Birmingham — #5 of 10: Home Value to Income Ratio



Home Value to Income Ratio:

3.4x

Based on 2024 ACS data — ALEX Intelligence 2026

Swipe for insights →

Photo: Chris Pruitt · CC BY-SA 3.0 · Wikimedia Commons

THE DATA

3.4x

Home Value to Income Ratio (2024)

Birmingham’s ratio is 3.4x, meaning the median home price is 3.4 times the median household income.

This ratio reflects a market where home prices are elevated relative to earnings, a sign of long-term affordability pressure. While not the highest in the state, Birmingham sits in the top tier of Alabama metros for valuation intensity, suggesting that income growth has not kept pace with housing appreciation.



Photo: Davidwells75 · CC BY-SA 3.0 · Wikimedia Commons

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024 · ALEX Intelligence computation
https://alex-companies.com/data/2026-11-27-birmingham-standing-value-to-income-msa

01

Affordability is a structural, not cyclical, challenge

This suggests that policies focused solely on increasing inventory or reducing mortgage rates may not address the root issue: income stagnation relative to housing costs. True affordability reform requires wage growth and targeted equity programs.

Photo: Harrison Keely · CC BY 4.0 · Wikimedia Commons



Photo: Harrison Keely · CC BY 4.0 · Wikimedia Commons

02

The market’s top tier is pricing out local talent

This creates a feedback loop: high home values attract investment, but only those with high incomes can afford to live here. Over time, this risks narrowing the city’s economic and social diversity, especially in neighborhoods with strong public services and transit access.

Real Estate Strategy & Intelligence Leader. Democratized Blue Ocean Strategist & Operator.

Diane Hart Alexander, MBA, MHA

Chair & CEO, ALEX Companies
Designated Broker, Alexander Tiffany Southwest, LLC dba ALEX.realestate, et.al.
Texas License #574877-B · Broker License #565194-BB

diane@alex.realestate · +1 713.591.9902

ALEX

ALEX Intelligence
deep intelligence

ALEX Real Estate
genius real estate

ALEX Advisory
uncontested strategy

ALEX Cares
purposeful philanthropy