

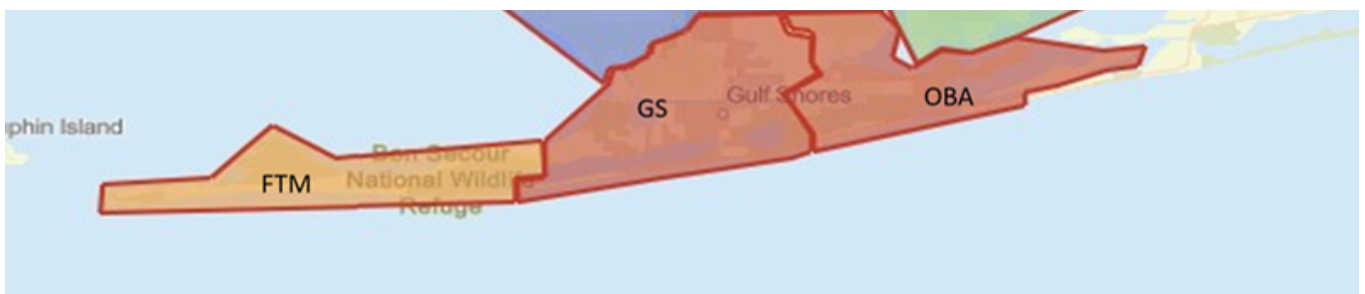


# DUNES & DEMOS

In this edition of Frank’s field notes, I have wandered into the deep abyss of demographics. I’ve started at the beach but I plan to expand into other Baldwin County communities, as well as Mobile and Pensacola markets. In our modern world, we are all tracked, analyzed, and put into “categories” by a variety of institutions including our own government. Contrary to public opinion, municipalities and governments do not drive demand for real estate development, we do.....people. People require housing, jobs, services, goods, and in our case, leisure. The analysis of demographics assists investors, governments, and institutions to make better decisions by understanding their past, their present, and their future trends. To me, this is the basis of all real estate. This helps us identify the who, what, and why behind our market today and the future.

As someone who grew up on the island, I often wonder; “Where did all these people come from; who are they; what do they do; and how did they come to choosing to move here over other coastal locations?”

Baldwin County’s Gulf Coast is often discussed as a single real estate market. In practice, it is three distinct markets operating side by side—Gulf Shores, Orange Beach, and Fort Morgan, —each shaped by different demographic foundations and demand drivers. Through tools afforded to me from my CCIM designation, the following table provides a summary of basic trends and demonstrates the stark differences in demographic composition in each community.



# THE DATA

	Gulf Shores	Orange Beach	Fort Morgan	Baldwin County
2010 Population	11,579	6,256	523	182,265
2020 Population	15,382	9,135	870	231,767
2025 Population	17,299	9,445	976	254,554
2025 Households	8,205	4,543	472	105,202
Avg. HH Size	2.11	2.08	2.07	2.42
2010 Housing Units	8,053	8,518	877	104,061
2025 Housing Units	16,014	16,514	3,419	140,670
% Change	49.7%	48.4%	74.3%	26.0%
2025 Median Home Value	\$470,402	\$602,697	\$583,293	\$339,581
Percent Owner Occupied	31.8%	20.7%	11.5%	56.3%
2025 Median Household Income	\$68,168	\$93,104	\$94,828	\$76,981
2010 Median Age	42.1	47.7	56.8	41.2
2025 Median Age	51.4	54.2	65.3	44.1
% Children Under 18	16.0%	14.8%	7.0%	20.1%

Source: Esri

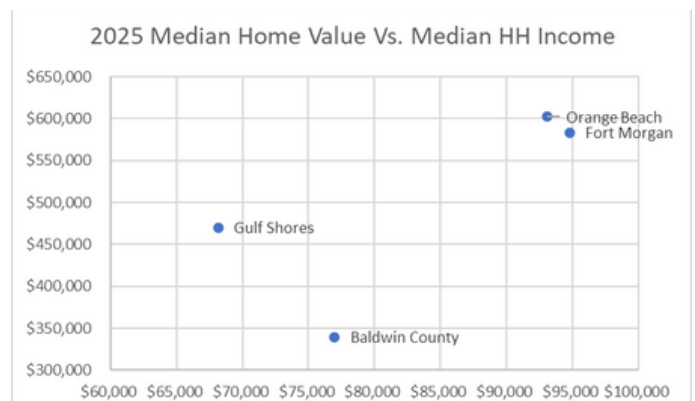
## THE DEMOGRAPHIC BACKDROP: AGING OWNERSHIP

Just by glancing over the above smorgasbord of demographic data, it is obvious that our area has seen unprecedented growth since 2010. In reality, this has been since the first palm tree rolled into town in the 1970s. (For those of you that don't know, palm trees did not naturally occur in Alabama.) Not only has our area grown in population, but it has also aged in population. As seen, the median age of the three beach communities is substantially higher than Baldwin County and has escalated over the past 15 years. This is not surprising when you consider the number of Baby Boomers spending their golden years along our white shores.

Across Gulf Shores, Orange Beach, and Fort Morgan, Baby Boomers and near-retirement aged people account for a disproportionate share of full-time residents. Many purchased along the coast for lifestyle, investment, or second-home purposes. As this cohort ages, ownership turnover will increase over time, and it is worth a conversation on "Who's next?".

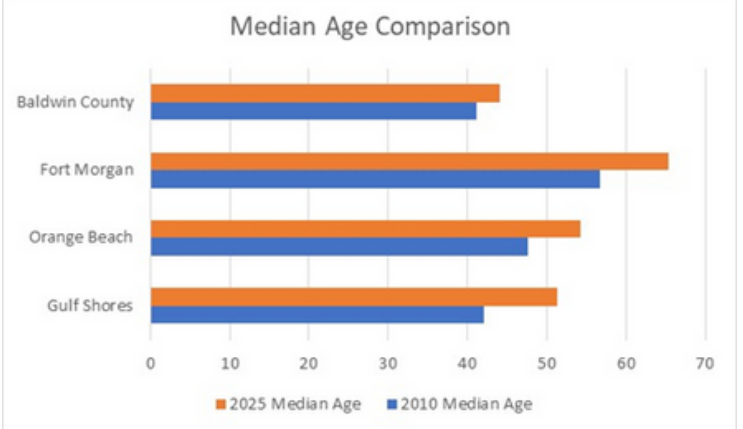
This raises a critical planning question: as this "Silver Tsunami" generation transitions out of ownership, does the next generation of residents exist in sufficient depth and wealth to absorb future inventory, particularly in a market where the local economy is driven predominantly by tourism and service employment? The answer varies meaningfully, by market.

The following graphs illustrate how the aging population, home values and incomes are distributed across the three markets. Now let's break down the characteristics of each one.



## GULF SHORES: DEMOGRAPHIC BALANCE AS A STABILIZER

Gulf Shores functions as the demographic and economic core of the Alabama Gulf Coast. Compared to the other beach markets, it exhibits a more balanced age distribution, including a meaningful share of working-age adults and households with children. This is primarily due to the development of subdivisions, apartments, and supporting commercial developments “north of the bridge”. The greater presence of children supports year-round housing demand tied to employment, schools, healthcare, and local services. This broader demand base improves long-term absorption capacity and reduces reliance on purely discretionary buyers. However, the housing units are only roughly 31.8% occupied by residents in comparison to 56.3% at the county level. In other words, while it is more stable, it still depends heavily on investment from outside the population base. However, local voices for local concerns are on the rise. This was evident in recent municipal elections when campaign promises focused on local resident needs rather than tourism.



## ORANGE BEACH: AFFLUENCE, AGING, AND SEGMENTATION

Orange Beach is the most affluent and amenity-driven of the three markets. Household incomes and home values are elevated, while the proportion of households with children remains comparatively low. Property ownership is dominated by higher-end condominiums, waterfront homes, and investment-oriented assets, which makes sense, as the area has the greatest amount of navigable interior waterfront property. Orange Beach is influenced heavily by Baby Boomer and near-retiree aged ownership. The difference lies in wealth depth and asset quality. High-net-worth, often cash-oriented buyers, continue to support demand for premium properties.



## FORT MORGAN: DISCRETIONARY DEMAND AND HIGHER EXPOSURE

Fort Morgan leads the three markets as being a retirement destination. Fort Morgan exhibits the oldest age profile and the smallest presence of households with children. Its median age is 20 years over the median in all of Baldwin County. Also, its median income is the highest of the beach communities. In addition, as a percentage, the Fort Morgan area has grown faster than any other Baldwin County community exhibiting an 87% increase in population since 2010. In comparison to the other coastal communities, its housing demand is dominated by second homes, short-term rentals, and retirement-driven ownership.

The Fort Morgan resident population has expanded from 523 residents in 2010 to 976 residents in 2025. It has also seen the fastest housing unit expansion during this same period of time, growing from 877 housing units to 3,419 housing units. The large jump was primarily due to the introduction of several condominium developments during this period. During this growth period, the average age has increased from 56.8 years old in 2010 to 65.3 years old in 2025. Fort Morgan also lacks school-driven household formation, as the Fort Morgan area was in recent years assigned to a school district located approximately 45 minutes away in Foley, Alabama. This extended school commute reduces the area's functional appeal to households with school-aged children, as such, decreasing family-oriented housing demand. As this is a more recent development, it will likely lead to the number of children decreasing even further from its current figure. This is causing a reduction in the buyer pool for homes in the area that are suitable for full time living.



The data does not imply inevitable weakness; however, it does indicate greater sensitivity to broader economic conditions that influence discretionary housing demand. As Baby Boomers age out of ownership and full time occupancy, the market's ability to absorb resale inventory will depend heavily on continued in-migration of affluent buyers and sustained tourism performance without dependence on families with school aged children.

## DO THESE FINDINGS SIGNAL A MARKET PROBLEM?

Demographic trends are a primary driver of real estate demand along Alabama's Gulf Coast, and while Fort Morgan, Gulf Shores, and Orange Beach are often discussed as a single market, this analysis demonstrates that they function as three distinct submarkets with materially different risk profiles which impact value and performance. All three have experienced significant population growth since 2010; however, that growth has been accompanied by an aging resident ownership base dominated by Baby Boomers and near-retirement households. Gulf Shores exhibits the most balanced and resilient demographic structure, supported by a greater share of working-age residents and year-round housing demand. Orange Beach reflects an affluent, amenity-driven market

with strong wealth depth but increasing segmentation by cost and asset quality. Fort Morgan shows the highest exposure to demographic and economic sensitivity, relying heavily on discretionary buyers, short-term rental performance, and continued in-migration of affluent households. While these trends do not signal immediate weakness, they underscore the importance of understanding demographic composition, ownership turnover, and future buyer depth as critical factors influencing long-term absorption, pricing (valuation), and investment performance along the Alabama Gulf Coast.

If you want to learn more about local demographic changes and how they impact your real estate investments, feel free to reach out to me. I offer both valuation and brokerage services as a certified general appraiser as well as a licensed salesperson. Please subscribe for future market insights.



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