Huntsville Market Report
Huntsville, Alabama Metro Area
1st QTR, 2024
Key Highlights

- Huntsville metro employment has surpassed pre-Covid levels for all industry sectors and has significantly outpaced the U.S. in Manufacturing, Transportation, Information & Finance.

- Unemployment inside the metro is currently a low 2.8%. Population & employment are increasing at an average of 3% per year with workers outside the metro area commuting to fill local jobs.

- Moody’s has projected strong growth for the Huntsville metro which is expected to outpace the growth of the U.S. economy over the next five years.

- Rate cuts by the Federal Reserve are currently in question as inflation continues to flatten.
Population Growth, 2000-Current

Change from 2000

Huntsville 53%
U.S. 19%
Employment Growth, 2000-Current

Huntsville
54%

U.S.
22%

Change from 2000
# Huntsville Metro Employment

<table>
<thead>
<tr>
<th>March 2024</th>
<th>1-Month Change</th>
<th>3-Month Change</th>
<th>12-Month Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>280,200</td>
<td>-0.1%</td>
<td>-0.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>U.S.</td>
<td>0.4%</td>
<td>-0.7%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

## Summary:
The current metro area employment for March 2024 is 280,200 which is a 2.6% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.6% compared to the U.S. rate of 3.9%.
Huntsville Metro Employment

- 249,200 workers in March 2023
- 12.4% above March 2020 (31,000 workers)

U.S. Employment

- 149.9M workers in March 2023
- 4.9% above March 2020 (7.3M workers)
Huntsville Metro Employment

- Construction: +800
- Manufacturing: +9,100
- Wholesale Trade: +300
- Retail Trade: +1,700
- Transportation: +2,200
- Information: +600
- Finance: +1,700
- Professional & Business Services: +6,500
- Education & Health Services: +1,900
- Leisure & Hospitality: +600
- Government: +5,000
- Other Services: +600

U.S. Employment

- Construction: +0.65M
- Manufacturing: +0.24M
- Wholesale Trade: +0.29M
- Retail Trade: +0.26M
- Transportation: +0.79M
- Information: +0.11M
- Finance: +0.36M
- Professional & Business Services: +1.6M
- Education & Health Services: +1.7M
- Leisure & Hospitality: +0.73M
- Government: +0.44M
- Other Services: +0.05M

(Change: March 2020 to March 2024)
## Employment Change
March 2020 to March 2024

<table>
<thead>
<tr>
<th>Category</th>
<th>Huntsville</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Transportation</td>
<td>13%</td>
<td>59%</td>
</tr>
<tr>
<td>Information</td>
<td>4%</td>
<td>27%</td>
</tr>
<tr>
<td>Finance</td>
<td>4%</td>
<td>24%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Government</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>Other Services</td>
<td>1%</td>
<td>7%</td>
</tr>
</tbody>
</table>
“Huntsville will stay ahead of the state and nation as job growth impresses. Strong support from the military will keep local contractors active and positive migration trends will boost consumer industries. Auto production, however, will be more of a stabilizing force. Longer term, robust demographics will position HUN to be an overachiever in the state.”
### Employment Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Huntsville</th>
<th>U.S.</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.6%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2017</td>
<td>1.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2018</td>
<td>1.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2019</td>
<td>1.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>2020</td>
<td>2.2%</td>
<td>12.2%</td>
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</tbody>
</table>

### GDP Growth

<table>
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<tr>
<th>Year</th>
<th>Huntsville</th>
<th>U.S.</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2017</td>
<td>4.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2018</td>
<td>7.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2019</td>
<td>10.3%</td>
<td>9.4%</td>
</tr>
<tr>
<td>2020</td>
<td>12.9%</td>
<td>12.2%</td>
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5-Year Forecast
Inflation was 3.4% annually in March 2024, the second consecutive month for inflation gains.

The inflation rate fell steadily for 12 months as the Federal Reserve raised rates, peaking at 9.1% in June 2022 and reaching a low of 3% in June 2023. The rate, however, has not dipped below 3% for the past 9 months.

This flattening of inflation above the 2% target has tempered expectations that rates will be lowered in 2024.

The Fed will continue to monitor the economy and act based on the good of the country despite the potential for political pressure in the upcoming election year.
Retailers reported generally healthy consumer demand that moderated toward prepandemic norms as discretionary purchases declined.

Rising supplies of existing homes for sale and new subdivision developments led to higher home inventories, though lower than historical averages.

Cargo volumes at seaports, generally below 2023 levels, are expected to slow further as freight normalizes from 2022’s unusually high levels.

Lending at banks remained relatively flat amid contraction in most consumer loan segments.

Utilities contacts said they will continue to invest billions in infrastructure, largely for emissions reduction, computing capacity, and data center projects.

In agriculture, record-high milk supplies depressed prices, but dairy demand was strong and growing. Increased demand for poultry sparked optimism.
Huntsville Metro Area Report

Alabama Business Confidence Index™

[Graph showing business confidence index trends from 2022 Q1 to 2024 Q2 for various categories such as neutral, industry sales, industry profits, industry hiring, industry capital expenditures, and ABCI.]
Huntsville Metro Area Report
Alabama Business Confidence Index™

Huntsville Response Breakdown

- Alabama Economy
- US Economy
- Industry Sales
- Industry Profits
- Industry Hiring
- Industry Capital Expenditures

Legend:
- Red: Worse
- Gray: No Change
- Blue: Better
Total Construction

97.6M
NEW SQUARE FEET IN THE PAST 5 YEARS

$12.9B
CONSTRUCTION INVESTMENT IN THE PAST 5 YEARS
Manufacturing Investment

5.5Msf
NEW SQUARE FEET IN THE PAST 5 YEARS

$2.2B
MANUFACTURING INVESTMENT IN THE PAST 5 YEARS
Commercial Construction

11.6Msf
NEW COMMERCIAL CONSTRUCTION IN THE PAST 5 YEARS

$2.4B
COMMERCIAL INVESTMENT IN THE PAST 5 YEARS
Commercial Construction

HUNTSVILLE METRO AREA

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</thead>
<tbody>
<tr>
<td>Value</td>
<td>$80M</td>
<td>$60M</td>
<td>$80M</td>
<td>$90M</td>
<td>$890M</td>
<td>$380M</td>
<td>$410M</td>
<td>$950M</td>
<td>$360M</td>
<td>$310M</td>
</tr>
</tbody>
</table>

YTD November 2023

Dodge Construction
Residential Growth

PAST 5-YEARS

SINGLE-FAMILY

19,344
NEW HOUSING STARTS

$4.2B
TOTAL INVESTMENT

MULTI-FAMILY

11,753
NEW APARTMENT UNIT STARTS

$1.7B
TOTAL INVESTMENT
Residential Growth

HUNTSVILLE METRO AREA

YTD November 2023, Residential Housing Unit Starts

- 2014: 2,676
- 2015: 2,631
- 2016: 3,106
- 2017: 2,946
- 2018: 3,618
- 2019: 4,775
- 2020: 5,308
- 2021: 7,304
- 2022: 6,689
- 2023: 7,021

Dodge Construction