

AL RREI™

Alabama Residential Real Estate Index

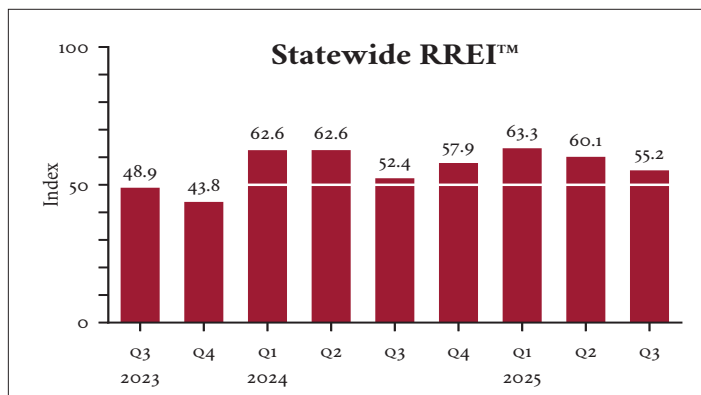


Decreased Confidence in Residential markets in Q3 2025

The *Alabama Residential Real Estate Index* (AL RREI™) is a quarterly survey of residential brokers, sales agents, affiliates (loan officers, title agents, bankers, appraisers, etc.), and other industry professionals that measures market expectations for the upcoming quarter. An index value of 50 indicates a neutral outlook. Scores below 50 indicate a contractionary outlook while scores above 50 indicate an expansionary outlook.

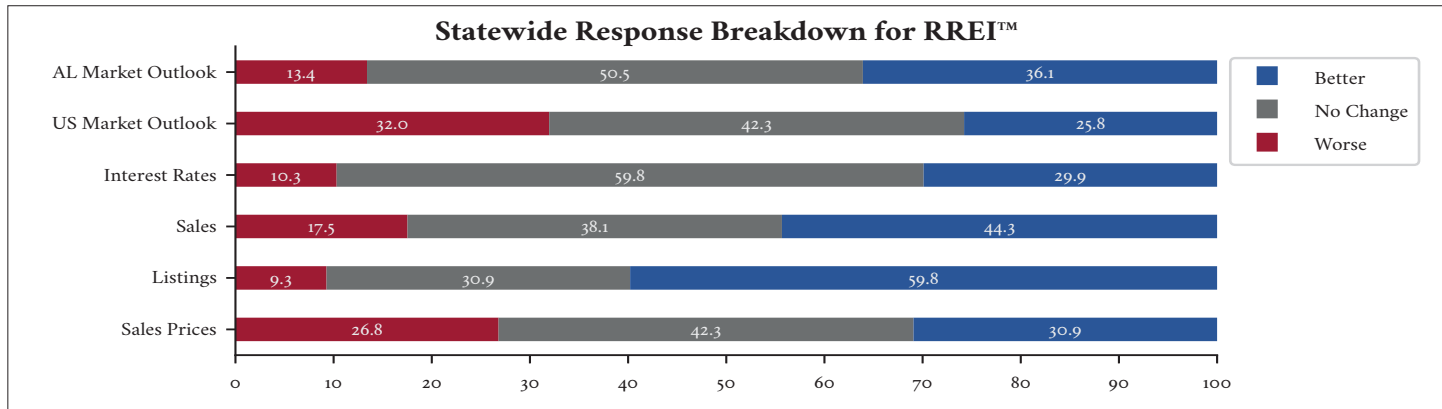
In the Alabama Center for Real Estate's survey, respondents in the Q3 2025 RREI™ registered an index score of 55.2. This means real estate professionals across the state have moderate confidence that the statewide real estate market will improve during the third quarter. The index recorded a score above 50 for the seventh consecutive quarter, however the index declined 4.9 points from the Q2 2025 RREI™. Five of the six components of the AL RREI™ registered scores above 50, but five of the six components decreased from Q2. Sales prices were the only component to have a higher index than Q2. Survey participants still expect sales prices to increase but with less confidence.

Residential real estate professionals are strongly confident that listings will increase, moderately confident that home sales will increase, interest rates will decrease, and the Alabama market outlook will improve. Respondents are mildly confident that home sales prices will increase. However, survey respondents expect the national market to contract during Q3 with mild confidence.



Statewide Component Index Analysis

- Alabama Market Outlook:** With a Q3 2025 index of 56.4, survey participants expect an expansion of residential market activity in Alabama with moderate confidence. This component decreased 7.2 points from the Q2 index. Most panelists (51%) expect overall market conditions in the state to stay the same compared to the prior quarter, while 36% expect an improvement and 13% expect the market to worsen. The index value for the Alabama market outlook is above 50 for the seventh consecutive quarter.
- United States Market Outlook:** With a Q3 2025 index of 49.0, survey participants expect a contraction of residential market activity in the United States with mild confidence. This component decreased 8.2 points from the Q2 index. 42% of panelists expect overall market conditions in the nation to stay the same compared to the prior quarter, while 32% expect it to worsen and 26% expect the market to improve. The index value for the United States market outlook dropped below 50 for the first time since Q3 2024.
- Interest Rates:** With a Q3 2025 index of 54.9, survey participants are moderately confident that interest rates will decrease from Q2. This component also decreased from the Q2 survey, declining 1.4 points from the prior quarter. Most panelists (60%) expect no change in interest rates from Q2 to Q3, while 30% expect rates to decrease and 10% expect rates to increase. The index value for this component is above 50 for the seventh consecutive quarter but reflects the lowest reading since Q3 2024.
- Sales:** With a Q3 2025 index of 57.0, survey participants are moderately confident that home sales will increase from Q2. This indicator decreased 7.7 points from the Q2 index. 44% of survey participants expect sales to increase in Q3 compared to the prior quarter, while 38% expect no change and 18% expect a decrease. The index value for sales is above 50 for the seventh consecutive quarter.
- Listings:** With a Q3 2025 index of 62.6, survey participants are strongly confident that listings will increase from Q2. This indicator decreased 5.2 points from the Q2 index. 60% of panelists expect listings to increase in Q3 compared to the prior quarter, while 31% expect no change and 9% expect a decrease. The index value for listings is above 50 for the seventh consecutive quarter.
- Sales Price:** With a Q3 2025 index of 51.5, survey participants have mild confidence that sales prices will increase from Q2. This indicator increased 0.2 points from the Q2 index. Over 40% of panelists expect no change in sales prices in Q3, but more panelists expect sales prices to rise than to fall. The index value for sales prices is above 50 for the fourth consecutive quarter.

**AL RREI™ SUMMARY FOR Q3 2025**

	Statewide	Change from Q2
RREI™	55.2	-4.9
AL Market Outlook	56.4	-7.2
US Market Outlook	49.0	-8.2
Interest Rates	54.9	-1.4
Sales	57.0	-7.7
Listings	62.6	-5.2
Sales Prices	51.5	0.2

last quarter. However, survey respondents are mildly confident that sales prices will decrease from Q2 to Q3.

Birmingham recorded the fourth-highest RREI™ index with 52.5, indicating mild confidence in expanding market activity in Q3. Panelists from the area are mildly confident that overall market conditions in Alabama will improve in Q3 when compared to the prior quarter. Area panelists are mildly confident that interest rates will decrease, mildly confident sales will increase, and strongly confident that listings will increase compared to last quarter. However, panelists from the area are mildly confident that sales prices will decrease in Q3.

Mobile recorded the lowest RREI™ index at 49.4, indicating mild confidence in contracting market activity in Q3. Panelists from the area are neutral about the Alabama market outlook and strongly confident that US market conditions will contract in Q3 when compared to the prior quarter. Mobile area panelists are mildly confident that interest rates will decrease, neutral about sales activity, and very strongly confident listings will increase compared to last quarter. Additionally, panelists from the area expect sales prices to decrease with strong confidence.

Data is not available for **Auburn-Opelika, Daphne-Fairhope-Foley, Decatur, Dothan, and other MSAs** as there were not enough survey participants from these areas to calculate a statistically significant score.

Montgomery Leads in Metro Confidence

Confidence in the residential real estate market varied by metro in the Q3 2025 survey.

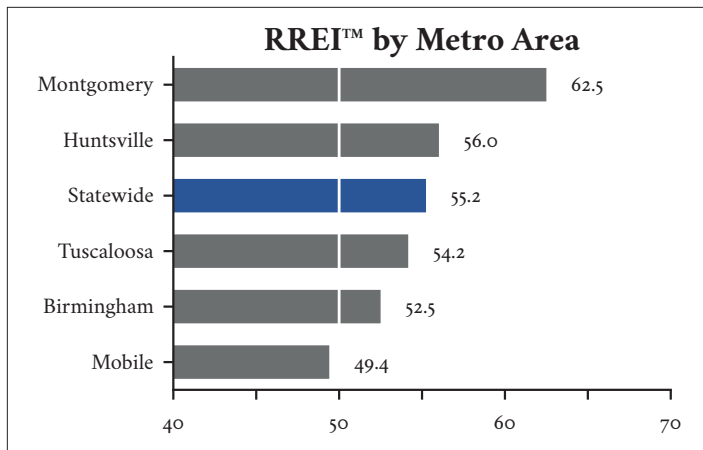
Montgomery recorded the highest RREI™ index with 62.5, indicating strong confidence in expanding market activity in Q3 when compared to Q2. The area's score decreased 4.6 points from the Q3 survey. Panelists from the area are strongly confident that overall market conditions in Alabama will improve compared to the prior quarter. Montgomery area panelists are mildly confident that interest rates will decrease, very strongly confident that listings and sales prices will rise, and moderately confident that sales will increase in Q3. Panelists from the Montgomery area had the most optimistic outlook among the state's metro areas for listings and sales prices in Q3 2025 when compared to the prior quarter.

Huntsville recorded the second-highest RREI™ index at 56.0, indicating moderate confidence in expanding market activity in Q3 when compared to Q2. Panelists from the area are moderately confident that overall market conditions in Alabama will improve compared to the prior quarter, and mildly confident that the U.S. market will contract. Area panelists are mildly confident that interest rates will decrease, very strongly confident that sales will increase, and strongly confident that listings will increase in Q3 when compared to the prior quarter. However, they are mildly confident that sales prices will decrease compared to the prior quarter. Panelists from Huntsville had the most optimistic outlook among the state's metro areas for sales in Q3 2025.

Tuscaloosa recorded the third-highest RREI™ index with 54.2, indicating mild confidence in expanding market activity in Q3. Panelists from the area are moderately confident that overall market conditions in Alabama will improve and neutral about the United States market outlook when compared to the prior quarter. Area panelists are moderately confident that interest rates will decrease, moderately confident that sales will increase, and strongly confident that listings will increase compared to

AL RREI™ OUTLOOK VARIES BY METRO AREA

	RREI	AL Market Outlook	US Market Outlook	Interest Rates	Sales	Listings	Sales Prices
Montgomery	62.5	64.3	57.1	53.6	57.1	71.4	71.4
Huntsville	56.0	58.3	47.2	52.8	66.7	63.9	47.2
Statewide	55.2	56.4	49.0	54.9	57.0	62.6	51.5
Tuscaloosa	54.2	55.0	50.0	57.5	55.0	60.0	47.5
Birmingham	52.5	50.8	47.5	54.2	52.5	60.8	49.2
Mobile	49.4	50.0	35.7	53.6	50.0	67.9	39.3
Auburn-Opelika	-	-	-	-	-	-	-
Daphne-Fairhope-Foley	-	-	-	-	-	-	-
Decatur	-	-	-	-	-	-	-
Dothan	-	-	-	-	-	-	-
Other MSAs	-	-	-	-	-	-	-



Note: There was not enough survey participation to provide data for Auburn-Opelika, Daphne-Fairhope-Foley, Decatur, Dothan, and Other MSAs.

Expansionary Outlook by Majority of the Industry

This quarter, all industry groupings recorded an index above 50. **Residential brokers** had the highest score of the group with an index of 58.0, indicating strong confidence in expanding market activity in Q3. This category is moderately confident that interest rates will decrease, and sales will increase, strongly confident that listings will increase, and moderately confident that sales prices will increase in Q3 compared to the prior quarter. Brokers had the most confidence that interest rates would decrease of the industry groups surveyed.

All other respondents had the second-highest index of the industry groups with an index of 55.0, indicating mild confidence in expanding market activity in Q3. Other respondents are moderately confident that sales will increase, interest rates will decrease, and mildly confident that listings will increase in Q3 compared to the prior quarter. Additionally, this group is moderately confident sales prices will increase in Q3 compared to Q2.

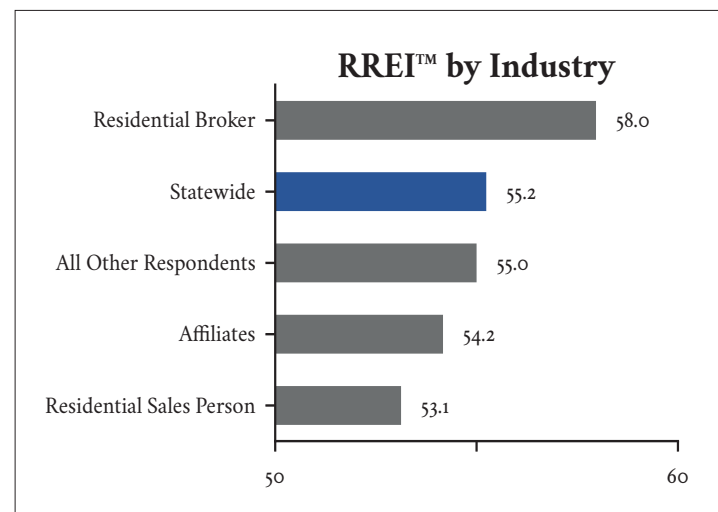
Affiliates, a group that includes loan officers, title agents, bankers, and appraisers, recorded the third-highest score with an index of 54.2, indicating moderate confidence in expanding market activity in Q3. Affiliates are moderately confident that interest rates will decrease, and that sales and listings will increase. However, affiliates are mildly confident that sales prices will decrease in Q3 compared to the prior quarter.

Residential sales professionals had the lowest index of the groups surveyed, with an index of 53.1, indicating mild confidence in expanding market activity. This group is mildly confident that interest rates will decrease, moderately confident that sales will increase, and strongly confident that listings will increase in Q3. However, this group is mildly confident that sales prices will decrease in Q3 compared to the prior quarter.

Data was not available for **home builders** as there were not enough responses to calculate a statistically significant index score.

AL RREI™ OUTLOOK VARIES BY INDUSTRIES

	RREI	AL Market Outlook	US Market Outlook	Interest Rates	Sales	Listings	Sales Prices
Residential Broker	58.0	58.8	50.7	57.4	58.8	66.9	55.1
Statewide	55.2	56.4	49.0	54.9	57.0	62.6	51.5
All Other Respondents	55.0	56.7	50.0	56.7	56.7	53.3	56.7
Affiliates	54.2	53.1	50.0	56.2	59.4	59.4	46.9
Residential Sales Person	53.1	54.9	46.5	52.1	56.2	63.2	45.8
Home Builders	-	-	-	-	-	-	-



Note: There was not enough survey participation to provide data for home builders.

Additional participants are needed for the fourth quarter of 2025.
You can register for the AL RREI™ on the [ACRE website](#).