



HAAR

HUNTSVILLE AREA ASSOCIATION of REALTORS®

HUNTSVILLE AREA REAL ESTATE

ECONOMICS

Q2



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 Second Quarter 2023

Executive Overview 2Q Insight*

- ✦ Inventory of homes rose almost 50% in 2Q 2023. Listings increased in all price bands. The largest percentage growth (224%) occurred in homes in the \$250,000-\$300,000 range.
- ✦ Around 40% of this quarter's sales were an average of 4% below the listed price. Unit sales below list price increased compared to 2Q 2022 which was only 15% of sales.
- ✦ Sales declined in all home price bands except \$650-\$800k price range. The largest percentage decrease (38.4%) of sales occurred in homes priced between the \$150,000-\$200,000 range.
- ✦ Monthly unit sales in 2023 was lower than the 2021, 2022 and three-year average levels.
- ✦ Average Days on Market significantly increased to 32 days. That is four times more than 8 days in 2Q 2022.
- ✦ The consumer overall inflation rate fell to a rate of 3.0% in June.
- ✦ The national average 30-year mortgage rates rose from 5.34% to 6.71% from 2Q 2022 to 2023.
- ✦ Madison County's workforce grew 3.1% from 196,908 in 2022 to 203,022 in 2023.

Months of supply of homes increased all price ranges compared to 2Q 2022. Months of supply increased to 2.3 months for all homes which is 156% more than the 2Q 2022 level. But it is 21% less than in the prior quarter, which was 2.9 months.

Total units sold continued to decline in 2Q 2023 compared to 2019, 2020, 2021, 2022 2Q levels. It is also 15% below the 3-year 2Q average level.

The consumer inflation rate fell to 3.0% in June, which is lower than the 2022 (8.0%) and 2021 (4.7%) average inflation rates. Inflation has fallen every month since June 2022, when it peaked at 9.1%, and is on its way toward the Federal Reserve's target of 2%. The average inflation rate for 2Q 2023 is 4.0% which is 54% less than 2Q 2022 average (8.7%) and 31% less than 1Q 2023 average (5.8%).

According to Freddie Mac's weekly data, mortgage rates continued their upward trajectory. The national average 30-year mortgage rates rose from 5.34% to 6.71% from 2Q 2022 to the end of 2Q 2023.

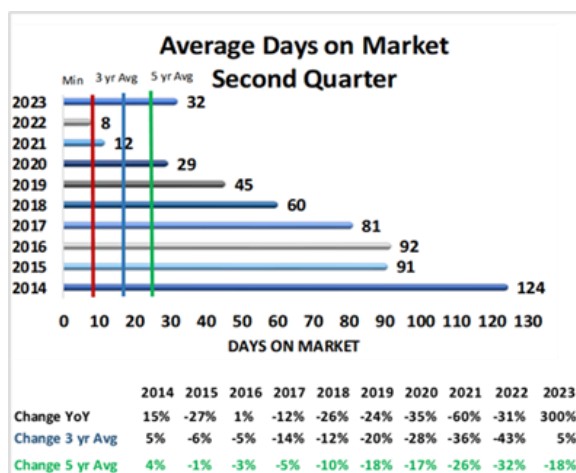


Figure 1



Figure 2

Madison County Residential Real Estate Report Second Quarter 2023



Created for
HAAR
HUNTSVILLE AREA ASSOCIATION of REALTORS®

2Q 2023 Market Snapshot

- Inventory of homes rose almost 50% to 1565 from 2Q 2022 with the largest rise in the \$250-\$300,000 range.
- Median sales price for the quarter was slightly (0.5%) lower than 2Q 2022.
- While sales declined, inventory increased in all home price bands.
- Sales above list price decreased in 2Q 2023.

(Table 1)

Sales	2Q 2023		Compared to	2Q 2022
2Q 2023 Homes Sold fell to	1,934	-20.7% ↓		2,438
2Q-2023 Pending Sales fell to	528	-18.6% ↓	649	
Number of Listings	June 2023		Compared to	June 2022
2Q Ending Level rose to	1,565	48.3% ↑		1,055
Median Sales Price	2Q 2023		Compared to	2Q 2022
2Q 2023 fell to	\$338,900	-0.5% ↓		\$340,701
Sales Price vs List Price	2Q 2023		Compared to	2Q 2022
Sales Price Above List Price	440	23% ↓		1229 50%
Sales Price Below List Price	726	38% ↑		377 15%
Days on Market	2Q 2023		Compared to	2Q 2022
Days on Market (12 mo) rose to	32 days	↑		8 days
Months of Supply	2Q 2023		Compared to	2Q 2022
2Q 2023 Months of Supply	2.3 mo.	↑		0.9 mo.
Sales by Price Band	2Q 2023		Compared to	2Q 2022
Less than \$150,000 fell to	67	-30.9% ↓		97
\$150,000-\$200,000 fell to	85	-38.4% ↓		138
\$200,000-\$250,000 fell to	181	-10.0% ↓		201
\$250,000-\$300,000 fell to	339	-16.1% ↓		404
\$300,000-\$350,000 fell to	355	-18.8% ↓		437
\$350,000-\$500,000 fell to	525	-27.5% ↓		724
\$500,000-\$650,000 fell to	242	-17.7% ↓		294
\$650,000-\$800,000 is same	89	0.0%		89
Greater than \$800,000 fell to	51	-5.6% ↓	54	
Listings by Price Band	2Q 2023		Compared to	2Q 2022
Less than \$150,000 rose to	21	31.3% ↑		16
\$150,000-\$200,000 rose to	36	50.0% ↑		24
\$200,000-\$250,000 rose to	45	66.7% ↑		27
\$250,000-\$300,000 rose to	191	223.7% ↑		59
\$300,000-\$350,000 rose to	273	71.7% ↑		159
\$350,000-\$500,000 rose to	407	35.7% ↑		300
\$500,000-\$650,000 rose to	241	61.7% ↑		149
\$650,000-\$800,000 rose to	148	82.7% ↑		81
Greater than \$800,000 rose to	106	53.6% ↑	69	

Table 1

Madison County Residential Real Estate Report Second Quarter 2023



Created for

2Q 2023 Key Metrics

- Median sales price decreased to \$340,000 in June.
- Monthly unit sales in 2023 are lower than 2021, 2022 and three-year average levels.
- Sales of newly constructed homes remained strong at more than 30% of 2Q 2023 sales.
(Table 2)

MADISON COUNTY, ALABAMA

Quarter 2, 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	618	665	651						
2021-2023 Avg	509	538	733	712	736	824						

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	\$332,057	\$341,000	\$340,000						

Quarter Units Sold	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Quarter	1,364	1,591	1,779	2,006	2,219	2,238	2,233	2,443	2,438	1,934
3-year Average	1,375	1,451	1,578	1,792	2,001	2,154	2,230	2,305	2,371	2,272

Quarter Units Sales vs List Price	2023
Units Sales Price ABOVE List	440 23%
Units Sales Price EQUAL List	766 40%
Units Sales Price BELOW List	726 38%

Median Sales Price	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Second Quarter	\$175,633	\$172,834	\$187,340	\$186,000	\$206,020	\$221,035	\$248,680	\$285,000	\$340,701	\$338,900
% Change YoY	8.0%	-1.6%	8.4%	-0.7%	10.8%	7.3%	12.5%	14.6%	19.5%	-0.5%
% Change 3 yr Avg	0.6%	1.1%	4.8%	1.9%	6.1%	5.8%	10.2%	11.6%	15.9%	10.2%
% Change 5 yr Avg	0.6%	0.2%	1.7%	2.2%	4.9%	4.9%	7.8%	9.2%	13.5%	10.1%

Sales by Price Range	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Second Qtr										
Below \$150,000	525	611	666	669	565	474	279	171	97	67
\$150,000-\$200,000	284	347	385	423	487	451	354	233	138	85
\$200,000-\$250,000	170	226	222	281	353	419	482	418	201	181
\$250,000-\$300,000	165	153	217	258	285	312	349	499	404	339
\$300,000-\$350,000	98	85	116	151	204	179	248	306	437	355
\$350,000-\$500,000	89	130	138	168	249	307	388	544	724	525
\$500,000-\$650,000	22	23	23	33	51	63	93	186	294	242
\$650,000-\$800,000	5	8	6	15	17	21	26	49	89	89
Above \$800,000	6	8	6	8	8	12	14	37	54	51

Change in Number of Sales	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Second Qtr										
Below \$150,000	-13.4%	16.4%	9.0%	0.5%	-15.5%	-16.1%	-41.1%	-38.7%	-43.3%	-30.9%
\$150,000-\$200,000	0.0%	22.2%	11.0%	9.9%	15.1%	-7.4%	-21.5%	-34.2%	-40.8%	-38.4%
\$200,000-\$250,000	4.9%	32.9%	-1.8%	26.6%	25.6%	18.7%	15.0%	-13.3%	-51.9%	-10.0%
\$250,000-\$300,000	17.9%	-7.3%	41.8%	18.9%	10.5%	9.5%	11.9%	43.0%	-19.0%	-16.1%
\$300,000-\$350,000	11.4%	-13.3%	36.5%	30.2%	35.1%	-12.3%	38.5%	23.4%	42.8%	-18.8%
\$350,000-\$500,000	2.3%	46.1%	6.2%	21.7%	48.2%	23.3%	26.4%	40.2%	33.1%	-27.5%
\$500,000-\$650,000	83.3%	4.5%	0.0%	43.5%	54.5%	23.5%	47.6%	100.0%	58.1%	-17.7%
\$650,000-\$800,000	-50.0%	60.0%	-25.0%	150.0%	13.3%	23.5%	23.8%	88.5%	81.6%	0.0%
Above \$800,000	-25.0%	33.3%	-25.0%	33.3%	0.0%	50.0%	16.7%	164.3%	45.9%	-5.6%

Pending Sales	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
End of Quarter	282	464	310	333	360	763	527	780	649	528

Sales by Type of Financing	Cash	Conventional	Equity	FHA	FMHA	Other	Owner Financed	USDA RD	VA Loan
2Q 2023 Units Sold	322	947	-	281	-	10	-	22	350
Average Price per Type	\$367,020	\$395,250	-	\$314,693	-	\$341,584	-	\$260,903	\$423,766

Home Sales Second Quarter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Existing Properties	1,029	1,256	1,394	1,535	1,714	1,687	1,556	1,735	1,747	1,329
New Construction	335	335	385	471	505	551	677	708	691	605

Table 2

Madison County Residential Real Estate Report Second Quarter 2023



Created for

2Q Metrics Details

- The highest level of inventory of homes was in the \$350,000-\$500,000 price range.
- The months of supply increased in all price ranges compared to 2Q 2022.
- Total units sold by month continued to decline in 2Q 2023. They are also lower than the five-year average levels. (Figure 3)
- The average inflation rate for 2Q 2023 is 4.0% which is 54% less than 2Q 2022 average (8.7%).

MADISON COUNTY, ALABAMA

Quarter 2, 2023

INVENTORY		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Units	Below \$150,000	1,082	1,014	661	445	216	109	59	18	16	21
	\$150,000-\$200,000	626	548	546	441	288	160	70	31	24	36
	\$200,000-\$250,000	441	434	392	352	280	199	207	28	27	45
	\$250,000-\$300,000	362	352	386	324	256	193	184	65	59	191
	\$300,000-\$350,000	192	230	224	197	190	132	123	55	159	273
	\$350,000-\$500,000	105	103	120	116	97	76	79	121	300	407
	\$500,000-\$650,000	31	30	36	32	30	29	32	69	149	241
	\$650,000-\$800,000	17	18	18	14	17	18	13	30	81	148
	Above \$800,000	52	74	47	59	60	52	54	46	69	106

Months of Supply		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Below \$150,000	6.3	5.0	3.0	2.0	1.2	0.7	0.7	0.3	0.5	1.0
	\$150,000-\$200,000	6.7	4.8	4.3	3.2	1.8	1.1	0.6	0.4	0.5	1.3
	\$200,000-\$250,000	7.8	5.9	5.4	3.8	2.4	1.4	1.3	0.2	0.4	0.8
	\$250,000-\$300,000	6.6	7.1	5.5	4.0	2.7	1.9	1.6	0.4	0.4	1.7
	\$300,000-\$350,000	6.2	8.2	6.2	4.0	3.0	2.2	1.5	0.5	1.1	2.3
	\$350,000-\$500,000	11.4	7.3	8.6	6.7	3.5	2.3	1.9	0.7	1.2	2.3
	\$500,000-\$650,000	14.3	16.8	15.0	8.8	6.6	4.2	3.4	1.1	1.6	3.0
	\$650,000-\$800,000	33.5	27.1	19.6	9.6	9.7	8.2	4.7	1.9	2.8	5.2
	Above \$850,000	32.0	43.2	30.2	31.5	33.5	13.3	11.8	4.1	4.0	7.1
	All Homes	7.1	7.7	5.6	4.4	3.2	2.2	1.8	1.2	0.9	2.3

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	203,022
	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	\$63,520	\$68,166	\$76,977	n/a
	Madison County GDP (\$mil)	\$19,931	\$20,277	\$20,798	\$21,371	\$22,203	\$22,980	\$26,797	n/a	n/a	n/a
	Annualized Inflation Rate (CPI)	1.6%	0.1%	1.3%	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	3.0%
	National 30yr Mortgage Rate June				4.17%	4.79%	4.11%	3.31%	3.10%	5.34%	6.71%

Table 3

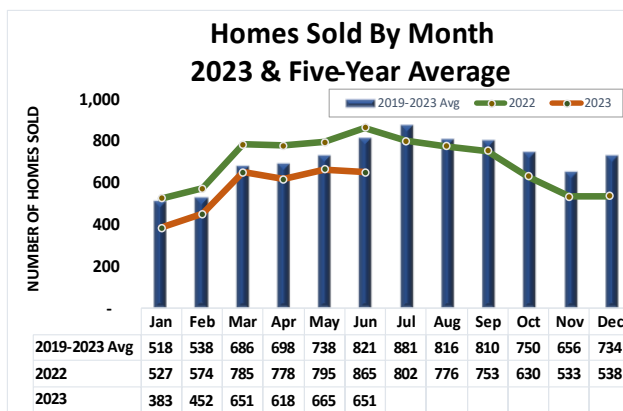


Figure 3

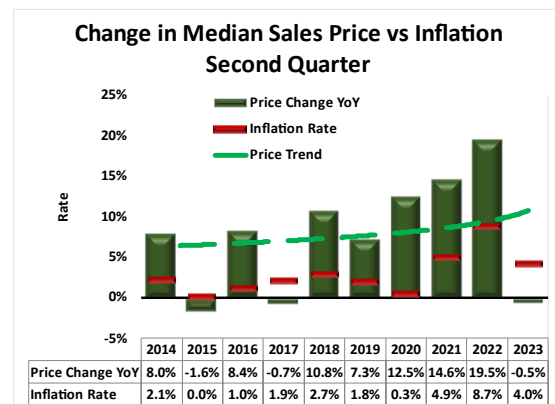


Figure 4

Madison County Residential Real Estate Report Second Quarter 2023

2Q Metrics Details, continued

- Total units sold continued to decline to 1934 in 2Q 2023 compared to 2Q 2022 (2438) and 2Q 2021(2443) levels. (Figure 5)
- The home median sales price of the second quarter fell to \$338,900 from 2Q 2022. (Figure 6)
- The monthly median sales prices for April, May, and June were slightly less than the respective months in 2022. (Figure 7)

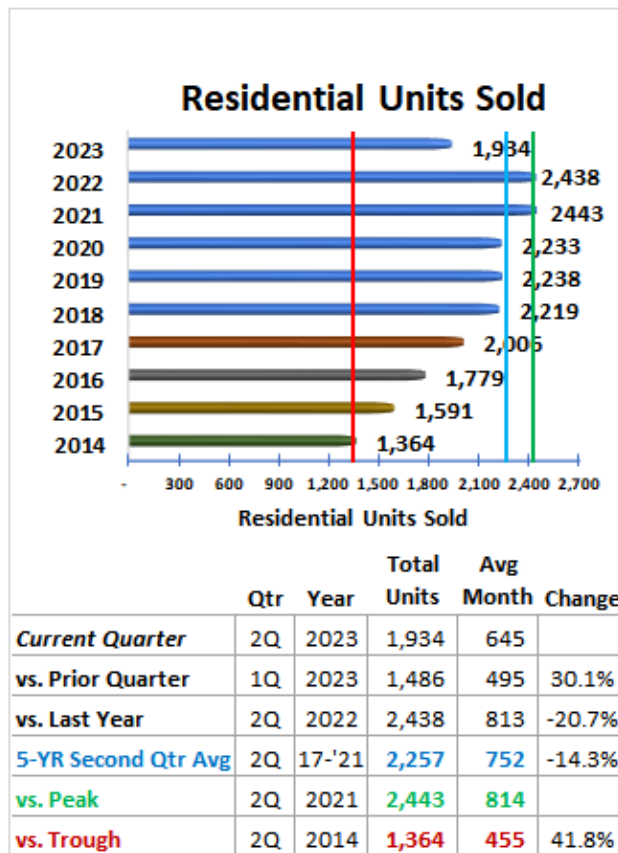


Figure 5

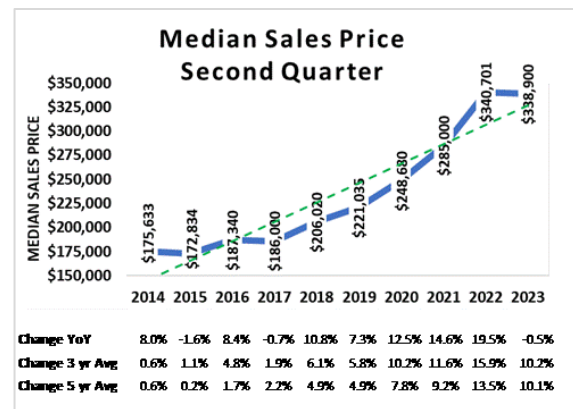


Figure 6

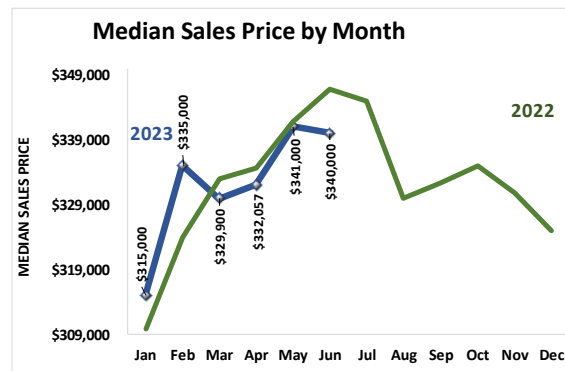


Figure 7

Madison County Residential Real Estate Report Second Quarter 2023

2Q Metrics Details, continued

- Sales declined in all home price bands. The largest percentage decrease in sales (38.4%) occurred in homes priced between the \$150,000-\$200,000 range. (Figure 8)
- Sales of homes priced below \$350,000 declined but at a slower level than in 2Q 2022. (Figure 9)
- The total number of available homes increased in all price bands. The largest percentage growth (224%) occurred in the \$250,000-\$300,000 range. (Figure 10)
- Compared to the prior quarter, the average number of listed homes slightly increased (2.7%) in the current quarter. (Figure 11)



Figure 8

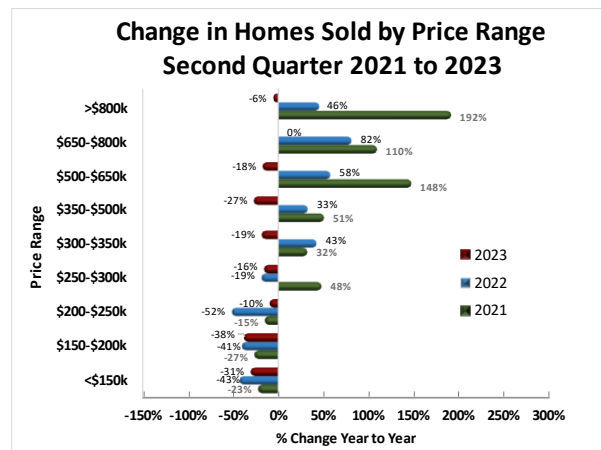


Figure 9

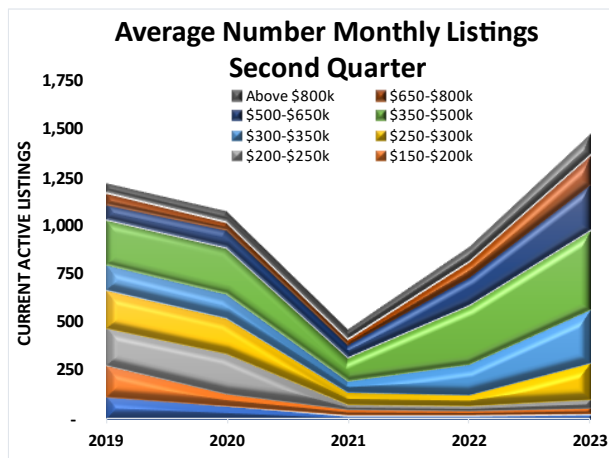


Figure 10

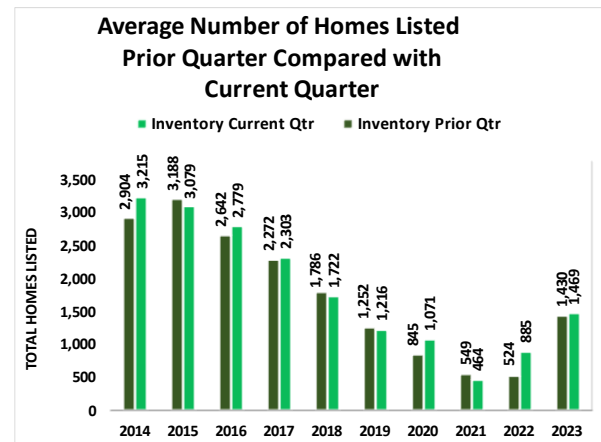


Figure 11

Madison County Residential Real Estate Report Second Quarter 2023

2Q Metrics Details, continued

- Average Days on Market significantly increased in 2Q 2023, by 300% from Q2 2022. (Figure 12)
- The quarterly number of homes pending sale fell from 2Q 2022 649 to 528 homes while the number of units on the market rose to 1565 in June 2023. (Figure 13)
- Months-of-supply of homes increased across all price ranges. (Figure 14)
- The sales and inventory levels trend suggests total sales could increase to 2265 in 3Q 2023 while the end inventory of listed homes may stay around 1600. (Figure 15)

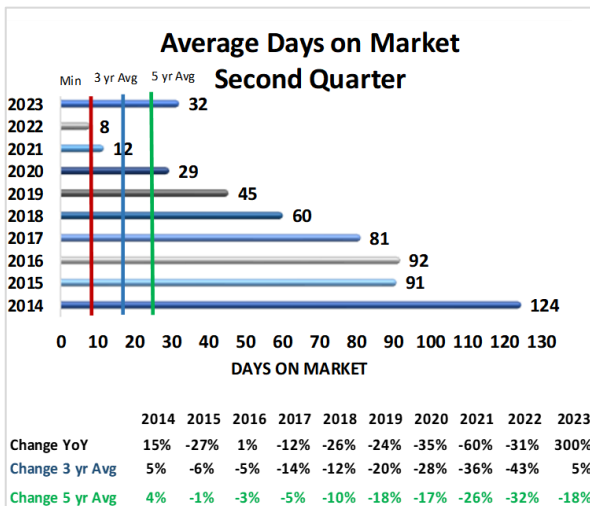


Figure 12

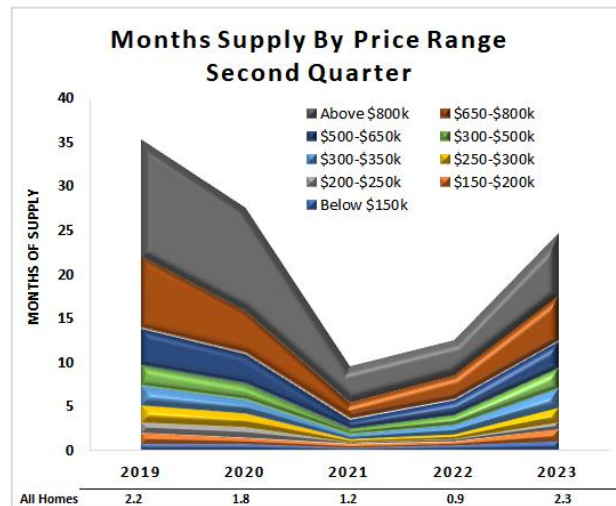


Figure 14

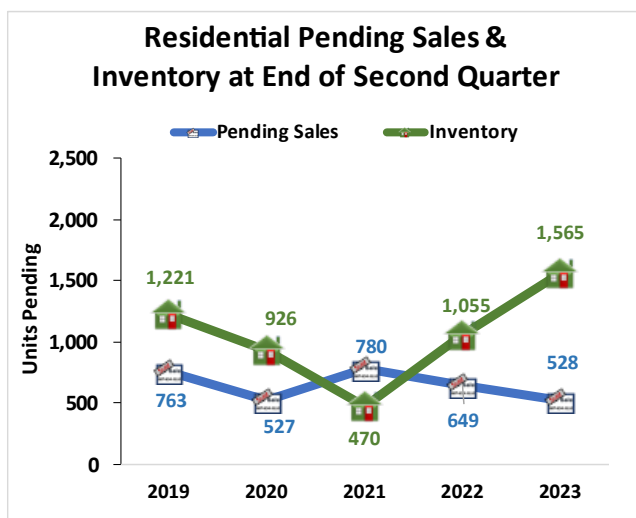


Figure 13

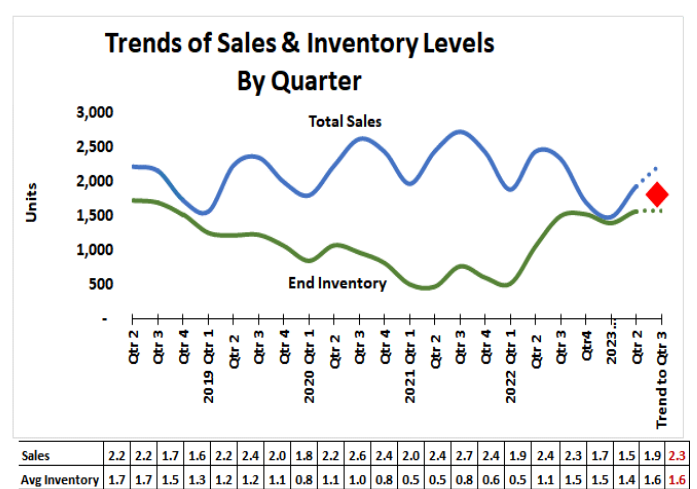


Figure 15

Madison County Residential Real Estate Report Second Quarter 2023

Madison County Economic Indicators

- Madison County’s population grew to 403,565 in 2022. (Figure 16)
- Madison County’s workforce reached 203,022 in May 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 housing units comprising 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)

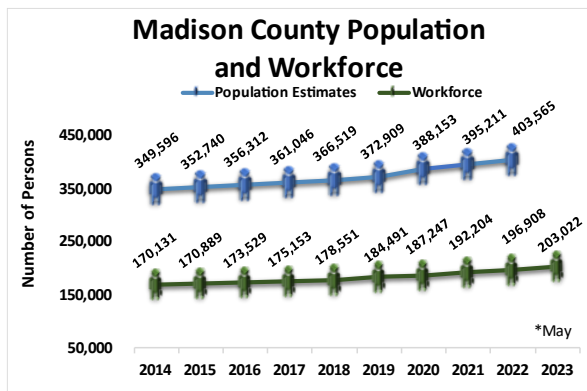


Figure 16

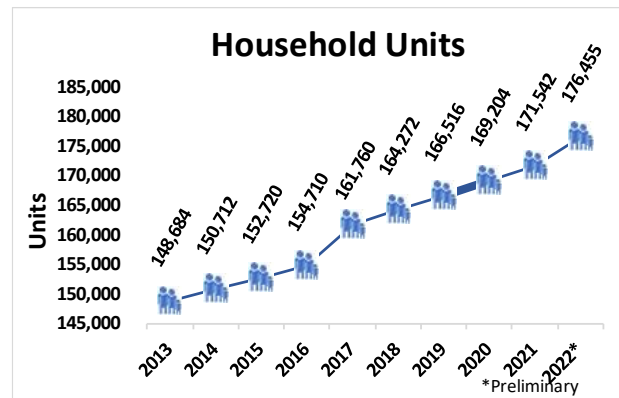


Figure 18

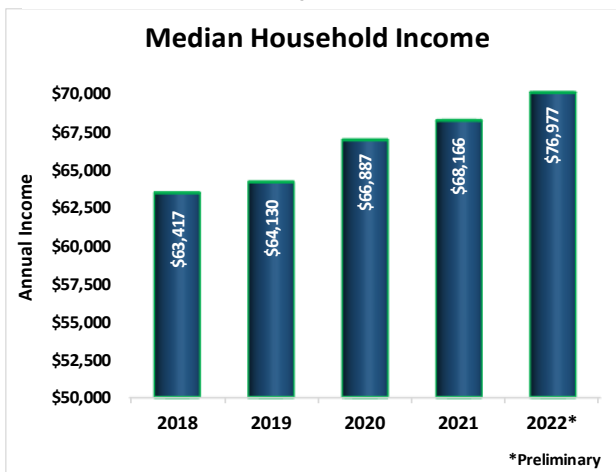


Figure 17

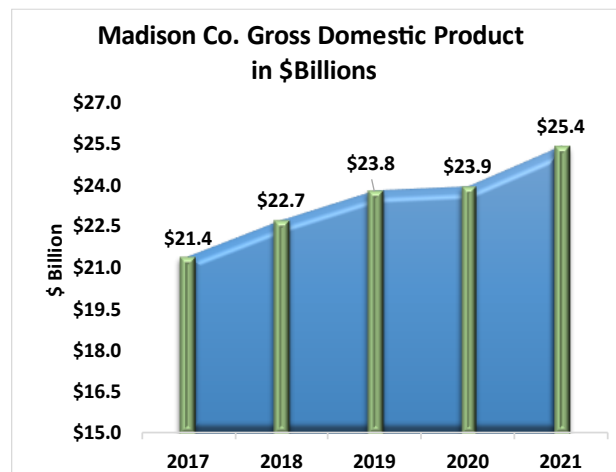


Figure 19

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:

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

Questions regarding this report may be directed to:

Brinda Mahalingam, brinda.mahalingam@uah.edu

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



PAGE INTENTIONALLY LEFT BLANK