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HUNTSVILLE AREA ASSOCIATION of REALTORS®

# HUNTSVILLE AREA REAL ESTATE

# ECONOMICS REPORT

Q1  2022

**Analysis Conducted by**  
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**COLLEGE OF BUSINESS**  
THE UNIVERSITY OF ALABAMA IN HUNTSVILLE  
Center for Management & Economic Research

# Madison County Residential Real Estate Report First Quarter 2022

## Executive Overview

### 1Q Insight Focus

- ✦ Median sales price rose to a record level of \$333,000 in March 2022
- ✦ Sales of homes priced between \$500,000 and \$800,000 more than doubled while the number of homes priced below \$200,000 have fallen for three years
- ✦ Forty-five percent of homes sold this quarter were at a price above list price.
- ✦ The consumer inflation rate jumped to 8% in March, more than four times the 2021 level

The first quarter of 2022 brought major price increases in not only home prices but also in the overall cost of living. The number of homes sold remained at elevated levels compared to the level of inventory of listed homes. Homes priced above \$300,000 accounted for 60% of all homes sold and 82% of all listed homes. The number of homes sold priced above \$350,000 continued to grow.

The number of listed homes has remained below 1,000 in total for twenty consecutive months. In 2022, the inventory of homes priced below \$300,000 fell while homes priced in the \$200,000 to \$300,000 fell for the first time in the quarter one. See Figure 1.

Sales of homes priced below \$250,000 fell by almost 50% compared to 1Q 2021 sales. The Days-on-Market dropped to an average of 9 days in March...only slightly above the 8 days-on-market for September and October 2021. The 2022 first quarter average days on market was 11 days.

Overall, home prices in Madison County continue to rise with demand for housing exceeding supply even with a rise in cost of living. The jump in consumer price inflation rate of 8% and the 21.6% increase of the first quarter median home price far exceeds the 2% increase in median household income for 2021. The budget shock from the jump in consumer price inflation has not yet dampened the housing market. However if the increases in the key elements in home affordability such as mortgage rates, construction materials cost, etc., continue to outpace the rise in median household income, the momentum the local residential real estate market could be slowed.

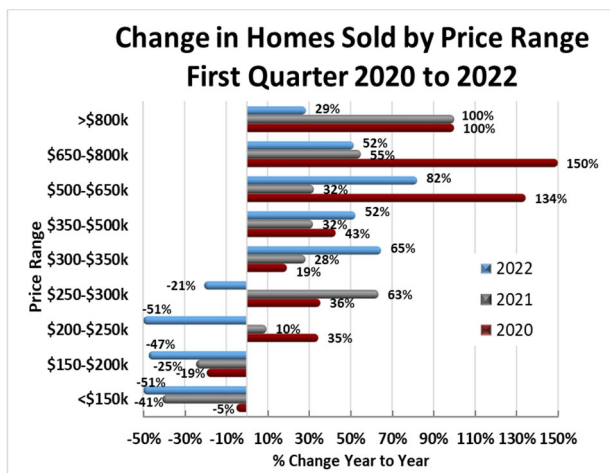


Figure 1

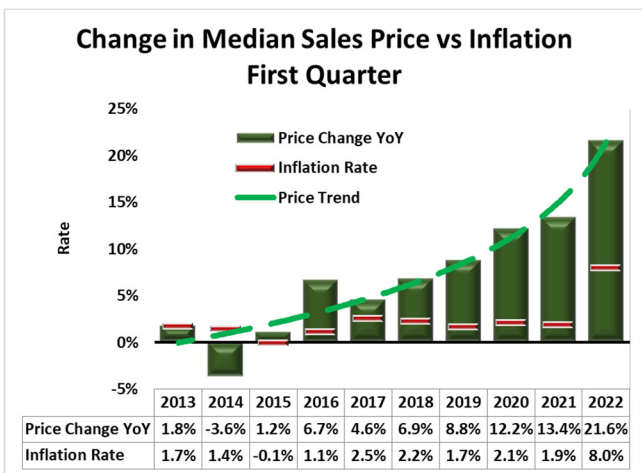


Figure 2

# Madison County Residential Real Estate Report First Quarter 2022



## 1Q 2022 Market Snapshot

- Housing prices continued to rise year-over-year...up 22% from 2021.
- The number of homes sold fell slightly from 1Q 2021.
- Sale of homes priced between \$300,000 and \$350,000 rose 65% while sales of homes priced below \$150,000 dropped more than 50% compared to 1Q 2021.
- Average days on market was 11 days for the quarter.  
See Table 1.

Sales		1Q 2022		Compared to	1Q 2021	
1Q 2022 Homes Sold	fell to	1,886	-4.3% ↓		1,970	
1Q 2022 Pending Sales	fell to	634	-12.6% ↓		725	
Number of Listings		March 2022		Compared to	March 2021	
1Q 2022 Ending Level	rose to	513	1.8% ↑		504	
Median Sales Price		1Q 2022		Compared to	1Q 2021	
1Q 2022	rose to	\$322,218	21.6% ↑		\$265,000	
Sales Price vs List Price		1Q 2022		Compared to	1Q 2021	
Sales Price Above List Price		735	45%		433	22%
Sales Price Below List Price		858	16%		166	8%
Days on Market		1Q 2022		Compared to	1Q 2021	
1Q 2022 DoM	fell to	11 days	↓		19 days	
Months of Supply		1Q 2022		Compared to	1Q 2021	
1Q 2022 MoS	fell to	0.9 mo.	↓		1.3 mo.	
Sales by Price Band		1Q 2022		Compared to	1Q 2021	
Less than \$150,000	fell to	97	-50.5% ↓		196	
\$150,000-\$200,000	fell to	123	-47.4% ↓		234	
\$200,000-\$250,000	fell to	198	-50.6% ↓		401	
\$250,000-\$300,000	fell to	341	-20.7% ↓		430	
\$300,000-\$350,000	rose to	351	64.8% ↑		213	
\$350,000-\$500,000	rose to	529	52.4% ↑		347	
\$500,000-\$650,000	rose to	164	82.2% ↑		90	
\$650,000-\$800,000	rose to	47	51.6% ↑		31	
Greater than \$800,000	rose to	36	28.6% ↑		28	
Listings by Price Band		March 2022		Compared to	March 2021	
Less than \$150,000	fell to	14	-30.0% ↓		20	
\$150,000-\$200,000	fell to	17	-39.3% ↓		28	
\$200,000-\$250,000	fell to	27	-25.0% ↓		36	
\$250,000-\$300,000	fell to	36	-47.1% ↓		68	
\$300,000-\$350,000	rose to	78	32.2% ↑		59	
\$350,000-\$500,000	rose to	179	30.7% ↑		137	
\$500,000-\$650,000	fell to	85	0.0% ↓		85	
\$650,000-\$800,000	fell to	26	-10.3% ↓		29	
Greater than \$800,000	rose to	51	21.4% ↑		42	

Table 1

# Madison County Residential Real Estate Report First Quarter 2022



Created for

## 1Q 2022 Key Metrics

- Monthly median sales prices continued to climb higher, up 21.6% from 1Q 2021.
- Of the 1,886 sales in 1Q 2022, 45% sold above list price.
- Number of homes sold increased from 1Q 2021 in all price bands above \$300,000. (Table 2)

### MADISON COUNTY, ALABAMA

Quarter 1 2022

SALES												
Monthly Unit Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	584	554	663	667	719	847	929	818	874	839	729	867
2021	617	589	764	740	747	956	930	861	935	825	758	847
2022	527	574	785									
2020-2022 Avg	576	572	737									
Median Sales Price	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	\$229,115	\$229,950	\$242,000	\$246,640	\$245,500	\$253,900	\$249,900	\$263,640	\$251,432	\$252,440	\$232,500	\$263,044
2021	\$260,000	\$262,000	\$271,825	\$283,045	\$280,471	\$288,750	\$295,500	\$295,000	\$288,784	\$296,000	\$303,205	\$315,000
2022	\$309,835	\$323,992	\$333,000									
Quarter Units Sold	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Total Quarter	1,023	1,033	1,097	1,271	1,410	1,524	1,567	1,801	1,970	1,886		
3-year Average	887	1,028	1,051	1,134	1,259	1,402	1,500	1,631	1,779	1,886		
Quarter Units Sales vs List Price	2022											
Units Sales Price ABOVE List	858 45%											
Units Sales Price EQUAL List	735 39%											
Units Sales Price BELOW List	295 16%											
Median Sales Price	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
First Quarter	\$164,537	\$158,544	\$160,394	\$171,217	\$179,154	\$191,500	\$208,333	\$233,688	\$265,000	\$322,218		
% Change YoY	1.8%	-3.6%	1.2%	6.7%	4.6%	6.9%	8.8%	12.2%	13.4%	21.6%		
% Change 3 yr Avg	-0.5%	-2.4%	-0.2%	1.4%	4.2%	6.1%	6.8%	9.4%	11.5%	14.6%		
% Change 5 yr Avg		-1.0%	-0.8%	0.1%	2.2%	3.2%	5.8%	8.0%	9.5%	12.1%		
Sales by Price Range	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
First Qtr												
Below \$150,000	442	477	494	509	510	461	349	331	196	97		
\$150,000-\$200,000	219	192	209	268	327	342	385	310	234	123		
\$200,000-\$250,000	112	118	149	174	182	239	272	366	401	198		
\$250,000-\$300,000k	104	99	99	122	159	180	194	263	430	341		
\$300,000-\$350,000	62	52	53	79	91	118	139	166	213	351		
\$350,000-\$500,00	65	72	66	89	116	141	184	263	347	529		
\$500,000-\$650,000	13	17	16	22	18	29	29	68	90	164		
\$650,000-\$800,000	3	3	7	4	4	8	8	20	31	47		
Above \$800,000	3	3	4	4	3	6	7	14	28	36		
Change in Number of Sales	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Below \$150,000	7.9%	7.9%	3.6%	3.0%	0.2%	-9.6%	-24.3%	-5.2%	-40.8%	-50.5%		
\$150,000-\$200,000	-12.3%	-12.3%	8.9%	28.2%	22.0%	4.6%	12.6%	-19.5%	-24.5%	-47.4%		
\$200,000-\$250,000	5.4%	5.4%	26.3%	16.8%	4.6%	31.3%	13.8%	34.6%	9.6%	-50.6%		
\$250,000-\$300,000k	-4.8%	-4.8%	0.0%	23.2%	30.3%	13.2%	7.8%	35.6%	63.5%	-20.7%		
\$300,000-\$350,000	-16.1%	-16.1%	1.9%	49.1%	15.2%	29.7%	17.8%	19.4%	28.3%	64.8%		
\$350,000-\$500,000	10.8%	10.8%	-8.3%	34.8%	30.3%	21.6%	30.5%	42.9%	31.9%	52.4%		
\$500,000-\$650,000	30.8%	30.8%	-5.9%	37.5%	-18.2%	61.1%	0.0%	134.5%	32.4%	82.2%		
\$650,000-\$800,000	0.0%	0.0%	133.3%	-42.9%	0.0%	100.0%	0.0%	150.0%	55.0%	51.6%		
Above \$800,000	0.0%	0.0%	33.3%	0.0%	-25.0%	100.0%	16.7%	100.0%	100.0%	28.6%		
Pending Sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
End of Quarter	283	324	388	302	340	221	391	729	725	634		
Sales by Type of Financing	Cash	Conventional	FHA	FMHA	Other	Owner Financed	USDA RD	VA Loan				
1Q 2022 Units Sold	380	1,077	126	0	9	0	26	268				
Average Price per Type	\$284,609	\$370,513	\$285,874	n/a	\$254,938	n/a	\$264,584	\$415,132				
Home Sales First Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Existing Properties	721	763	858	986	1,043	1,151	1,140	1,249	1,349	1,280		
New Construction	302	270	239	285	367	373	427	552	621	606		

Table 2

# Madison County Residential Real Estate Report First Quarter 2022



Created for

## 1Q Metrics Details

- The highest level of inventory continued to be in the \$350,000 and \$500,000 price range.
- The average months of supply for all homes fell below 1-month.
- Madison County workforce grew by 2.4% from the 2021 average through March 2022. (Table 3)
- The 1Q increase in home prices (21.6%) outpaced the overall annual inflation rate of 8.0%. (Figure 4)

### MADISON COUNTY, ALABAMA

#### Quarter 1 2022

INVENTORY		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	Below \$150,000	1,058	1,044	1,003	700	492	268	130	67	20	14
	\$150,000-\$200,000	566	565	524	537	432	285	155	58	28	17
	\$200,000-\$250,000	396	385	414	382	357	254	185	148	36	27
	\$250,000-\$300,000k	333	366	356	344	324	289	170	149	68	36
	\$300,000-\$350,000	157	183	199	216	174	183	121	83	59	78
	\$350,000-\$500,000	266	282	312	339	312	293	220	198	137	179
	\$500,000-\$650,000	77	90	81	105	88	98	84	87	85	85
	\$650,000-\$800,000	32	43	45	50	44	43	50	38	29	26
	Above \$800,000	51	51	57	38	54	54	42	49	42	51

Months of Supply		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Below \$150,000	7.5	6.4	6.8	4.3	3.1	2.0	1.3	0.6	0.3	0.5
	\$150,000-\$200,000	7.7	9.1	9.4	6.1	4.1	2.6	1.4	0.5	0.3	0.3
	\$200,000-\$250,000	10.5	9.7	9.5	6.7	6.2	3.5	2.2	1.2	0.4	0.4
	\$250,000-\$300,000k	9.5	10.9	11.5	8.8	6.4	4.9	3.1	1.6	0.6	0.3
	\$300,000-\$350,000	8.2	10.3	11.5	8.1	6.3	5.0	3.0	1.8	0.8	0.9
	\$350,000-\$500,000	11.5	11.3	16.6	11.2	7.8	6.4	3.8	2.2	1.5	1.0
	\$500,000-\$650,000	17.5	16.8	16.7	12.9	15.0	9.1	9.5	3.6	2.9	1.7
	\$650,000-\$800,000	21.5	31.5	21.8	34.0	34.2	10.8	20.5	6.2	3.0	3.2
	Above \$850,000	15.7	36.8	27.5	25.8	37.0	28.7	18.2	19.8	5.2	4.1
	All Homes	7.1	7.8	8.0	5.9	4.8	3.5	2.4	2.0	1.3	0.9

ECONOMIC INDICATORS		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Madison County Population		346,373	349,596	352,740	356,312	361,046	366,519	372,909	388,153	395,211	n/a
Workforce		171,363	170,131	170,889	173,529	175,153	178,551	184,491	187,247	192,204	196,908
Household Units		148,684	150,712	152,720	154,710	161,760	164,272	166,516	169,204	171,542	n/a
Median Household Income		\$58,434	\$58,203	\$57,993	\$60,150	\$61,318	\$63,417	\$64,130	\$66,887	\$68,166	n/a
Madison County GDP (\$mil)		\$19,805	\$19,931	\$20,277	\$20,798	\$21,371	\$22,203	\$22,980	\$26,797	n/a	n/a

Table 3

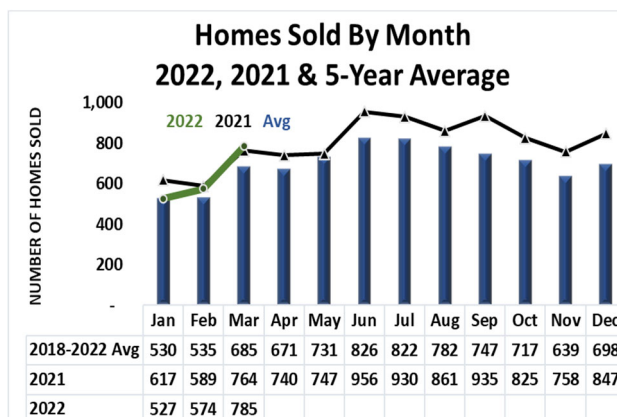


Figure 3

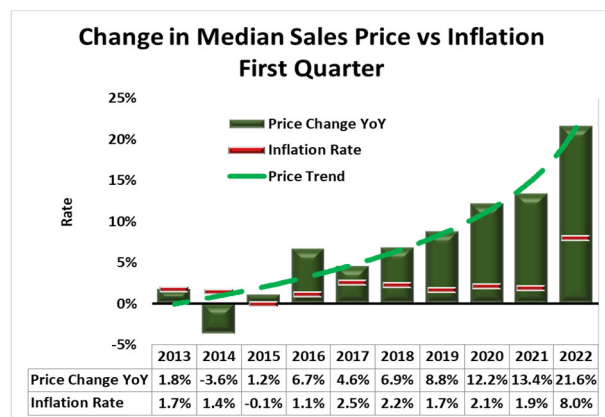


Figure 4

# Madison County Residential Real Estate Report First Quarter 2022

## 1Q Metrics Details, continued

- Total units sold was 1,886 which is below the 1Q 2021 record level (1,970), down significantly from 4Q 2021 (2,430) but 136 above the first-quarter 5-year average (1,750). (Figure 5)
- The home median sales price of the first quarter increased to \$322,218, 21.6% above 1Q 2021 (\$265,000). (Figure 6)
- The median sales prices for January, February, and March were significantly above (\$50,000, \$62,000, and \$61,000 respectively) the same months in 2021. (Figure 7)

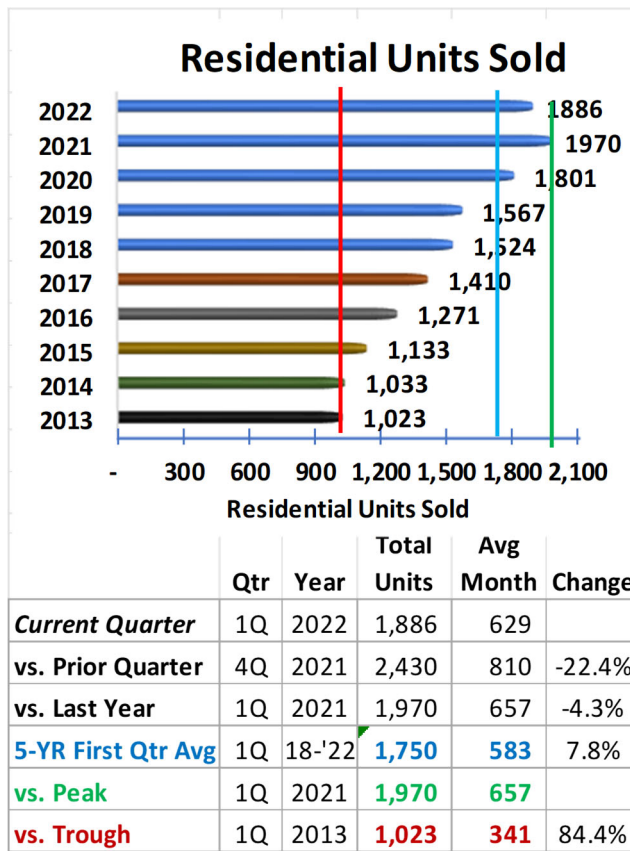


Figure 5

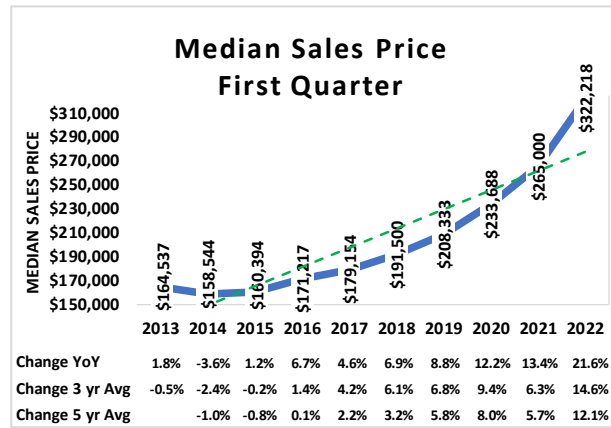


Figure 6

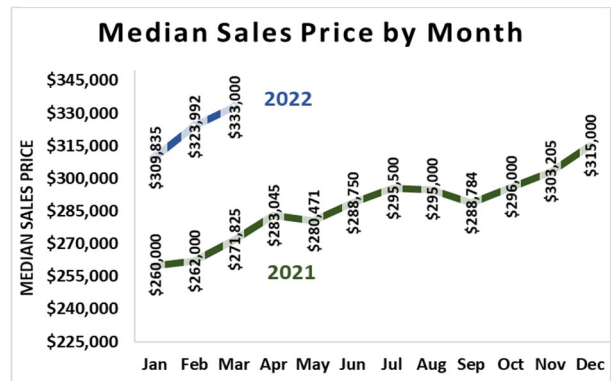


Figure 7

# Madison County Residential Real Estate Report First Quarter 2022

## 1Q Metrics Details, continued

- Total 1Q sales were higher than 1Q 2021 and 2020 levels for homes priced above \$300,000 but were significantly below the number of 1Q units sold priced below \$250,000. (Figure 8)
- Sales of homes priced above \$350,000 grew but at a slower level than in 1Q 2020. (Figure 9)
- Total number of available homes rose slightly with the \$350,000-\$500,000 having the greatest increase. (Figure 10)
- Current quarter compared to prior quarter average number of listed homes shows that the first quarter inventory has fallen each year since 2015. (Figure 11)



Figure 8

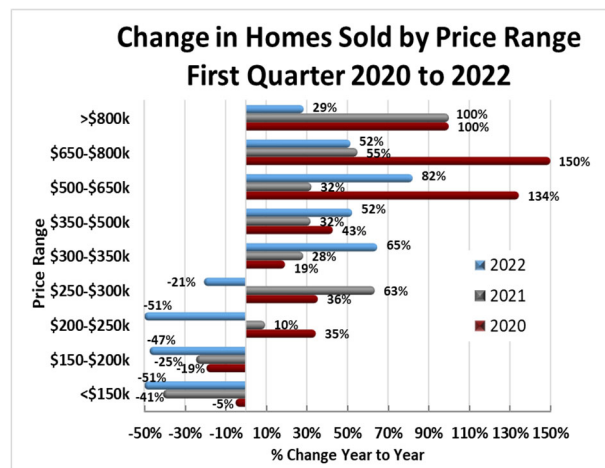


Figure 9

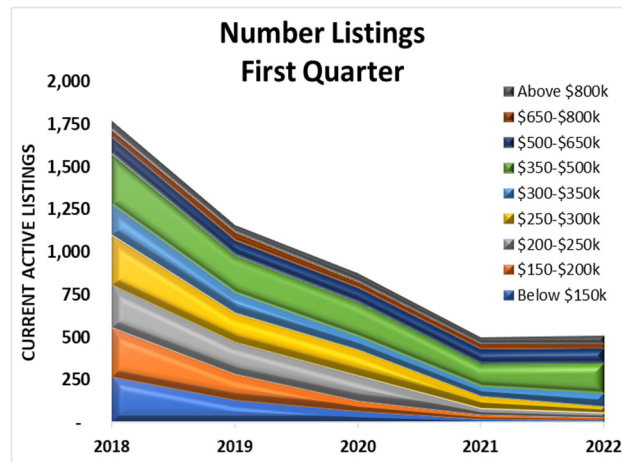


Figure 10

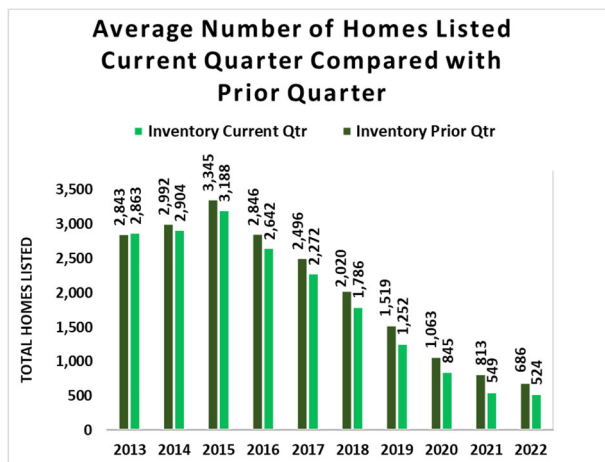


Figure 11

# Madison County Residential Real Estate Report First Quarter 2022

## 1Q Metrics Details, continued

- Average Days on Market fell 41% to another record low of 11 days in 1Q 2022. (Red line Figure 12)
- Months of supply of homes continues at critically low levels across all price ranges. (Figure 13)
- The quarterly number of homes pending sale fell significantly to 634 homes in 1Q 2022. (Figure 14)
- The 17-quarter trend for sales and inventory levels suggests total sales could fall to 1,800 in 2Q 2022 while the inventory of listed homes may remain around 500 units. To sustain this trend, at least 1,000 new listings (twice the 1Q ending inventory) will be needed in 2Q 2022. (Figure 15)

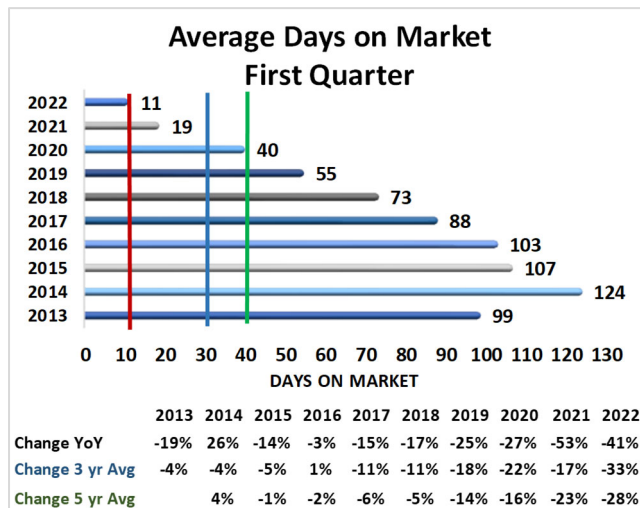


Figure 12

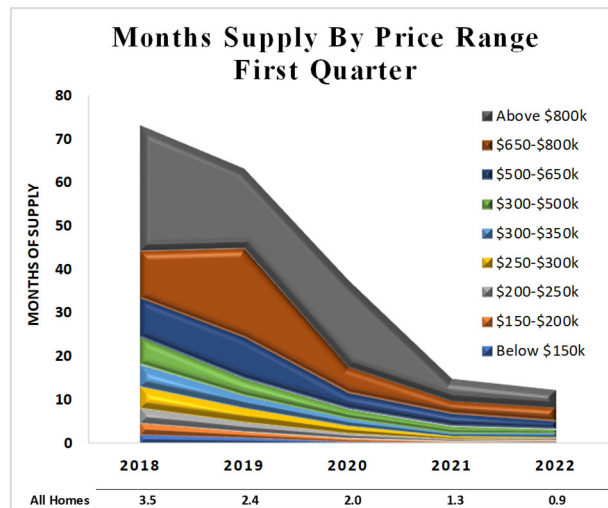


Figure 14

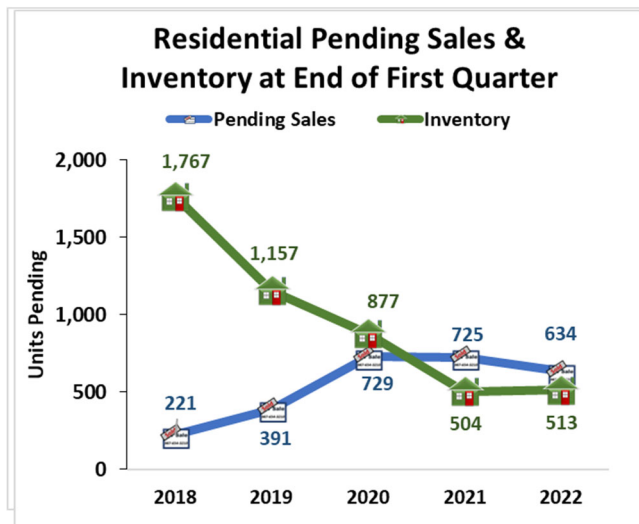


Figure 13

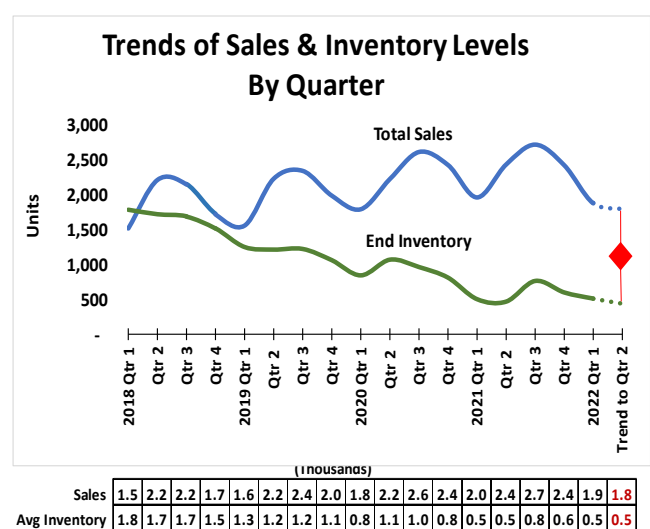


Figure 15

# Madison County Residential Real Estate Report First Quarter 2022

## Madison County Economic Indicators

- Madison County population grew to 395,211 in 2021. (Figure 16)
- Madison County workforce reached 196,908 in March 2022. (Figure 16)
- Median Household Income in Madison County rose to \$68,166 in 2021...significantly above the pre-pandemic level. (Figure 17)
- The number of household units grew to an estimated 171,542 in 2021. This represents all types of housing units comprised of nuclear families, extended families, individuals living alone as well as unrelated roommates. Housing units should generally move in relation to population trends. (Figure 18)
- Gross Domestic Product (a monetary measure of the market value of all the final goods and services produced in a specific time period) for Madison County rose 16.5% from 2019 to an estimated \$26.8 billion in 2020, the most recent estimate available. (Figure 19)

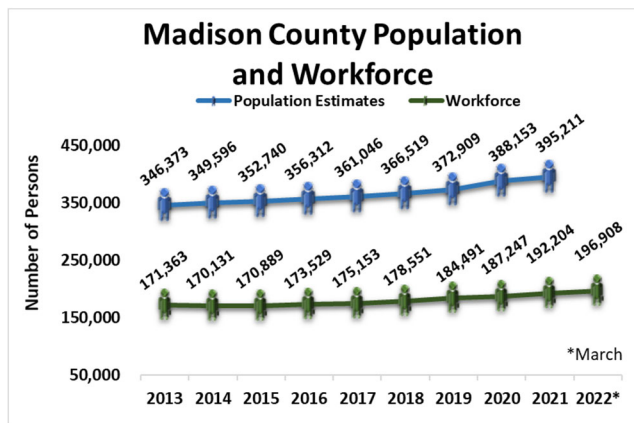


Figure 16

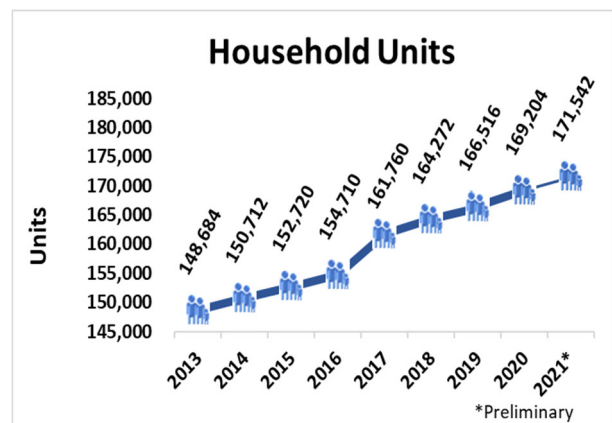


Figure 18

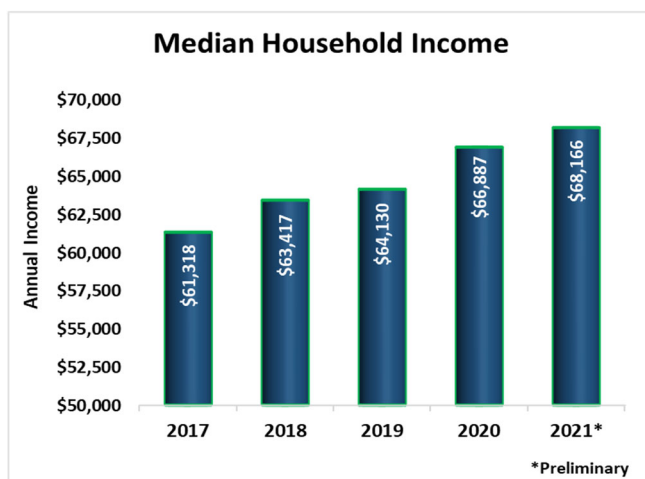


Figure 17

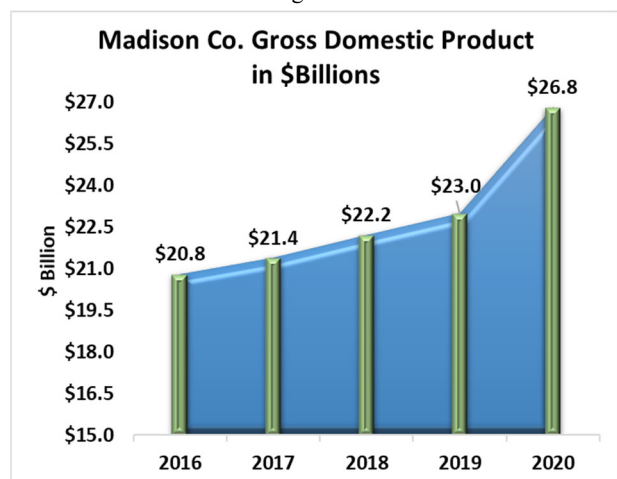


Figure 19

### Data Sources:

- Alabama Department of Labor
- Huntsville Area Association of Realtors Monthly Housing Statistics Reports
- U.S. Bureau of Economic Analysis
- U.S. Census Bureau
- Valley MLS System

### Analysis & Report Prepared by:

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