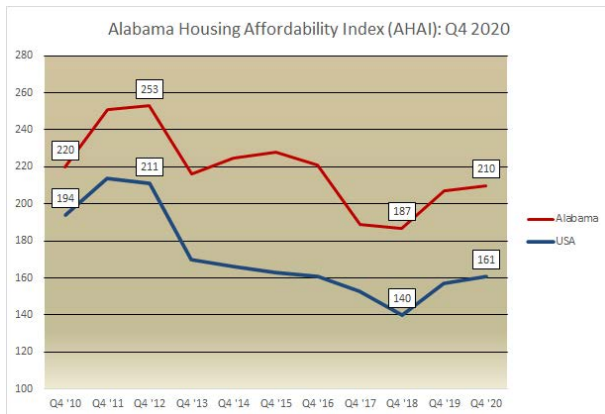


## FOURTH QUARTER 2020

The Alabama Housing Affordability Index for the fourth quarter of 2020 was calculated at 210. This quarter's AHAI increased 5.9% from the third quarter 2020 score of 200. Affordability scores decreased due to seasonal declines in home sales prices and falling mortgage rates. The statewide median sales price decreased 2.6% quarter-over-quarter from \$203,326 to \$198,107. The composite interest rate for a 30-year fixed mortgage decreased from an average of 2.95% in the third quarter of 2020 to 2.76% during the fourth quarter. Additionally, Alabama's median family income increased 2.8% from 2019.

The following chart shows the fourth 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 210 increased 1.5% from one year ago, while the United States' affordability index score also increased from 157 to 161 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 210 calculated for the fourth quarter of 2020 means that an Alabama family which earned the statewide median family income of \$65,300 had approximately 2.1 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 fourth quarter were Anniston-Oxford-Jacksonville (258), Gadsden (257), and Florence-Muscle Shoals (241). The most affordable non-metro areas were Monroe County (270), Talladega County (200), and Marshall 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
Q4 2020	2.76%
Q3 2020	2.95%
Q2 2020	3.23%
Q1 2020	3.51%
Q4 2019	3.70%

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

Quarter	Median Sales Price of Alabama Homes
Q4 2020	\$198,107
Q3 2020	\$203,326
Q2 2020	\$188,839
Q1 2020	\$174,420

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 fourth quarter of 2020 was 161, 1.8% higher than the third quarter of 2020. The national median sales price for the fourth quarter was \$311,267, showing a 0.7% increase in national housing prices from the third quarter's median sales price of \$309,233.

A review of the fourth quarter 2020 Alabama Housing Affordability Index indicates that 9 of 12 markets in the Metro Area group in Alabama showed an increase in affordability from the previous quarter. Gadsden showed the most significant increase from the third quarter of 2020 AHAI with a 6.6% increase and an affordability index of 257, followed by Birmingham-Hoover with an AHAI increase of 6.1% which produced an affordability index score of 192.

For the Non-Metro Areas, the AHAI results from the fourth quarter of 2020 showed that 4 of 5 markets had an increase in affordability. Monroe County had the largest increase in affordability, increasing 15.3% from 234 to 270. (Please review the AHAI chart for specific details.)

## ALABAMA HOUSING AFFORDABILITY INDEX SCORES FOR THIRD QUARTER 2020

### Metropolitan Areas Ranked by Affordability

Anniston-Oxford	258
Gadsden	257
Florence-Muscle Shoals	241
Dothan	226
Decatur	221
Mobile	221
Huntsville	218
Montgomery	215
Tuscaloosa	207
Daphne-Fairhope-Foley	200
Birmingham	192
Auburn-Opelika	174
Statewide HAI Score	210
USA HAI Score	161

### Non-Metropolitan Areas Ranked by Affordability

Monroe County	270
Talladega County	204
Marshall County	200
Cullman County	185
Tallapoosa County	116
Statewide HAI Score	210
US HAI Score	161

\*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](http://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	Q4 2020	80%	2.76%			Q4 2020	Q3 2020	
Anniston-Oxford-Jacksonville	\$61,500	\$151,567	\$121,253	\$496	\$5,948	\$23,791	258	252	2.48%
Auburn - Opelika	\$76,500	\$280,303	\$224,242	\$917	\$11,000	\$43,999	174	176	-1.00%
Daphne-Fairhope-Foley	\$81,000	\$257,737	\$206,189	\$843	\$10,114	\$40,456	200	192	4.47%
Birmingham	\$73,100	\$242,167	\$193,733	\$792	\$9,503	\$38,012	192	181	6.08%
Decatur	\$63,600	\$183,561	\$146,849	\$600	\$7,203	\$28,813	221	216	2.33%
Dothan	\$61,300	\$172,585	\$138,068	\$564	\$6,773	\$27,090	226	224	0.99%
Florence-Muscle Shoals	\$64,200	\$169,467	\$135,573	\$554	\$6,650	\$26,601	241	235	2.87%
Gadsden	\$65,000	\$161,117	\$128,893	\$527	\$6,323	\$25,290	257	241	6.55%
Huntsville	\$85,300	\$249,328	\$199,462	\$815	\$9,784	\$39,137	218	208	4.81%
Mobile	\$61,400	\$177,100	\$141,680	\$579	\$6,950	\$27,799	221	222	-0.47%
Montgomery	\$65,700	\$194,992	\$155,994	\$638	\$7,652	\$30,608	215	220	-2.25%
Tuscaloosa	\$67,800	\$208,333	\$166,667	\$681	\$8,175	\$32,702	207	196	5.86%
Non-Metro Areas									
Cullman Co	\$57,900	\$198,933	\$159,147	\$651	\$7,807	\$31,226	185	201	-7.56%
Marshall Co	\$54,000	\$171,667	\$137,333	\$561	\$6,737	\$26,946	200	198	1.27%
Monroe Co	\$44,200	\$104,217	\$83,373	\$341	\$4,090	\$16,359	270	234	15.26%
Talladega Co	\$56,700	\$176,983	\$141,587	\$579	\$6,945	\$27,781	204	200	1.80%
Tallapoosa Co	\$56,500	\$310,433	\$248,347	\$1,015	\$12,182	\$48,728	116	87	32.82%
Alabama	\$65,300	\$198,107	\$158,486	\$648	\$7,774	\$31,097	210	200	5.18%
US Average	\$78,500	\$311,267	\$249,013	\$1,018	\$12,215	\$48,859	161	158	1.81%