CULVERHOUSE COLLEGE OF COMMERCE

ALABAMA CENTER FOR REAL ESTATE

Alabama New Construction Report – July 2015

Monthly Indicators | **Recent Figures** | **Trends**

Permits

July permits have decreased 2.4 percent from last month. Figures also show a decrease of 2.4 percent from July '14.

Current Month	July	2015	**744**	
vs. Prior Month	June	2015	**762**	**-2.4%**
vs. Last Year (YoY)	July	2014	**762**	**-2.4%**
vs. 3-Yr Avg	July	'12-'14	**754**	**-1.3%**
Year-to-Date	July	2015	**5,172**	
vs. Last Year (YoY)	July	2014	**5,072**	**2.0%**

* **Alabama permits decreased 2.4% compared to July 2014.** In comparison, south region permits rose 6.3% & US permits were up 6.1%.

* **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%.

Starts

July starts have decreased 0.6 percent from June '15. July '15 figures show a decrease of 1.5 percent from July '14.

Current Month	July	2015	**756**	
vs. Prior Month	June	2015	**761**	**-0.6%**
vs. Last Year (YoY)	July	2014	**768**	**-1.5%**
vs. 3-Yr Avg	July	'12-'14	**740**	**2.2%**
Year to Date	July	2015	**5,106**	
vs.Prior Year	July	2014	**4,902**	**4.2%**

* **Alabama housing starts slip 1.5% compared to July 2014.** In concert, south region starts increased 17.1% while US starts improved 21.3%.

* **2014 Recap: Starts in Alabama slipped 2% YOY from 2013.** In comparison, South Region Starts were up 6% & US Starts up 2.9%.

Commentary
State

Demand: New home sales totaling 390 units in July increased 17.1 percent from the same period last year. As anticipated taking into seasonal buying patterns, July new homes sales slipped 6.0 percent from the prior month. Average days on market in July of 110 represent a 9.8% decrease from last July which is encouraging news.

Supply: Months of new home supply in July was 4.5 months; compared to 5.0 months in July 2014 (favorably down 10%) and 4.1 months in June 2015 (up 9.8%). Statewide new construction inventory is approximately 5.7% above last July and 2.5% above last month.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in July increased 4.0% (+2,600 jobs) to 67,400 from the same period last year but down 1.0% or 700 jobs from last month. This represents the 13th consecutive month of positive YOY comparisons associated with construction employment.

National Perspective from National Association of Home Builders (NAHB)

From David Crowe, NAHB chief economist: "Builder confidence in the market for newly built, single-family homes in July hit a level of 60 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI) released today while the June reading was revised upward one point to 60 as well. The last time the HMI reached this level was in November 2005. This month's reading is in line with recent data showing stronger sales in both the new and existing home markets as well as continued job growth. However, builders still face a number of challenges, including shortages of lots and labor."

Local

11 out of the 27 associations (41% - down from 41% in June'15) reported building permit gains from the prior month while 12 associations (44% - up from 30% in June'15) experienced gains in housing starts. Sixteen associations (67% - same as last month) experienced an increase from their July 2014 monthly housing starts.

The top five YTD markets (with minimum of ninety starts) for housing starts through June by positive percentage change from the same period a year ago: Marshall County (58%), Lee County (26%), Greater Montgomery (22%), Dothan/Wiregrass Area (22%) and Baldwin County (16%),. Here's a look at YTD housing start growth rates from select markets from across the state: Birmingham (-10%), Huntsville (-1%), Shoals Area (-.6%), Tuscaloosa (-8%), Cullman (-3%) and Mobile (-2%).

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 - July 2015

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Alabama State Total	744	762	-2.4%	762	-2.4%	5,172	5,072	2.0%
South Total*	33,800	36,000	-6.1%	31,800	6.3%	222,400	201,600	10.3%
United States Total*	64,700	69,400	-6.8%	61,000	6.1%	403,900	372,600	8.4%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Athens/Limestone **	30	15	100.0%	22	36.4%	117	111	5.4%
Baldwin County **	139	122	13.9%	119	16.8%	814	706	15.3%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	0	1	-100.0%	0	N/A	10	4	150.0%
Cullman County	5	2	150.0%	3	66.7%	27	29	-6.9%
Dekalb County **	8	5	60.0%	2	300.0%	26	11	136.4%
Enterprise	4	11	-63.6%	3	33.3%	40	35	14.3%
Greater Birmingham **	101	137	-26.3%	137	-26.3%	877	1,020	-14.0%
Greater Calhoun County **	0	3	-100.0%	4	-100.0%	17	19	-10.5%
Greater Gadsden **	5	6	-16.7%	5	0.0%	40	36	11.1%
Greater Montgomery	39	50	-22.0%	36	8.3%	300	247	21.5%
Greater Morgan County **	19	21	-9.5%	27	-29.6%	150	181	-17.1%
Dothan & Wiregrass Area	29	22	31.8%	18	61.1%	163	127	28.3%
Metropolitan Mobile**	36	36	0.0%	36	0.0%	261	273	-4.4%
Tuscaloosa**	43	58	-25.9%	59	-27.1%	381	415	-8.2%
Huntsville/Madison **	143	141	1.4%	145	-1.4%	968	1,001	-3.3%
Jackson County **	1	2	-50.0%	1	0.0%	14	11	27.3%
Lee County	70	68	2.9%	74	-5.4%	536	446	20.2%
Macon County	0	0	N/A	0	N/A	1	0	#DIV/0!
Marshall County **	20	24	-16.7%	23	-13.0%	153	90	70.0%
Muscle Shoals **	10	14	-28.6%	8	25.0%	88	87	1.1%
Northwest Alabama	0	1	-100.0%	0	N/A	3	3	N/A
Phenix City	11	7	57.1%	13	-15.4%	69	94	-26.6%
South Alabama	10	0	N/A	2	400.0%	20	9	122.2%
St. Clair County **	18	15	20.0%	25	-28.0%	83	106	-21.7%
Tallapoosa County	3	0	N/A	0	N/A	7	9	-22.2%
Walker County	0	1	-100.0%	0	N/A	7	2	250.0%

**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 July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Alabama State Total	756	761	-0.6%	768	-1.5%	5,106	4,902	4.2%
South Total	37,000	38,900	-4.9%	31,600	17.1%	225,700	201,700	11.9%
United States Total	74,100	69,400	6.8%	61,600	20.3%	415,200	363,853	14.1%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Athens/Limestone	22	15	44.4%	22	0.4%	109	106	2.9%
Baldwin County	127	113	12.3%	112	14.1%	804	691	16.4%
Blount County	1	0	N/A	0	N/A	1	0	N/A
Chilton County	1	2	-61.9%	1	56.6%	10	5	126.4%
Cullman County	4	3	29.7%	4	-3.3%	27	27	-3.4%
Dekalb County	6	4	53.1%	2	205.5%	21	11	91.7%
Enterprise	7	7	2.0%	3	93.3%	40	38	3.9%
Greater Birmingham	121	130	-6.9%	141	-14.6%	888	984	-9.8%
Greater Calhoun County	2	2	-2.5%	3	-28.7%	18	15	20.5%
Greater Gadsden	6	7	-13.6%	5	19.1%	38	33	14.8%
Greater Montgomery	44	43	3.9%	35	25.8%	298	244	21.9%
Greater Morgan County	20	21	-5.1%	31	-34.8%	151	165	-8.9%
Dothan & Wiregrass Area	25	22	13.1%	19	33.5%	153	125	22.5%
Metropolitan Mobile	37	40	-6.9%	40	-7.5%	272	277	-1.7%
Tuscaloosa	52	56	-7.7%	59	-12.1%	378	409	-7.5%
Huntsville/Madison	144	145	-0.6%	162	-11.2%	938	947	-0.9%
Jackson County	2	2	1.3%	1	40.0%	16	14	13.4%
Lee County	73	83	-11.4%	65	13.0%	523	417	25.5%
Macon County	0	0	N/A	0	N/A	1	0	N/A
Marshall County	23	30	-22.2%	20	15.8%	146	92	57.9%
Muscle Shoals	13	14	-10.6%	11	18.5%	88	89	-0.6%
Northwest Alabama	1	1	N/A	0	25.0%	4	3	30.4%
Phenix City	9	9	7.7%	10	-7.1%	68	89	-22.8%
South Alabama	0	2	-100.0%	2	-100.0%	13	9	53.7%
St. Clair County	15	10	51.9%	20	-22.7%	87	101	-13.6%
Tallapoosa County	1	1	140.0%	0	220.0%	7	9	-25.9%
Walker County	1	1	-49.1%	0	243.8%	7	3	139.8%

*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.

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 July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Total New Construction Sold	390	415	-6.0%	333	17.1%	2,228	2,151	3.6%
Number of Units on Market	1,760	1,717	2.5%	1,665	5.7%	N/A	N/A	N/A
Median Selling Price	$ 241,917	$ 251,352	-3.8%	$ 235,239	2.8%	$ 243,695	$ 231,696	5.2%
Average Selling Price	$ 252,583	$ 263,733	-4.2%	$ 255,565	-1.2%	$ 260,696	$ 249,425	4.5%
Average Days on Market	110	113	-2.0%	122	-9.8%	129	153	-15.7%

Total New Construction Sold

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Birmingham	132	167	-21.0%	139	-5.0%	870	822	5.8%
Huntsville	123	134	-8.2%	89	38.2%	697	694	0.4%
Mobile	31	38	-18.4%	22	40.9%	195	184	6.0%
Montgomery	74	54	37.0%	60	23.3%	327	325	0.6%
Tuscaloosa	30	22	36.4%	23	30.4%	139	126	10.3%

Number of Units on Market

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	I/S Ratio
Birmingham	829	784	5.7%	664	24.8%	6.3
Huntsville	457	449	1.8%	448	2.0%	3.7
Mobile	137	138	-0.7%	157	-12.7%	4.4
Montgomery	200	205	-2.4%	242	-17.4%	2.7
Tuscaloosa	137	141	-2.8%	154	-11.0%	4.6

Median Selling Price

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Birmingham	$ 251,074	$ 282,500	-11.1%	$ 262,590	-4.4%	$ 267,598	$ 260,884	2.6%
Huntsville	$ 253,830	$ 261,802	-3.0%	$ 280,305	-9.4%	$ 246,395	$ 252,246	-2.3%
Mobile	$ 235,950	$ 209,949	12.4%	$ 190,400	23.9%	$ 218,082	$ 185,255	17.7%
Montgomery	$ 254,283	$ 270,450	-6.0%	$ 223,000	14.0%	$ 255,933	$ 239,530	6.8%
Tuscaloosa	$ 214,450	$ 232,059	-7.6%	$ 219,900	-2.5%	$ 230,466	$ 220,567	4.5%

Average Selling Price

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Birmingham	$ 294,405	$ 319,010	-7.7%	$ 291,344	1.1%	$ 305,847	$ 289,451	5.7%
Huntsville	$ 255,680	$ 255,680	0.0%	$ 297,786	-14.1%	$ 264,816	$ 265,670	-0.3%
Mobile	$ 223,454	$ 217,854	2.6%	$ 201,494	10.9%	$ 220,403	$ 201,566	9.3%
Montgomery	$ 254,662	$ 264,253	-3.6%	$ 235,437	8.2%	$ 258,274	$ 243,840	5.9%
Tuscaloosa	$ 234,713	$ 261,866	-10.4%	$ 251,765	-6.8%	$ 254,140	$ 246,596	3.1%

Average Days on Market

	Current Month July-15	Last Month June-15	% Difference	Last Year July-14	% Difference	YTD July-15	YTD July-14	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	60	62	-3.2%	122	-50.8%	75	132	-42.7%
Mobile	148	106	39.6%	105	41.0%	153	200	-23.4%
Montgomery	116	138	-15.9%	136	-14.7%	141	142	-1.0%
Tuscaloosa	117	144	-18.8%	126	-7.1%	147	139	6.1%

* Source: MLS

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