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Alabama New Construction Report – January 2015

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	January	2015	**658**		* **Alabama permits increased .5% compared to January 2014.** In comparison, south region permits rose 10.0% & US permits were up 4.8%.
January permits have decreased 5.6 percent from last month. Figures also show an increase of 0.5 percent from January '14.	vs. Prior Month	December	2014	**697**	**-5.6%**	* **2014 Recap: Permits in Alabama slipped .8% YOY from 2013.** In comparison, south region permits were up 3.4% & US permits were up 1.3%.
	vs. Last Year (YoY)	January	2014	**655**	**0.5%**	
	vs. 3-Yr Avg	January	'12-'14	**594**	**10.8%**	
	Year-to-Date	January	2015	**658**		
	vs. Last Year (YoY)	January	2014	**655**	**0.5%**	
Starts	**Current Month**	January	2015	**672**		* **Alabama housing starts improved 17.3% compared to January 2014.** In comparison, south region starts rose 12.2% & US starts rose 5.9%.
January starts have decreased 4.2 percent from December '14. January '15 figures show an increase of 17.3 percent from January '14.	vs. Prior Month	December	2014	**686**	**-2.1%**	* **2014 Recap: Starts in Alabama slipped 2% YOY from 2013.** In comparison, South Region Starts were up 6% & US Starts up 2.9%.
	vs. Last Year (YoY)	January	2014	**560**	**19.9%**	
	vs. 3-Yr Avg	January	'12-'14	**575**	**16.8%**	
	Year to Date	January	2014	**675**		
	vs.Prior Year	January	2013	**596**	**13.2%**	

Commentary
State

Demand: New home sales in January slipped 1.8% from the same period last year. Consistent with seasonal buying trends, January new homes sales were 44.2% or 172 units below the prior month. Average days on market in December of 142 represents a 43.9% increase from last December.

Supply: Months of new home supply in January was 8.4 months; compared to 4.6 months in December 2014 (up 83%) and 7.9 months in Janaury 2014 (up 6%). Statewide new construction inventory is approximately 4.0% above last January and 2.7% below last month.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in December increased 1.2% (800 jobs) to 68,600 from last month and grew by 9.2% or 5,800 jobs above the same month a year ago. This represents the sixth consecutive month of positive YOY comparisons associated with construction employment. ***Note: This will be updated when State of Alabama releases January data on 3/17/15.***

National Perspective from National Association of Home Builders (NAHB)

From David Crowe, NAHB chief economist: "The new year either will see the housing sector break out in a traditional, solid recovery or it will see another mundane nudge forward. It doesn't take a Ph.D. in economics to know that. Unfortunately, any economist with two hands can list forces for both outcomes. But the scale is heavily tipped toward more growth in single-family construction in 2015 than any of the recovery years to date."

Local

12 out of the 27 associations (44% - down from 56% in Dec '14) reported building permit gains from the prior month while 12 associations (44% - up from 33% in Dec '14) experienced gains in housing starts. Fourteen associations (52% - up from 30% last month) experienced an increase from their January 2014 monthly housing starts.

The top five markets for housing starts in January by positive percentage change from the same period a year ago: South Alabama (243%), Northwest Alabama (226%), Tallapoosa (96%), Jackson County (118%), and Chilton County (98%). Here's a look at January 2015 housing start growth rates from select markets from across the state: Baldwin County (22%), Greater Montgomery (28%), Birmingham (16%), Huntsville (15%), Shoals Area (-18%), Dothan/Wiregrass (31%), Lee County (22%), Tuscaloosa (-35%), Cullman (28%) and Mobile (12%).

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NOTE: *This representation is based in whole or in part on data supplied by the reporting municipalities/boards/associations. ACRE does not guarantee and is in no way responsible for its accuracy.*

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New Construction Report - January 2015

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Alabama State Total	658	697	-5.6%	655	0.5%	658	655	0.5%
South Total*	26,500	25,700	3.1%	24,100	10.0%	26,500	24,100	10.0%
United States Total*	43,000	45,900	-6.3%	41,100	4.6%	43,000	41,100	4.6%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Athens/Limestone **	15	13	15.4%	6	150.0%	15	6	150.0%
Baldwin County **	109	130	-16.2%	113	-3.5%	109	113	-3.5%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	1	1	0.0%	0	N/A	1	0	N/A
Cullman County	3	4	-25.0%	4	-25.0%	3	4	-25.0%
Dekalb County **	2	1	100.0%	0	N/A	2	0	N/A
Enterprise	7	5	40.0%	6	16.7%	7	6	16.7%
Greater Birmingham **	123	120	2.5%	114	7.9%	123	114	7.9%
Greater Calhoun County **	8	1	700.0%	1	700.0%	8	1	700.0%
Greater Gadsden **	2	3	-33.3%	5	-60.0%	2	5	-60.0%
Greater Montgomery	42	38	10.5%	28	50.0%	42	28	50.0%
Greater Morgan County **	28	14	100.0%	18	55.6%	28	18	55.6%
Dothan & Wiregrass Area	24	14	71.4%	12	100.0%	24	12	100.0%
Metropolitan Mobile**	31	53	-41.5%	29	6.9%	31	29	6.9%
Tuscaloosa**	38	48	-20.8%	83	-54.2%	38	83	-54.2%
Huntsville/Madison **	132	113	16.8%	125	5.6%	132	125	5.6%
Jackson County **	5	3	66.7%	3	66.7%	5	3	66.7%
Lee County	61	64	-4.7%	64	-4.7%	61	64	-4.7%
Macon County	0	0	N/A	0	N/A	0	0	N/A
Marshall County **	9	16	-43.8%	3	200.0%	9	3	200.0%
Muscle Shoals **	7	14	-50.0%	12	-41.7%	7	12	-41.7%
Northwest Alabama	0	3	N/A	0	N/A	0	0	N/A
Phenix City	0	10	-100.0%	15	-100.0%	0	15	-100.0%
South Alabama	1	5	-80.0%	0	N/A	1	0	N/A
St. Clair County **	8	22	-63.6%	14	-42.9%	8	14	-42.9%
Tallapoosa County	0	2	N/A	0	N/A	0	0	N/A
Walker County	2	0	N/A	0	N/A	2	0	N/A

**Source Partner: www.marketgraphicsalabama.com

Process: Every month data is collected from municipalities all around the state, in particular the municipalities' building/inspections department. We also limited our data collection to municipalities with a population of 2500 or greater.

By gathering the number of single family new construction permits that are issued each month it allows observation of growth or decline in the new housing market.

*NOTE: Permit counts may be subject to slight change month over month due to updated permit reports from certain municpalities in previous months

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PROJECTED HOUSING STARTS TOTALS

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Alabama State Total	672	686	-2.1%	560	19.9%	675	596	13.2%
South Total	25,800	26,900	-4.1%	23,000	12.2%	25,800	23,000	12.2%
United States Total	44,300	48,000	-7.7%	41,814	5.9%	44,300	41,814	5.9%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Athens/Limestone	15	20	-24.2%	16	-7.3%	15	11	35.8%
Baldwin County	116	106	8.8%	74	56.5%	116	95	21.8%
Blount County	0	0	-22.2%	0	N/A	0	0	N/A
Chilton County	1	1	8.8%	1	25.3%	1	1	98.0%
Cullman County	4	4	-3.5%	4	-17.3%	4	3	28.3%
Dekalb County	2	1	18.0%	2	-24.5%	2	0	N/A
Enterprise	6	5	22.3%	6	2.3%	6	7	-10.6%
Greater Birmingham	124	132	-6.5%	102	21.2%	124	106	16.3%
Greater Calhoun County	-2	1	-331.8%	1	-275.9%	-2	1	-218.6%
Greater Gadsden	3	5	-40.3%	3	8.0%	3	3	-6.9%
Greater Montgomery	40	38	4.8%	33	21.4%	40	31	28.5%
Greater Morgan County	24	32	-25.3%	13	82.9%	24	14	69.0%
Dothan & Wiregrass Area	19	18	8.0%	15	24.5%	19	15	31.3%
Metropolitan Mobile	41	43	-3.1%	46	-10.2%	41	37	11.6%
Tuscaloosa	44	44	-0.5%	49	-9.2%	43	66	-35.0%
Huntsville/Madison	121	121	0.5%	100	21.5%	121	106	14.9%
Jackson County	4	4	11.6%	4	-1.4%	9	4	117.6%
Lee County	61	53	15.7%	37	65.5%	61	50	21.8%
Macon County	0	0	N/A	0	N/A	0	0	N/A
Marshall County	13	17	-22.8%	17	-24.9%	13	10	25.7%
Muscle Shoals	10	9	5.5%	13	-22.5%	10	12	-17.9%
Northwest Alabama	1	0	N/A	0	200.0%	1	0	226.5%
Phenix City	5	10	-46.2%	7	-25.3%	5	10	-47.2%
South Alabama	3	3	-11.2%	2	64.1%	3	1	243.2%
St. Clair County	15	18	-17.8%	14	8.2%	15	12	19.0%
Tallapoosa County	1	1	-26.8%	1	34.6%	1	0	137.0%
Walker County	1	0	N/A	1	11.5%	1	1	61.7%

*Starts data not available due to that is it a calculated statistic from previous months data that is not available.

Some variance in totals due to decimal extension.

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NOTE *: This representation is based in whole or in part on data supplied by the local municipality's building department.*
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Defintion: Housing starts are a derived value using a percentage distribution based on the particular region in the United States multiplied times the number of building permits issued in that particular month.

Calculation: The distribution for the South Region is as follows: Same Month as Authorization = 44%; 1 Month Prior = 37%; 2 Months Prior = 9%; 3 Months Prior = 3%; 4 Months or more = 7%

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Metro Market New Construction Report*

(The 5 Metro Alabama Markets Represent +/- 70% of the State's New Construction Transactions)

Metro Markets Combined

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Total New Construction Sold	217	389	-44.2%	221	-1.8%	217	219	-0.9%
Number of Units on Market	1,823	1,775	2.7%	1,753	4.0%	N/A	N/A	N/A
Median Selling Price	$ 235,519	$ 223,018	5.6%	$ 230,690	2.1%	$ 235,519	$ 230,690	2.1%
Average Selling Price	$ 262,890	$ 245,855	6.9%	$ 250,215	5.1%	$ 262,890	$ 250,215	5.1%
Average Days on Market	173	142	21.7%	144	19.8%	173	144	19.8%

Total New Construction Sold

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Birmingham	85	165	-48.5%	77	10.4%	85	77	10.4%
Huntsville	70	129	-45.7%	80	-12.5%	70	80	-12.5%
Mobile	14	24	-41.7%	13	7.7%	14	13	7.7%
Montgomery	31	55	-43.6%	33	-6.1%	31	33	-6.1%
Tuscaloosa	17	16	6.3%	18	-5.6%	17	16	6.3%

Number of Units on Market

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	I/S Ratio
Birmingham	742	737	0.7%	709	4.7%	8.7
Huntsville	519	511	1.6%	500	3.8%	7.4
Mobile	159	157	1.3%	150	6.0%	11.4
Montgomery	235	208	13.0%	252	-6.7%	7.6
Tuscaloosa	168	162	3.7%	142	18.3%	9.9

Median Selling Price

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Birmingham	$ 263,443	$ 281,725	-6.5%	$ 247,730	6.3%	$ 263,443	$ 247,730	6.3%
Huntsville	$ 250,950	$ 249,600	0.5%	$ 246,595	1.8%	$ 250,950	$ 246,595	1.8%
Mobile	$ 213,300	$ 179,414	18.9%	$ 199,900	6.7%	$ 213,300	$ 199,900	6.7%
Montgomery	$ 240,000	$ 219,900	9.1%	$ 235,000	2.1%	$ 240,000	$ 235,000	2.1%
Tuscaloosa	$ 209,900	$ 184,450	13.8%	$ 224,225	-6.4%	$ 209,900	$ 224,225	-6.4%

Average Selling Price

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Birmingham	$ 302,252	$ 311,217	-2.9%	$ 269,557	12.1%	$ 302,252	$ 269,557	12.1%
Huntsville	$ 273,440	$ 268,524	1.8%	$ 264,775	3.3%	$ 273,440	$ 264,775	3.3%
Mobile	$ 227,468	$ 187,268	21.5%	$ 207,757	9.5%	$ 227,468	$ 207,757	9.5%
Montgomery	$ 256,001	$ 230,684	11.0%	$ 243,773	5.0%	$ 256,001	$ 243,773	5.0%
Tuscaloosa	$ 255,288	$ 231,581	10.2%	$ 265,215	-3.7%	$ 255,288	$ 265,215	-3.7%

Average Days on Market

	Current Month January-15	Last Month December-14	% Difference	Last Year January-14	% Difference	YTD January-15	YTD January-14	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	105	99	6.1%	96	9.4%	105	96	9.4%
Mobile	161	242	-33.5%	241	-33.2%	161	241	-33.2%
Montgomery	175	118	48.3%	122	43.4%	175	122	43.4%
Tuscaloosa	249	108	130.6%	117	112.8%	249	117	112.8%

* Source: MLS

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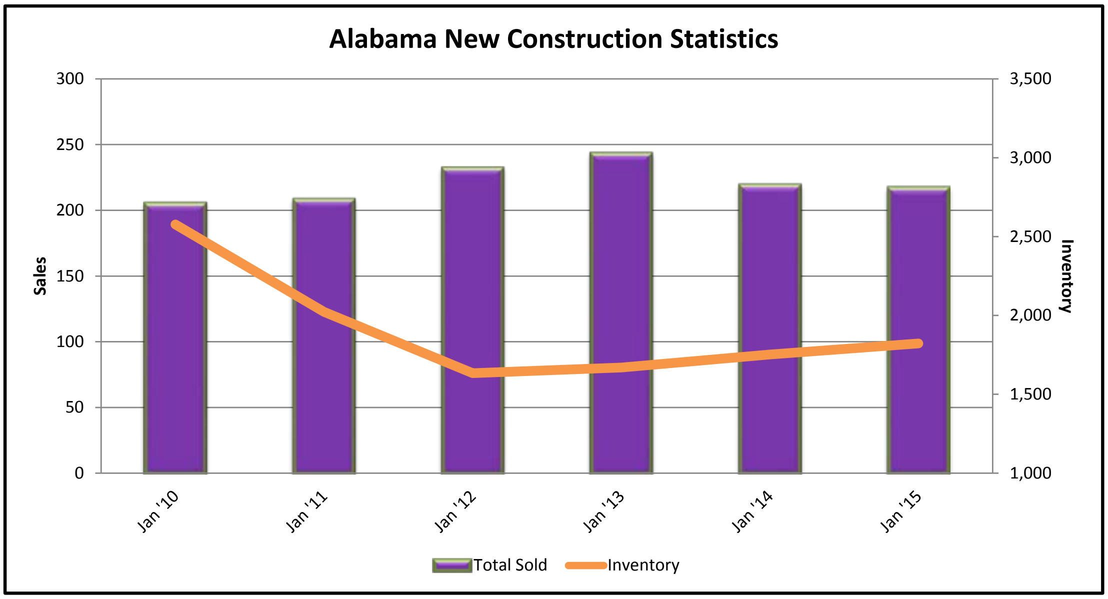

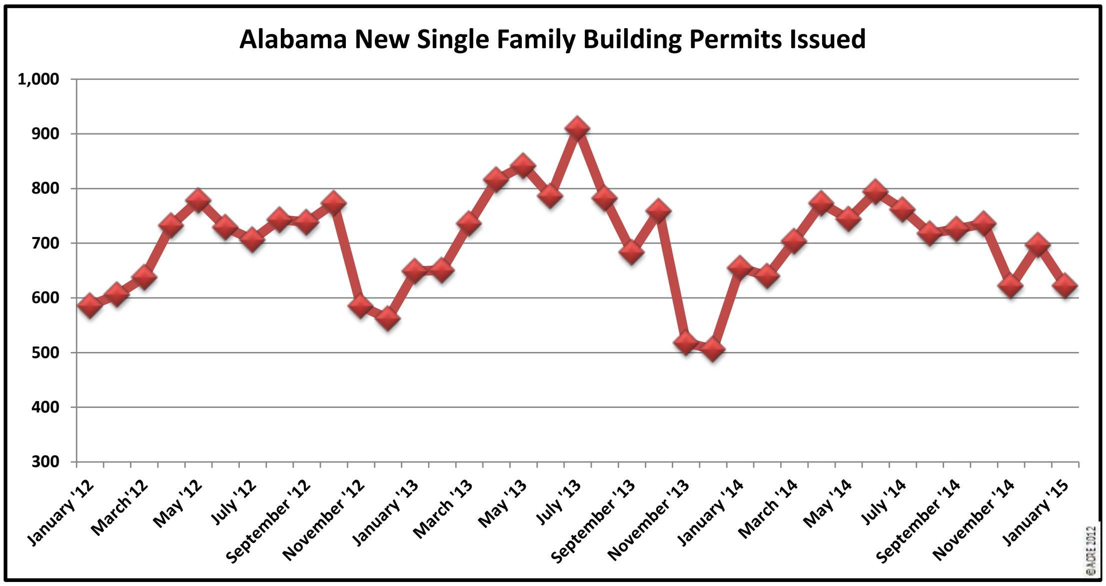

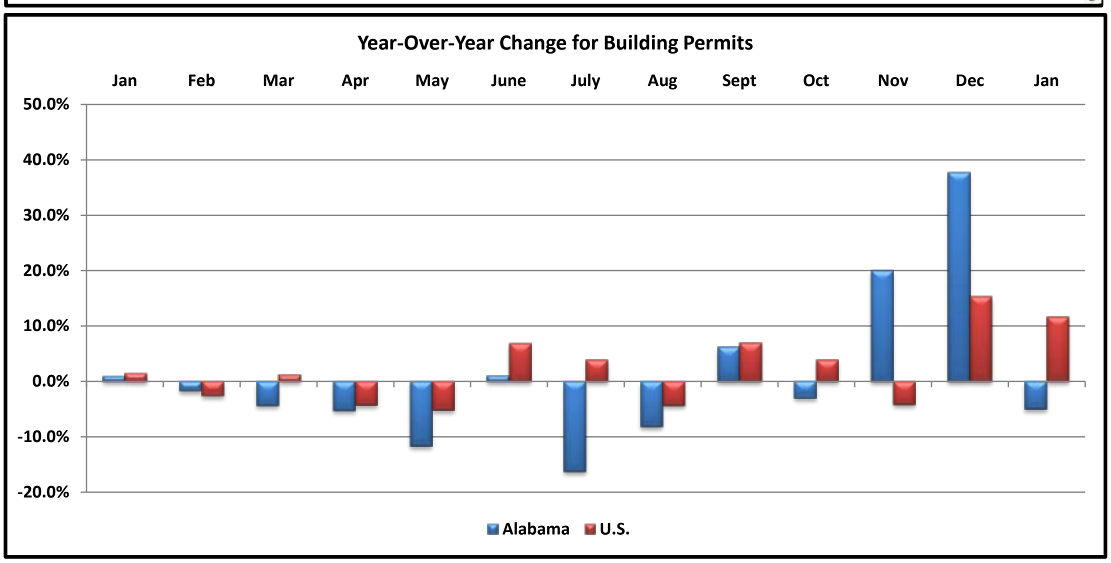

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