



Alabama Economic & Real Estate Report

2024 Annual Report



2024 ANNUAL ALABAMA ECONOMIC AND REAL ESTATE REPORT

KEY TAKEAWAYS

- Alabama had **62,539 home sales** in 2024, a decrease of 13,719 sales from the previous year.
- The median sales price increased by \$793 to **\$216,744**, reflecting a 0.4% increase from 2023.
- The sold volume in 2024 was **\$14.5 billion**, a decrease of \$3.4 billion from 2023. This is approximately a 19% decrease.
- The **16,959 average active listings** in 2024 are an increase compared to the 11,951 of 2023. This is the highest average in five years.
- There were **5,524 foreclosures** in 2024 representing a 6.1% increase compared to the 5,205 foreclosures in 2023.

ALABAMA ANNUAL HOUSING MARKET SUMMARY

	2020	2021	2022	2023	2024	'23-'24 Change	'23-'24 % Change
Sales	108,847	129,404	109,740	76,258	62,539	-13,719	-18.0%
Median Sales Price (\$)	187,622	219,735	226,877	215,951	216,744	793	0.4%
Average Sales Price (\$)	220,380	251,561	256,630	234,075	233,322	-753	-0.3%
Sales Volume (\$ billions)	24.0	32.6	28.2	17.9	14.5	-3.4	-19.0%
Average Days on Market	67.5	45.2	44.1	56.7	62.5	5.8	10.2%
Median Active Listings	14,429	8,492	10,399	11,951	16,959	5,008	41.9%
Median Months of Supply	2.3	1.4	1.8	2.9	4.3	1.4	48.3%
Total Foreclosures	5,308	2,613	4,871	5,205	5,524	319	6.1%



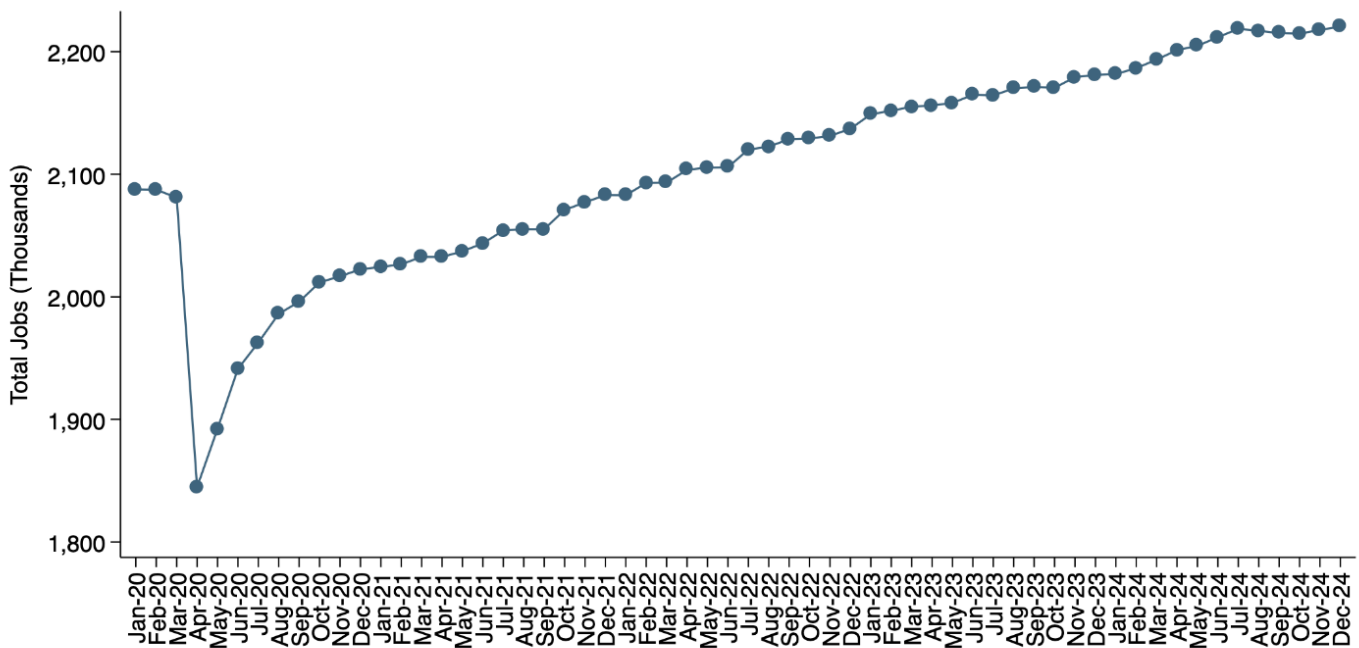
ECONOMIC OVERVIEW

In 2024, the nation’s real gross domestic product (GDP) grew at a slower pace, increasing by 2.8% compared to the 2.9% annual growth recorded in 2023. While the overall real GDP growth rate declined slightly, it still exceeded early-year consensus estimates. However, annualized growth in each of the last three quarters of 2024 fell short of the corresponding quarters in 2023. Most recently, GDP grew by 2.3% in the fourth quarter of 2024.

In contrast, third-quarter GDP rose at an annualized rate of 3.0% nationwide, while Alabama’s economy outpaced the national average with a 6.0% growth rate for the same period. Fourth-quarter state-level data is not yet available at the time of this writing. Additionally, during the third quarter, nominal personal income grew by 3.2% across the U.S. and 5.0% in Alabama. Notably, Alabama’s per capita income, measured in current dollars, has risen every quarter since Q2 2021, increasing from \$49,209 to \$57,142.

JOBS

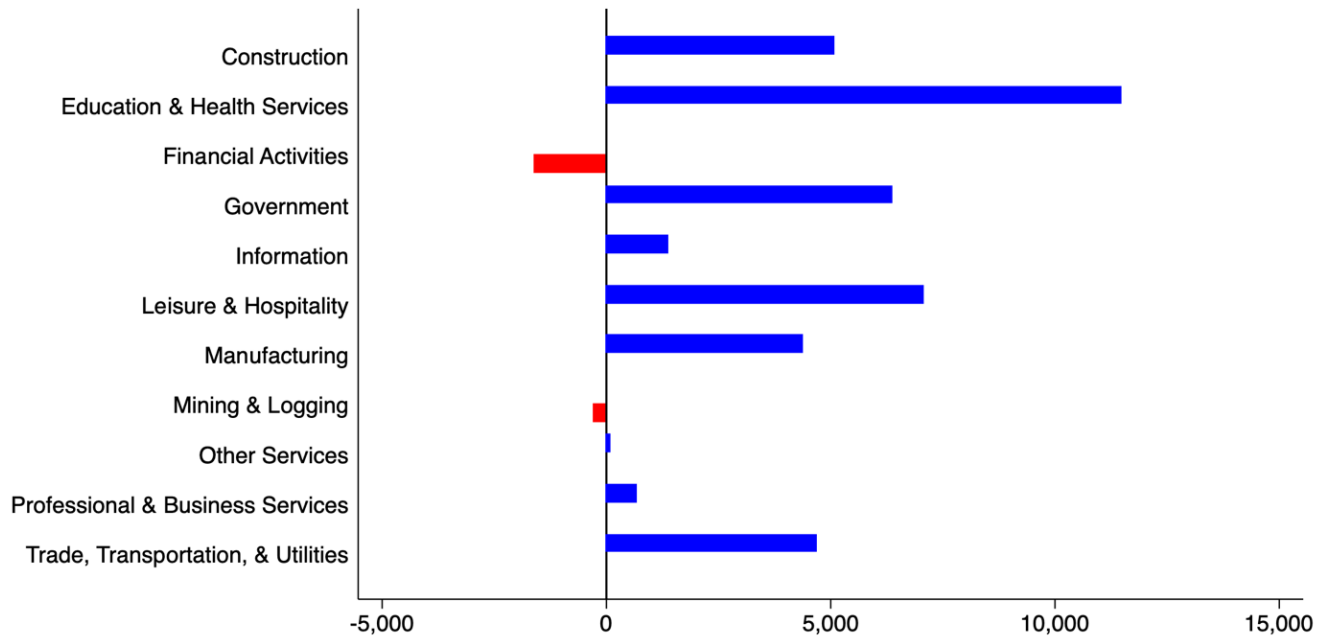
Alabama saw job gains in nine of twelve months in 2024, adding approximately 39,500 jobs since December 2023. While annual job growth continued to slow for the third consecutive year, it still surpassed the pre-pandemic increase of 24,400 jobs in 2019.



Total Jobs in Alabama (Thousands)

Education and Health Services led job growth in 2024, adding 11,500 jobs over the year, followed by Leisure & Hospitality with 7,100 new jobs. Additionally, the Government sector expanded by 6,400 jobs since December 2023.

The largest sectors of Alabama’s economy in 2024 were Trade, Transportation, and Utilities (414,200 jobs), Government (411,600 jobs), and Manufacturing (289,800 jobs). However, some sectors experienced job losses, including Financial Activities, which declined by 1,600 jobs, and Mining and Logging, which lost approximately 300 jobs.



Alabama Jobs Changes from 2023 to 2024

EMPLOYMENT

Alabama continues to maintain low monthly unemployment rates, with rates at or below 3% for nine of the year’s twelve months. The state’s lowest unemployment rate, 2.8%, was recorded in July and August. However, the unemployment rate currently has a preliminary value of 3.3% to end the year, which is the highest rate since July 2021. Despite this increase, Alabama still ranked 14th lowest in the nation for unemployment, with its rating sitting 0.8 percentage points below the national average of 4.1%.

Alabama’s labor force participation rate also showed improvement, rising from 57.4% in December 2023 to 57.7% in December 2024. The 57.7% value is the highest level in over 4 years, matching the pre-pandemic level of 57.7% from September 2020.

Alabama’s initial jobless claims, a key indicator of real time economic conditions, declined for the fourth consecutive year. There were an average of 129 fewer claims per week in 2024 compared to 2023, a 5.3% reduction, signaling a generally stronger state economy. Compared to pre-pandemic levels, weekly claims in 2024 were 250 lower on average than in 2019. Additionally, the average weekly claims continued to decline in the fourth quarter, marking the second straight quarterly decrease. The national economy did not fare as well, with initial jobless claims increasing on average by 0.1% weekly in 2024 relative to 2023. However, after climbing in the third quarter, claims fell in the fourth quarter, mirroring Alabama’s trend.

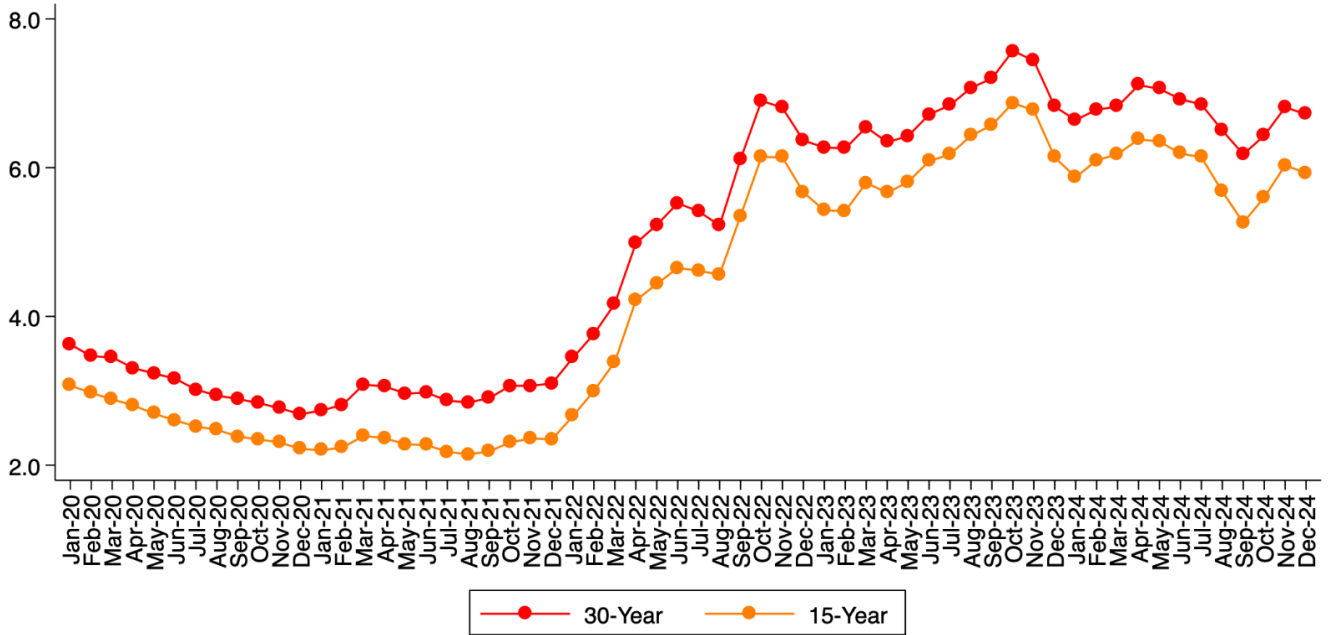
MIGRATION

According to the U.S. Census Bureau, Alabama’s population increased by 40,026 residents in 2024, following an increase of 41,492 in 2023. This recent growth has largely been driven by domestic migration, with approximately 26,000 relocating to Alabama from other states in 2024. According to the Public Affairs Research Council of Alabama, the state had the 7th fastest domestic migration rate per 1,000 residents among U.S. states. Additionally, the United Van Lines “Annual Movers Study,” ranked Alabama 6th for inbound migration. U-Haul’s Growth Index ranked Alabama 16th nationally, up from 22nd in 2023. These rankings highlight Alabama’s increasing appeal as a destination for new residents.



MORTGAGE RATES

Average 30-year mortgage rates remained above 6% throughout 2024, marking the second consecutive year with average rates above 6%. The average 30-year fixed rate mortgage peaked at 7.22% in early May, which is 67 basis points below 2023's peak of 7.79%. The last two-year period with average rates above 6% was from mid-October 2005 through November 2007. Most recently, after rising for 5 weeks, the average 30-year fixed mortgage rate fell to 6.96% as of January 23, 2025.



U.S. Fixed-Rate Mortgage Averages



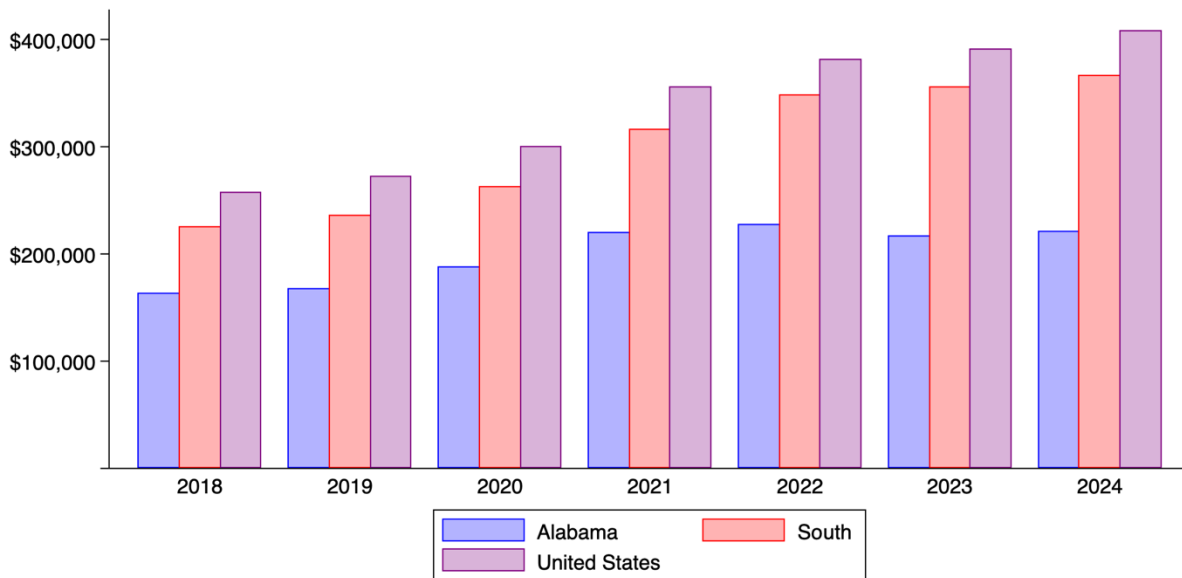
HOUSING MARKET OVERVIEW

Mortgage rates remained elevated throughout 2024, with the average 30-year fixed rate staying above 6% for the entire year—a trend that has persisted since mid-September 2022. These higher rates continue to weigh on home sales in the state. While home sales grew month-over-month from February through July, they remained lower year-over-year relative to the same months in 2023. Sales then generally declined throughout the remainder of the year, except for a brief uptick in November.

The median sales price increased slightly by \$793 (0.4%) compared to 2023. Meanwhile, days on market increased for the second consecutive year to 63 days. Alabama’s 2024 housing market mirrored national trends, as the nation had fewer existing home sales for the second consecutive year. According to the National Association of REALTORS®, 2024 marked the weakest year for existing home sales since 1995.

HOME SALES PRICES

Although Alabama’s median home sales price saw a modest increase in 2024, housing in the state remains significantly more affordable compared to both the broader South and the nation. The price gap has increased not only in absolute dollars but in percentage terms as well. Between 2018 and 2024, median prices in Alabama increased by \$53,794, or 33.0%. For the South, the increase was \$141,700, a 63.1% increase, while for the nation’s prices increased \$150,450 or 58.5% over the same period. Alabama’s relative affordability make it an attractive option for homebuyers compared to the rapidly rising prices in the region and across the U.S.



Median Home Sales Price Comparisons

FORECLOSURES

After two years of increases, foreclosure activity decreased in the United States during 2024. National foreclosure activity is down 9.8% compared to 2023. There were 322,103 filings nationwide in 2024, with 357,062 in 2023 and 324,327 in 2022. The recent number of foreclosures remains well below the 493,066 filings in 2019.

While Alabama’s foreclosure activity increased compared to recent years, it generally trended downward throughout the year. In the first quarter of 2024, Alabama averaged 508 foreclosures per month. This average declined each quarter to an average of 426 foreclosures per month during the fourth quarter. Declining foreclosure averages suggest some stabilization in the housing market, despite elevated mortgage rates and affordability challenges.



HOUSING MARKET OVERVIEW

TOTAL HOME SALES

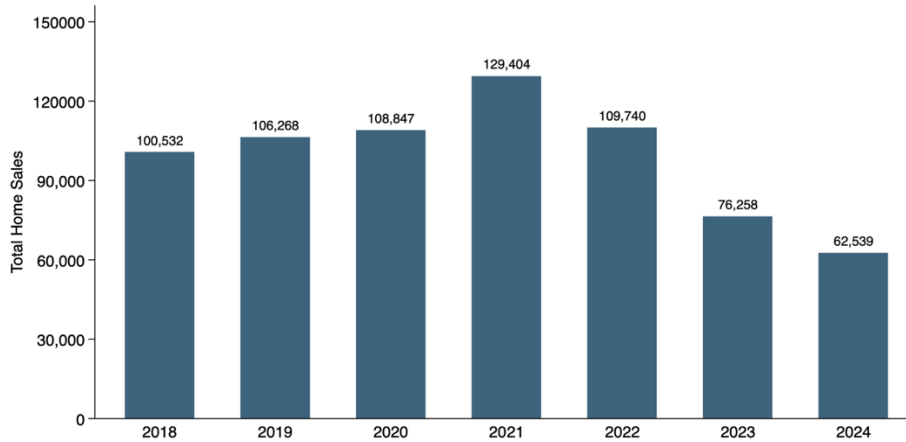
The number of sales transactions that closed during the year

Home sales declined for the third consecutive year. There were 62,539 sales in 2024, which is 13,719 fewer sales than in 2023. This represents an 18.0% decrease in annual sales. Year-over-year home sales were lower in ten out of the twelve months of the year with exceptions in July and August. Home sales increased marginally at the national level by 1.46%. Mortgage rates above 6.5% for ten months of the year weighed heavily on the state's housing market.

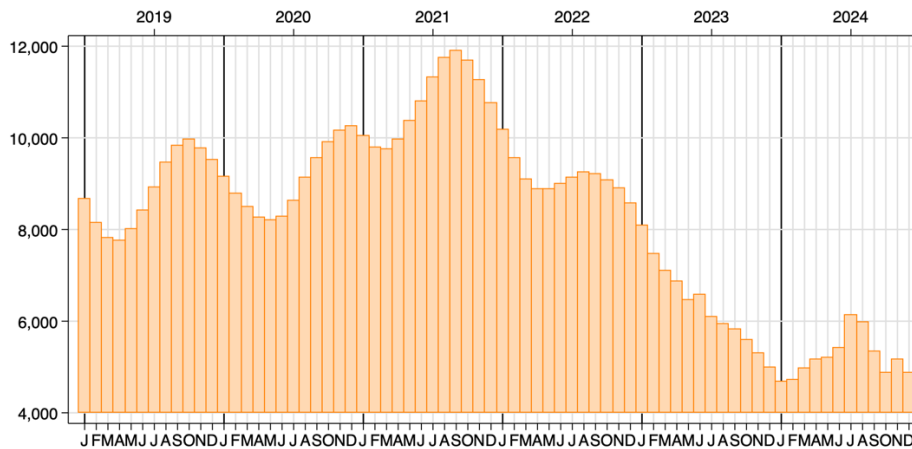
Alabama Annual Home Sales Figures

Year	Sales	Percent Change Year-over-Year
2024	62,539	-18.0%
2023	76,258	-30.5%
2022	109,740	-15.2%
2021	129,404	18.9%
2020	108,847	2.4%
2019	106,268	5.7%
2018	100,532	10.1%

Alabama Home Sales, Annual Figures



Alabama Home Sales, Monthly Figures





HOUSING MARKET OVERVIEW

MEDIAN SALES PRICE

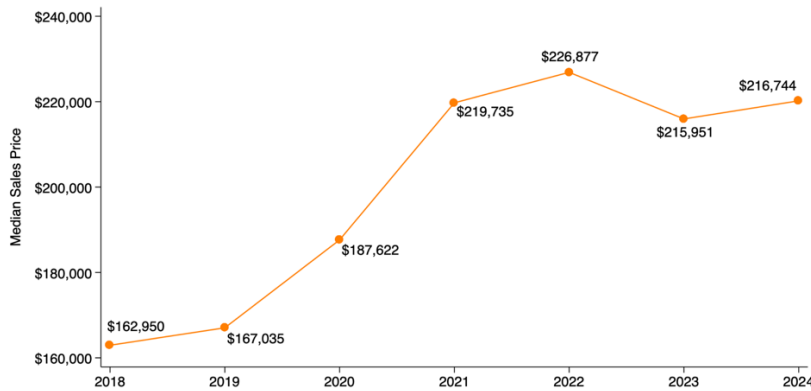
Measures the “middle” price of homes that sold (half of the homes sold for a higher price, and half sold for less)

The median sales price increased by 0.4% in 2024, while the national median price increased by 4.9% compared to 2023. The 2024 Alabama median sales price is the third highest annual value on record. Additionally, the August 2024 median value of \$235,575 marks the highest value since August 2022. The median sales price in Alabama appears to have stabilized as average 30-year mortgage rates remained above 6% over the last two years.

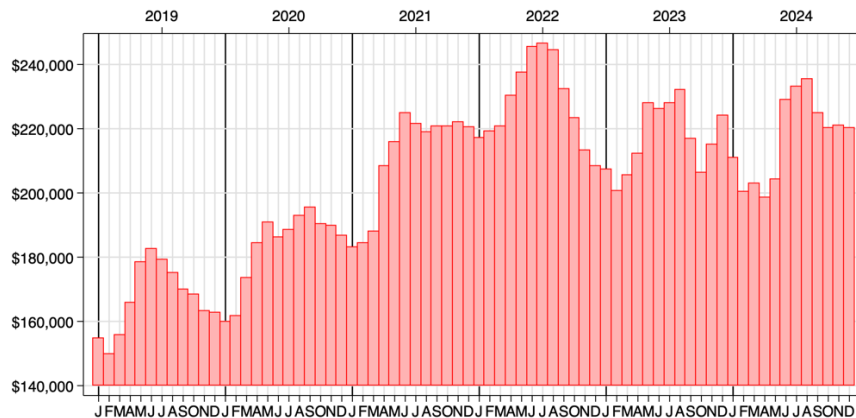
Alabama Median Sales Prices Annual Figures

Year	Median Sales Price (\$)	Percent Change Year-over-Year
2024	\$216,744	0.4%
2023	\$215,951	-4.8%
2022	\$226,877	3.3%
2021	\$219,735	17.1%
2020	\$187,622	12.3%
2019	\$167,035	2.5%
2018	\$162,950	-1.5%

Alabama Median Sales Prices (\$), Annual Figures



Alabama Median Sales Prices (\$), Monthly Figures





HOUSING MARKET OVERVIEW

AVERAGE SALES PRICE

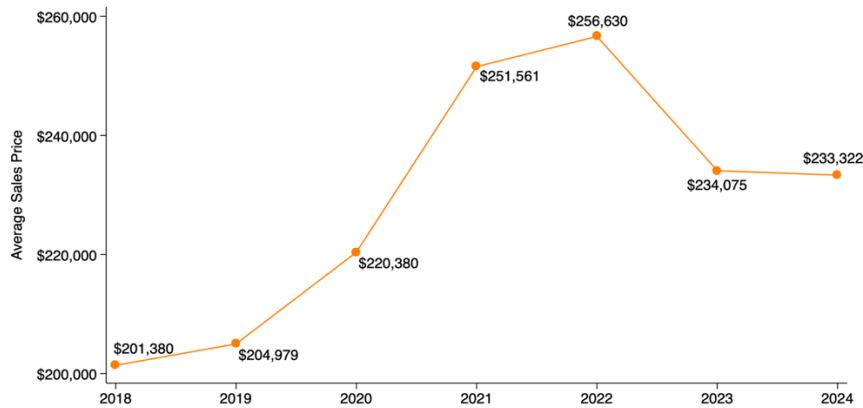
The sum of all sales in dollars divided by the number of homes sold

The average, or mean, Alabama sales price experienced a slight decline of 0.3% in 2024 relative to 2023. Like the median sales price, it appears that the average sales price has stabilized while the average 30-year mortgage rates remained above 6% over the last two years. The average sales price remains over \$28,000 higher than the pre-pandemic average.

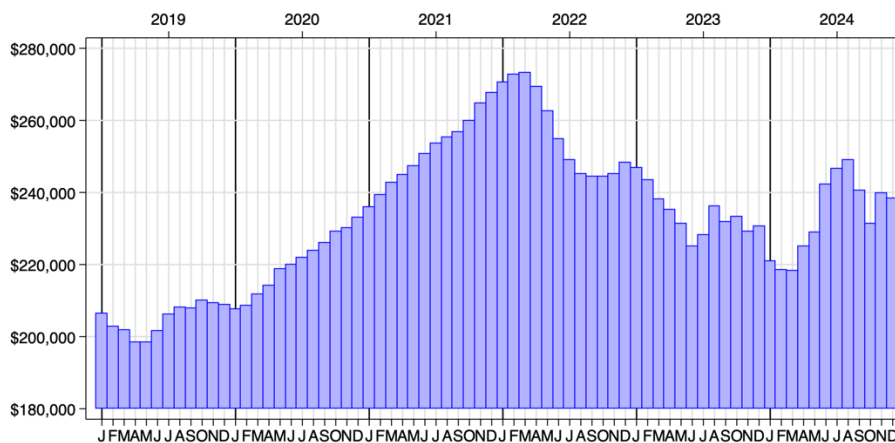
Alabama Average Sales Prices Annual Figures

Year	Average Sales Price (\$)	Percent Change Year-over-Year
2024	\$233,322	-0.3%
2023	\$234,075	-8.8%
2022	\$256,630	2.0%
2021	\$251,561	14.1%
2020	\$220,380	7.5%
2019	\$204,979	1.8%
2018	\$201,380	9.4%

Alabama Average Sales Prices (\$), Annual Figures



Alabama Average Sales Prices (\$), Monthly Figures





HOUSING MARKET OVERVIEW

SALES VOLUME

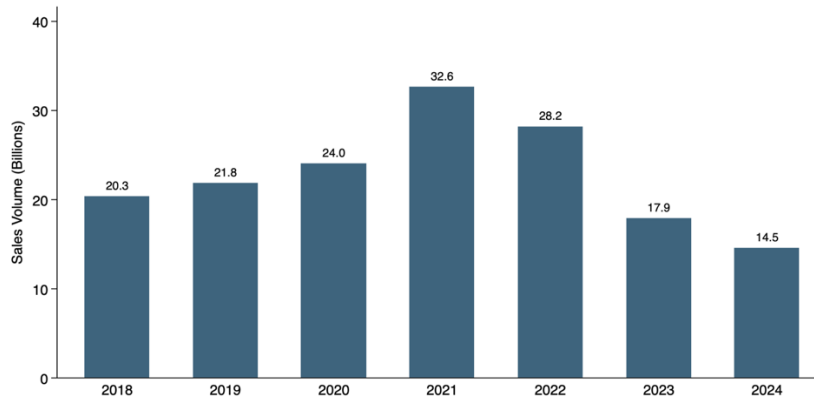
Measures the combined sales price of all homes that closed during the year

The sold dollar volume for residential sales in 2024 was \$14.5 billion, which is down approximately \$3.4 billion from 2023. This represents a 19.0% decline, and similar to 2023, the decline was driven primarily by the decrease in sales. This marks the lowest sales volume in recent years and is less than half of the peak volume recorded in 2021.

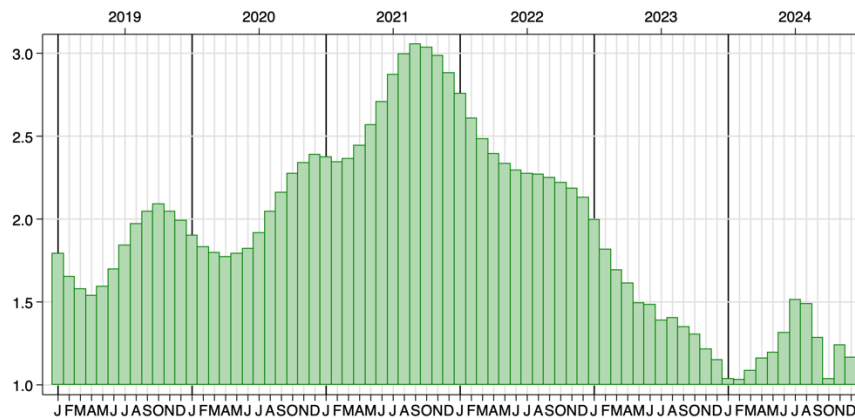
Alabama Annual Sales Volume (in Billions)

Year	Sales Volume (in \$ Billions)	Percent Change Year-over-Year
2024	\$14.5	-19.0%
2023	\$17.9	-36.5%
2022	\$28.2	-13.5%
2021	\$32.6	35.8%
2020	\$24.0	10.1%
2019	\$21.8	7.4%
2018	\$20.3	20.0%

Alabama Sales Volume (in Billions), Annual Figures



Alabama Sales Volume (in Billions), Monthly Figures





HOUSING MARKET OVERVIEW

DAYS ON MARKET

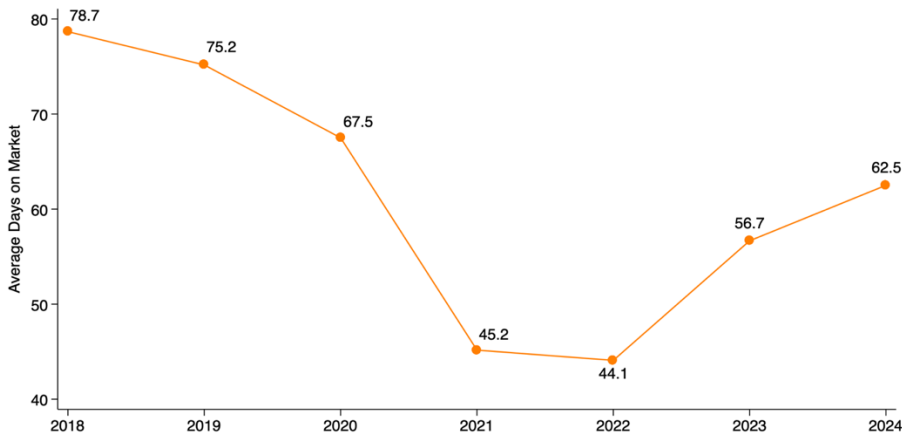
Measures how long it takes a home to sell after it has been listed on the market

Alabama homes stayed on the market for an average of 63 days in 2024. The average has grown by almost two and a half weeks since the shortest annual average in 2022 but remains almost 13 days below the pre-pandemic average from 2019. The lowest average days on market occurred in May 2024 at 52 days, down from the start of the year that had an average of 77 days in January. The year ended as it started, with an average of 77 days on market in December 2024.

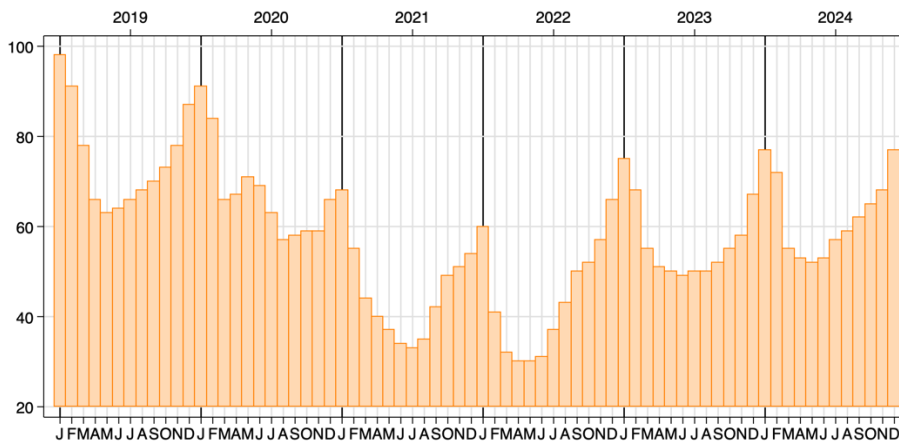
Alabama Annual Median Days on Market

Year	Median Days on Market	Percent Change Year-over-Year
2024	62.5	10.2%
2023	56.7	28.6%
2022	44.1	-2.4%
2021	45.2	-33.0%
2020	67.5	-10.2%
2019	75.2	-4.4
2018	78.7	-4.7%

Alabama Residential Days on Market, Annual Figures



Alabama Residential Days on Market, Monthly Figures





HOUSING MARKET OVERVIEW

SUPPLY

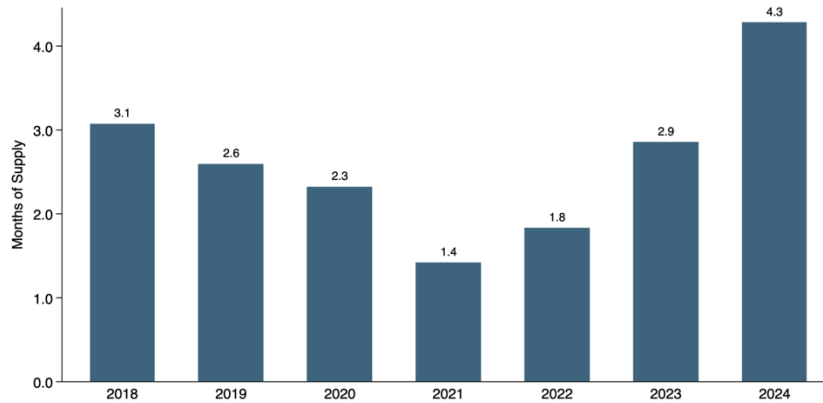
Estimate of the number of months it will take for all homes listed on the market to sell

Annual growth in supply levels continued in 2024, as there were about 4.3 months of supply on average. This is more than a month higher than the 2.9 average months of supply in 2023 and is the fourth consecutive year of increases. This is the highest average monthly supply in at least six years. Recently, the monthly supply peaked at 5.2 months in October 2024 and closed the year at 5 months in December 2024.

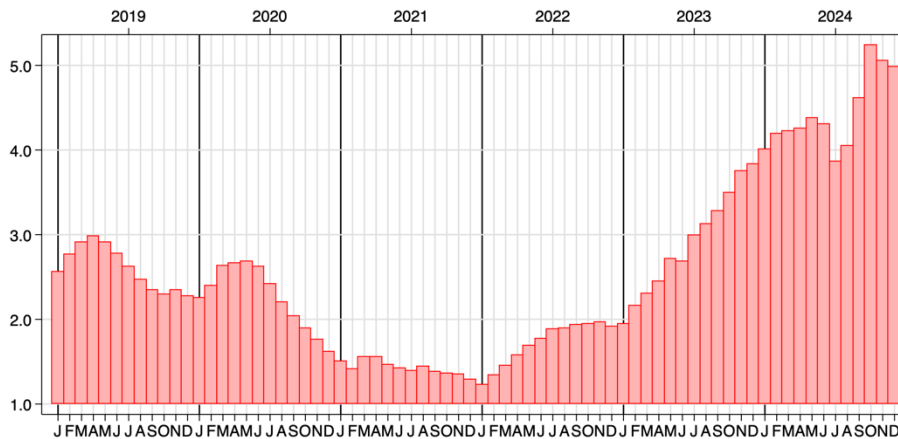
Alabama Annual Months of Supply

Year	Median Months of Supply	Percent Change Year-over-Year
2024	4.3	48.3%
2023	2.9	61.1%
2022	1.8	28.6%
2021	1.4	-39.1%
2020	2.3	-11.5%
2019	2.6	-16.1%
2018	3.1	-13.9%

Alabama Months of Supply, Annual Figures



Alabama Months of Supply, Monthly Figures





HOUSING MARKET OVERVIEW

RESIDENTIAL LISTINGS

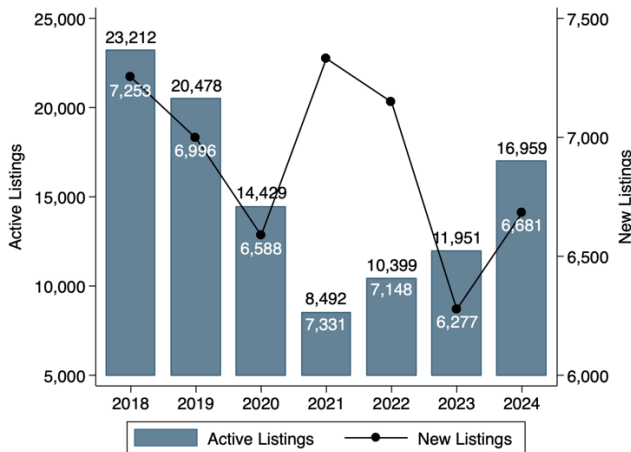
The number of properties listed on the market during the year

Average active listing increased for the third consecutive year in Alabama. There were 16,959 median active listings in 2024 compared to 11,951 in 2023, which represents a 41.9% increase. The fewest listings of the year occurred in January followed by monthly increases through October, reaching a peak of 19,329. The trend of increases in annual average listings has led to the highest average level in 5 years.

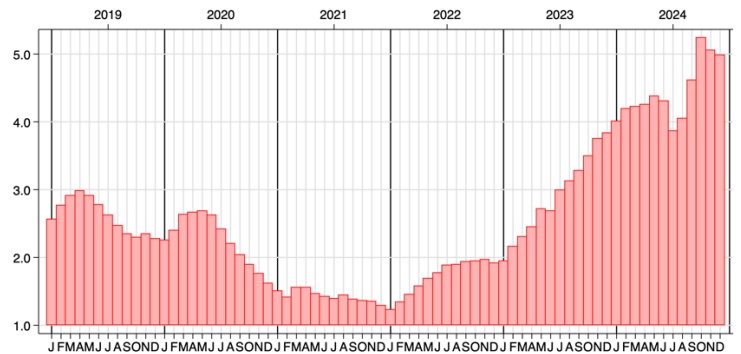
Alabama Annual Active and New Residential Listings

Year	Median Active Listings	Percent Change Year-over-Year	Median New Listings	Percent Change Year-over-Year
2024	16,959	41.9%	6,681	6.4%
2023	11,951	14.9%	6,277	-12.2%
2022	10,399	22.5%	7,148	-2.5%
2021	8,492	-41.1%	7,331	2.6%
2020	14,429	-29.5%	6,588	-5.8%
2019	20,478	-11.8%	6,996	-3.5%
2018	23,212	-10.8%	7,253	0.2%

Alabama Median Active and New Residential Listings, Annual Figures



Alabama Active Residential Listings, Monthly Figures





HOUSING MARKET OVERVIEW

FORECLOSURES

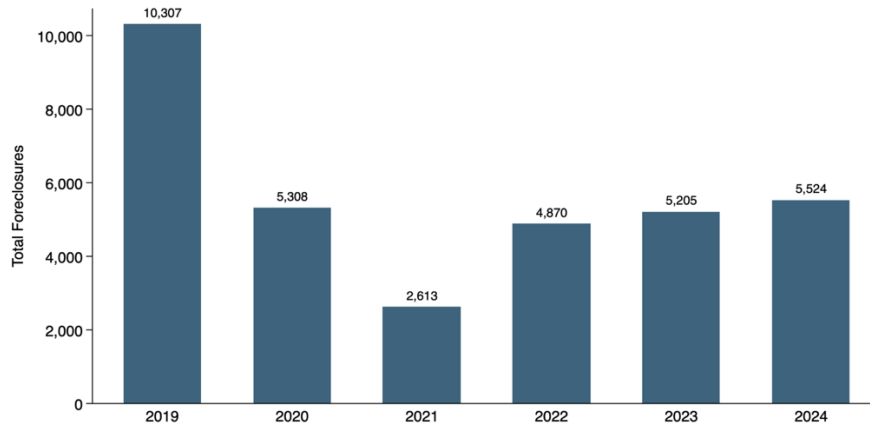
Homeowners failing to pay their mortgages, resulting in lender repossessed homes or foreclosure auctions

Alabama foreclosure filings were up 6.1% (359) in 2024 relative to 2023, and 14.2% (693) relative to 2022. Foreclosure activity rose to its highest level in 5 years but remains just slightly more than half of what it was in 2019. The 5,564 properties with foreclosure filings represent 0.23% of all Alabama housing units, which is in line with the 0.23% of national properties with foreclosure filings for the year.

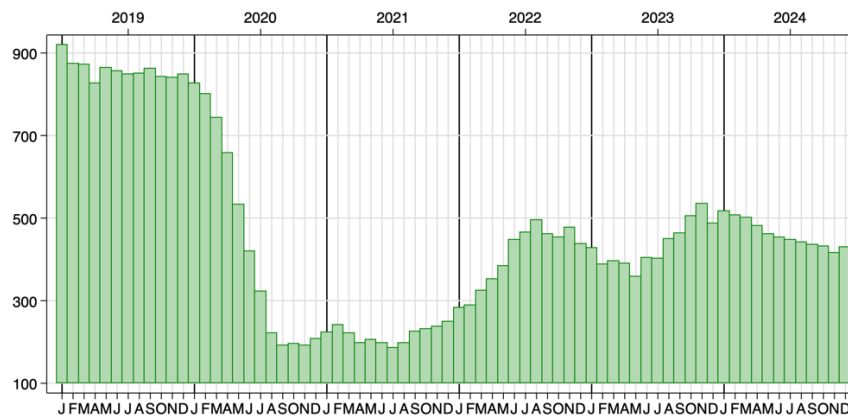
Alabama Foreclosures Annual Figures

Year	Total Foreclosures	Percent Change Year-over-Year
2024	5,564	6.1%
2023	5,205	6.9%
2022	4,871	140.0%
2021	2,613	-50.8%
2020	5,308	-48.5%
2019	10,307	-18.7%
2018	5,564	6.1%

Alabama Residential Foreclosures, Annual Figures



Alabama Residential Foreclosures, Monthly Figures





HOUSING MARKET OVERVIEW

New Home Building Permits

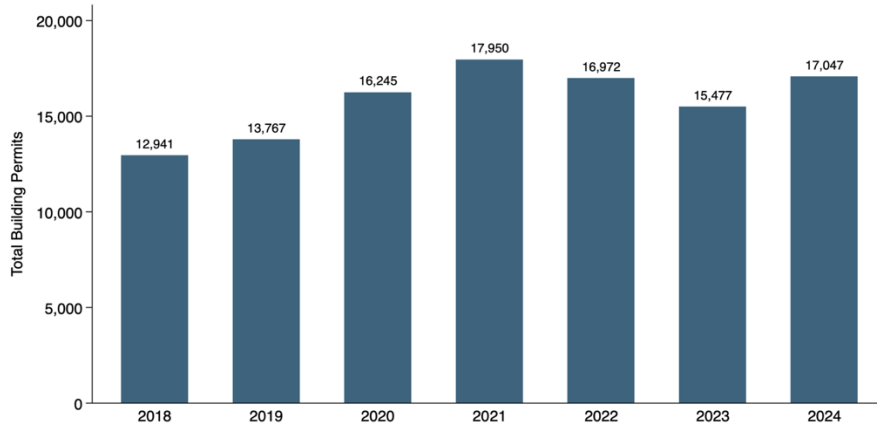
Permits for construction of new one-unit residential homes owned by individuals

Building permits for new one-unit structures, i.e. new homes, increased by 10.1% in 2024 compared to 2023. This increase occurred as the state had more permits in eleven of the twelve months year-over-year (the exception being July). Alabama, like the nation, experience growth in completion of new housing units in 2024. With the rate lock limiting the sale of existing homes, there is room for new housing to make up a greater share of sales in the state.

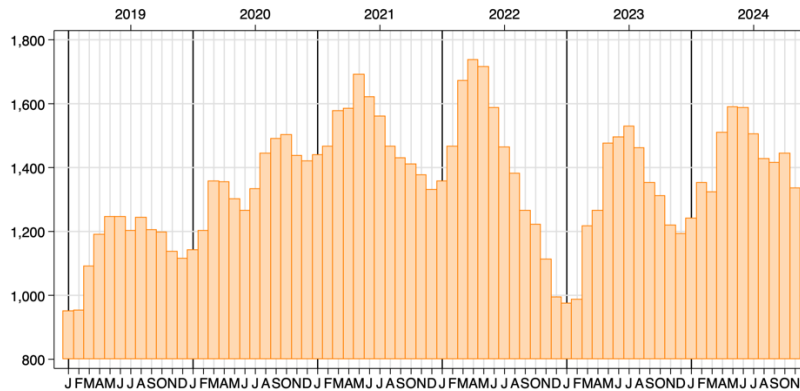
Alabama New Home Building Permits Annual Figures

Year	Permits	Percent Change Year-over-Year
2024	17,047	10.1%
2023	15,477	-8.8%
2022	16,972	-5.4%
2021	17,950	10.5%
2020	16,245	18.0%
2019	13,767	6.4%
2018	12,941	7.8%

Alabama New Home Building Permits, Annual Figures



Alabama New Home Building Permits, Monthly Figures





AAR's Forecast

Mortgage rates remained elevated in 2024, with average 30-year fixed rates above 6% for the second straight year. Rates are expected to stay above 6% in 2025. However, listings and supply increased substantially in 2024, and buyers face more options heading into the new year.

Factors to consider in the near term:

- Cuts to the Fed funds rate target are unlikely to have a direct, lasting impact on mortgage rates in 2025, particularly if the 10-year Treasury yield remains above the effective Fed funds rate. For mortgage rates to ease, further rate cuts would need to lower the 10-year Treasury yield in a meaningful way. Additionally, the Federal Reserve's quantitative tightening campaign, particularly its reduction of mortgage-backed securities (MBS) holdings, will continue to exert upward pressure on the spread between mortgage rates and the 10-year Treasury yield. Unless a major economic shock prompts a shift in policy, quantitative tightening is expected to continue throughout the first half of 2025 as the Federal Reserve continues to reduce its MBS holdings.
- 10-year Treasury yields generally rose during the last quarter of 2024, despite the Federal Reserve cutting rates twice. As a result, average mortgage rates rose along with the 10-year Treasury yields. The rise in yields is associated with stronger-than-expected economic growth and recent economic uncertainty. The uncertainty is tied to the potential inflationary impacts associated with the new presidential administration's policies, particularly regarding immigration and tariffs. If uncertainty persists, or if these policies contribute to higher inflation or larger-than-expected fiscal deficits, yields could rise further, putting additional pressure on mortgage rates in 2025.
- Average 30-year mortgage rates are expected to remain above 6% throughout 2025, with some forecasts predicting an average of at least 6.5% through the first six months of the year. As a result, rate lock may continue to be an issue for existing homeowners, particularly in Alabama. 49% of homeowners in Alabama have mortgage rates below 4% and 67.8% have mortgage rates below 5%. These homeowners may not want to give up these lower rates, which could further impact housing market dynamics as fewer homeowners may choose to sell or refinance.
- Despite sustained high mortgage rates, Alabama homes have retained their value. The median sales price rose in 2024 and is expected to continue in 2025. However, housing in Alabama remains relatively affordable compared to the South and the nation, where the median sale prices increased at a higher pace.
- Building permits for new homes increased in 2024 compared to 2023, reaching their highest level in three years (and second highest level in at least seven years). An increase in completed homes will provide potential buyers with more options, and new home sales are likely to make up an increasing portion of total sales in 2025.
- Although Alabama experienced its lowest level of home sales in years during 2024, there are positive signs for 2025. At the start of the year, the state is seeing high levels of housing supply and listings offering potential buyers more options than in recent years. Additionally, the state continues to experience positive net migration, supporting a higher demand for housing. Another encouraging indicator is the 10% increase in building permits last year, suggesting that new construction could help ease inventory constraints. These factors combined signal a more favorable market for potential buyers in 2025.

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.

