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HUNTSVILLE AREA ASSOCIATION of REALTORS®

# HUNTSVILLE AREA REAL ESTATE

# ECONOMICS REPORT

Q3



2022

**Analysis Conducted by**  
Brinda Mahalingam, Ph.D., Economist  
Jeff Thompson, Project Director  
Karen Yarbrough, Editor



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

# Madison County Residential Real Estate Report Third Quarter 2022

## 3Q Insight

The Madison County Residential Real Estate Market in the 3rd Quarter 2022 saw a significant rise in inventory and moderation in the rise of the median sales price.

- ✦ The inventory of homes rose 42% in 3Q 2022 from the 2Q ending level and increased 95% from the 3Q 2021 total.
- ✦ The median sales price for 3Q (\$336,000) was 14.9% above the 3Q 2021 median sales price but down 1% from the 2Q 2022 level.
- ✦ Thirty-eight percent of homes sold above list price this quarter while 35% sold at the asking price. The number of sales below asking price rose to 27% from 15% in 2Q 2022.

Market balancing continues driven by multiple factors including:

- ✦ The consumer inflation rate remained elevated at 8.2% in September.
- ✦ National average 30-year mortgage rates have more than doubled from 2021 to 6.7% as of September 2022.
- ✦ Madison County population now exceeds 400,000 and the workforce in September totaled 196,420, an increase of 4,200 from 2021.

The inventory of homes listed for sale rose significantly for a sixth consecutive month to 1,496 listings at the end of September. The 3Q average number of listings was almost twice the 2021 level. The greatest increase and number of 3Q listings were both in the \$350-\$500,000 price band (green band in Figure 1) which aligns with the price range of the most homes sold this quarter. Twenty-eight percent of sales this quarter were newly constructed. Months of supply (1.1 mo.) remained the same as 3Q 2021.

Sales prices continue to be strong with a 3Q 2022 median price of \$336,000. This level is 14.9% above the 3Q 2021 median price and about 1% below the 2Q 2022 median price of \$340,701. Homes sold at a price above listing accounted for 38% of total sales compared to 50% in 3Q 2021. The number of sales below asking price rose to 27% compared to 15% one year ago. Figure 2.

In general, availability of homes in Madison County rose significantly with sales prices remaining strong. The largest number of listed homes was in the price range with the most sales (\$350-\$500,000) which suggests improving alignment of supply and demand. The largest challenge may no longer be the availability of homes but a high consumer price inflation rate of 8.2% and 30-year mortgage rates exceeding 6%.

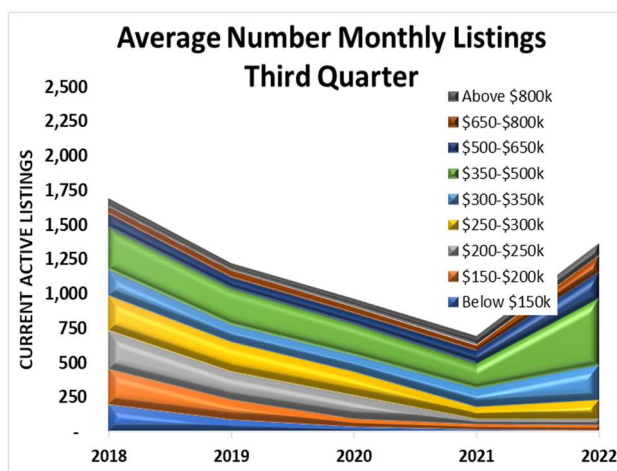


Figure 1

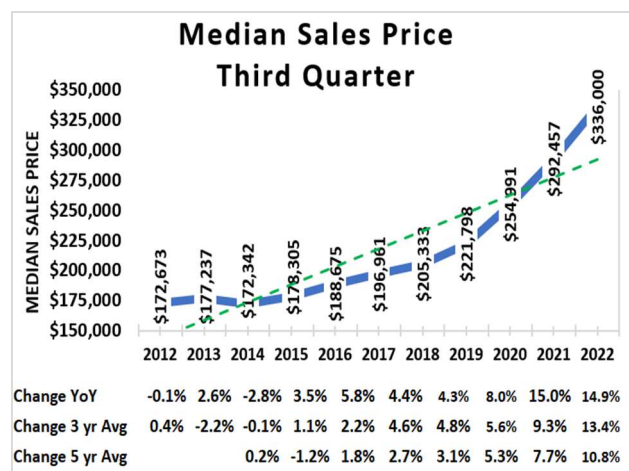


Figure 2

# Madison County Residential Real Estate Report Third Quarter 2022



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## 3Q 2022 Market Snapshot

- Inventory of homes rose 95% to 1,496 from 3Q 2021 with the largest rise in the \$650-\$800,000 range.
- Housing prices rose 14.9% from 3Q 2021.
- Sale of homes priced between \$650,000 and \$800,000 rose 63.3% from 3Q 2021. Sales of homes priced below \$300,000 continued to fall from 3Q 2021 levels.
- Average days on market increased noticeably to an average of 12 days in 3Q 2022. (Table 1)

Sales	3Q 2022		3Q 2021
3Q 2022 Homes Sold fell to	2,331	-14.5% ↓	2,726
3Q-End Pending Sales fell to	534	-13.9% ↓	620
<b>Number of Listings</b>	<b>Sep. 2022</b>	<b>Compared to</b>	<b>Sep. 2021</b>
3Q Ending Level rose to	1,496	95.3% ↑	766
<b>Median Sales Price</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>3Q 2021</b>
3Q 2022 rose to	\$336,000	14.9% ↑	\$292,457
<b>Sales Price vs List Price</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>2Q 2022</b>
Sales Price Above List Price	886	38%	50%
Sales Price Below List Price	622	27%	15%
<b>Days on Market</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>3Q 2021</b>
Days on Market (12 mo) rose to	12 days	↑	10 days
<b>Months of Supply</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>3Q 2021</b>
3Q 2022 Months of Supply rose to	1.1 mo.	↑	0.8 mo.
<b>Sales by Price Band</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>3Q 2021</b>
Less than \$150,000 fell to	98	-43.4% ↓	173
\$150,000-\$200,000 fell to	155	-31.7% ↓	227
\$200,000-\$250,000 fell to	206	-51.2% ↓	422
\$250,000-\$300,000 fell to	381	-38.2% ↓	617
\$300,000-\$350,000 rose to	427	23.4% ↑	346
\$350,000-\$500,000 fell to	613	-3.9% ↓	638
\$500,000-\$650,000 rose to	294	46.3% ↑	201
\$650,000-\$800,000 rose to	98	63.3% ↑	60
Greater than \$800,000 rose to	59	40.5% ↑	42
<b>Listings by Price Band</b>	<b>3Q 2022</b>	<b>Compared to</b>	<b>3Q 2021</b>
Less than \$150,000 fell to	14	-40.7% ↓	24
\$150,000-\$200,000 rose to	36	9.2% ↑	33
\$200,000-\$250,000 rose to	46	22.0% ↑	38
\$250,000-\$300,000 rose to	136	50.9% ↑	90
\$300,000-\$350,000 rose to	257	96.0% ↑	131
\$350,000-\$500,000 rose to	482	163.9% ↑	183
\$500,000-\$650,000 rose to	187	97.5% ↑	95
\$650,000-\$800,000 rose to	118	192.5% ↑	40
Greater than \$800,000 rose to	88	53.0% ↑	58

Table 1

# Madison County Residential Real Estate Report Third Quarter 2022



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## 3Q 2022 Key Metrics

- The number of homes sold (2,331) was the lowest 3Q level since 2018 (2,153).
- Sales of newly constructed homes remained strong at 649 homes.
- Most homes sold (26%) were in the \$350-\$500,000 price range.  
(Table 2)

### MADISON COUNTY, ALABAMA

Quarter 3, 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	802	776	753			
2020-2022 Avg	576	572	737	728	754	889	887	818	854			
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	\$334,700	\$341,838	\$346,900	\$345,000	\$330,000	\$332,300			
Quarter Units Sold	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Total Quarter	1,556	1,273	1,703	1,775	1,897	2,153	2,350	2,621	2,726	2,331		
3-year Average	1,280	1,384	1,511	1,584	1,792	1,942	2,133	2,375	2,566	2,559		
Quarter Units Sales vs List Price	2022											
Units Sales Price ABOVE List	886	38%										
Units Sales Price EQUAL List	823	35%										
Units Sales Price BELOW List	622	27%										
Median Sales Price	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Third Quarter	\$205,791	\$194,111	\$198,239	\$215,784	\$224,184	\$231,257	\$247,821	\$291,953	\$292,457	\$336,000		
% Change YoY	3.7%	-5.7%	2.1%	8.9%	3.9%	3.2%	7.2%	17.8%	0.2%	14.9%		
% Change 3 yr Avg	-1.7%	0.6%	1.1%	4.8%	1.9%	6.1%	12.2%	16.6%	12.9%	13.4%		
% Change 5 yr Avg		0.6%	0.2%	1.7%	2.2%	4.9%	10.0%	13.1%	9.8%	10.8%		
Sales by Price Range	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Third Qtr												
Below \$150,000	590	506	651	567	560	529	461	286	173	98		
\$150,000-\$200,000	313	279	348	388	410	510	494	375	227	155		
\$200,000-\$250,000	204	168	253	248	290	350	473	624	422	206		
\$250,000-\$300,000	172	145	178	213	245	290	307	446	617	381		
\$300,000-\$350,000	106	76	120	138	143	178	237	287	346	427		
\$350,000-\$500,000	126	70	126	186	199	235	283	424	638	613		
\$500,000-\$650,000	26	22	16	23	30	39	55	117	201	294		
\$650,000-\$800,000	7	5	6	8	10	9	29	31	60	98		
Above \$800,000	12	2	5	4	10	13	11	31	42	59		
Change in Number of Sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Third Qtr												
Below \$150,000	15.0%	-14.2%	28.7%	-12.9%	-1.2%	-5.5%	-12.9%	-38.0%	-39.5%	-43.4%		
\$150,000-\$200,000	12.2%	-10.9%	24.7%	11.5%	5.7%	24.4%	-3.1%	-24.1%	-39.5%	-31.7%		
\$200,000-\$250,000	14.0%	-17.6%	50.6%	-2.0%	16.9%	20.7%	35.1%	31.9%	-32.4%	-51.2%		
\$250,000-\$300,000	17.0%	-15.7%	22.8%	19.7%	15.0%	18.4%	5.9%	45.3%	38.3%	-38.2%		
\$300,000-\$350,000	45.2%	-28.3%	57.9%	15.0%	3.6%	24.5%	33.1%	21.1%	20.6%	23.4%		
\$350,000-\$500,000	27.3%	-44.4%	80.0%	47.6%	7.0%	18.1%	20.4%	49.8%	50.5%	-3.9%		
\$500,000-\$650,000	30.0%	-15.4%	-27.3%	43.8%	30.4%	30.0%	41.0%	112.7%	71.8%	46.3%		
\$650,000-\$800,000	133.3%	-28.6%	20.0%	33.3%	25.0%	-10.0%	222.2%	6.9%	93.5%	63.3%		
Above \$800,000	20.0%	-83.3%	150.0%	-20.0%	150.0%	30.0%	-15.4%	181.8%	35.5%	40.5%		
Pending Sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
End of Quarter	321	459	223	253	222	487	595	759	620	534		
Sales by Type of Financing	Cash	Conventional	Equity	FHA	FMHA	Other	Owner Financed	USDA RD	VA Loan			
3Q 2022 Units Sold	493	1,252	-	162	-	7	-	33	384			
Average Price per Type	\$308,955	\$399,749	-	\$298,726	-	\$225,013	-	\$273,536	\$430,287			
Home Sales Third Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Existing Properties	1,133	980	1,321	1,354	1,430	1,683	1,772	1,907	2,003	1,682		
New Construction	423	293	382	421	467	470	578	714	723	649		

Table 2

# Madison County Residential Real Estate Report Third Quarter 2022



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## 3Q Metrics Details

- The highest level of inventory of homes (482) was in the \$350,000-\$500,000 price range...which is the range of the most sales in the 3Q.
- The average months of supply for homes sold remained at 1.1 months from 3Q 2021.
- National 30-year mortgage rate at quarter-end (6.7%) was more than double the 3% rate in 2021.
- Madison County population grew to more than four hundred thousand and the workforce grew by 3.3% from the 2021 average through Aug 2022. (Table 3)
- Monthly sales in 2022 were slightly below the 2021 levels for July, August, and September. (Figure 4)

### MADISON COUNTY, ALABAMA

Quarter 3, 2022

INVENTORY (Average)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units										
Below \$150,000	1,059	1,120	905	618	429	195	91	40	24	14
\$150,000-\$200,000	635	614	572	529	438	262	144	59	33	36
\$200,000-\$250,000	416	443	414	382	357	272	202	170	38	46
\$250,000-\$300,000	345	361	376	367	317	256	213	166	90	136
\$300,000-\$350,000	174	191	229	209	183	189	127	120	131	257
\$350,000-\$500,000	290	322	308	326	326	309	260	227	183	482
\$500,000-\$650,000	91	77	101	109	94	97	82	83	95	187
\$650,000-\$800,000	45	51	48	55	51	50	55	44	40	118
Above \$800,000	53	54	53	48	61	61	50	57	58	88

Months of Supply	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Below \$150,000	5.4	6.6	4.2	3.3	2.3	1.1	0.6	0.4	0.4	0.5
\$150,000-\$200,000	6.4	6.3	5.1	4.1	3.2	1.6	0.9	0.5	0.4	0.7
\$200,000-\$250,000	6.2	6.9	4.9	4.6	3.7	2.3	1.3	0.8	0.3	0.7
\$250,000-\$300,000	6.2	7.7	6.6	5.3	3.9	2.7	2.1	1.1	0.4	1.1
\$300,000-\$350,000	5.0	6.8	5.8	4.5	4.0	3.3	1.7	1.3	1.1	1.8
\$350,000-\$500,000	7.0	13.8	7.4	5.3	5.0	4.0	2.8	1.6	0.9	2.6
\$500,000-\$650,000	39.7	14.5	19.1	14.6	10.4	7.9	5.0	2.1	1.4	2.0
\$650,000-\$800,000	21.5	40.2	37.1	21.4	26.3	16.8	5.8	4.5	2.0	3.6
Above \$850,000	15.9	55.5	42.0	24.8	18.6	15.0	23.9	6.6	4.3	5.1
All Homes	6.9	7.6	6.9	5.3	4.2	2.9	2.0	1.7	1.1	1.1

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	372,538	388,153	395,211	400,898
Workforce	171,363	170,131	170,889	173,529	175,153	178,551	184,491	187,247	192,204	198,615
Household Units	150,712	152,720	154,710	161,760	164,272	166,516	169,204	169,204	171,542	176,455
Median Household Income	\$58,434	\$58,203	\$57,993	\$60,150	\$61,318	\$63,417	\$64,130	\$63,520	\$68,166	\$76,977
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%	8.2%
National 30yr Mortgage Rate Sep	4.3%	4.2%	3.9%	3.4%	3.8%	4.7%	3.6%	2.9%	3.0%	6.7%

Table 3

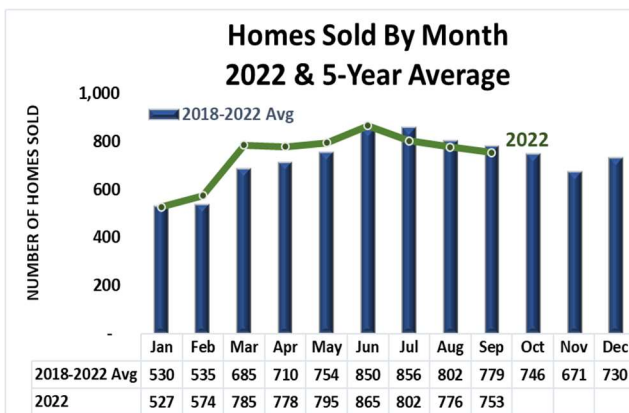


Figure 3

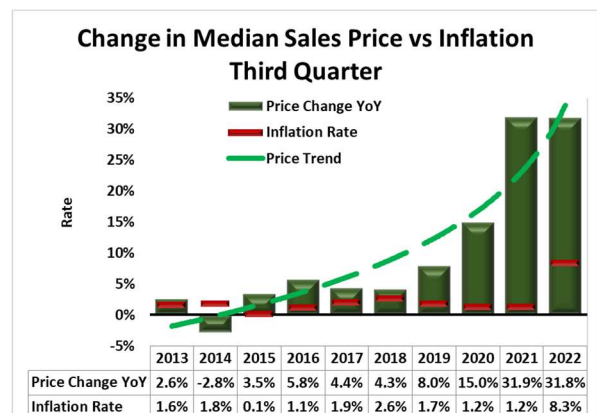


Figure 4

# Madison County Residential Real Estate Report Third Quarter 2022



## 3Q Metrics Details, continued

- Total units sold (2,331) was 14% below the 3Q 2021 record level (2,726). (Figure 5)
- The home median sales price of the third quarter rose 14.9% to \$336,000 from 3Q 2021. (Figure 6)
- The monthly median sales price fell in July and August but rose in September to \$332,300. (Figure 7)

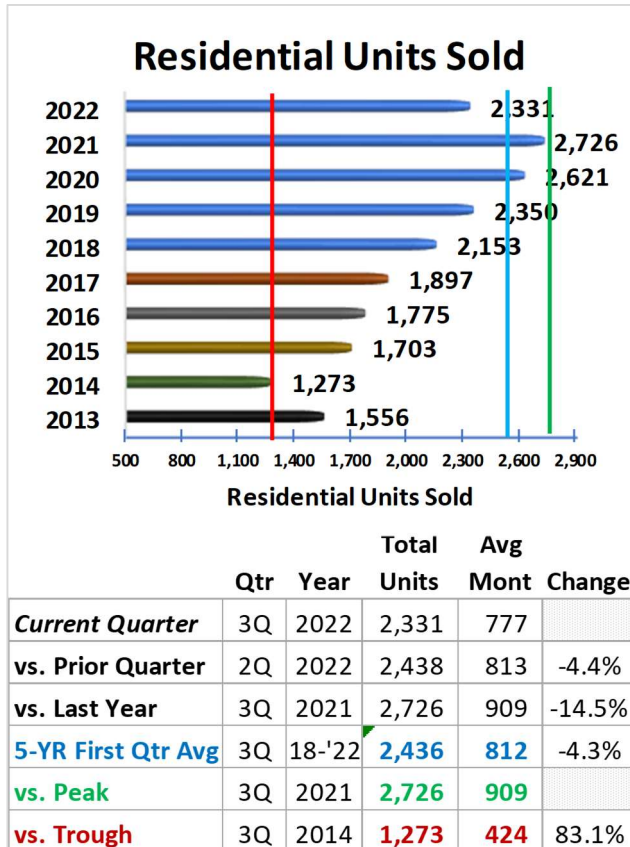


Figure 5

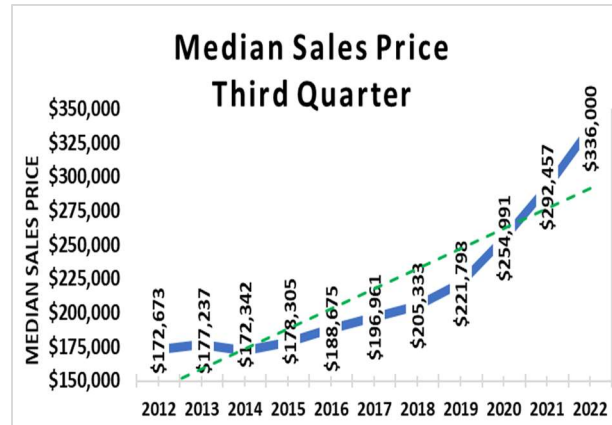


Figure 6

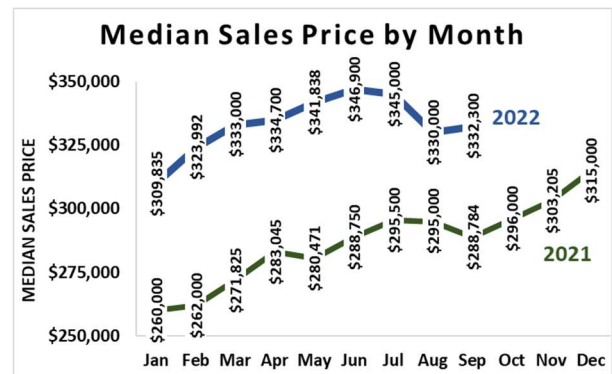


Figure 7

# Madison County Residential Real Estate Report Third Quarter 2022

## 3Q Metrics Details, continued

- Total 3Q 2022 sales continued to be above 2021 levels for the \$300-\$500,000 homes compared to 3Q 2021 and 2020. (Figure 8)
- The rate of growth remained positive in price bands above \$500,000. (Figure 9)
- Total number of available homes rose significantly with the \$350,000-\$500,000 seeing the greatest increase (299). (Figure 10)
- Current quarter average number of listed homes rose to the highest level (1,365) since 2018. (Figure 11)



Figure 8

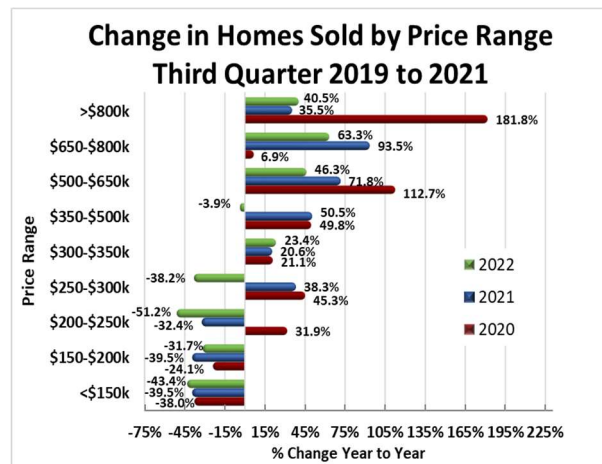


Figure 9

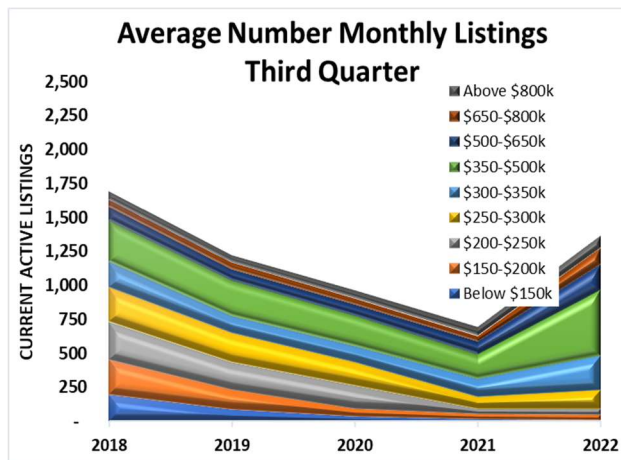


Figure 10

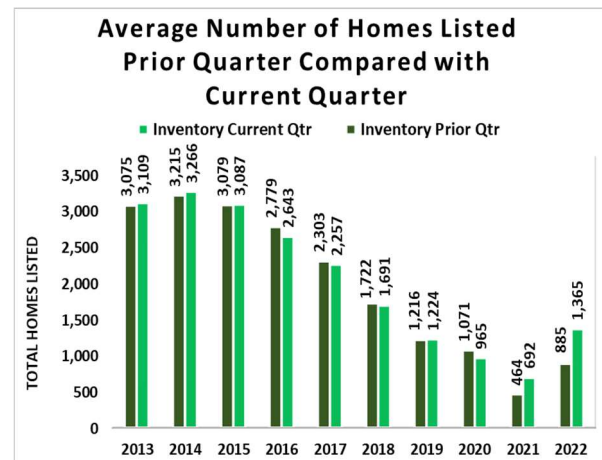


Figure 11

# Madison County Residential Real Estate Report Third Quarter 2022

## 3Q Metrics Details, continued

- Average Days on Market rose to 12 days compared with 8 days in 2Q 2022 and 10 days in 3Q 2021. (Figure 12)
- The quarterly number of homes pending sales fell to the lowest 3Q level (534) while the number of listed homes rose to the highest level since 3Q 2018. (Figure 13)
- Months-of-supply of homes remains low but rose in all price bands from the 2Q 2022 levels. The highest level of months-of-supply (5.1) occurred in 3Q 2022 for the \$800,000-plus priced homes. (Figure 14)
- The 23-quarter trend for sales and inventory levels suggests total sales could remain in the 2,400 range in 4Q 2022 while the inventory of listed homes could rise to 1,675 units. To sustain this trend, at least 370 new listings will be needed in 4Q 2022. (Figure 15)

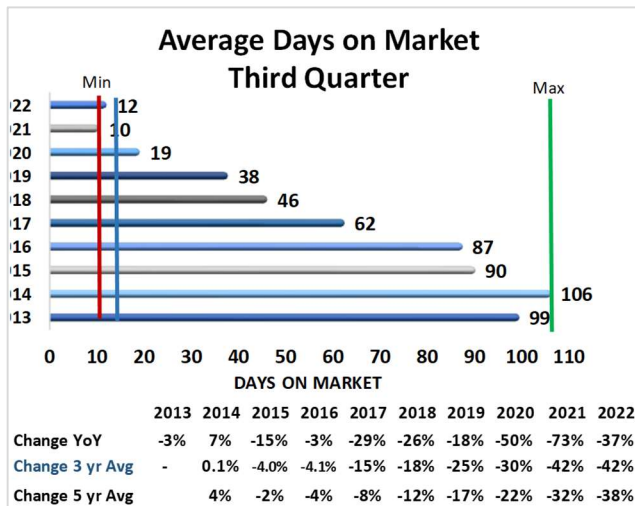


Figure 12

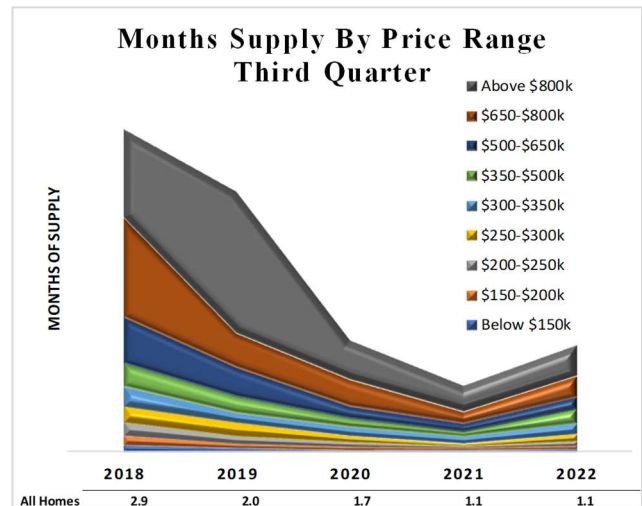


Figure 14

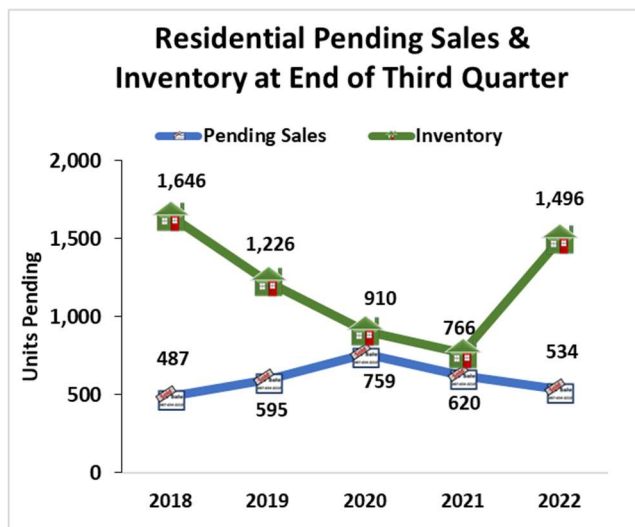


Figure 13

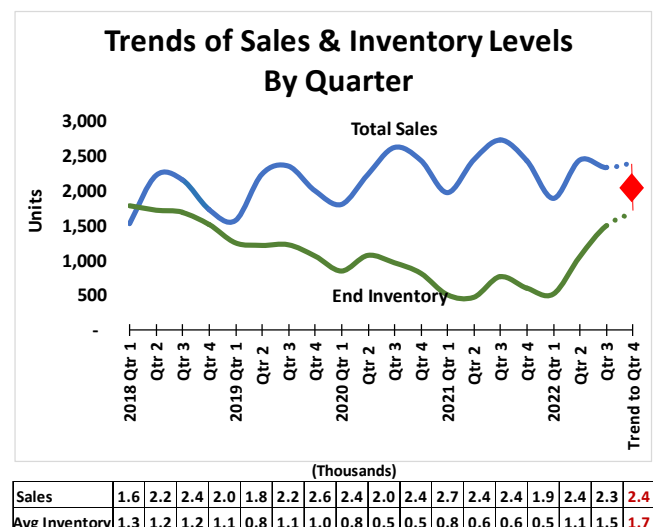


Figure 15

# Madison County Residential Real Estate Report Third Quarter 2022

## Madison County Economic Indicators

- Madison County population grew to an estimated 400,898 as of July 2022. (Figure 16)
- Madison County workforce reached 196,420 in September 2022. (Figure 16)
- Median Household Income in Madison County rose to \$76,977 in 2022 (preliminary). (Figure 17)
- The number of household units grew to an estimated 176,455 in 2022 (preliminary). 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. (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)

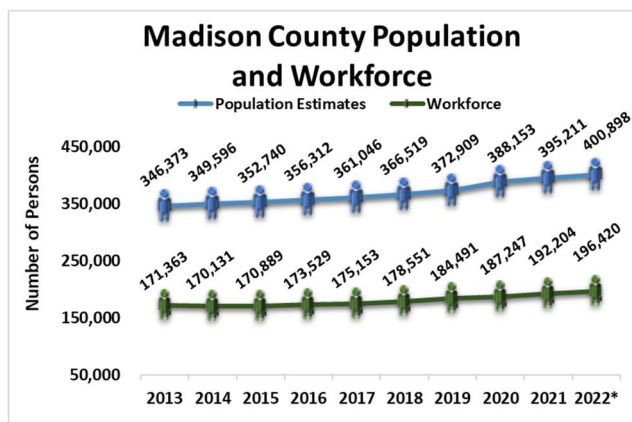


Figure 16

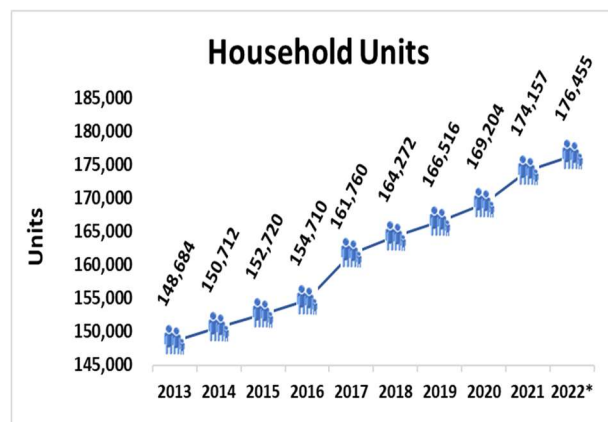


Figure 18

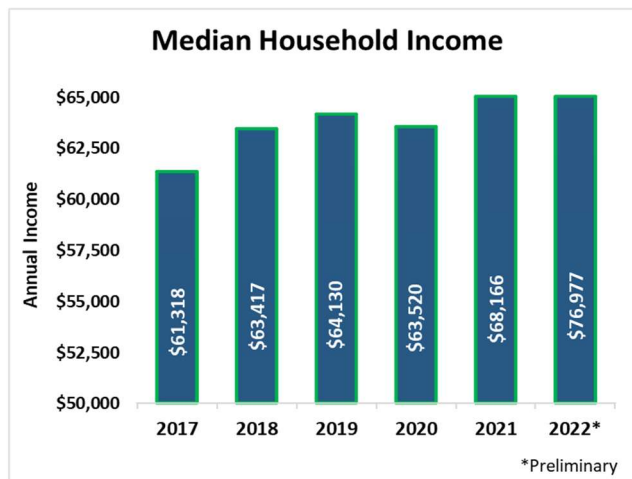


Figure 17

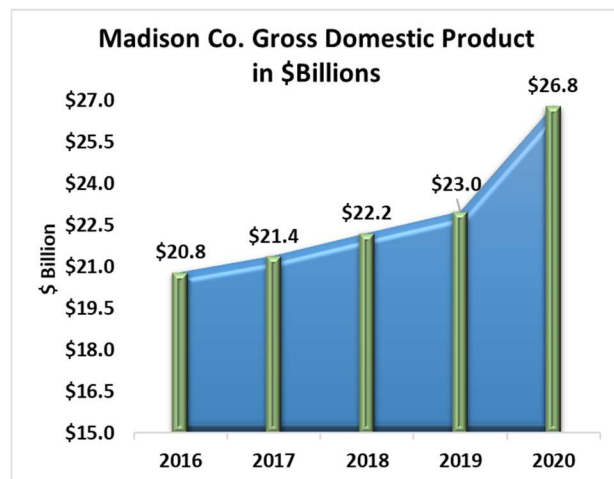


Figure 19

### 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:

- Jeff Thompson, Project Director
- Brinda Mahalingam, Ph.D., Economist
- Dilcu Barnes, Ph.D., Industrial Systems
- Karen Yarbrough, Editor

### Questions regarding this report may be directed to:

Jeff Thompson, jeff.thompson@uah.edu