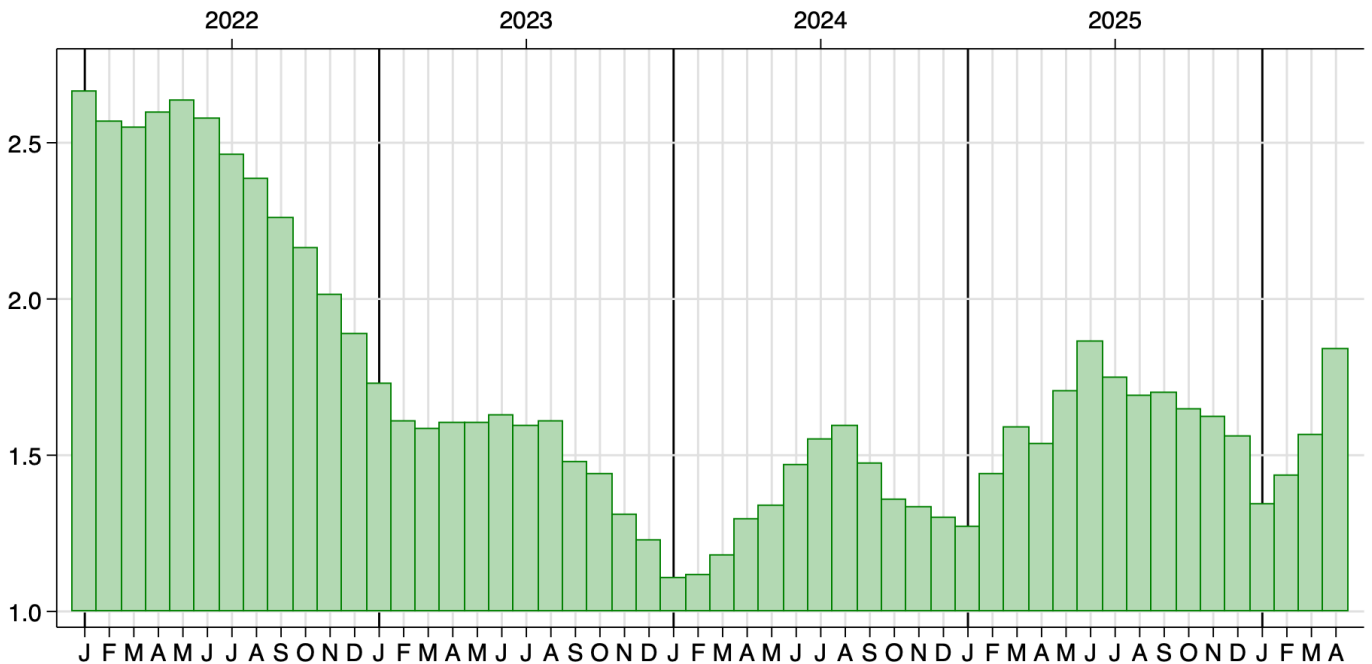
Alabama Sales Volume (in Billions)

Month	Sales Volume (\$)	Percent Change Year-over-Year
Year-to-Date	7.74	8.6%
April 2026	1.84	19.5%
March 2026	1.56	-1.9%
February 2026	1.43	-0.7%
January 2026	1.34	5.5%
December 2025	1.56	20.0%
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%

AAR's Forecast

AAR projects that state sales volume will increase between April and May 2026 by approximately 9.8% to \$2.02 billion.

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 a week less in April 2026 relative to March 2026. Homes sold in April were on the market for 59 days on average. This figure is 2 days more compared to one year ago (57 days).

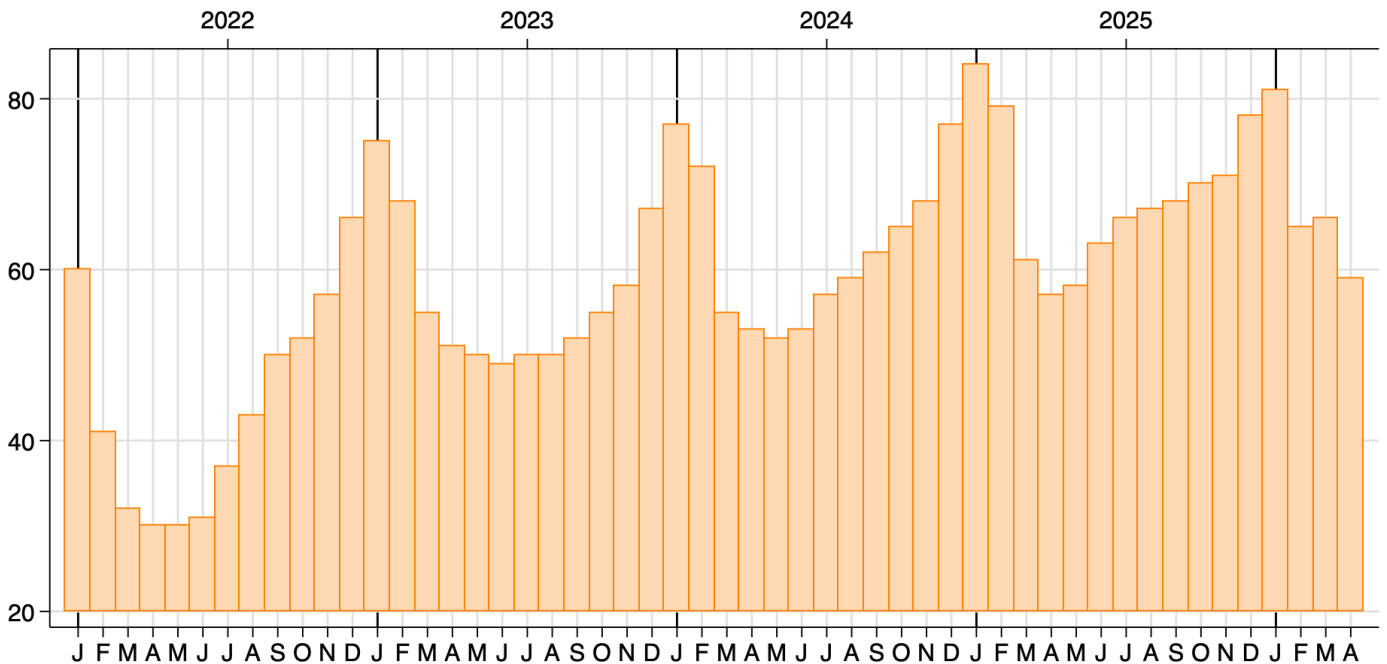
Alabama Residential Days on Market

Month	Days on Market	Percent Change Year-over-Year
Year-to-Date	70	-2.8%
April 2026	59	3.5%
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%

AAR's Forecast

Based upon current economic trends, AAR projects that state residential days on market will decrease between April and May 2026 by approximately 1.7% to 58.

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 April 2026, relative to March 2026, as there were 4.8 months of supply. However, this figure is slightly more than that of one year ago (4.7 months).

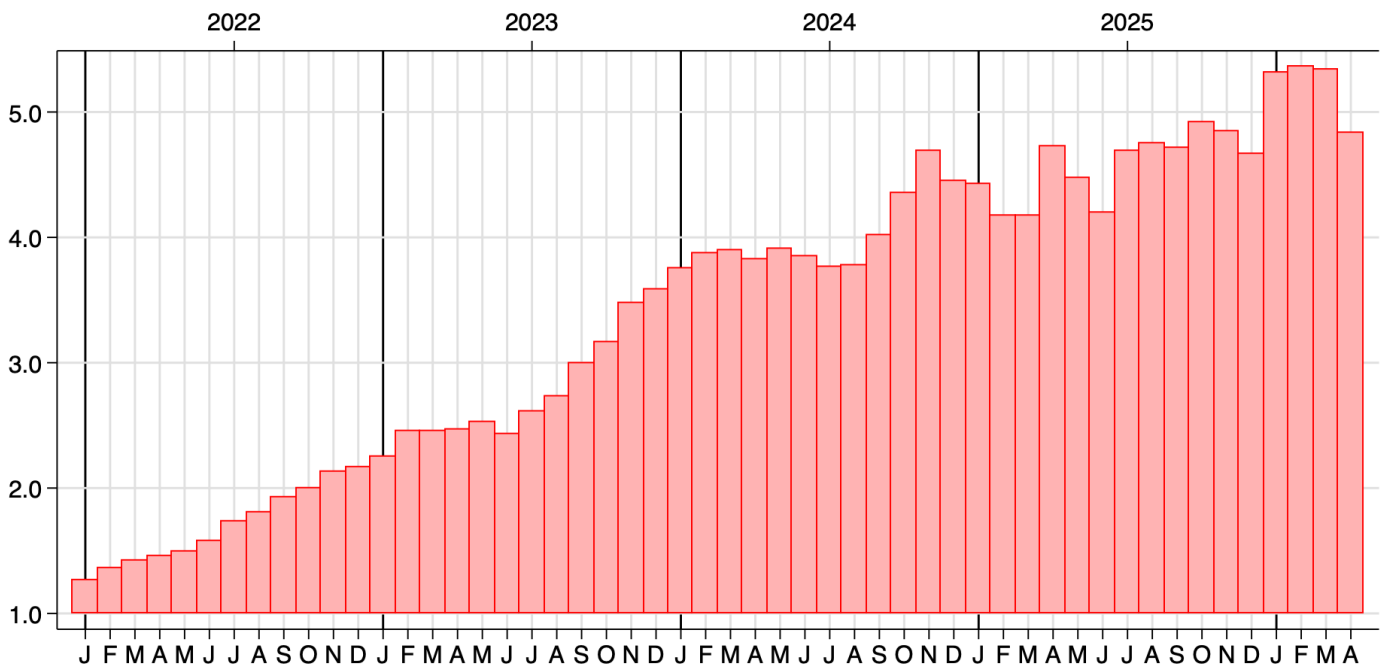
Alabama Months of Supply

Month	Months of Supply	Percent Change Year-over-Year
Year-to-Date	5.1	15.9%
April 2026	4.8	2.1%
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%

AAR's Forecast

AAR projects that state housing supply will decrease between April and May 2026 by approximately 4.2% to 4.6 months of supply.

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 April 2026 (20,928) compared to one year ago (19,144). This figure represents a 9.3% annual increase. Additionally, it marks a 2.8% increase relative to last month, as April 2026 listings were up by 573 from March 2026. This marks the third consecutive month of increase in the number of listings.

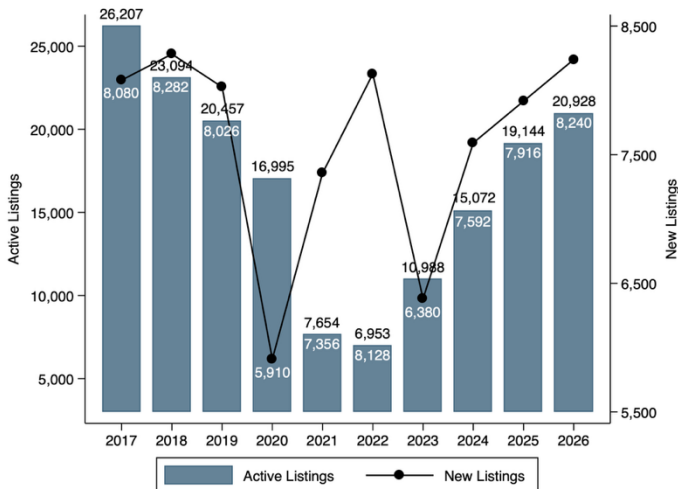
Alabama Active Residential Listings

Month	Active Listings	Percent Change Year-over-Year
Year-to-Date	19,889	7.5%
April 2026	20,928	9.3%
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%

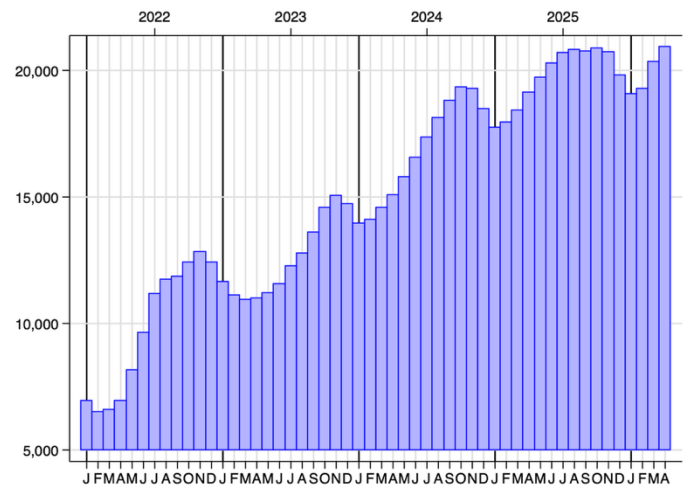
AAR's Forecast

Based upon current economic trends, AAR projects state residential active listings will increase between April and May 2025 by approximately 1.8% to 21,308.

Alabama Active and New Residential Listings, April 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 197 more foreclosures in April 2026 (692) compared to one year ago (495). The April value marks the fifth consecutive monthly increase in the number of foreclosures.

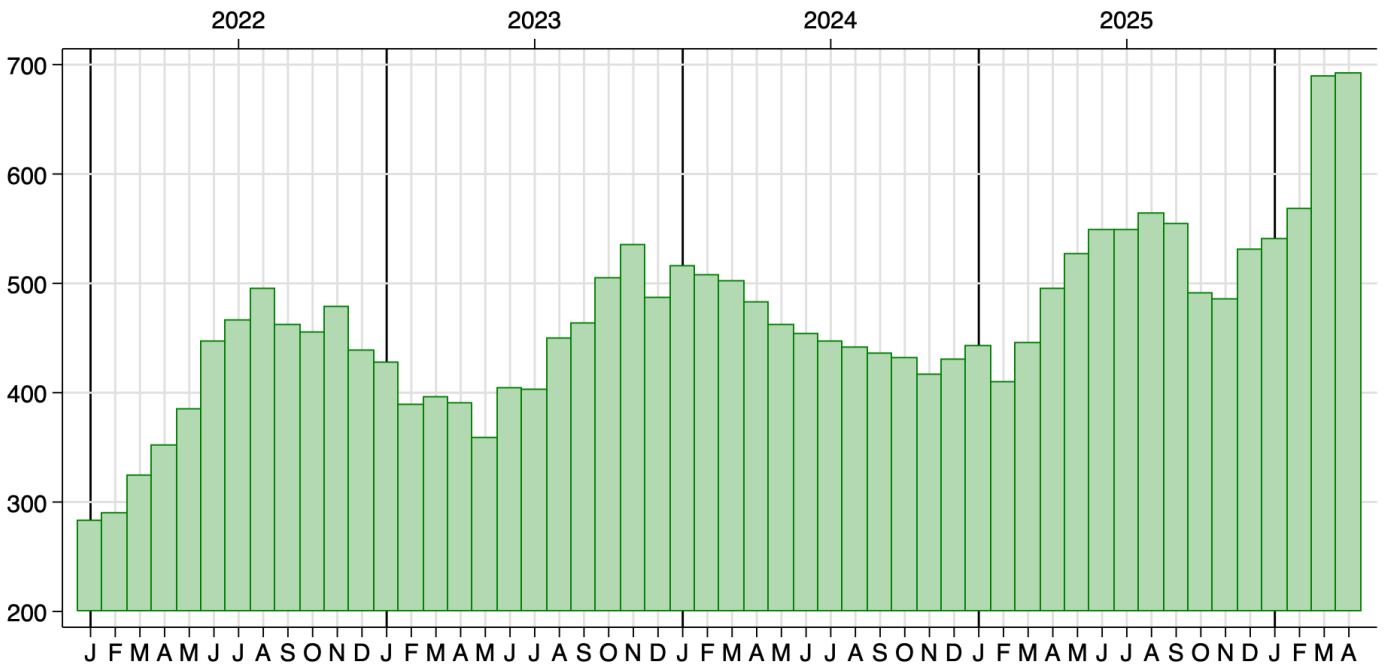
Alabama Residential Foreclosures

Month	Foreclosures	Percent Change Year-over-Year
Year-to-Date	799	36.0%
April 2026	692	39.8%
March 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%

AAR's Forecast

AAR projects that state housing foreclosures will remain roughly unchanged between April and May 2026.

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 1,594 units in March 2026. This represents an increase of 16.9% month-over-month and an increase of 16.3% year-over-year.

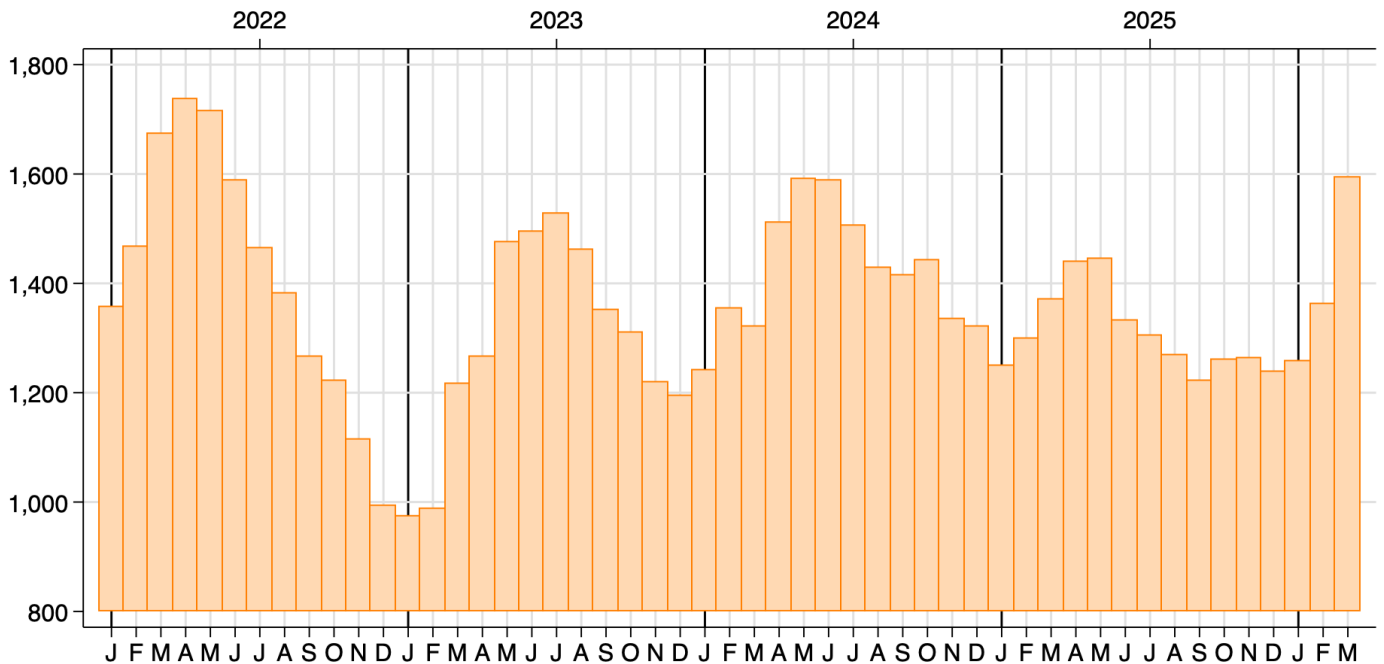
Alabama New Home Building Permits

Month	Permits	Percent Change Year-over-Year
Year-to-Date	4,215	7.6%
March 2026	1,594	16.3%
February 2026	1,363	5.0%
January 2026	1,258	-3.1%
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%

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

The Alabama residential real estate market enters the peak seasonal months steering through a complex macroeconomic landscape characterized by a resilient labor market, fluctuating mortgage rates, and persistent inflationary pressures.

Factors to consider in the near term:

- National consumer sentiment indicators continue to present a mixed, or “bifurcated,” view of the broader economy. The University of Michigan Index of Consumer Sentiment fell sharply to a record low of 49.8 in April, driven largely by a surge in year-ahead inflation expectations, which rose to 4.7% amid a global energy price shock, underscoring heightened concern about near-term purchasing power and price stability. In contrast, The Conference Board Consumer Confidence Index edged slightly higher to 92.8, supported by an improvement in its Expectations Index, which rose to 72.2, reflecting some resilience in forward-looking sentiment as strong local labor markets continue to support household income expectations. Taken together, these diverging signals suggest that while employment conditions remain broadly constructive, persistent cost-of-living pressures may continue to weigh on consumer psychology, particularly for large discretionary purchases such as residential real estate.
- Initial unemployment claims have generally trended lower in recent weeks, signaling continued resilience in the labor market. The national 4-week moving average has gradually eased from a peak of 220,250 in February to 203,750 as of May 9th, while Alabama's average claims have similarly compressed from 2,170 to 1,740 over the same period. A year-over-year comparison further underscores this strength: national claims are running below the 229,250 weekly average recorded in May 2025, and Alabama's moving average reflects a meaningful decline from the 2,029 average weekly filings seen a year earlier. This sustained labor stability continues to provide a foundational support for the housing sector. Bolstered by exceptionally low layoff activity, Alabama's unemployment rate held steady at 2.7% in the latest March data—1.6 percentage points below the national rate—helping to preserve household purchasing power and keeping potential buyers financially positioned to transact even as financing conditions remain more restrictive.
- Pent-up demand may have played a meaningful role in the April sales rebound. Looking at trailing monthly data, the Alabama housing market experienced a sustained contraction through the first quarter of 2026, with home sales declining 9.5% year-over-year in January, 14.6% in February, and 12.5% in March. If April's increase was driven primarily by delayed rather than new demand, it would suggest that many of those transactions were shifted forward from earlier months—particularly February and March—rather than reflecting a lasting improvement in underlying market fundamentals. In that case, sales activity in May and June could normalize or even come in slightly below expectations if a significant portion of near-term demand was already absorbed. This dynamic is further amplified by rate sensitivity among buyers, as mortgage-dependent purchasers increasingly respond to week-to-week fluctuations in borrowing costs—pausing when rates rise and re-entering when they ease—resulting in more volatile monthly sales patterns than a typical seasonal cycle would imply.
- The Consumer Price Index (CPI) and Producer Price Index (PPI) both registered notable year-over-year increases in April, reinforcing concerns that inflationary pressures remain persistent across both consumer and wholesale segments of the economy. In response to these readings, fixed-income markets underwent a marked repricing in mid-May. Fueled by “sticky” inflation dynamics, the benchmark 10-year Treasury yield moved above 4.671%, reaching its highest level in more than a year, while the 30-year U.S. Treasury yield surged to 5.185%, a 19-year high. This sharp rise in long-term yields reflects growing investor concern that inflation may be more entrenched than previously anticipated, effectively diminishing expectations for near-term Federal Reserve rate cuts and placing renewed upward pressure on long-term borrowing costs, including mortgage rates.
- While higher mortgage rates are likely to weigh on overall home sales activity, the pipeline for new construction continues to offer a measure of relief for supply-constrained buyers. In Alabama, new residential building permits rose to 1,594 in March 2026, reflecting a 16.3% year-over-year increase. This anticipated influx of new construction inventory, combined with stable local employment conditions, should help absorb seasonal demand and support greater balance in the housing market, contributing to overall resilience in the Alabama real estate landscape over the coming quarter.

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.

