



HAAR

HUNTSVILLE AREA ASSOCIATION of REALTORS®

HUNTSVILLE AREA REAL ESTATE

ECONOMICS

Q1



REPORT

Analysis Conducted by
Brinda Mahalingam, Ph.D. Economist
Dilcu Barnes, Ph.D.
Karen Yarbrough, Editor



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

Madison County Residential Real Estate Report First Quarter 2023

Executive Overview

1Q Insight Focus

- ✦ The number of available homes rose significantly across all price ranges. The total number of available homes for 1Q 2023 is 171.5% more than 1Q 2022.
- ✦ Average Days on Market significantly increased to 33 days. That is three times more than the 11 days in 1Q 2022.
- ✦ Months of supply increased across all price ranges. Months of supply for all homes is 2.9 months, which is over 200% more than 1Q 2022 value (0.9 months).
- ✦ Sales of homes priced below \$650,000 fell by around 23% compared to 1Q 2022. Sales of homes priced above \$650,000 increased by 16%.

Sales for homes priced below \$300,000 continued to decline in 1Q 2023 compared to 1Q 2021 and 1Q 2022 levels. Sales for homes priced \$300,000-\$650,000 were higher than 1Q 2021 but less than 1Q 2022 levels. However, sales for homes priced above \$650,000 increased compared to 1Q 2021 and 1Q 2022.

The available homes rose significantly across all price ranges compared to 1Q 2022. The average number of available homes for 1Q 2023 (1430) was significantly more than 1Q 2022 (524) but slightly less than 4Q 2022 (1598). The new construction inventory significantly increased over the last year compared to the existing home inventory. The average new construction inventory for 1Q 2023 is 840 which is almost 200% more than 1Q 2022 (288).

The months of supply for all homes continued to increase, which is more than 2022 1Q, 2Q, 3Q and 4Q levels. Average Days on Market significantly increased to 33 days. That is three times more than the 11 days in 1Q 2022 and 90% more than the 17.3 days in the previous quarter, 4Q 2022.

According to Freddie Mac weekly data mortgage rates continue to trend down. 30-year fixed rate mortgage averaged 6.32% as of March 30th, which was down from the previous week's 6.42% but still higher than the pre-pandemic level. In addition, the consumer inflation rate was 5% in March which is the lowest since May 2021. But it's still well above the Federal Reserve's 2% target.

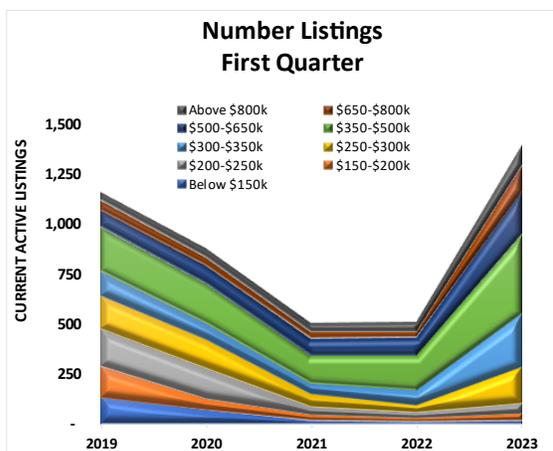


Figure 1



Figure 2

Madison County Residential Real Estate Report First Quarter 2023

1Q 2023 Market Snapshot

- The number of units on the market increased dramatically (171.5%) compared to March 2022.
- The number of homes sold above list price decreased (296) compared to the 1Q 2022 (735).
- The sales of homes priced below \$650,000 fell from the 1Q 2022 while sales of homes priced above \$650,000 slightly increased compared to 1Q 2022. The number of listings increased in all price ranges.
- Average days on market was 33 days for the quarter which was three times more than the 1Q 2022.

Sales		1Q 2023		Compared to	1Q 2022		
1Q 2023 Homes Sold	fell to	1,486	-21.2% ↓			1,886	
1Q 2023 Pending Sales	fell to	569	-10.3% ↓		634		
Number of Listings		March 2023		Compared to	March 2022		
1Q 2023 Ending Level	fell to	1393	171.5% ↑			513	
Median Sales Price		1Q 2023		Compared to	1Q 2022		
1Q 2023	rose to	\$329,610	2.3% ↑			\$322,218	
Sales Price vs List Price		1Q 2023		Compared to	1Q 2022		
Sales Price Above List Price		296	20%			735	39%
Sales Price Below List Price		629	42%		858	45%	
Days on Market		1Q 2023		Compared to	1Q 2022		
1Q 2023 DoM	rose to	33 days	↑			11 days	
Months of Supply		1Q 2023		Compared to	1Q 2022		
1Q 2023 MoS	rose to	2.9 mo.	↑			0.9 mo.	
Sales by Price Band		1Q 2023		Compared to	1Q 2022		
Less than \$150,000	fell to	77	-20.6% ↓			97	
\$150,000-\$200,000	fell to	105	-14.6% ↓			123	
\$200,000-\$250,000	fell to	149	-24.7% ↓			198	
\$250,000-\$300,000	fell to	254	-25.5% ↓			341	
\$300,000-\$350,000	fell to	277	-21.1% ↓			351	
\$350,000-\$500,000	fell to	376	-28.9% ↓			529	
\$500,000-\$650,000	fell to	149	-9.1% ↓			164	
\$650,000-\$800,000	rose to	62	31.9% ↑			47	
Greater than \$800,000	rose to	37	2.8% ↑		36		
Listings by Price Band		March 2023		Compared to	March 2022		
Less than \$150,000	rose to	17	21.4% ↑			14	
\$150,000-\$200,000	rose to	35	105.9% ↑			17	
\$200,000-\$250,000	rose to	51	88.9% ↑			27	
\$250,000-\$300,000	rose to	181	402.8% ↑			36	
\$300,000-\$350,000	rose to	269	244.9% ↑			78	
\$350,000-\$500,000	rose to	395	120.7% ↑			179	
\$500,000-\$650,000	rose to	214	151.8% ↑			85	
\$650,000-\$800,000	rose to	125	380.8% ↑			26	
Greater than \$800,000	rose to	106	107.8% ↑		51		

Table 1

Madison County Residential Real Estate Report First Quarter 2023



Created for

1Q 2023 Key Metrics

- The median sales price for the quarter was slightly (2.3%) higher than 1Q 2022.
- First time the total number of homes sold for the quarter was less than the three-year first quarter average. (Table 2)

MADISON COUNTY, ALABAMA

Quarter 1 2023

SALES												
Monthly Unit Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	617	589	764	740	747	956	930	861	935	825	758	847
2022	527	574	785	778	795	865	802	776	753	630	533	538
2023	383	452	651									
2021-2023 Avg	509	538	733									
Median Sales Price	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	\$335,000	\$330,750	\$325,000
2023	\$315,000	\$335,000	\$329,900									
Quarter Units Sold	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Total Quarter	1,033	1,097	1,271	1,410	1,524	1,567	1,801	1,970	1,886	1,486		
3-year Average	1,028	1,051	1,134	1,259	1,402	1,500	1,631	1,779	1,886	1,781		
Quarter Units Sales vs List Price	2023											
Units Sales Price ABOVE List	296 20%											
Units Sales Price EQUAL List	561 38%											
Units Sales Price BELOW List	629 42%											
Median Sales Price	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
First Quarter	\$158,544	\$160,394	\$171,217	\$179,154	\$191,500	\$208,333	\$233,688	\$265,000	\$322,218	\$329,610		
% Change YoY	-3.6%	1.2%	6.7%	4.6%	6.9%	8.8%	12.2%	13.4%	21.6%	2.3%		
% Change 3 yr Avg	-2.4%	-0.2%	1.4%	4.2%	6.1%	6.8%	9.4%	11.5%	16.1%	11.3%		
% Change 5 yr Avg	-1.0%	-0.8%	0.1%	2.2%	3.2%	5.8%	8.0%	9.5%	13.3%	11.1%		
Sales by Price Range	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
First Qtr												
Below \$150,000	477	494	509	510	461	349	331	196	97	77		
\$150,000-\$200,000	192	209	268	327	342	385	310	234	123	105		
\$200,000-\$250,000	118	149	174	182	239	272	366	401	198	149		
\$250,000-\$300,000	99	99	122	159	180	194	263	430	341	254		
\$300,000-\$350,000	52	53	79	91	118	139	166	213	351	277		
\$350,000-\$500,000	72	66	89	116	141	184	263	347	529	376		
\$500,000-\$650,000	17	16	22	18	29	29	68	90	164	149		
\$650,000-\$800,000	3	7	4	4	8	8	20	31	47	62		
Above \$800,000	3	4	4	3	6	7	14	28	36	37		
Change in Number of Sales	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Below \$150,000	7.9%	3.6%	3.0%	0.2%	-9.6%	-24.3%	-5.2%	-40.8%	-50.5%	-20.6%		
\$150,000-\$200,000	-12.3%	8.9%	28.2%	22.0%	4.6%	12.6%	-19.5%	-24.5%	-47.4%	-14.6%		
\$200,000-\$250,000	5.4%	26.3%	16.8%	4.6%	31.3%	13.8%	34.6%	9.6%	-50.6%	-24.7%		
\$250,000-\$300,000	-4.8%	0.0%	23.2%	30.3%	13.2%	7.8%	35.6%	63.5%	-20.7%	-25.5%		
\$300,000-\$350,000	-16.1%	1.9%	49.1%	15.2%	29.7%	17.8%	19.4%	28.3%	64.8%	-21.1%		
\$350,000-\$500,000	10.8%	-8.3%	34.8%	30.3%	21.6%	30.5%	42.9%	31.9%	52.4%	-28.9%		
\$500,000-\$650,000	30.8%	-5.9%	37.5%	-18.2%	61.1%	0.0%	134.5%	32.4%	82.2%	-9.1%		
\$650,000-\$800,000	0.0%	133.3%	-42.9%	0.0%	100.0%	0.0%	150.0%	55.0%	51.6%	31.9%		
Above \$800,000	0.0%	33.3%	0.0%	-25.0%	100.0%	16.7%	100.0%	100.0%	28.6%	2.8%		
Pending Sales	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
End of Quarter	324	388	302	340	221	391	729	725	634	569		
Sales by Type of Financing	Cash	Conventional	FHA	FMHA	Other	Owner Financed	USDA RD	VA Loan				
1Q 2023 Units Sold	265	798	145	0	6	3	22	247				
Average Price per Type	\$299,572	\$385,968	\$294,729	n/a	\$277,937	\$210,107	\$262,029	\$417,206				
Home Sales First Quarter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Existing Properties	763	858	986	1,043	1,151	1,140	1,249	1,349	1,280	1030		
New Construction	270	239	285	367	373	427	552	621	606	456		

Table 2

Madison County Residential Real Estate Report First Quarter 2023

1Q Metrics Details

- The highest inventory level remained in the \$350,000 and \$500,000 price range.
- The average months of supply for all homes increased by more than 200%.
- Madison County’s workforce grew by 2.3% from the 2022 average through March 2023. (Table 3)
- Homes sold by the month were less than the 1Q 2022 and the five-year (2018-2022) annual average.

MADISON COUNTY, ALABAMA

Quarter 1 2023

INVENTORY		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Units	Below \$150,000	1,044	1,003	700	492	268	130	67	20	14	17
	\$150,000-\$200,000	565	524	537	432	285	155	58	28	17	35
	\$200,000-\$250,000	385	414	382	357	254	185	148	36	27	51
	\$250,000-\$300,000k	366	356	344	324	289	170	149	68	36	181
	\$300,000-\$350,000	183	199	216	174	183	121	83	59	78	269
	\$350,000-\$500,000	282	312	339	312	293	220	198	137	179	395
	\$500,000-\$650,000	90	81	105	88	98	84	87	85	85	214
	\$650,000-\$800,000	43	45	50	44	43	50	38	29	26	125
	Above \$800,000	51	57	38	54	54	42	49	42	51	106

Months of Supply		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Below \$150,000	6.4	6.8	4.3	3.1	2.0	1.3	0.6	0.3	0.5	1.0
	\$150,000-\$200,000	9.1	9.4	6.1	4.1	2.6	1.4	0.5	0.3	0.3	0.9
	\$200,000-\$250,000	9.7	9.5	6.7	6.2	3.5	2.2	1.2	0.4	0.4	1.1
	\$250,000-\$300,000k	10.9	11.5	8.8	6.4	4.9	3.1	1.6	0.6	0.3	2.2
	\$300,000-\$350,000	10.3	11.5	8.1	6.3	5.0	3.0	1.8	0.8	0.9	3.7
	\$350,000-\$500,000	11.3	16.6	11.2	7.8	6.4	3.8	2.2	1.5	1.0	3.4
	\$500,000-\$650,000	16.8	16.7	12.9	15.0	9.1	9.5	3.6	2.9	1.7	4.5
	\$650,000-\$800,000	31.5	21.8	34.0	34.2	10.8	20.5	6.2	3.0	3.2	7.9
	Above \$850,000	36.8	27.5	25.8	37.0	28.7	18.2	19.8	5.2	4.1	8.5
	All Homes	7.8	8.0	5.9	4.8	3.5	2.4	2.0	1.3	0.9	2.9

ECONOMIC INDICATORS		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Madison County Population		349,596	352,740	356,312	361,046	366,519	372,909	388,153	395,211	400,898	n/a
Workforce		170,131	170,889	173,529	175,153	178,551	184,491	187,247	192,204	196,908	201,532
Household Units		150,712	152,720	154,710	161,760	164,272	166,516	169,204	171,542	176,455	n/a
Median Household Income		\$58,203	\$57,993	\$60,150	\$61,318	\$63,417	\$64,130	\$66,887	\$68,166	76,977	n/a
Madison County GDP (\$mil)		\$19,931	\$20,277	\$20,798	\$21,371	\$22,704	\$23,768	\$23,927	\$25,394	n/a	n/a

Table 3



Figure 3

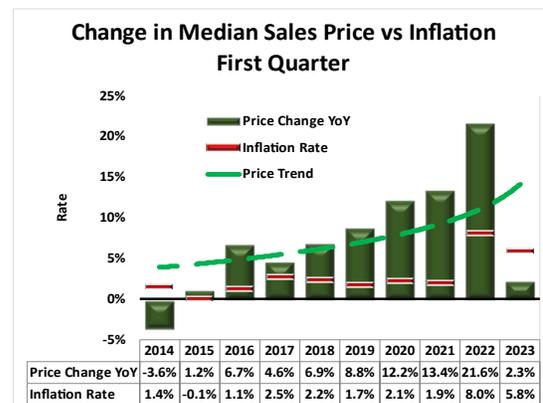


Figure 4

Madison County Residential Real Estate Report First Quarter 2023

1Q Metrics Details, continued

- Total units sold was 1,436 which is below the 1Q 2022 (1886), the previous quarter 4Q 2022 (1701) and the first-quarter 5-year average (1742). (Figure 5)
- The median sales price of the first quarter continued to increase (\$329,610). However, compared to the 1Q 2022 value (\$322,218) the difference is not significant. (Figure 6)
- The median sales prices for January and February were above the same months in 2022. However, the median sales price of March 2023 is slightly less than that of March 2022. (Figure 7)

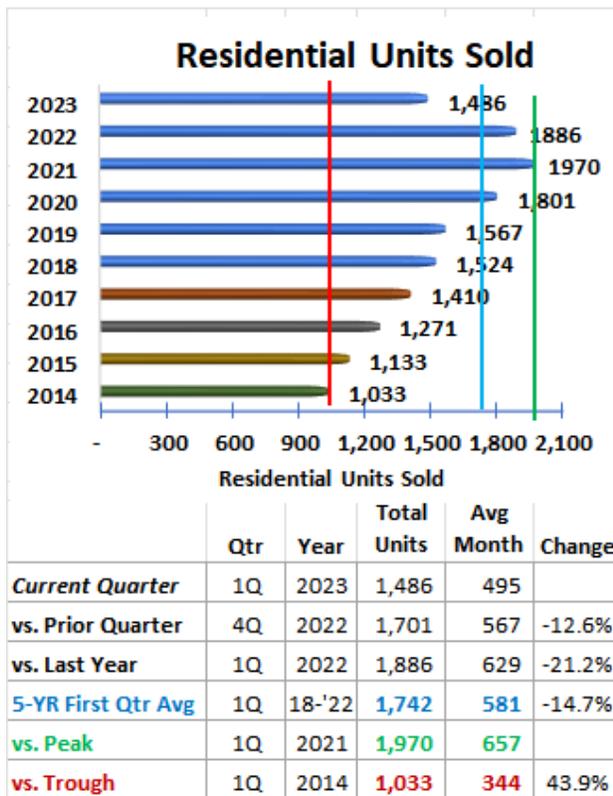


Figure 5

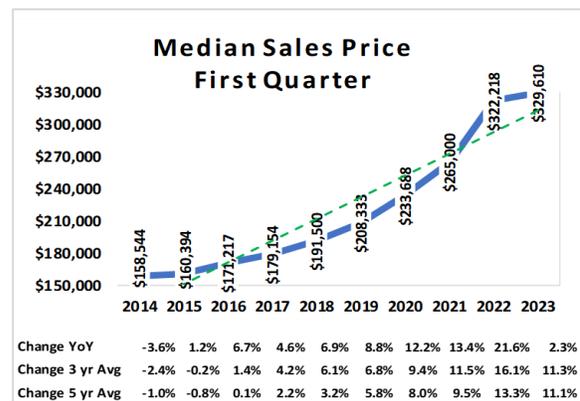


Figure 6

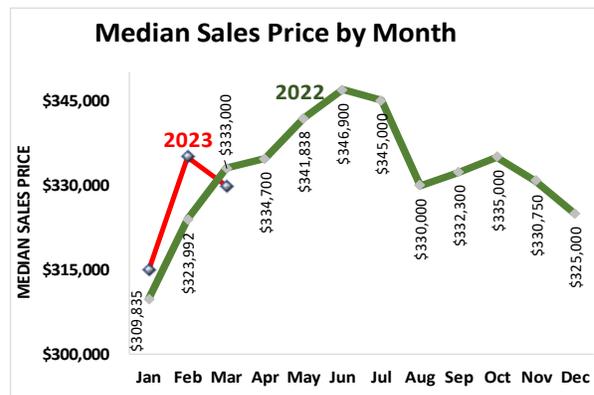


Figure 7

Madison County Residential Real Estate Report First Quarter 2023

1Q Metrics Details, continued

- Sales for homes priced below \$300,000 continued to decline in 1Q 2023 compared to 1Q 2021, 1Q 2022 levels. However, sales for homes priced above \$650,000 increased compared to 1Q 2021 and 1Q 2022. (Figure 8)
- Sales of homes priced below \$300,000 declined but at a slower level than in 1Q 2022. (Figure 9)
- The number of available homes rose significantly across all price ranges. The total number of available homes for 1Q 2023 (1393) is 171.5% more than 1Q 2022. (Figure 10)
- The current quarter compared to the prior quarter's average number of listed homes shows that the first quarter inventory has fallen each year since 2014. (Figure 11)

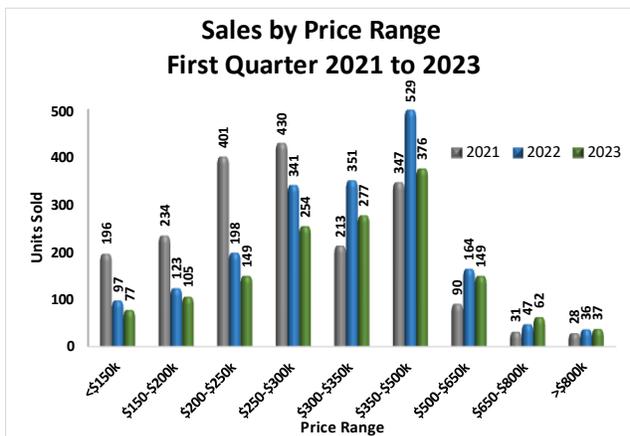


Figure 8

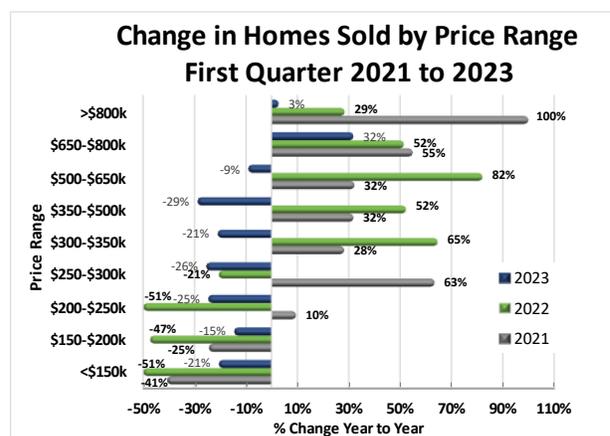


Figure 9

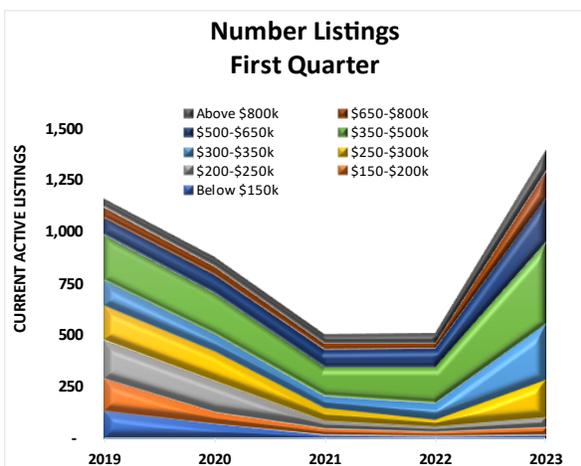


Figure 10

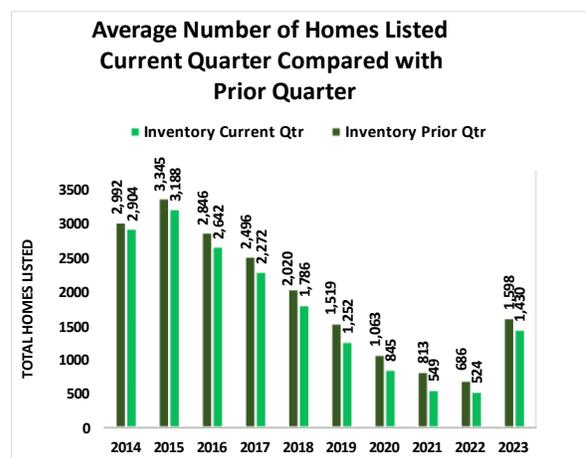


Figure 11

Madison County Residential Real Estate Report First Quarter 2023

1Q Metrics Details, continued

- Average Days on Market significantly increased to 33 days. That is three times more than the 11 days in 1Q 2023. (Figure 12)
- The end of quarter number of units pending decreased to 569 homes in 1Q 2023 which is around 10% less than 1Q 2022 (634). (Figure 13)
- Months of supply of homes increased across all price ranges. Months of supply for all homes is 2.9 months, over 200% more than 1Q 2022 value (0.9 months). (Figure 14)
- The trend for sales and inventory levels suggests total sales could go up to 1913 in 2Q 2023 while the ending inventory of listed homes may go down to around 1300. (Figure 15)

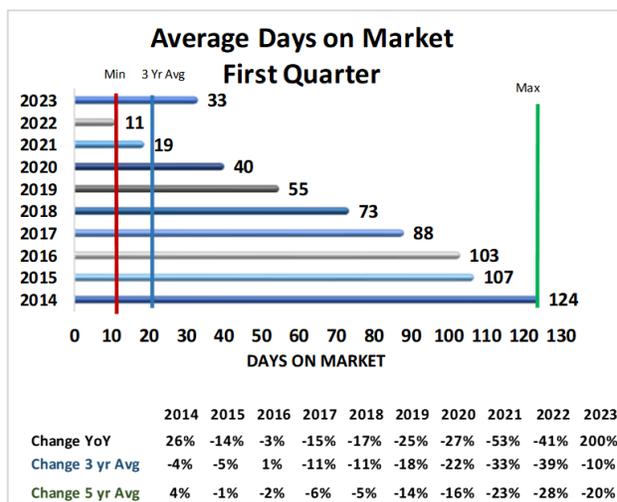


Figure 12

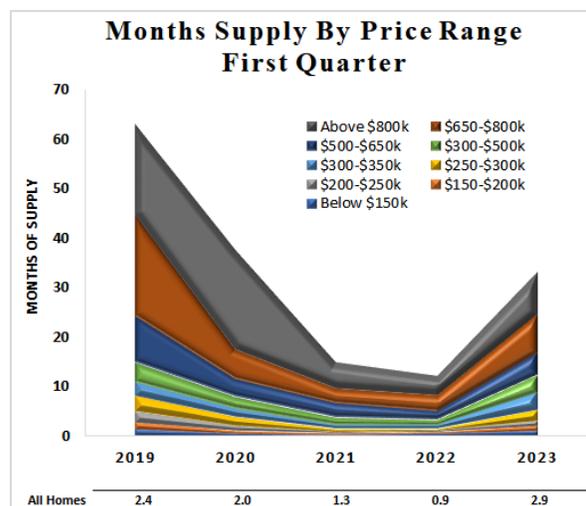


Figure 14

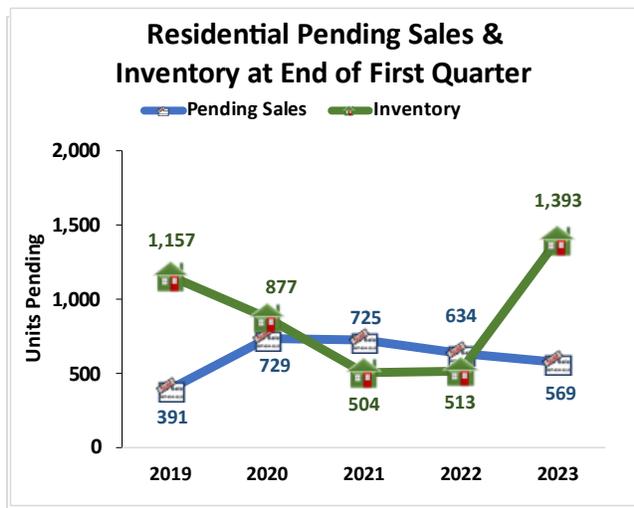


Figure 13

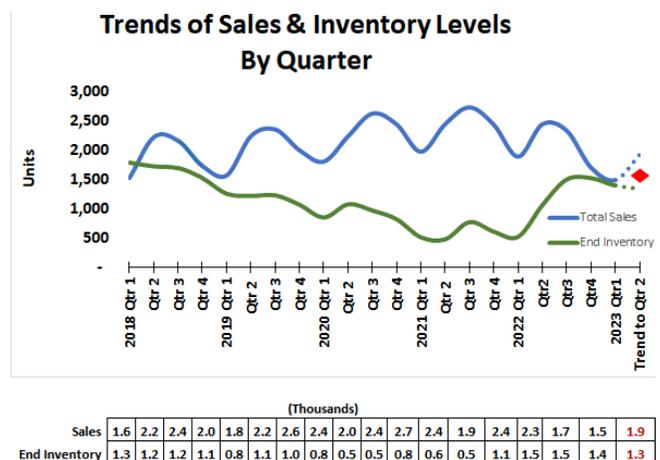


Figure 15

Madison County Residential Real Estate Report First Quarter 2023

Madison County Economic Indicators

- Madison County’s population grew to 403,565 in 2022. (Figure 16)
- Madison County’s workforce reached 201,532 in March 2023. (Figure 16)
- Median Household Income in Madison County rose to \$76,977 in 2022, significantly above the pre-pandemic level. (Figure 17)
- The number of household units grew to an estimated 176,455 in 2022. This represents all types of housing units comprised of nuclear families, extended families, individuals living alone, and unrelated roommates. (Figure 18)
- Gross Domestic Product (a monetary measure of the market value of all the final goods and services produced in a specific period) for Madison County rose 6.2% from 2020 to an estimated \$25.4 (chained 2012 dollars) billion in 2021, according to the Bureau of Economic Analysis. (Figure 19)

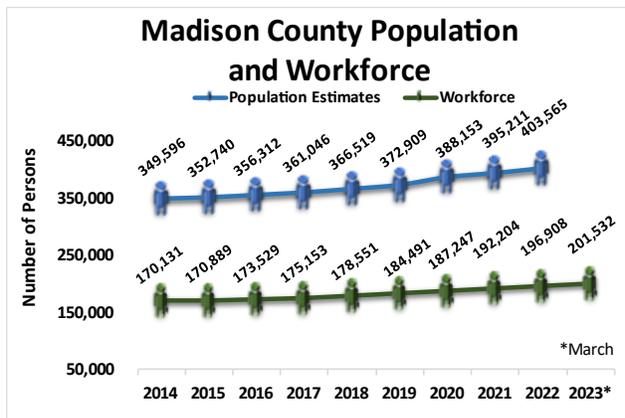


Figure 16

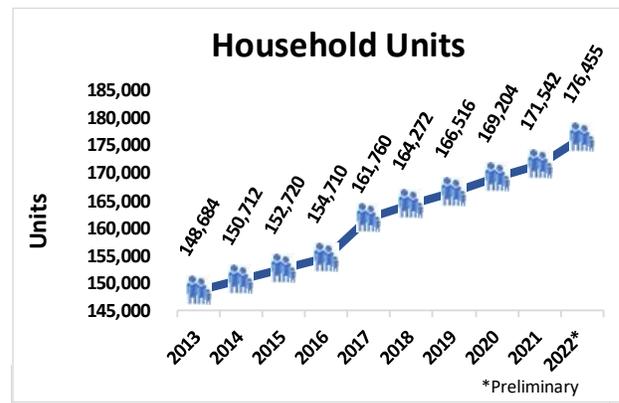


Figure 18

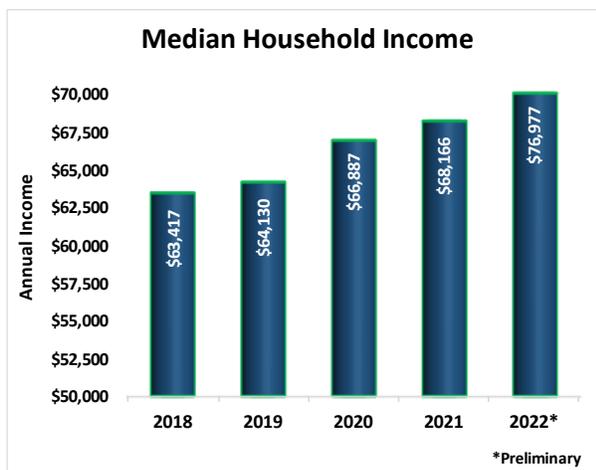


Figure 17

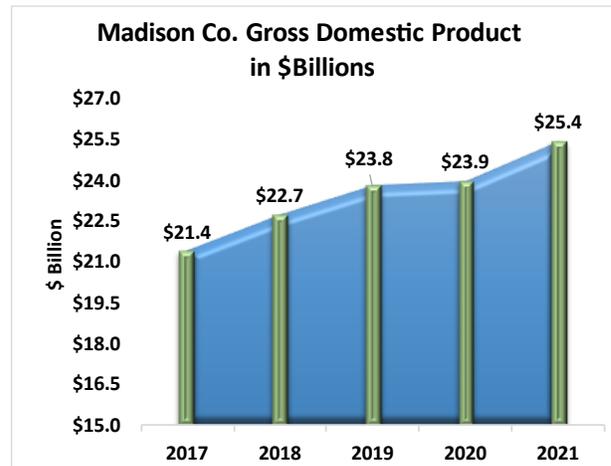


Figure 19

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:

- Dilcu Barnes, Ph.D.
- Brinda Mahalingam, Ph.D., Economist
- Ege Can, Ph.D., Economist

Questions regarding this report may be directed to:

Brinda Mahalingam, bm0017@uah.edu, 256.824.5716

**Madison County Residential
Real Estate Report
First Quarter 2023**



PAGE INTENTIONALLY LEFT BLANK