

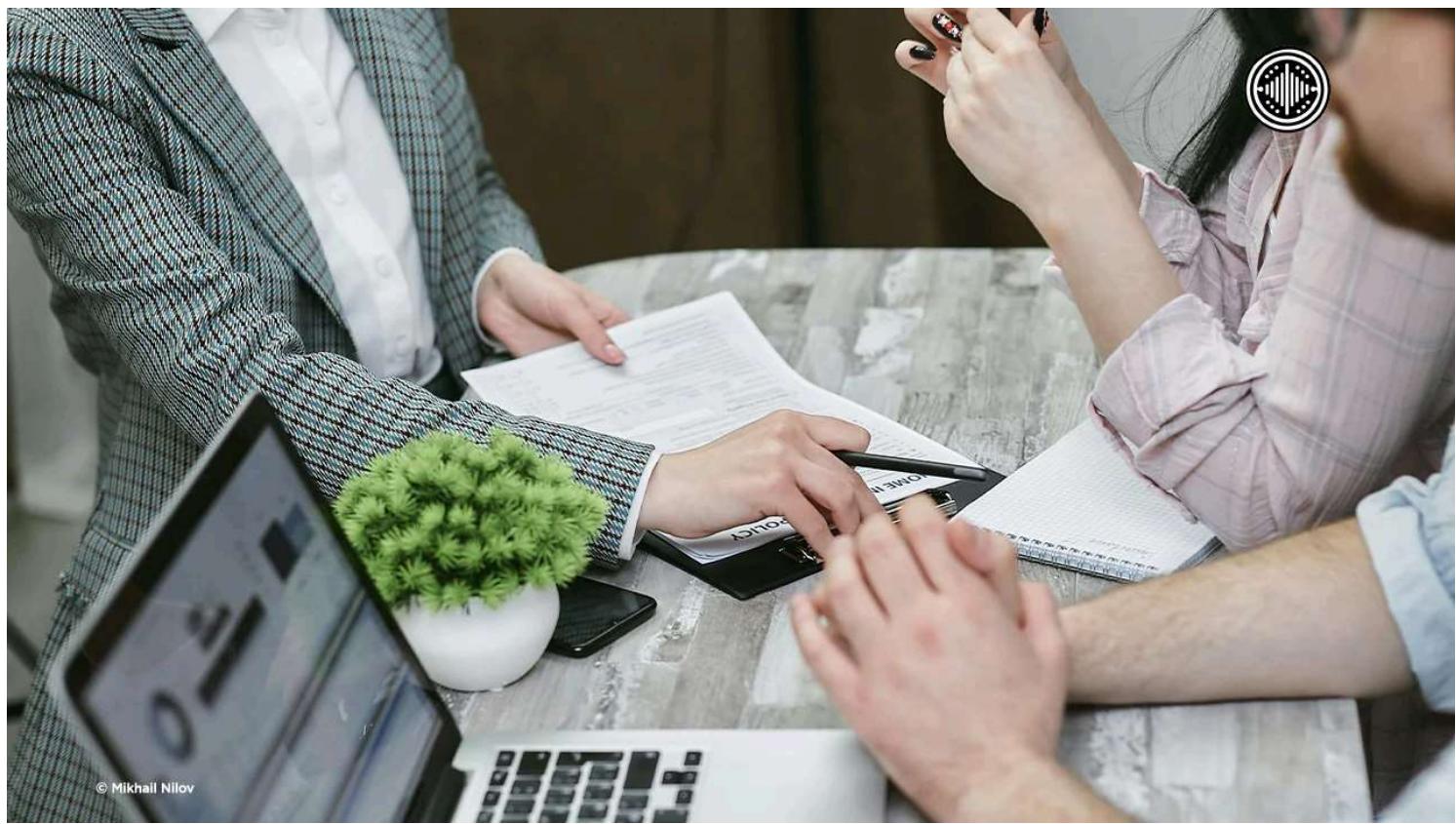
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Mortgage Payments in Montgomery Surge Nearly 60% Over Three Years, New Study Finds

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Homebuyers in Montgomery, Alabama, are facing significant financial strain as mortgage payments have surged nearly 60% in just three years, according to a recent analysis. Despite modest increases in home prices, the steep rise in borrowing costs has made homeownership considerably more expensive.

A new study from Construction Coverage, a data platform aimed at helping real estate and construction professionals make informed decisions, examined how rising interest rates have impacted different metro areas across the United States. Using data from the United States Census Bureau and real estate marketplace Zillow, the study ranked 100 midsize metros by mortgage cost increases, and Montgomery landed at number 57 on that list.

In 2022, the median home price in the Montgomery metropolitan area stood at \$171,653. By 2025, that figure had increased to \$193,930, a relatively moderate 13% jump. However, the real burden has come from the rising monthly mortgage payments, which have shot up from \$637 to \$1,016. That \$379 spike marks a 59.5% increase, slightly higher than the national average of 59%.

Although home prices have not exploded, high interest rates are the driving force behind this surge. The Federal Reserve's extended campaign to combat inflation through rate hikes has resulted in higher mortgage rates, making it more expensive to borrow even when home values remain steady.

“Although high interest rates have moderated home prices to some extent, the adjustments have not proven sufficient to counterbalance the heightened borrowing costs associated with these elevated rates,” the study noted. “Compounding these challenges is the enduring scarcity of housing inventory, which persists across various cities, thereby sustaining relatively high price levels and perpetuating affordability concerns for aspiring homeowners.”

Montgomery is not alone in this financial squeeze. Other cities in Alabama are feeling similar pressure. Mobile, another midsize metro, reported a 59.4% increase in mortgage payments. Meanwhile, smaller metros such as Auburn-Opelika, Florence-Muscle Shoals, and Dothan have seen even sharper increases at 63.4%, 62.6%, and 62.4%, respectively.

While some larger metro areas like Birmingham-Hoover and Tuscaloosa have experienced slightly lower increases, ranging from 52% to nearly 56%, the trend remains consistent: Alabamians are paying more each month to stay in the same housing market.

The study also highlights that this challenge isn't exclusive to Alabama. Midsize metro areas across the country, including regions in New York, Texas, Indiana, and North Carolina, are also dealing with similar if not greater spikes in mortgage costs. This widespread trend

points to a national housing affordability issue driven by interest rate policy and limited inventory, rather than purely local economic factors.

As policymakers and industry leaders look for ways to address housing accessibility, the data clarify that interest rates play an outsized role in what Americans pay for housing monthly. For many in Montgomery, that price is hitting new heights.