Huntsville Market Report
Huntsville, Alabama Metro Area
2nd QTR, 2024
Key Highlights

- Huntsville metro employment is continuing to grow at a steady pace and has significantly outpaced the U.S. in Manufacturing, Transportation, Information & Finance.

- Unemployment inside the metro is currently a low 2.0%. 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.
Employment Growth, 2014-2024

<table>
<thead>
<tr>
<th>Sector</th>
<th>2014</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>3,000</td>
<td>12,300</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3,000</td>
<td>12,300</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>900</td>
<td>3,600</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3,000</td>
<td>3,600</td>
</tr>
<tr>
<td>Transportation</td>
<td>100</td>
<td>2,600</td>
</tr>
<tr>
<td>Information</td>
<td>1,400</td>
<td>8,300</td>
</tr>
<tr>
<td>Finance</td>
<td>2,600</td>
<td>19,300</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
<td>1,400</td>
<td>8,300</td>
</tr>
<tr>
<td>Government</td>
<td>8,300</td>
<td>19,300</td>
</tr>
</tbody>
</table>

Huntsville Metro Area
Population Growth, 2000-Current

Huntsville
53%

Change from 2000

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

Huntsville: 55%

Change from 2000

U.S.: 23%
# Huntsville Metro Employment

<table>
<thead>
<tr>
<th>May 2024</th>
<th>1-Month Change</th>
<th>3-Month Change</th>
<th>12-Month Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>282,100</td>
<td>0.0%</td>
<td>0.6%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

### 12-Month Change

<table>
<thead>
<tr>
<th></th>
<th>HSV</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-Month Change</td>
<td>2.4%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

## Unemployment Rate

- **May 2024**: 2.0%
- **HSV**: 2.0%
- **U.S.**: 3.7%

## Summary:

The current metro area employment for May 2024 is 282,100 which is a 2.4% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.0% compared to the U.S. rate of 3.7%.

Huntsville Metro Employment

249,200

13% above March 2020 (32,900 workers)

U.S. Employment

157.2M

6% above March 2020 (6.9M workers)
Huntsville Metro Employment

- Construction: +800, +9,000
- Manufacturing: +400
- Wholesale Trade: +1,900
- Retail Trade: +2,200
- Transportation: +600
- Information: +1,700
- Finance: +1,700
- Professional & Business Services: +7,000
- Education & Health Services: +2,200
- Leisure & Hospitality: +1,400
- Government: +5,100
- Other Services: +600

U.S. Employment

- Construction: +0.93M
- Manufacturing: +0.26M
- Wholesale Trade: +0.32M
- Retail Trade: +0.38M
- Transportation: +0.82M
- Information: +0.11M
- Finance: +0.40M
- Professional & Business Services: +1.9M
- Education & Health Services: +1.8M
- Leisure & Hospitality: +1.4M
- Government: +0.43M
- Other Services: +0.12M

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

- Construction: 8% (Huntsville), 12% (U.S.)
- Manufacturing: 2% (Huntsville), 34% (U.S.)
- Wholesale Trade: 6% (Huntsville), 5% (U.S.)
- Retail Trade: 3% (Huntsville), 8% (U.S.)
- Transportation: 13% (Huntsville), 59% (U.S.)
- Information: 4% (Huntsville), 27% (U.S.)
- Finance: 5% (Huntsville), 24% (U.S.)
- Professional & Business Services: 9% (Huntsville), 11% (U.S.)
- Education & Health Services: 7% (Huntsville), 10% (U.S.)
- Leisure & Hospitality: 6% (Huntsville), 9% (U.S.)
- Government: 2% (Huntsville), 10% (U.S.)
- Other Services: 2% (Huntsville), 7% (U.S.)
“Huntsville’s economy will run ahead of the state and nation near term, even as the pace of growth moderates. A heavy concentration of auto production will steady the local manufacturing industry while incoming military contracts boost high-tech employment.”
Moody’s Analytics

5-Year Forecast

**Huntsville**

**U.S.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Huntsville</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.9%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2017</td>
<td>1.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2018</td>
<td>1.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2019</td>
<td>1.2%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2020</td>
<td>1.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2021</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>9.1%</td>
<td></td>
</tr>
</tbody>
</table>

**Employment Growth**

**GDP Growth**

5-Year Forecast
Inflation was 3.3% annually in May 2024, the second consecutive month for inflation decreases.

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 11 months.

This flattening of inflation above the 2% target has tempered expectations that rates will be lowered in 2024, but a small cut could come in September.

The Fed will continue to monitor the economy and act based on the data despite the potential for political pressure in the upcoming election year.
Home sales in most markets were flat or slightly down compared with a year ago. A higher percentage of homes sold below the initial asking price.

In the renewable energy sector, contacts shared that uncertainty has slowed capital investment activity.

Trucking contacts continued to report lower than normal seasonal demand. Some logistics firms reported declines in deliveries of big items like appliances.

Cattle farmers reported strong sales resulting from limited national supply. Poultry sales strengthened amid high beef prices.

Manufacturers noted slowing in orders for heavy equipment and soft demand for wood products related to housing construction.

High deposit and borrowing costs continued to weigh on bank earnings. Some financial institutions sold securities to reinvest into higher-yielding assets.
Huntsville Metro Area Report

Alabama Business Confidence Index™

Graph showing trends in various business confidence measures from 2022 Q2 to 2024 Q3.

Key Measures:
- Neutral
- Industry Sales
- Industry Profits
- Industry Hiring
- Industry Capital Expenditures

Index values range from 30 to 70.
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
Total Construction
Huntsville Metro Area

|-------|-------|--------|--------|-------|-------|----------|-------|-------|-------|-------|-------|

Dodge Construction (July 2024)
Manufacturing Investment
Huntsville Metro Area

5.5Msf
NEW SQUARE FEET IN THE PAST 5 YEARS

$2.2B
MANUFACTURING INVESTMENT IN THE PAST 5 YEARS
11.6Msf
NEW COMMERCIAL CONSTRUCTION IN THE PAST 5 YEARS

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

#### Huntsville Metro Area

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
<tr>
<td>2014</td>
<td>$80M</td>
</tr>
<tr>
<td>2015</td>
<td>$61M</td>
</tr>
<tr>
<td>2016</td>
<td>$81M</td>
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<tr>
<td>2017</td>
<td>$85M</td>
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<tr>
<td>2018</td>
<td>$890M</td>
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<tr>
<td>2019</td>
<td>$382M</td>
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<td>2020</td>
<td>$406M</td>
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<td>2021</td>
<td>$954M</td>
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<td>$358M</td>
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<tr>
<td>2023</td>
<td>$311M</td>
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<tr>
<td>2024</td>
<td>$697M</td>
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*(July 2024)*

*Source: Dodge Construction*
Residential Growth
Huntsville Metro Area

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
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<tbody>
<tr>
<td>2014</td>
<td>2,676</td>
</tr>
<tr>
<td>2015</td>
<td>2,631</td>
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<tr>
<td>2016</td>
<td>3,106</td>
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<td>2017</td>
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<td>2018</td>
<td>3,618</td>
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<td>2023</td>
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<tr>
<td>2024</td>
<td>2,497</td>
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(July 2024)