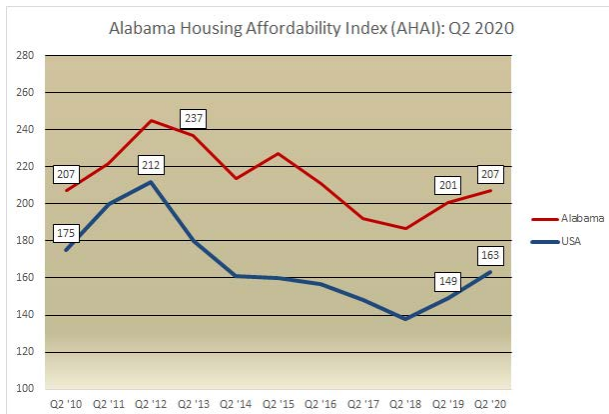


SECOND QUARTER 2020

The Alabama Housing Affordability Index for the second quarter of 2020 was calculated at 207. This quarter's AHAI decreased 5.3% from the first quarter 2020 score of 219. Affordability scores decreased due to rising home sales prices, while falling mortgage rates and rising median family incomes helped offset, somewhat, rising home sales prices. The statewide median sales price increased 9.4% quarter-over-quarter from \$172,652 to \$188,839. The composite interest rate for a 30-year fixed mortgage decreased from an average of 3.51% in the first quarter of 2020 to 3.23% during the second quarter. Additionally, Alabama's median family income increased 2.8% from 2019.

The following chart shows the second 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 increased from 201 during the second quarter of 2019 to 207 during the second quarter of 2020, while the United States' affordability index score increased from 149 to 163 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 207 calculated for the second quarter of 2020 means that an Alabama family which earned the statewide median family income of \$65,300 had approximately 2.07 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 second quarter were Gadsden (269), Anniston-Oxford-Jacksonville (253), and Florence-Muscle Shoals (244). The most affordable non-metro areas were Monroe County (221), Talladega County (217), and Cullman County (200). 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 2020	3.23%
Q1 2020	3.51%
Q4 2019	3.70%
Q3 2019	3.67%
Q2 2019	4.00%

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 2020	\$188,839
Q1 2020	\$174,420
Q4 2019	\$173,812
Q3 2019	\$180,868

The Estimated Median Family Income projections are produced by HUD and are provided annually. The projections show increases in income in 12 of 17 areas within Alabama. The national median family income shows an increase of 3.97% year-over-year, while Alabama shows a 2.83% increase in MFI.

2020 ESTIMATED MEDIAN FAMILY INCOME (HUD)

	2020	2019	% INC./ DEC.
Talladega Co	56,700	51,200	10.7%
Gadsden	65,000	57,100	13.8%
Walker Co	61,400	50,600	26.7%
Tuscaloosa	67,800	66,900	1.4%
Marshall Co	54,000	54,700	-1.3%
Tallapoosa Co	56,500	53,700	5.2%
Cullman Co	59,700	53,100	12.4%
Dothan	61,300	57,500	6.6%
Mobile	61,400	60,600	1.3%
Calhoun Co	61,500	56,200	9.4%
Montgomery	65,700	65,900	-0.3%
Baldwin Co	81,000	80,500	0.6%
Muscle Shoals	64,200	66,200	-3.0%
Lee Co	76,500	71,100	7.6%
Birmingham	73,100	74,400	-1.8%
Huntsville	85,300	84,900	0.5%
Monroe Co	44,200	45,000	-1.8%
Alabama Statewide	65,300	63,500	2.8%
US Average	78,500	75,500	4.0%

On the national scene, the National Housing Affordability Index for the second quarter of 2020 was 163, 2.2% lower than the first quarter of 2020. The national median sales price for the second quarter was \$288,533, showing a 5.9% increase in national housing prices from the first quarter's median sales price of \$272,433.

A review of the second quarter in the 2020 Alabama Housing Affordability Index indicates that 2 of 12 markets in the Metro Area group in Alabama showed an increase in affordability from the previous quarter. Daphne-Fairhope-Foley showed the most significant increase from the first quarter of 2020 AHAI with a 10.5% increase and an affordability index of 194, followed by Auburn-Opelika with an AHAI increase of 1.3% which produced an affordability index score of 175.

For the Non-Metro Areas, the AHAI results from the second quarter of 2020 showed that 1 of 5 markets had an increase in affordability. Talladega County's AHAI score increased 5.3% from 206 to 217. (Please review the AHAI chart for specific details.)

ALABAMA HOUSING AFFORDABILITY INDEX SCORES FOR SECOND QUARTER 2020

Metropolitan Areas Ranked by Affordability

Gadsden	269
Anniston-Oxford	253
Florence-Muscle Shoals	244
Decatur	226
Mobile	220
Montgomery	219
Dothan	219
Tuscaloosa	208
Huntsville	206
Daphne-Fairhope-Foley	184
Birmingham	179
Auburn-Opelika	175
Statewide HAI Score	207
USA HAI Score	163

Non-Metropolitan Areas Ranked by Affordability

Monroe County	221
Talladega County	217
Cullman County	200
Marshall County	189
Tallapoosa County	101
Statewide HAI Score	207
US HAI Score	163

*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
	2020	Q2 2020	80%	3.23%			Q2 2020	Q1 2020	
Anniston-Oxford-Jacksonville	\$61,500	\$145,750	\$116,600	\$506	\$6,077	\$24,306	253	270	-6.5%
Auburn - Opelika	\$76,500	\$261,878	\$209,502	\$910	\$10,918	\$43,673	175	173	1.3%
Daphne-Fairhope-Foley	\$81,000	\$250,738	\$200,590	\$871	\$10,454	\$41,815	194	175	10.5%
Birmingham	\$73,100	\$244,667	\$195,733	\$850	\$10,201	\$40,803	179	186	-3.8%
Decatur	\$63,600	\$168,917	\$135,133	\$587	\$7,042	\$28,170	226	232	-2.7%
Dothan	\$61,300	\$167,923	\$134,339	\$583	\$7,001	\$28,004	219	232	-5.8%
Florence-Muscle Shoals	\$64,200	\$157,533	\$126,027	\$547	\$6,568	\$26,272	244	255	-4.3%
Gadsden	\$65,000	\$144,742	\$115,793	\$503	\$6,035	\$24,138	269	281	-4.1%
Huntsville	\$85,300	\$248,680	\$198,944	\$864	\$10,368	\$41,472	206	211	-2.7%
Mobile	\$61,400	\$167,500	\$134,000	\$582	\$6,983	\$27,934	220	226	-2.6%
Montgomery	\$65,700	\$179,876	\$143,901	\$625	\$7,499	\$96,998	219	244	-10.3%
Tuscaloosa	\$67,800	\$195,027	\$156,021	\$678	\$8,131	\$32,524	208	212	-1.7%
Non-Metro Areas									
Cullman Co	\$59,700	\$173,986	\$139,189	\$604	\$7,254	\$29,015	200	209	-4.5%
Marshall Co	\$54,000	\$171,250	\$137,000	\$595	\$7,140	\$28,559	189	205	-7.7%
Monroe Co	\$44,200	\$120,083	\$96,067	\$417	\$5,007	\$20,026	221	271	-18.7%
Talladega Co	\$56,700	\$156,939	\$125,551	\$545	\$6,563	\$26,172	217	206	5.3%
Tallapoosa Co	\$56,500	\$335,417	\$268,333	\$1,165	\$13,984	\$55,937	101	131	-22.8%
Alabama	\$65,300	\$188,839	\$151,071	\$656	\$7,873	\$31,492	207	219	-5.3%
US Average	\$78,500	\$288,533	\$230,827	\$1,002	\$12,030	\$48,118	163	167	-2.2%