



Huntsville Market Report

Huntsville, Alabama Metro Area

1st QTR, 2025





Key Highlights

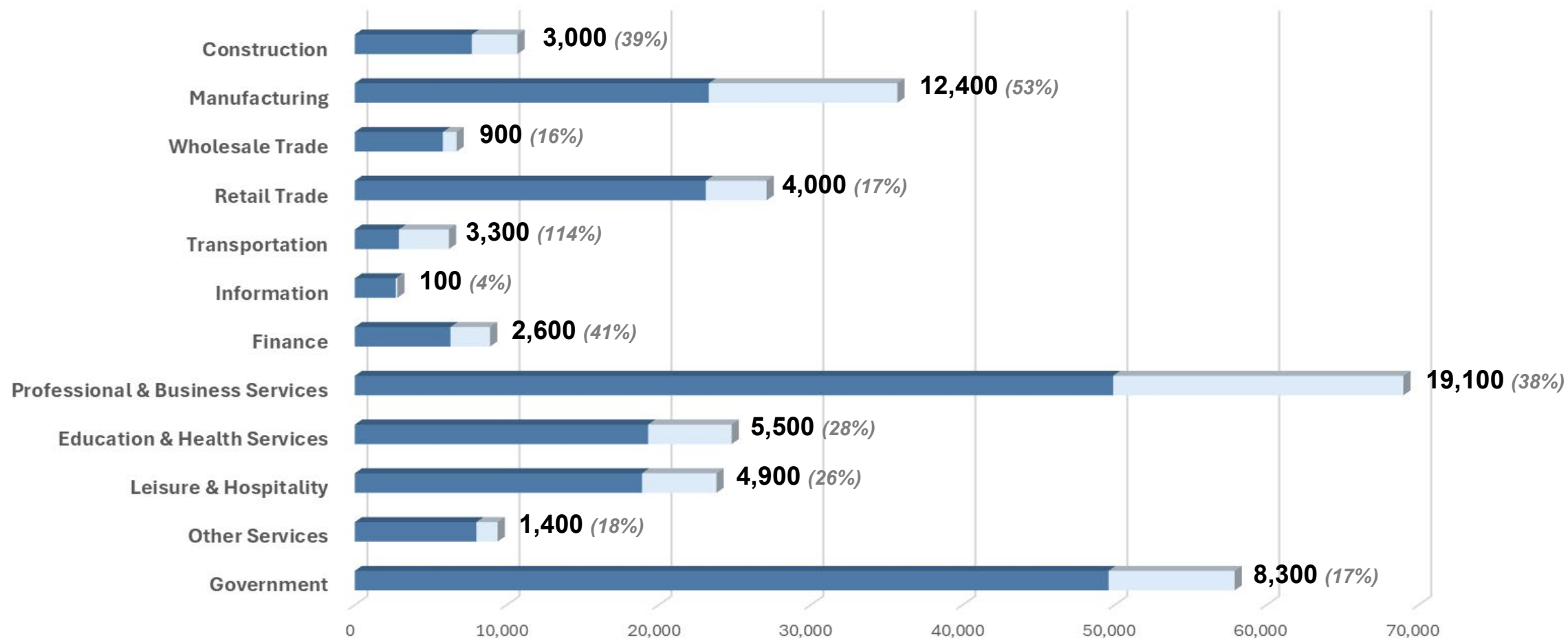
- ❖ Huntsville metro employment is continuing to grow at an increased pace and has significantly outpaced the U.S. in Manufacturing, Transportation, Information & Finance.
- ❖ Unemployment inside the metro is currently a low 2.7%. Population & employment are increasing at an average of 3% per year with workers outside the metro area commuting to fill local jobs.
- ❖ Moody's has projected moderate growth for the U.S. economy over the next five years with the Huntsville community positioned well to outperform the U.S.
- ❖ Rate cuts by the Federal Reserve are currently in question as inflation remains above the target, however small cuts could be expected in 2025.



Employment Growth, 2014-2024

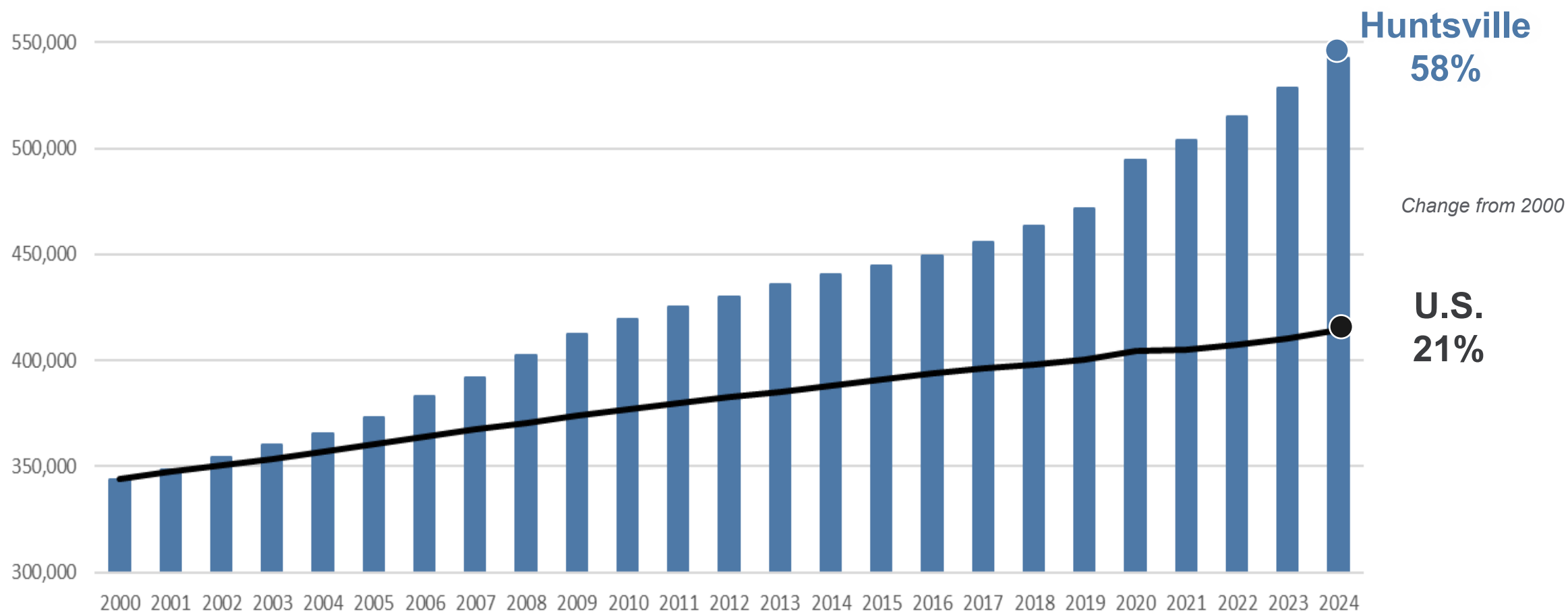
Huntsville Metro Area

■ 2014 ■ 2024



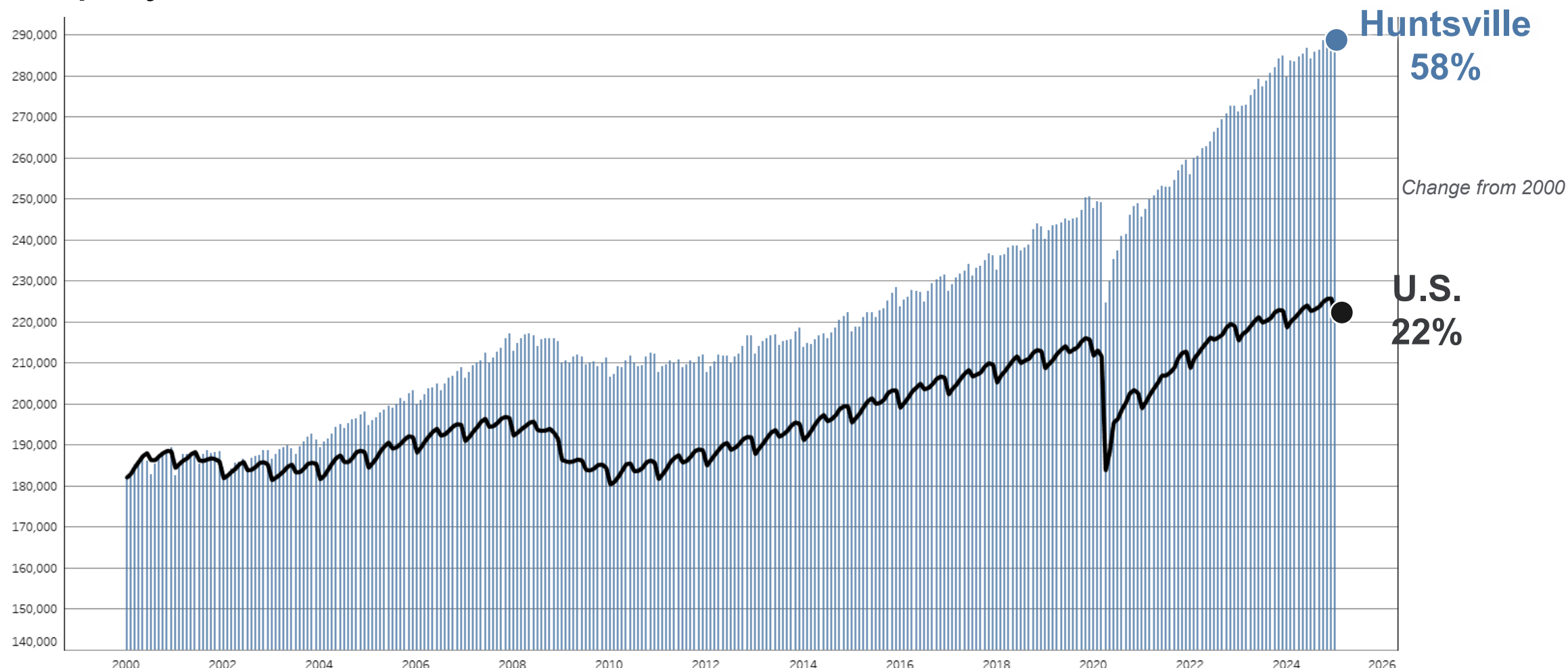


Population Growth, 2000-Current





Employment Growth, 2000-Current





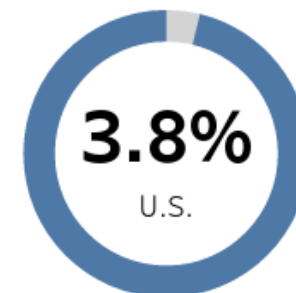
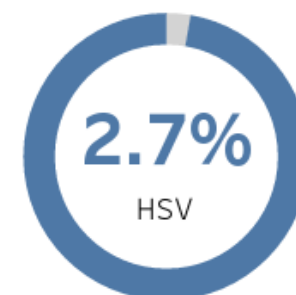
Huntsville Metro Employment

December 2024	1-Month Change	3-Month Change	12-Month Change
290,800	0.1%	1.5%	2.1%
U.S.	0.0%	0.9%	1.3%

12-Month Change



Unemployment Rate
December 2024



Summary:

The current metro area employment for December 2024 is 290,800 which is a 2.1% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.7% compared to the U.S. rate of 3.8%.

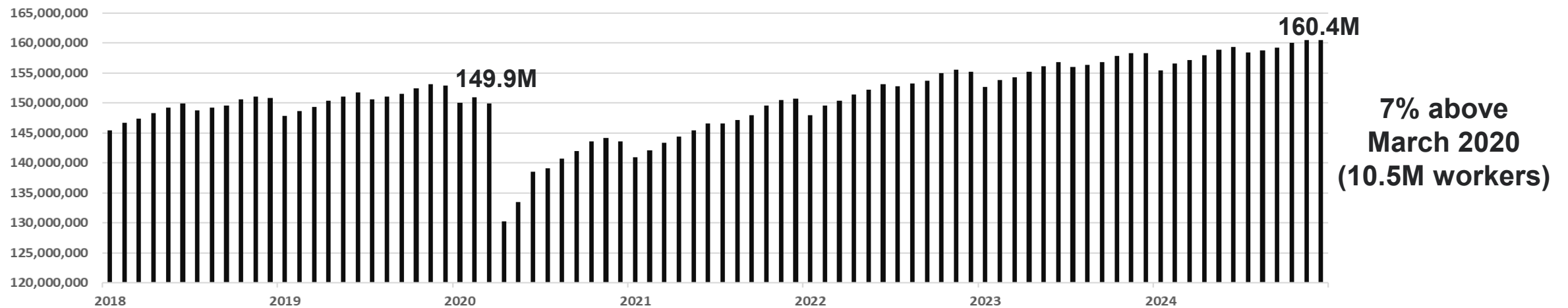
(Source: U.S. Bureau of Labor Statistics <https://data.bls.gov/PDQWeb/sm>)



Huntsville Metro Employment



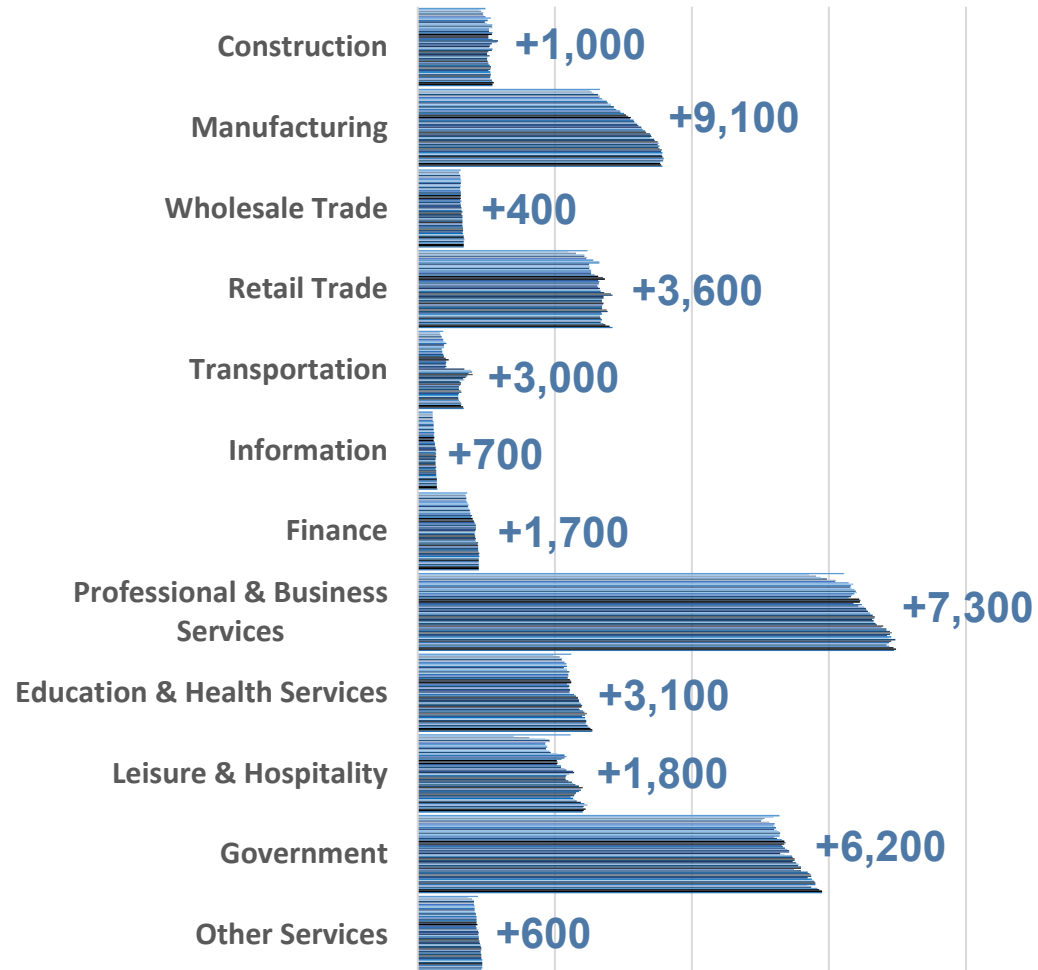
U.S. Employment



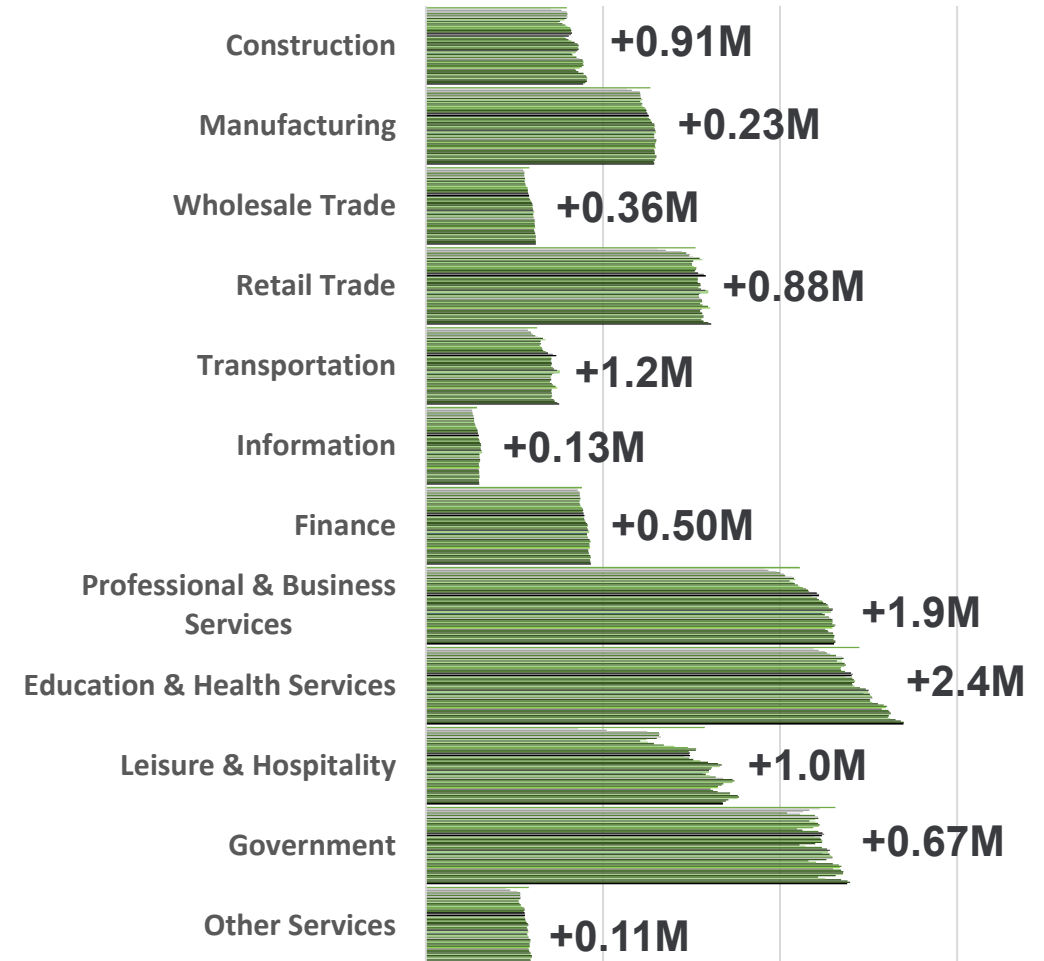


(Change: March 2020 to December 2024)

Huntsville Metro Employment



U.S. Employment

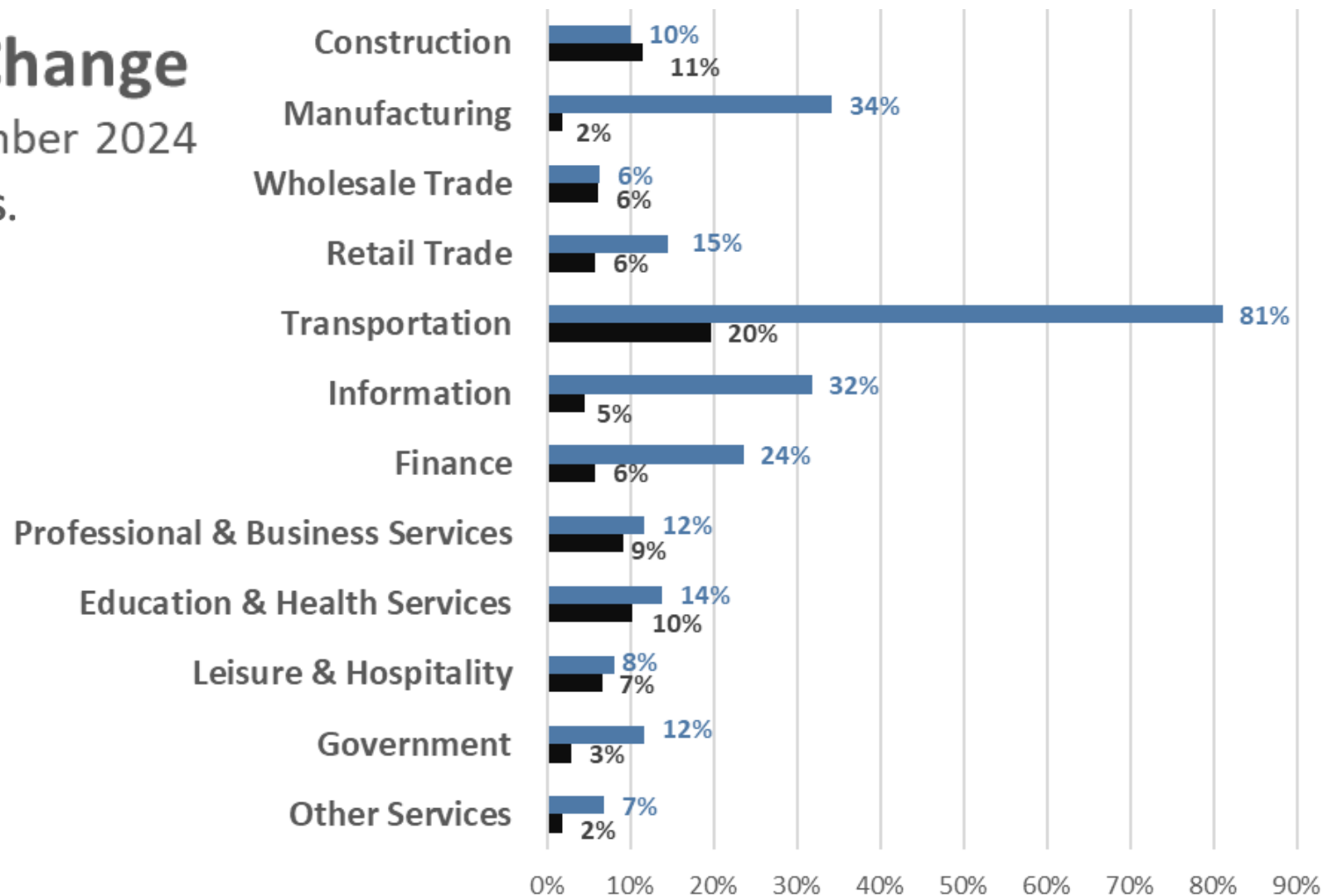




Employment Change

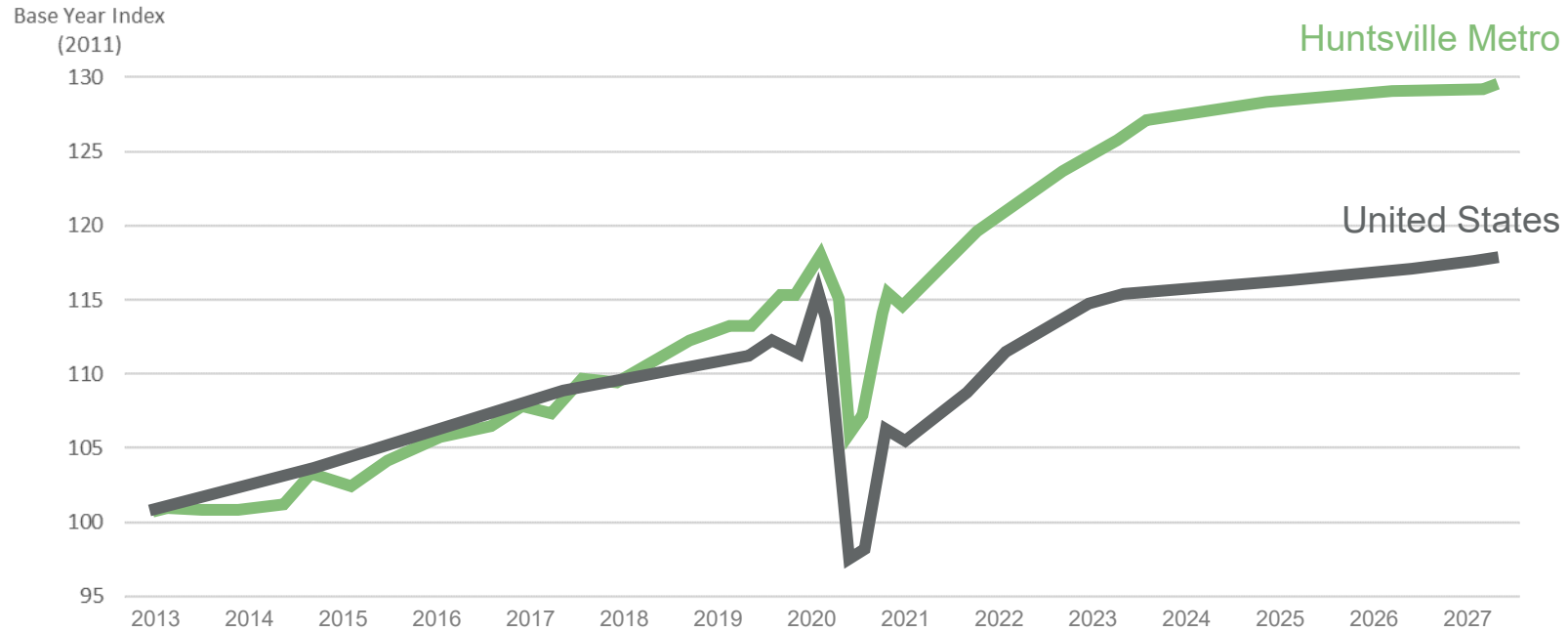
March 2020 to December 2024

■ Huntsville ■ U.S.





MOODY'S
ANALYTICS



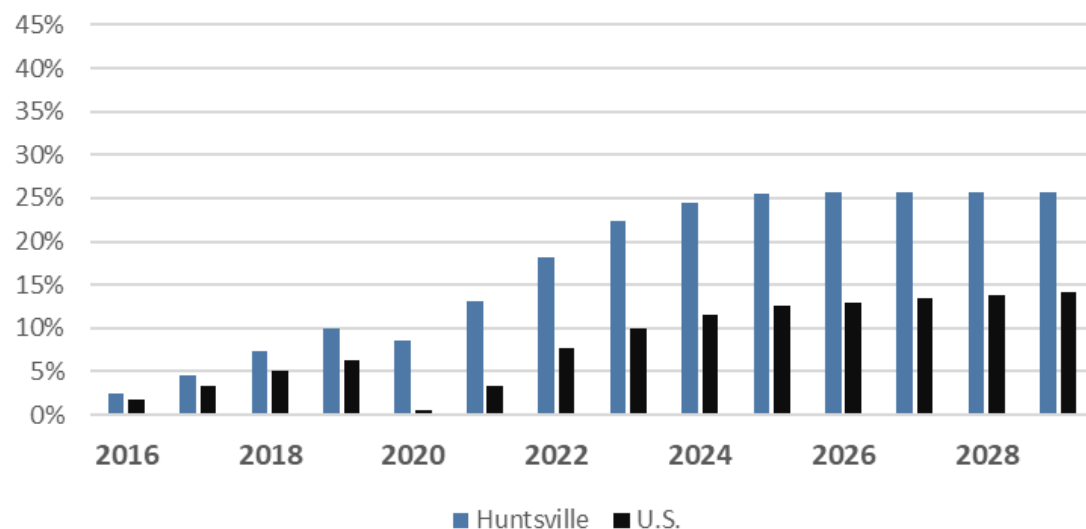
“Huntsville’s economy will run ahead of the state and nation near term, even as the pace of growth moderates. A heavy concentration of auto production will steady the local manufacturing industry while incoming military contracts boost high-tech employment.”



MOODY'S
ANALYTICS



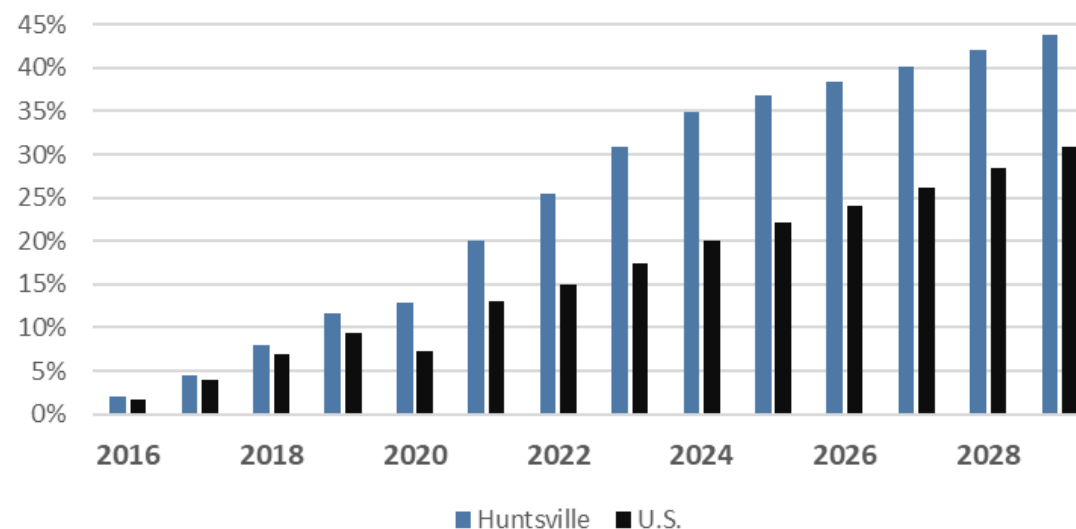
Employment Growth



	2025	2026	2027	2028	2029
Huntsville	0.9%	1.1%	1.2%	1.2%	1.2%
U.S.	0.6%	0.9%	1.3%	1.6%	2.0%

5-Year Forecast

GDP Growth



	2025	2026	2027	2028	2029
Huntsville	1.7%	3.4%	5.4%	7.1%	9.1%
U.S.	1.7%	3.6%	5.8%	8.3%	10.8%

5-Year Forecast



- ❖ Inflation was 2.5% annually in January 2025, close to but still above the Federal Reserve's 2% target rate.
- ❖ While this is significantly lower than the peak in June 2022, inflation is currently holding steady without lowering further to the target rate.
- ❖ Analysts expect a cautious approach from the Federal Reserve given the economy's overall strength and stagnant inflation.
- ❖ Slow action is expected, with the potential for a 0.5% total rate cut anticipated in 2025.



Beige Book

December 2024



Residential real estate developers faced challenges in fully financing projects, even with demand for affordable rental housing remaining steady.



Retailers are increasingly optimistic about the coming year, with expectations growing in recent months.



The demand for electricity and renewable energy sources is strong and getting stronger, even as the broad energy sector grew only modestly.



Manufacturers' outlook for the coming year is cautiously optimistic, even with recent activity declining somewhat.



Recent tourism levels fell after an unusually busy period, with lower- and middle-income travelers finding ways to tighten budgets.



Banks saw only modest recent loan growth, but they expect that to change in the wake of declines in short-term interest rates.

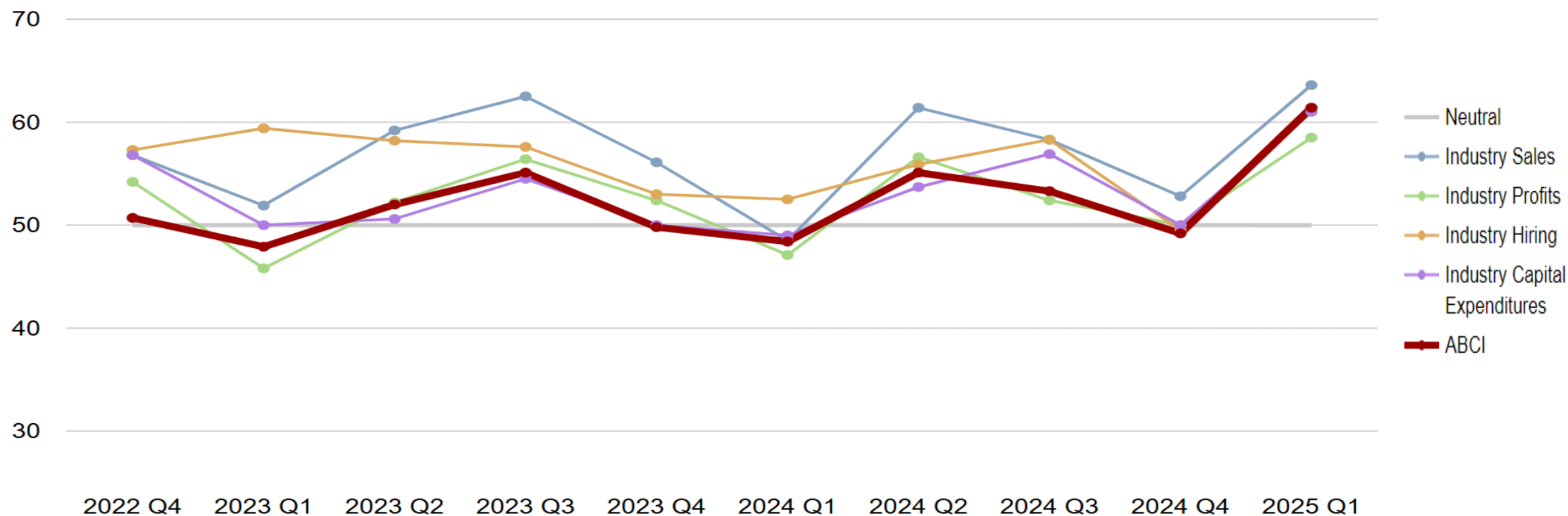


Center for Business and Economic Research



First Quarter 2025 Outlook Huntsville Metro Area Report

Alabama Business Confidence Index™





Center for Business and Economic Research

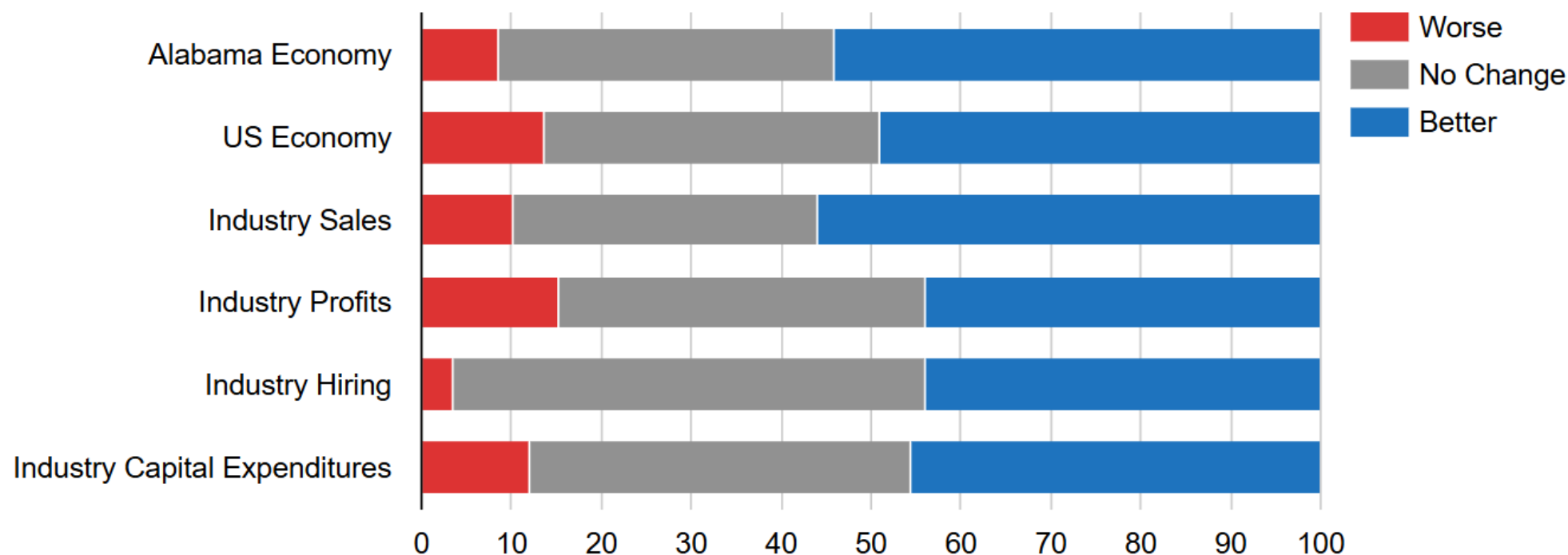


First Quarter 2025 Outlook

Huntsville Metro Area Report

Alabama Business Confidence Index™

Huntsville Response Breakdown



Total Construction

97.8M

NEW SQUARE FEET
IN THE PAST 5 YEARS

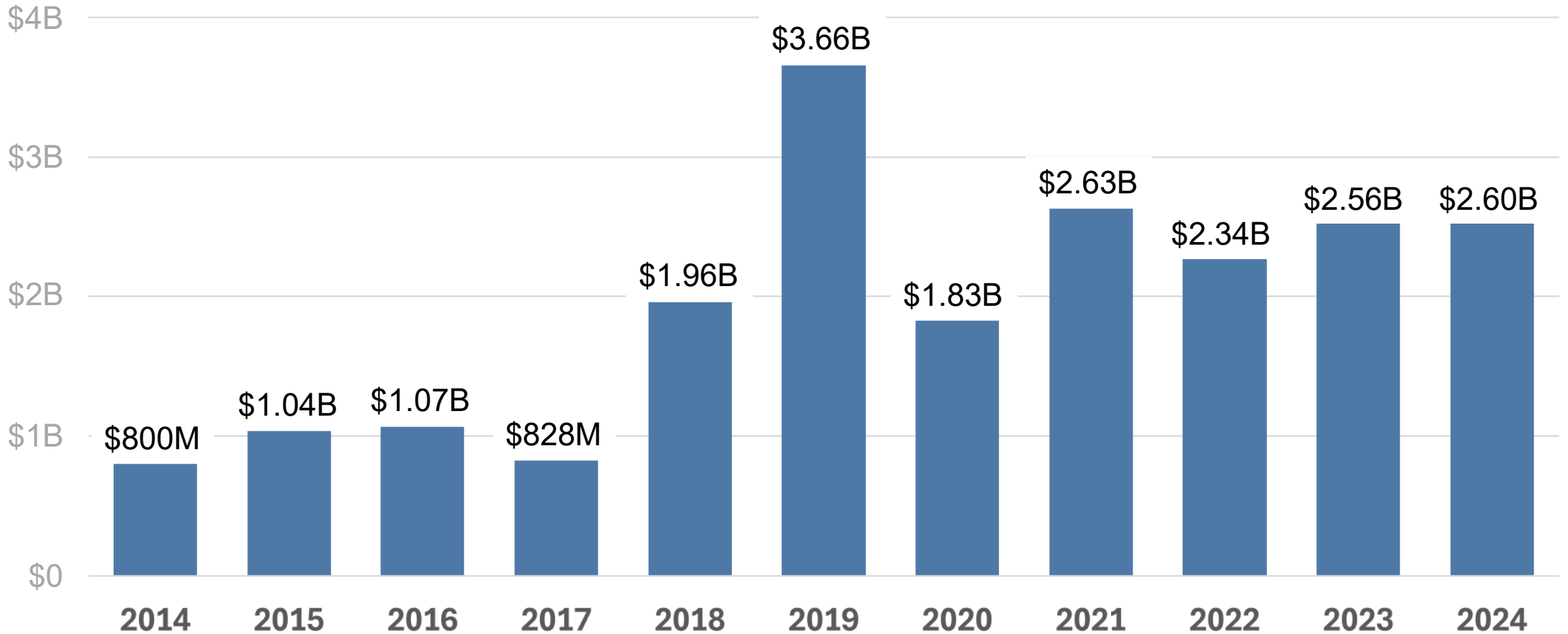
\$11.9B

CONSTRUCTION INVESTMENT
IN THE PAST 5 YEARS



Total Construction

Huntsville Metro Area





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Manufacturing Investment

Huntsville Metro Area

1.3Msf

NEW SQUARE FEET
IN THE PAST 5 YEARS

\$243M

MANUFACTURING INVESTMENT
IN THE PAST 5 YEARS



Commercial Construction

Huntsville Metro Area

12.3Msf

NEW COMMERCIAL CONSTRUCTION
IN THE PAST 5 YEARS

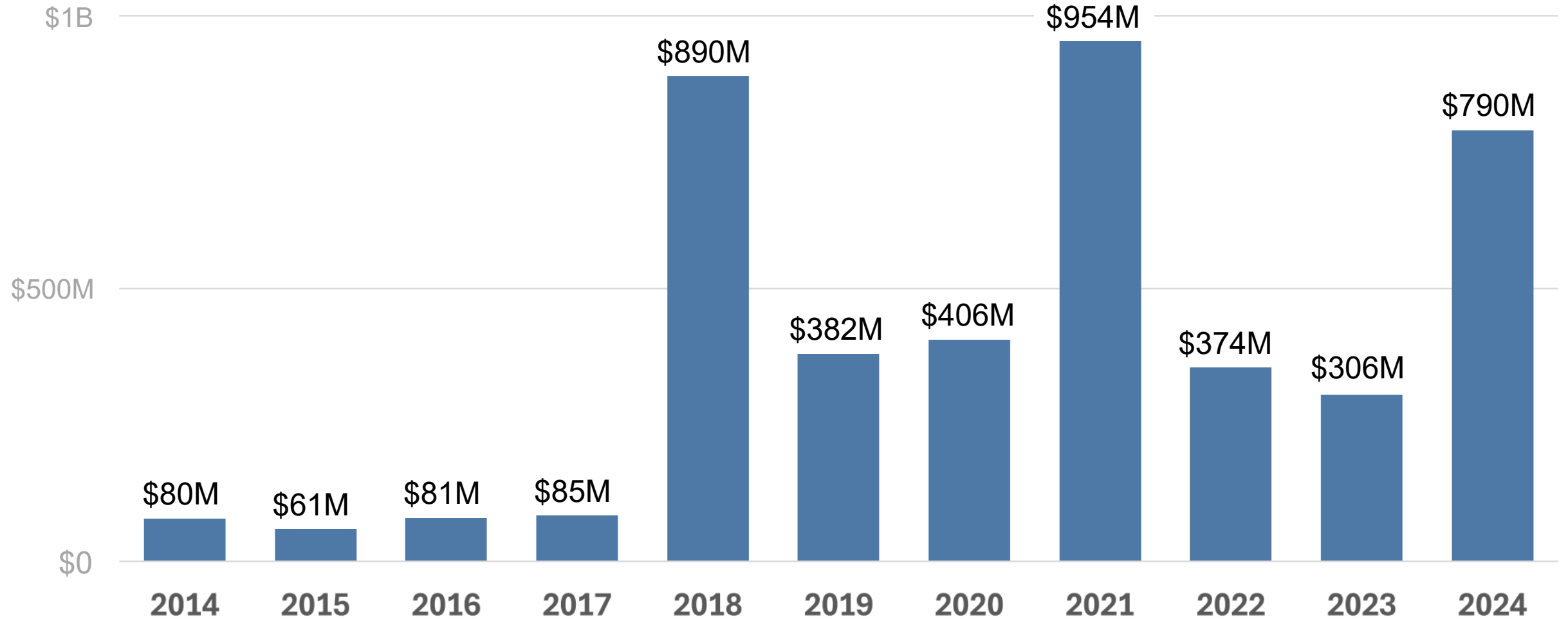
\$2.8B

COMMERCIAL INVESTMENT
IN THE PAST 5 YEARS



Commercial Construction

Huntsville Metro Area



Residential Growth

Huntsville Metro Area

PAST 5-YEARS

SINGLE-FAMILY

19,643

NEW
HOUSING STARTS

\$4.4B

TOTAL
INVESTMENT

MULTI-FAMILY

11,773

NEW APARTMENT
UNIT STARTS

\$1.7B

TOTAL
INVESTMENT



Residential Growth

Huntsville Metro Area

