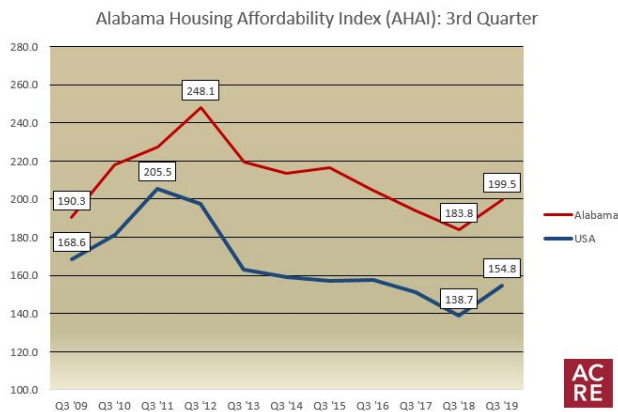


THIRD QUARTER 2019

The Alabama Statewide Housing Affordability Index for the third quarter of 2019 was calculated at 199.5. This quarter's AHAI decreased 0.75% from the second quarter of 2019's score of 201.0. The slight decrease in housing affordability in Alabama was mainly due to strong home price appreciation, which was offset somewhat by lower interest rates. While the statewide median sales price increased 5% from \$172,294 in the second quarter of 2019 to \$180,868 in the third quarter of 2019, interest rates decreased significantly from an average of 4% in the second quarter of 2019 to 3.67% during the third quarter of 2019. Additionally, Alabama's median family income increased 5.48 percent from 2018.

The following chart shows the third 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 183.8 during the third quarter of 2018 to 199.5 during the third quarter of 2019, while the United States' affordability index score increased from 138.7 to 154.8 during the same period. The state's affordability score declined quarter-over-quarter but increased 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

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 199.5 calculated for the third quarter of 2019 means that an Alabama family which earned the statewide median family income of \$63,500 had just under 2 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 third quarter of 2019 were Florence-Muscle Shoals (251.7), Anniston-Oxford-Jacksonville (234.0) and Decatur (226.4). The most affordable non-metro areas during the third quarter of 2019 were Monroe County (210.0), Cullman County (194.1), and Talladega County (188.2). 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
Q3 2019	3.67%
Q2 2019	4.00%
Q1 2019	4.37%
Q4 2018	4.78%
Q3 2018	4.57%

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

Quarter	Median Sales Price of Alabama Homes
Q3 2019	\$180,868
Q2 2019	\$172,294
Q1 2019	\$159,423
Q4 2018	\$159,915

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 5.01% year-over-year, while Alabama shows a 5.48% increase in MFI.

2019 ESTIMATED MEDIAN FAMILY INCOME (HUD)

	2018	2019	% INC./ DEC.
Talladega Co	\$48,400	51,200	5.79%
Gadsden	54,100	57,100	5.55%
Walker Co	51,700	50,600	-2.1%
Tuscaloosa	61,500	66,900	8.78%
Marshall Co	52,700	54,700	3.80%
Lake Martin	52,100	53,700	3.07%
Cullman Co	45,100	53,100	17.7%
Dothan	52,200	57,500	10.2%
Mobile	59,800	60,600	1.34%
Calhoun Co	56,800	56,200	-1.1%
Montgomery	62,900	65,900	4.77%
Baldwin Co	69,400	80,500	15.9%
Muscle Shoals	57,500	66,200	15.1%
Lee Co	66,900	71,100	6.28%
Birmingham	71,000	74,400	4.79%
Huntsville	78,700	84,900	7.88%
Monroe Co	42,000	45,000	7.14%
Alabama Statewide	60,200	63,500	5.48%
US Average	71,900	75,500	5.01%

On the national scene, the National Housing Affordability Index for the third quarter of 2019 was 154.8, 4.11% higher than the second quarter of 2019. The national median sales price for the third quarter of 2019 was \$277,133, showing a 0.1% increase in national housing prices from the second quarter's median sales price of \$276,933.

A review of the third quarter in the 2019 Alabama Housing Affordability Index revealed that 10 of 12 markets in the Metro Area group in Alabama showed an increase in affordability from the previous quarter. Birmingham showed the most significant increase from the second quarter of 2019 AHAI with a 8.12% increase and an affordability index of 191.3, followed by Daphne-Fairhope-Foley with an AHAI increase of 6.91% which produced an affordability index score of 186.3.

For the Non-Metro Areas, the AHAI results from the third quarter of 2019 showed that 1 of 6 markets showed an increase in affordability. Cullman County's AHAI score increased 8.89 percent from 178.3 to 194.1. (Please review the AHAI chart for specific details.)

ALABAMA HOUSING AFFORDABILITY INDEX SCORES FOR THIRD QUARTER 2019

Metropolitan Areas Ranked by Affordability

Florence-Muscle Shoals	251.7
Anniston-Oxford	234.0
Decatur	226.4
Montgomery	222.4
Gadsden	221.3
Mobile	218.9
Huntsville	215.2
Tuscaloosa	201.9
Dothan	198.8
Birmingham	191.3
Daphne-Fairhope-Foley	186.3
Auburn-Opelika	161.7
Statewide HAI Score	199.5
USA HAI Score	154.8

Non-Metropolitan Areas Ranked by Affordability

Monroe County	210.0
Cullman County	194.1
Talladega County	188.2
Marshall County	177.3
Walker County	171.2
Tallapoosa County	106.6
Statewide HAI Score	199.5
US HAI Score	154.8

*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
	2019	Q3 2019	80%	3.67%			Q3 2019	Q2 2019	
Anniston-Oxford-Jacksonville	\$56,200	\$136,450	\$109,160	\$500	\$6,005	\$24,019	234.0	224.4	4.28%
Auburn - Opelika	\$71,100	\$249,829	\$199,863	\$916	\$10,994	\$43,976	161.7	158.1	2.25%
Daphne-Fairhope-Foley	\$80,500	\$245,500	\$196,400	\$900	\$10,804	\$43,214	186.3	174.2	6.91%
Birmingham	\$74,400	\$221,000	\$176,800	\$810	\$9,725	\$38,902	191.3	176.9	8.12%
Decatur	\$62,800	\$157,583	\$126,067	\$578	\$6,935	\$27,739	226.4	221.7	2.12%
Dothan	\$57,500	\$164,333	\$131,467	\$603	\$7,232	\$28,927	198.8	191.4	3.85%
Florence-Muscle Shoals	\$66,200	\$149,417	\$119,533	\$548	\$6,575	\$26,301	251.7	273.5	-7.97%
Gadsden	\$57,100	\$146,550	\$117,240	\$537	\$6,449	\$25,797	221.3	229.4	-3.50%
Huntsville	\$84,900	\$224,131	\$179,305	\$822	\$9,863	\$39,453	215.2	209.4	2.75%
Mobile	\$60,600	\$157,300	\$125,840	\$577	\$6,922	\$27,689	218.9	212.8	2.87%
Montgomery	\$65,900	\$168,300	\$134,640	\$617	\$7,406	\$29,625	222.4	213.6	4.13%
Tuscaloosa	\$66,900	\$188,250	\$150,600	\$690	\$8,284	\$33,137	201.9	193.8	4.20%
Non-Metro Areas									
Cullman Co	\$53,100	\$155,390	\$124,312	\$570	\$6,838	\$27,353	194.1	178.3	8.89%
Marshall Co	\$54,700	\$175,300	\$140,240	\$643	\$7,714	\$30,857	177.3	213.4	-16.92%
Monroe Co	\$45,000	\$121,750	\$97,400	\$446	\$5,358	\$21,431	210.0	257.2	-18.36%
Talladega Co	\$51,200	\$154,567	\$123,653	\$567	\$6,802	\$27,208	188.2	190.5	-1.21%
Tallapoosa Co	\$53,700	\$286,167	\$228,933	\$1,049	\$12,593	\$50,373	106.6	116.6	-8.57%
Walker Co	\$50,600	\$167,950	\$134,360	\$616	\$7,391	\$29,563	171.2	179.7	-4.77%
Alabama									
Alabama	\$63,500	\$180,868	\$144,695	\$663	\$7,959	\$31,837	199.5	201.0	-0.75%
US Average									
US Average	\$75,500	\$277,133	\$221,707	\$1,016	\$12,196	\$48,783	154.8	148.7	4.11%