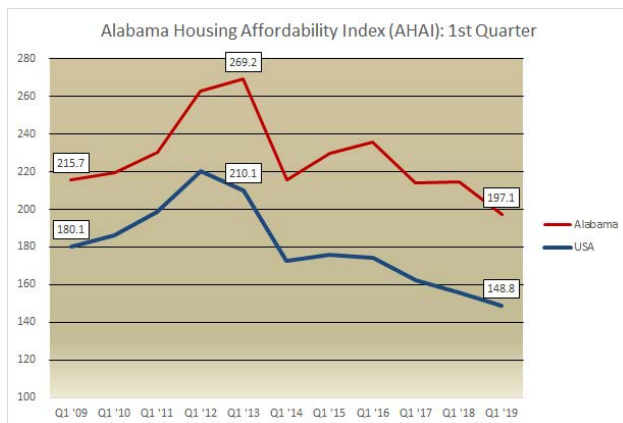


FIRST QUARTER 2019

The Alabama Statewide Housing Affordability Index for the first quarter of 2019 was calculated at 197.1. This quarter's AHAI increased 5.27 percent from the fourth quarter of 2018's score of 187.3. The increase in housing affordability in Alabama is mainly due to stabilizing median sales prices and lower interest rates. The statewide median sales price decreased 0.3 percent from \$159,914 in the fourth quarter of 2018 to \$159,423 in the first quarter of 2019. Interest rates also decreased from an average of 4.78 percent in the fourth quarter of 2018 to 4.37 percent during the first quarter of 2019.

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 score decreased from 214.4 during the first quarter of 2018 to 197.1 during the first quarter of 2019, while the United States' affordability index score decreased from 155.8 to 148.8 during the same period. While the state's affordability score improved quarter-over-quarter, it declined year-over-year. 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

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 mort-gages as published by the Federal Housing Finance Agency.

The Alabama Housing Affordability Index of 197.1 calculated for the first quarter of 2019 means that an Alabama family which earned the statewide median family income of \$60,200 had a little over 1.97 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 of 2019 were Anniston-Oxford (232.9), Florence-Muscle Shoals (227.4) and Mobile (214.1). The most affordable non-metro areas during the first quarter of 2019 were Monroe County (218.4), Marshall County (203.3), and Walker County (190.4). 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
Q1 2019	4.37%
Q4 2018	4.78%
Q3 2018	4.57%
Q2 2018	4.54%
Q1 2018	4.27%

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

Quarter	Median Sales Price of Alabama Homes
Q1 2019	\$159,423
Q4 2018	\$159,915
Q3 2018	\$166,935
Q2 2018	\$164,803

The Estimated Median Family Income projections are produced by HUD and are provided annually. The projections show increases in income in 15 of 17 areas within Alabama. The national median family income shows an increase of 2.57 percent year-over-year, while Alabama shows an 8.47 percent increase in MFI.

2018 ESTIMATED MEDIAN FAMILY INCOME (HUD)

	2017	2018	% INC./ DEC.
Talladega Co	\$47,700	48,400	1.47%
Gadsden	54,700	54,100	-1.1%
Walker	46,800	51,700	10.47%
Tuscaloosa	61,100	61,500	0.65%
Marshall	43,000	52,700	22.56%
Lake Martin	45,800	52,100	7.42%
Cullman Co	48,000	45,100	-6.04%
Dothan	50,700	52,200	2.96%
Mobile	55,100	59,800	8.53%
Calhoun Co	53,000	56,800	7.17%
Montgomery	59,700	62,900	5.36%
Baldwin Co	61,500	69,400	12.85%
Muscle Shoals	53,500	57,500	7.48%
Lee Co	59,200	66,900	13.01%
Birmingham	63,100	71,000	12.52%
Huntsville	78,200	78,700	0.64%
Monroe Co	41,300	42,000	1.69%
Alabama Statewide	55,500	60,200	8.47%
US Average	70,100	71,900	2.57%

On the national scene, the National Housing Affordability Index for the first quarter of 2019 was 148.4, 5.94 percent higher than the fourth quarter of 2018. The national median sales price for the first quarter of 2019 was \$252,933, showing a 0.9 percent decrease in national housing prices from the fourth quarter's median price of \$255,333.

A review of the first quarter in the 2019 Alabama Housing Affordability Index revealed that 11 of the 12 markets in the Metro Area group in Alabama showed an increase in affordability from the previous quarter. Anniston-Oxford showed the most significant increase from the fourth quarter of 2018 AHAI with a 14.31 percent increase and an affordability index of 232.9, followed by Huntsville with an AHAI increase of 8.61 percent which produced an affordability index score of 197.2.

For the Non-Metro Areas, the AHAI results from the first quarter of 2019 showed that 5 out of 6 markets showed an increase in affordability. Talladega County's AHAI score increased 13.87 percent from 160.0 to 182.2 while Marshall County's AHAI score increased 10.26 percent from 184.4 to 203.3. (Please review the AHAI chart for specific details.)

ALABAMA HOUSING AFFORDABILITY INDEX SCORES FOR FIRST QUARTER 2019

Metropolitan Areas Ranked by Affordability

Anniston-Oxford	232.9
Florence-Muscle Shoals	227.4
Mobile	214.4
Montgomery	212.7
Gadsden	211.8
Decatur	209.0
Huntsville	197.2
Dothan	189.0
Birmingham	185.3
Tuscaloosa	181.0
Daphne-Fairhope-Foley	147.9
Auburn-Opelika	145.7
Statewide HAI Score	197.1
USA HAI Score	148.4

Non-Metropolitan Areas Ranked by Affordability

Monroe County	218.4
Marshall County	203.3
Walker County	190.4
Talladega County	182.2
Cullman Co	172.1
Tallapoosa Co	139.6
Statewide HAI Score	197.1
US HAI Score	148.4

*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
	2018	Q1 2019	80%	4.37%			Q1 2019	Q4 2018	
Anniston-Oxford-Jacksonville	\$56,800	\$127,342	\$101,873	\$508	\$6,098	\$24,391	232.9	203.7	14.31%
Auburn - Opelika	\$66,900	\$239,685	\$191,748	\$956	\$11,477	\$45,909	145.7	134.6	8.23%
Daphne-Fairhope-Foley	\$69,400	\$244,924	\$195,939	\$977	\$11,728	\$46,912	147.9	144.6	2.30%
Birmingham	\$71,000	\$200,000	\$160,000	\$798	\$9,577	\$38,307	185.3	180.4	2.73%
Decatur	\$58,700	\$146,633	\$117,307	\$585	\$7,021	\$28,086	209.0	206.2	1.38%
Dothan	\$52,200	\$144,167	\$115,333	\$575	\$6,903	\$27,613	189.0	177.6	6.45%
Florence-Muscle Shoals	\$57,500	\$132,033	\$105,627	\$527	\$6,322	\$25,289	227.4	215.1	5.71%
Gadsden	\$54,100	\$133,333	\$106,667	\$532	\$6,385	\$25,538	211.8	228.1	-7.14%
Huntsville	\$78,700	\$208,333	\$166,667	\$831	\$9,976	\$39,904	197.2	181.6	8.61%
Mobile	\$59,800	\$145,817	\$116,653	\$582	\$6,982	\$27,929	214.1	201.0	6.52%
Montgomery	\$62,900	\$154,378	\$123,502	\$616	\$7,392	\$29,569	212.7	199.1	6.85%
Tuscaloosa	\$61,500	\$177,415	\$141,932	\$708	\$8,495	\$33,982	181.0	169.7	6.63%
Non-Metro Areas									
Cullman Co	\$45,100	\$136,833	\$109,467	\$546	\$6,552	\$26,209	171.2	156.7	9.80%
Marshall Co	\$52,700	\$135,317	\$108,253	\$540	\$6,480	\$25,918	203.3	184.4	10.26%
Monroe Co	\$42,000	\$100,383	\$80,307	\$401	\$4,807	\$19,227	218.4	345.4	-36.75%
Talladega Co	\$48,400	\$138,667	\$110,933	\$553	\$6,640	\$26,560	182.2	160.0	13.87%
Tallapoosa Co	\$52,100	\$194,917	\$155,933	\$778	\$9,333	\$37,334	139.6	131.2	6.34%
Walker Co	\$51,700	\$141,800	\$113,440	\$566	\$6,790	\$27,160	190.4	178.3	6.77%
Alabama									
Alabama	\$60,200	\$159,423	\$127,538	\$636	\$7,634	\$30,535	197.1	187.3	5.27%
US Average									
US Average	\$71,900	\$252,933	\$202,347	\$1,009	\$12,112	\$48,446	148.4	140.1	5.94%