Birmingham Housing: Inventory Crunch Deepens?

New data reveals ongoing supply challenges impacting buyers in the metro area.

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THE DATA

1.8 months

Months of Supply

Birmingham's housing market inventory remains historically low, tightening further in recent weeks.

The latest 'Alabama Housing Market Report' from the Alabama Center for Real Estate indicates that Birmingham's housing supply has tightened further, now standing at 1.8 months. This figure suggests a significant imbalance between available homes and buyer demand, a trend that has persisted through much of the year, intensifying competition.



Source: Alabama Center for Real Estate (ACRE) · Published August 11, 2026 [BREAKING]

01

Buyer Competition Intensifies in Key Segments

With fewer homes on the market, prospective buyers in Birmingham are encountering increased competition, particularly for properties in desirable neighborhoods and specific price ranges. This dynamic often leads to quicker sales and competitive bidding scenarios, as highlighted in the Atlanta Fed's 'Sixth District Housing Market Snapshot.'



02

New Construction: A Slow Path to Supply Relief

While new residential construction permits in the Birmingham MSA show a modest uptick according to U.S. Census data for Q2 2026, the pace of new builds is not yet sufficient to significantly alleviate the current inventory deficit. Developers continue to face challenges with material costs and labor availability, slowing the replenishment of housing stock.

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