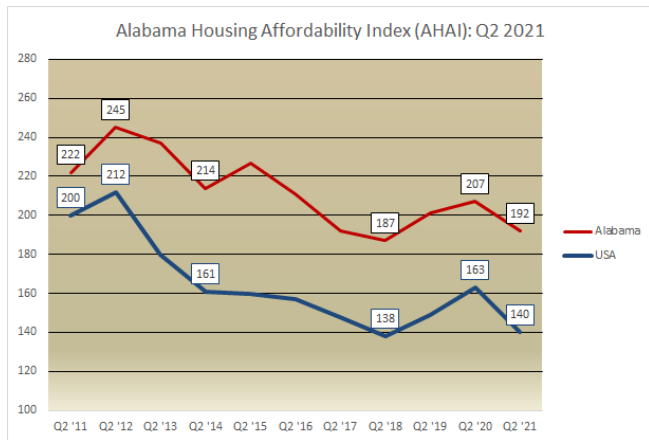


SECOND QUARTER 2021

The Alabama Housing Affordability Index for the second quarter of 2021 was calculated at 192. This quarter's AHAI decreased 7.8% from the first quarter 2021 score of 209. Affordability scores decreased due to seasonal increases in home sales prices and rising mortgage rates. The statewide median sales price increased 6.8% quarter-over-quarter from \$200,469 to \$214,090. The composite interest rate for a 30-year fixed mortgage increased from an average of 2.88% in the first quarter of 2021 to 3.00% during the second quarter of 2021. Additionally, Alabama's median family income increased 2.1% from 2020.

The following chart shows the first quarter Alabama Housing Affordability Index over the last 10 years, and how Alabama's affordability score compares to the nation as a whole. Alabama's affordability index score of 192 decreased 7.3% from one year ago, while the United States' affordability index score also decreased from 163 to 140 during the same period. Based on the Alabama Center for Real Estate's AHAI calculations, real estate in Alabama continues to be more affordable than the nation as a whole.



The standard definition used by the Alabama Center for Real Estate in describing the statewide housing affordability index is as follows: "The statewide housing affordability index is calculated as the ratio of the state's actual median family income to the income needed to purchase and finance the state's median priced home. An index number of 100 means that a family earning the state's median income has just enough buying power to qualify for a loan on the state's median priced, single-family home, assuming standard under-writing criteria. The higher the index number is, the more affordable the housing." The median home price for the quarter used for the calculation is computed from the median prices of homes sold in the reported areas during the last three months in Alabama. The composite monthly interest rate is the average

of the interest rates of the three months of the quarter of the effective rate of the national averages for all major lenders of loans closed on conventional mortgages as published by the Federal Housing Finance Agency.

The Alabama Housing Affordability Index of 192 calculated for the second quarter of 2021 means that an Alabama family which earned the statewide median family income of \$66,700 had approximately 1.92 times the income needed to qualify for a loan to purchase the statewide median priced home. The most affordable metro areas in Alabama during the first quarter were Anniston-Oxford-Jacksonville (248), Gadsden (236), and Florence-Muscle Shoals (232). The most affordable non-metro areas were Monroe County (261), Marshall County (193), and Talladega County (185). The median price of homes sold and the composite monthly interest rate are the two primary factors that fluctuate and affect the affordability of homes in Alabama, as well as the nation.

Quarter	Composite Monthly Interest Rate
Q2 2021	3.00%
Q1 2021	2.88%
Q4 2020	2.76%
Q3 2020	2.95%
Q2 2020	3.23%

The following table shows the statewide median sales price of homes sold in the last 4 quarters.

Quarter	Median Sales Price of Alabama Homes
Q2 2021	\$214,090
Q1 2021	\$200,469
Q4 2020	\$198,107
Q3 2020	\$203,326

The Estimated Median Family Income projections are produced by HUD and are provided annually. The projections show increases in income in 11 of 17 areas within Alabama. The national median family income shows an increase of 1.78% year-over-year, while Alabama shows a 2.14% increase in MFI.

2021 ESTIMATED MEDIAN FAMILY INCOME (HUD)

	2021	2020	% INC./ DEC.
Talladega Co	55,000	56,700	-3.0%
Gadsden	63,500	65,000	-2.3%
Walker Co	65,900	61,400	2.8%
Tuscaloosa	70,900	67,800	4.6%
Marshall Co	60,800	54,000	12.6%
Tallapoosa Co	57,500	56,500	1.8%
Cullman Co	57,300	57,900	-1.0%
Dothan	63,400	61,300	3.4%
Mobile	58,200	61,400	-5.2%
Calhoun Co	63,700	61,500	3.6%
Montgomery	67,600	65,700	2.9%
Baldwin Co	74,300	81,000	-8.3%
Muscle Shoals	64,500	64,200	0.5%
Lee Co	78,000	76,500	2.0%
Birmingham	78,000	73,100	6.7%
Huntsville	82,900	85,300	-2.8%
Monroe Co	49,400	44,200	11.8%
Alabama	66,700	65,300	2.1%
United States	79,900	78,500	1.8%

On the national scene, the National Housing Affordability Index for the second quarter of 2021 was 140, 11.9% lower than the first quarter of 2021. The national median sales price for the second quarter was \$351,433, showing a 11.8% increase in national housing prices from the first quarter of 2021's median sales price of \$314,467.

A review of the second quarter 2021 Alabama Housing Affordability Index indicates that 0 of 12 markets in the Metro Area group in Alabama showed an increase in affordability from the previous quarter. Decatur showed the most significant decrease from the first quarter of 2021 AHAI with a 12.0% decrease and an affordability index of 196, followed by Mobile with an AHAI decrease of 10.6% which produced an affordability index score of 177.

For the Non-Metro Areas, the AHAI results from the second quarter of 2021 showed that 3 of 5 markets had an increase in affordability. Monroe County had the largest increase in affordability, increasing 23.2% from 212 to 261. (Please review the AHAI chart for specific details.)

ALABAMA HOUSING AFFORDABILITY INDEX SCORES FOR FIRST QUARTER 2021

Metropolitan Areas Ranked by Affordability

Anniston-Oxford	248
Gadsden	236
Florence-Muscle Shoals	232
Dothan	210
Montgomery	204
Decatur	196
Tuscaloosa	188
Birmingham	180
Huntsville	180
Mobile	177
Auburn-Opelika	168
Daphne-Fairhope-Foley	160
Alabama HAI Score	192
USA HAI Score	140

Non-Metropolitan Areas Ranked by Affordability

Monroe County	261
Marshall County	193
Talladega County	185
Cullman County	182
Tallapoosa County	106
Alabama HAI Score	192
USA HAI Score	140

*It should be noted that the numbers used to compute the AHAI reflect mostly urban areas, which have significantly higher income levels than those of rural areas in the state. Also in smaller volume reporting areas, a relatively small change can cause a large percent of increase or decrease. Please review the Monthly Housing Statistics posted on the ACRE website at <http://www.acre.cba.ua.edu/> to review the volume of sales that produced the Median Home Price for each reporting area.

NOTE: This representation is based in whole or in part on data supplied by the reporting boards/associations of REALTORS® or their Multiple Listing Service. The Alabama Real Estate Center does not guarantee and is in no way responsible for its accuracy. Any market data maintained by the Center does not necessarily include information on listings not published at the request of the seller, listings of brokers who are not members of a local board/association or MLS, unlisted properties, rental properties, etc. Some of the totals in the report may vary due to rounding. The statistics included in this report reflect the residential sales of houses, condominiums, and townhomes. Historical Monthly Housing Statistics are available on the web at Alabama Center for Real Estate's homepage - www.acre.culverhouse.ua.edu. Sources: The Alabama Center for Real Estate, in the Culverhouse College of Commerce and Business Administration, at the University of Alabama and the Alabama Association of REALTORS. National data supplied by the Federal Housing Finance Board, and the Research Division of the National Association of REALTORS®

Metro Areas	Median Family Income	Median Sales Price	Loan to Value Ratio	Monthly Payment at Current InterestRate	Annual Payment	Required Income	AHA Index Score	AHA Index Score	Percent Change
	2021	Q2 2021	80%	3.00%			Q2 2021	Q1 2021	
Anniston-Oxford-Jacksonville	\$63,700	\$158,700	\$126,960	\$535	\$6,423	\$25,693	248	268	-7.42%
Auburn - Opelika	\$78,000	\$287,615	\$230,092	\$970	\$11,641	\$46,564	168	177	-5.55%
Daphne-Fairhope-Foley	\$74,300	\$286,633	\$229,307	\$967	\$11,601	\$46,405	160	175	-8.50%
Birmingham	\$78,000	\$268,300	\$214,640	\$905	\$10,859	\$43,437	180	198	-9.13%
Decatur	\$63,100	\$199,333	\$159,467	\$672	\$8,068	\$32,271	196	222	-11.97%
Dothan	\$63,400	\$186,633	\$149,307	\$629	\$7,554	\$30,215	210	230	-8.67%
Florence-Muscle Shoals	\$64,500	\$171,483	\$137,187	\$578	\$6,941	\$27,762	232	259	-10.13%
Gadsden	\$63,500	\$166,300	\$133,040	\$561	\$6,731	\$26,923	236	249	-5.33%
Huntsville	\$82,900	\$284,089	\$227,271	\$958	\$11,498	\$45,993	180	197	-8.32%
Mobile	\$58,200	\$202,633	\$162,107	\$683	\$8,201	\$32,806	177	198	-10.55%
Montgomery	\$67,600	\$204,255	\$163,404	\$689	\$8,267	\$33,068	204	222	-7.74%
Tuscaloosa	\$70,900	\$233,267	\$186,613	\$787	\$9,441	\$37,765	188	207	-9.15%
Non-Metro Areas									
Cullman Co	\$57,300	\$194,933	\$155,947	\$657	\$7,890	\$31,559	182	180	0.72%
Marshall Co	\$60,800	\$194,450	\$155,560	\$656	\$7,870	\$31,481	193	191	0.97%
Monroe Co	\$49,400	\$116,692	\$93,353	\$394	\$4,723	\$18,892	261	212	23.19%
Talladega Co	\$55,000	\$184,083	\$147,267	\$621	\$7,451	\$29,802	185	220	-15.96%
Tallapoosa Co	\$57,500	\$336,333	\$269,067	\$1,134	\$13,613	\$54,451	106	127	-16.94%
Alabama	\$66,700	\$214,090	\$171,272	\$722	\$8,665	\$34,660	192	209	-7.83%
United States	\$79,900	\$351,433	\$281,147	\$1,185	\$14,224	\$56,896	140	159	-11.92%