



HAAR

HUNTSVILLE AREA ASSOCIATION of REALTORS®

HUNTSVILLE AREA REAL ESTATE

ECONOMICS REPORT

Q2



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 Second Quarter 2022

2Q Insight*

The Madison County Residential Real Estate Market for 2nd Quarter 2022 continues with high demand and low supply with some balancing in specific price points.

- ✦ As a whole, inventory of homes rose 125% in 2Q 2022 with the largest increase in the \$300-\$350,000 price range while the availability of homes remains below one month.
- ✦ Prices continued to rise reaching a record median sales price level of \$340,701.
- ✦ Fifty percent of homes sold this quarter, sold above list price. This is down slightly from last year where 53% sold above list price.

There are several factors leading toward a more balanced market:

- ✦ The consumer inflation rate jumped to 9.1% in June, about twice the 2021 annual rate.
- ✦ National average 30-year mortgage rates rose from 3.10% to 5.34% from the end of 2Q 2021 to 2022.
- ✦ Madison County workforce grew 2.9% from 192,204 in 2021 to 197,773 in 2022.

The inventory of homes listed for sale rose significantly in the second quarter of 2022 to 1,055 homes which was the first time since July 2020 to exceed 1,000 homes. This inventory increase included a 185% increase in newly constructed homes and an 81% increase in existing homes available at the end of the 2Q. Months of supply remained below one month for another quarter.

Sales growth occurred in all home price bands above \$300,000 while unit sales fell in all price bands below \$300,000 compared to Q2 2021. The largest percentage growth (82%) occurred in homes priced above \$650,000. In absolute terms, the most homes (724) were sold in the \$350,000-\$500,000 range.

Overall, available homes in Madison County rose significantly while prices year-over-year continued a double-digit rise for three consecutive years. The dramatic increase the consumer price inflation rate of 9.1% far exceeds the 2% increase in median household income from 2021. The 30-year national quarter-end mortgage rate rose to 5.34% from 2Q 2021 3.31%. The trend of rising interest rates and an increase of housing inventory appears to point toward a more balanced market for the middle to upper-priced homes though a deficit remains for buyers entering the market or purchasing a home below \$300,000.

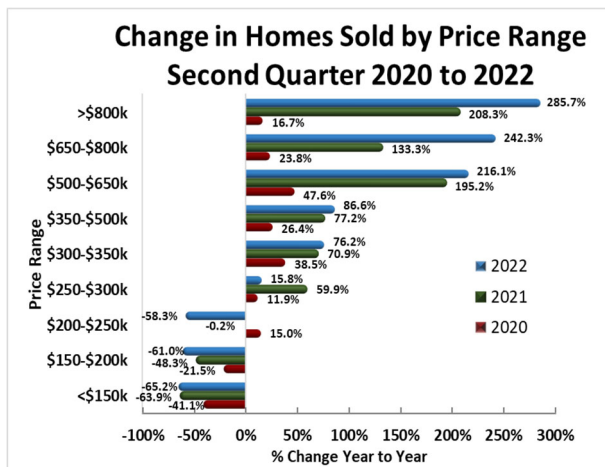


Figure 1

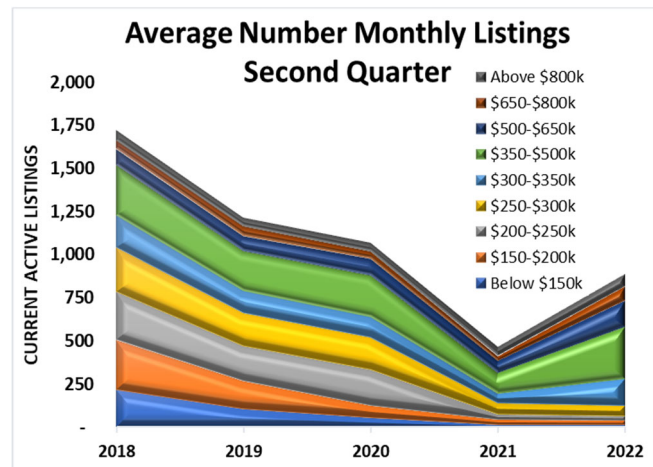


Figure 2

*Contributions from the HAAR Research Committee are included in this overview.

Madison County Residential Real Estate Report Second Quarter 2022



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2Q 2022 Market Snapshot

- Inventory of homes rose 125% to 1,055 from 2Q 2021 with the largest rise in the \$300-\$350,000 range.
- Housing prices continued to rise...up 19.5% from 2021.
- Sale of homes priced between \$650,000 and \$800,000 rose 82% from 2Q 2021. Sales of homes priced below \$300,000 continued to fall from 2Q 2021 levels.
- Average days on market remained at record low levels with an average of 8 days in 2Q 2022. (Table 1)

Sales	2Q 2022		2Q 2021
2Q 2022 Homes Sold fell to	2,438 -0.2%	↓	2,443
2Q-End Pending Sales fell to	649 -16.8%	↓	780
Compared to			
Number of Listings	June 2022		June 2021
2Q Ending Level fell to	1055 124.5%	↑	470
Median Sales Price	2Q 2022		2Q 2021
2Q 2022 rose to	\$340,701 19.5%	↑	\$285,000
Sales Price vs List Price	2Q 2022		1Q 2022
Sales Price Above List Price	1,229 50%	↑	53%
Sales Price Below List Price	377 15%	↑	13%
Compared to			
Days on Market	2Q 2022		2Q 2021
Days on Market (12 mo) fell to	8 days	↓	12 days
Months of Supply	2Q 2022		2Q 2021
2Q 2022 Months of Supply was same	0.9 mo. =	=	0.9 mo.
Sales by Price Band	2Q 2022		2Q 2021
Less than \$150,000 fell to	97 -43.3%	↓	171
\$150,000-\$200,000 fell to	138 -40.8%	↓	233
\$200,000-\$250,000 fell to	201 -51.9%	↓	418
\$250,000-\$300,000 fell to	404 -19.0%	↓	499
\$300,000-\$350,000 rose to	437 42.8%	↑	306
\$350,000-\$500,000 rose to	724 33.1%	↑	544
\$500,000-\$650,000 rose to	294 58.1%	↑	186
\$650,000-\$800,000 rose to	89 81.6%	↑	49
Greater than \$800,000 rose to	54 45.9%	↑	37
Compared to			
Listings by Price Band	2Q 2022		2Q 2021
Less than \$150,000 fell to	16 -11.5%	↓	18
\$150,000-\$200,000 fell to	24 -21.6%	↓	31
\$200,000-\$250,000 fell to	27 -3.6%	↓	28
\$250,000-\$300,000 fell to	59 -9.2%	↓	65
\$300,000-\$350,000 rose to	159 189.6%	↑	55
\$350,000-\$500,000 rose to	300 147.8%	↑	121
\$500,000-\$650,000 rose to	149 116.4%	↑	69
\$650,000-\$800,000 rose to	81 172.7%	↑	30
Greater than \$800,000 rose to	69 49.3%	↑	46
Compared to			

Table 1

Madison County Residential Real Estate Report Second Quarter 2022



2Q 2022 Key Metrics

- Monthly median sales prices continued to climb to another record of \$346,900 in June.
- More than half of the second quarter's sales were an average of 5.2% above the listed price.
- Sales of newly constructed homes remained strong at more than 28% of 2Q 2022 sales.
(Table 2)

MADISON COUNTY, ALABAMA

Quarter 2, 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	778	795	865						
2020-2022 Avg	576	572	737	728	754	889						
Median Sales Price	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	\$214,950	\$201,050	\$209,000	\$209,370	\$226,360	\$227,375	\$222,900	\$224,494	\$218,000	\$252,429	\$230,000	\$236,500
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	\$334,700	\$341,838	\$346,900						
Quarter Units Sold	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Total Quarter	1,397	1,364	1,591	1,779	2,006	2,219	2,238	2,233	2,443	2,438		
3-year Average	1,280	1,375	1,451	1,578	1,792	2,001	2,154	2,230	2,305	2,371		
Quarter Units Sales vs List Price	2021			2022								
Units Sales Price ABOVE List	1,295 53%			1,229 50%								
Units Sales Price EQUAL List	839 34%			832 34%								
Units Sales Price BELOW List	309 13%			377 15%								
Median Sales Price	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Second Quarter	\$162,620	\$175,633	\$172,834	\$187,340	\$186,000	\$206,020	\$221,035	\$248,680	\$285,000	\$340,701		
% Change YoY	-2.7%	8.0%	-1.6%	8.4%	-0.7%	10.8%	7.3%	12.5%	14.6%	19.5%		
% Change 3 yr Avg	-1.7%	0.6%	1.1%	4.8%	1.9%	6.1%	5.8%	10.2%	6.5%	14.1%		
% Change 5 yr Avg		0.6%	0.2%	1.7%	2.2%	4.9%	4.9%	7.8%	5.9%	11.5%		
Sales by Price Range	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Second Qtr Below \$150,000	606	525	611	666	669	565	474	279	171	97		
\$150,000-\$200,000	284	284	347	385	423	487	451	354	233	138		
\$200,000-\$250,000	162	170	226	222	281	353	419	482	418	201		
\$250,000-\$300,000	140	165	153	217	258	285	312	349	499	404		
\$300,000-\$350,000	88	98	85	116	151	204	179	248	306	437		
\$350,000-\$500,00	87	89	130	138	168	249	307	388	544	724		
\$500,000-\$650,000	12	22	23	23	33	51	63	93	186	294		
\$650,000-\$800,000	10	5	8	6	15	17	21	26	49	89		
Above \$800,000	8	6	8	6	8	8	12	14	37	54		
Change in Number of Sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Second Qtr Below \$150,000	3.6%	-13.4%	16.4%	9.0%	0.5%	-15.5%	-16.1%	-41.1%	-38.7%	-43.3%		
\$150,000-\$200,000	6.0%	0.0%	22.2%	11.0%	9.9%	15.1%	-7.4%	-21.5%	-34.2%	-40.8%		
\$200,000-\$250,000	-4.7%	4.9%	32.9%	-1.8%	26.6%	25.6%	18.7%	15.0%	-13.3%	-51.9%		
\$250,000-\$300,000	-3.4%	17.9%	-7.3%	41.8%	18.9%	10.5%	9.5%	11.9%	43.0%	-19.0%		
\$300,000-\$350,000	18.9%	11.4%	-13.3%	36.5%	30.2%	35.1%	-12.3%	38.5%	23.4%	42.8%		
\$350,000-\$500,000	-5.4%	2.3%	46.1%	6.2%	21.7%	48.2%	23.3%	26.4%	40.2%	33.1%		
\$500,000-\$650,000	-36.8%	83.3%	4.5%	0.0%	43.5%	54.5%	23.5%	47.6%	100.0%	58.1%		
\$650,000-\$800,000	100.0%	-50.0%	60.0%	-25.0%	150.0%	13.3%	23.5%	23.8%	88.5%	81.6%		
Above \$800,000	100.0%	-25.0%	33.3%	-25.0%	33.3%	0.0%	50.0%	16.7%	164.3%	45.9%		
Pending Sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
End of Quarter	358	282	464	310	333	360	763	527	780	649		
Sales by Type of Financing	Cash	Conventional	Equity	FHA	FMHA	Other	Owner Financed	USDA RD	VA Loan			
2Q 2022 Units Sold	556	1,359	-	143	-	12	-	25	343			
Average Price per Type	\$303,580	\$398,968	-	\$299,464	-	\$296,037	-	\$279,806	\$434,401			
Home Sales Second Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Existing Properties	1,088	1,029	1,256	1,394	1,535	1,714	1,687	1,556	1,735	1,747		
New Construction	309	335	335	385	471	505	551	677	708	691		

Table 2

Madison County Residential Real Estate Report Second Quarter 2022



2Q Metrics Details

- The highest level of inventory of homes was in the \$350,000-\$500,000 price range.
- The average months of supply for homes sold continued below 1-month.
- Madison County workforce grew by 2.9% from the 2021 average through May 2022.
- National 30-year mortgage rates at quarter-end rose from 3.10% to 5.34% from 2021. (Table 3)
- Sales by month in 2022 closely tracked 2021 levels through May but was lower in June. (Figure 4)

MADISON COUNTY, ALABAMA

Quarter 2, 2022

INVENTORY		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	Below \$150,000	1,093	1,082	1,014	661	445	216	109	59	18	16
	\$150,000-\$200,000	575	626	548	546	441	288	160	70	31	24
	\$200,000-\$250,000	431	441	434	392	352	280	199	207	28	27
	\$250,000-\$300,000	346	362	352	386	324	256	193	184	65	59
	\$300,000-\$350,000	162	192	230	224	197	190	132	123	55	159
	\$350,000-\$500,000	97	105	103	120	116	97	76	79	121	300
	\$500,000-\$650,000	28	31	30	36	32	30	29	32	69	149
	\$650,000-\$800,000	14	17	18	18	14	17	18	13	30	81
Above \$800,000	52	52	74	47	59	60	52	54	46	69	
Months of Supply		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	Below \$150,000	5.4	6.3	5.0	3.0	2.0	1.2	0.7	0.7	0.3	0.5
	\$150,000-\$200,000	6.2	6.7	4.8	4.3	3.2	1.8	1.1	0.6	0.4	0.5
	\$200,000-\$250,000	8.1	7.8	5.9	5.4	3.8	2.4	1.4	1.3	0.2	0.4
	\$250,000-\$300,000	7.6	6.6	7.1	5.5	4.0	2.7	1.9	1.6	0.4	0.4
	\$300,000-\$350,000	5.6	6.2	8.2	6.2	4.0	3.0	2.2	1.5	0.5	1.1
	\$350,000-\$500,000	11.0	11.4	7.3	8.6	6.7	3.5	2.3	1.9	0.7	1.2
	\$500,000-\$650,000	39.7	14.3	16.8	15.0	8.8	6.6	4.2	3.4	1.1	1.6
	\$650,000-\$800,000	14.3	33.5	27.1	19.6	9.6	9.7	8.2	4.7	1.9	2.8
Above \$850,000	27.1	32.0	43.2	30.2	31.5	33.5	13.3	11.8	4.1	4.0	
All Homes	7.1	7.1	7.7	5.6	4.4	3.2	2.2	1.8	1.2	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	197,773
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	\$63,520	\$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
Annualized Inflation Rate (CPI)		1.5%	1.6%	0.1%	1.3%	2.1%	2.4%	1.8%	1.2%	4.7%	9.1%
National 30yr Mortgage Rate June						4.17%	4.79%	4.11%	3.31%	3.10%	5.34%

Table 3

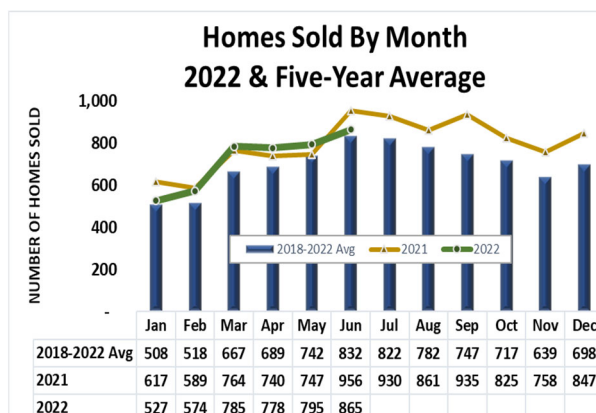


Figure 3

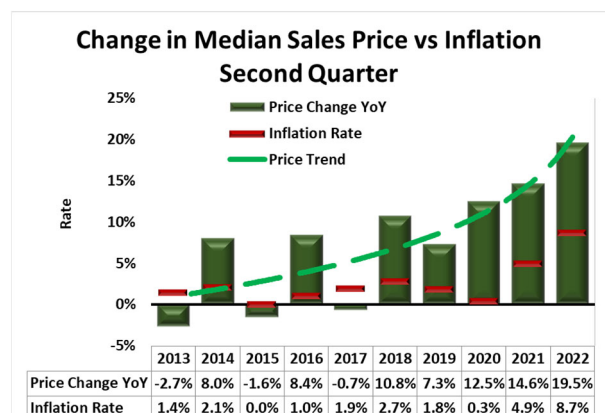


Figure 4

Madison County Residential Real Estate Report Second Quarter 2022

2Q Metrics Details, continued

- Total units sold of 2,438 continued close to the 2Q 2021 record level (2,443). (Figure 5)
- The home median sales price of the second quarter rose 19.5% to \$340,701 from 2Q 2021. (Figure 6)
- The monthly median sales prices for April, May, and June were significantly (\$50,000 to \$61,000) above the respective months in 2021. (Figure 7)

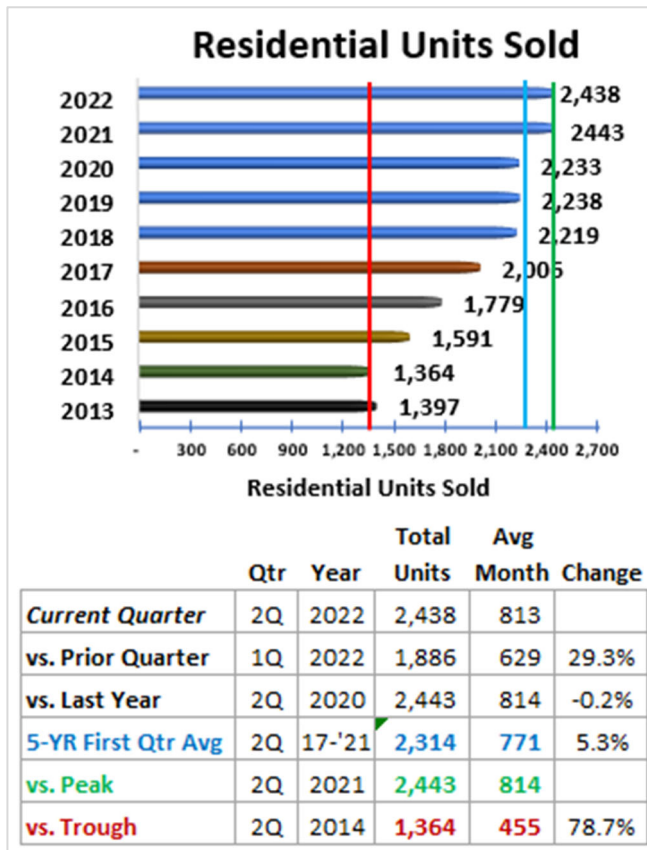


Figure 5

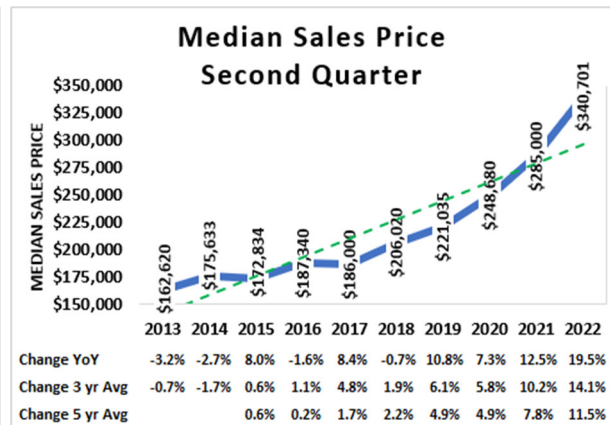


Figure 6

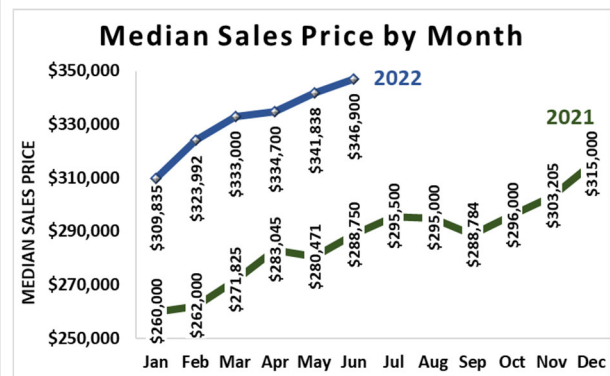


Figure 7

Madison County Residential Real Estate Report Second Quarter 2022

2Q Metrics Details, continued

- Total 2Q 2022 sales continued to be higher than the previous two years for homes priced above \$300,000. (Figure 8)
- The rate of growth slowed in every price band for 2Q 2022 compared with 2Q 2021. (Figure 9)
- Total number of available homes rose significantly with the \$350,000-\$500,000 seeing the greatest increase. (Figure 10)
- Current quarter compared to prior quarter average number of listed homes saw the largest rise in inventory in more than ten years. (Figure 11)



Figure 8

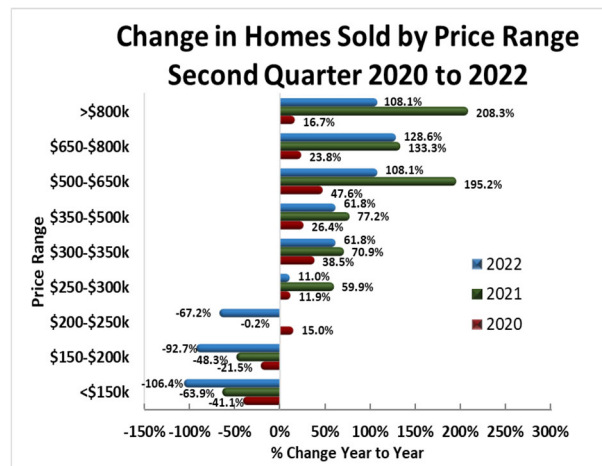


Figure 9

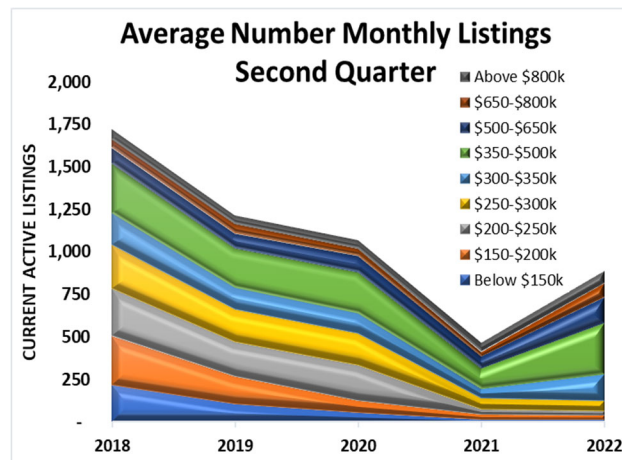


Figure 10

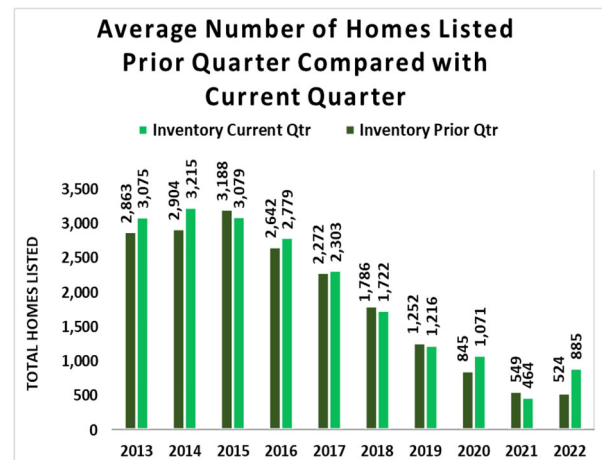


Figure 11

Madison County Residential Real Estate Report Second Quarter 2022

2Q Metrics Details, continued

- Average Days on Market fell 31% to a record low of 8 days in 2Q 2022. (Red line Figure 12)
- The quarterly number of homes pending sale fell from 2Q 2021 to 634 homes while the number of listed homes rose to the highest level in three years for 2Q 2022. (Figure 13)
- Months-of-supply of homes remain at low levels across all price ranges but rose slightly for homes priced above \$300,000. (Figure 14)
- The 21-quarter trend for sales and inventory levels suggests total sales could remain in the 2,200 range in 3Q 2022 while the inventory of listed homes could fall to below 500 units. To sustain this trend, at least 700 new listings will be needed in 3Q 2022. (Figure 15)

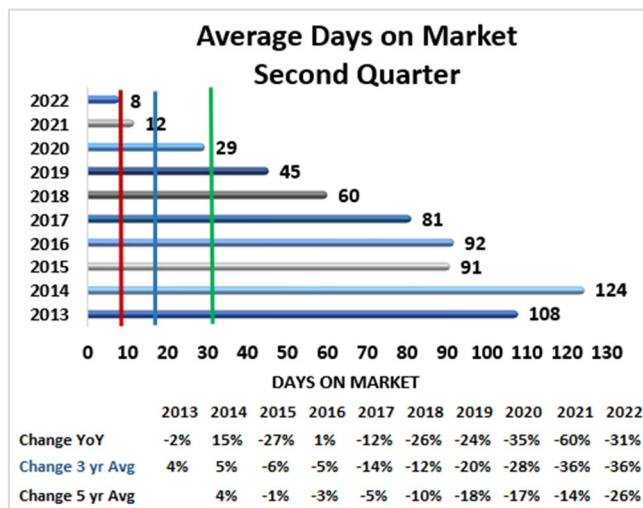


Figure 12

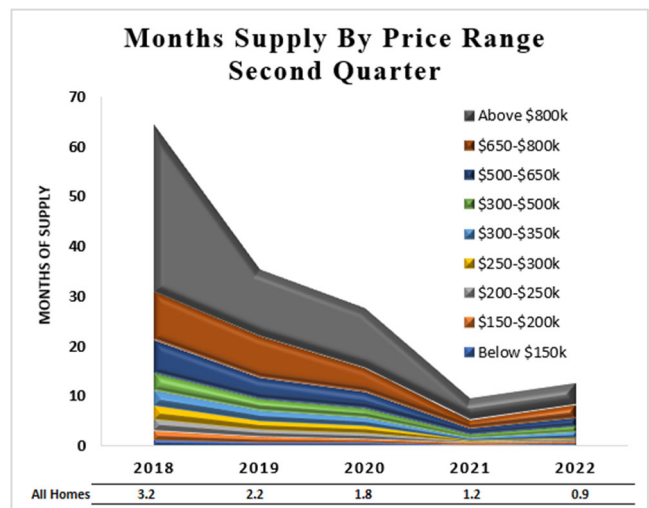


Figure 14

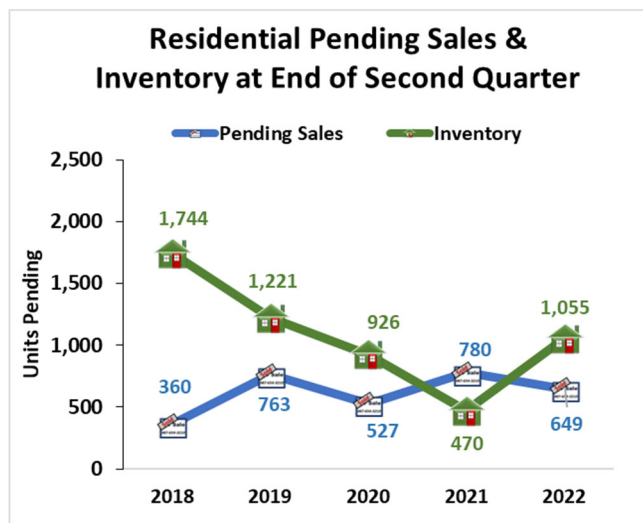


Figure 13

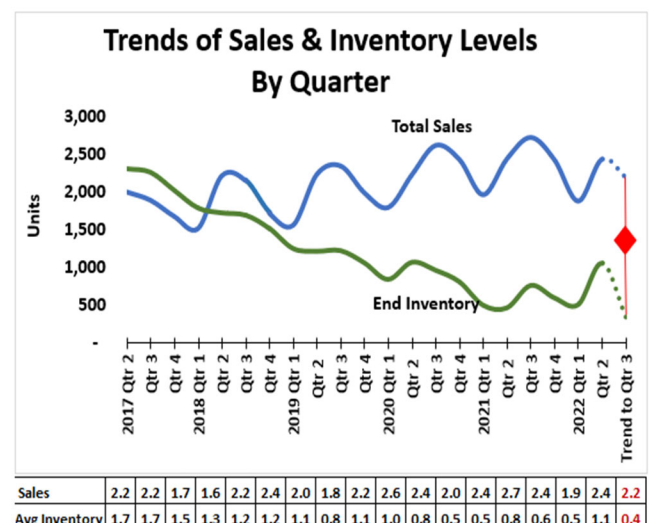


Figure 15

Madison County Residential Real Estate Report Second Quarter 2022

Madison County Economic Indicators

- Madison County population grew to 395,211 in 2021. (Figure 16)
- Madison County workforce reached 197,773 in May 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. The number of housing units normally moves with 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)

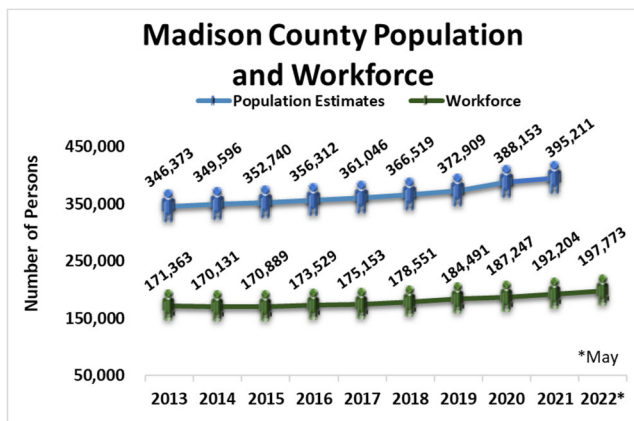


Figure 16

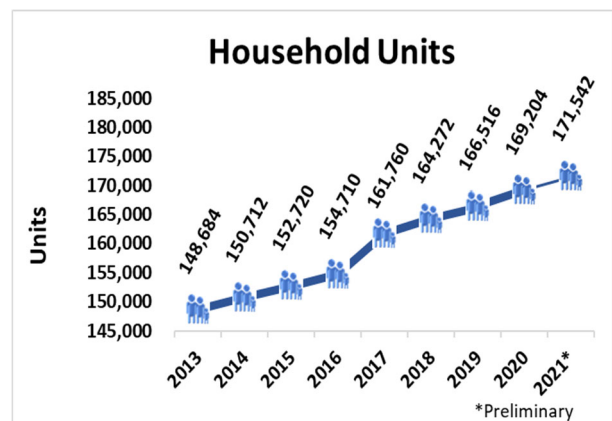


Figure 18

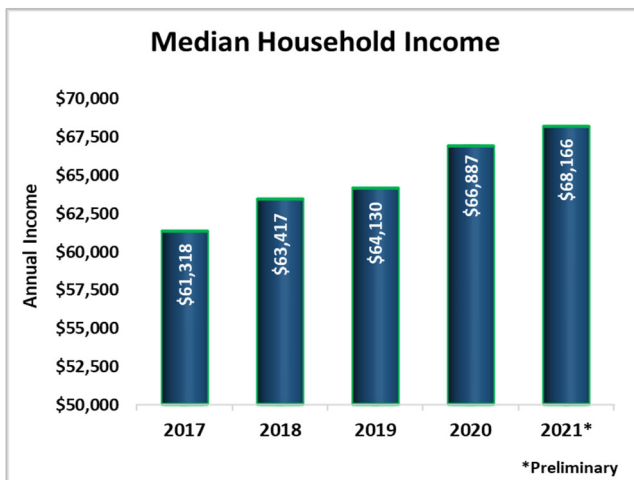


Figure 17

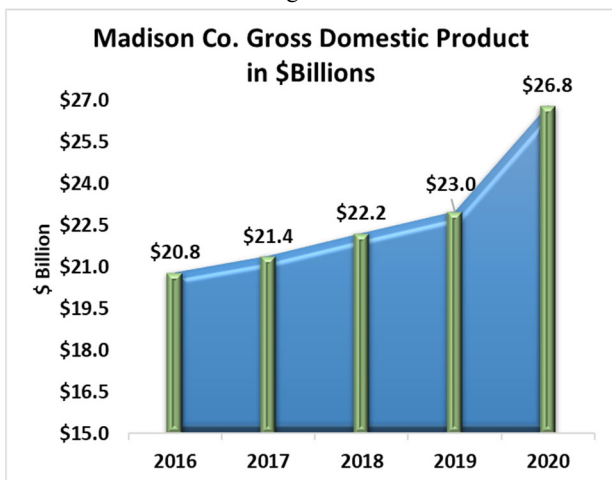


Figure 19

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

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