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THE UNIVERSITY OF ALABAMA

Transformational Leadership

Alabama New Construction Report – June 2014

Monthly Indicators	Recent Figures					Trends
Permits June permits have increased 7.4 percent from last month. Figures also show a decrease of 0.7 percent from June '13.	**Current Month**	June	2014	**780**		*** 2014 permits in Alabama through June are down 5.6% compared to 2013.** In comparison, south region permits were up .1% & US permits were down .6%. *** Alabama permits slipped .8% compared to June 2013.** In comparison, south region permits were up 1.3% & US permits were up 6.9%.
	vs. Prior Month	May	2014	**726**	**7.4%**	
	vs. Last Year (YoY)	June	2013	**786**	**-0.8%**	
	vs. 3-Yr Avg	June	'11-'13	**594**	**31.4%**	
	Year-to-Date	June	2014	**4,231**		
	vs. Last Year (YoY)	June	2013	**4,480**	**-5.6%**	
Starts June starts have increased 3.2 percent from May '14. June '14 figures show a decrease of 7.2 percent from June '13.	**Current Month**	June	2014	**745**		*** 2014 Starts through June are down 5.7% compared to 2013.** In comparison, South Region Starts were up 4.9% & US Starts up 1.5%. *** Alabama housing starts slipped 6.8% compared to June 2013.** In comparison, south region starts were down 9.8% & US up .6%.
	vs. Prior Month	May	2014	**722**	**3.2%**	
	vs. Last Year (YoY)	June	2013	**799**	**-6.8%**	
	vs. 3-Yr Avg	June	'11-'13	**575**	**29.5%**	
	Year to Date	June	2013	**4,073**		
	vs.Prior Year	June	2012	**4,318**	**-5.7%**	

State — **Commentary**

June new homes sales improved 2.6% from the same period last year. In addition, sales rebounded and grew 15.5% from the prior month. 2014 YTD sales through June are 2.6% lower when compared to last year. In 2013, new home sales in Alabama improved by 5.8% compared to 2012. This improvement came on the heels of 7.2% growth in 2012 (both 2011 & 2010 sales were down 13% from respective prior year). Average days on market in June of 136 represents a 18.8% decrease from last June. Months of new home supply in June was 4.5 months; compared to 5.2 months in May 2014 (down 13.5%) and 4.8 months in June 2013 (down 6.3%).

Statewide new construction inventory is approximately 3.8% below last June and 1.8% above last month. This increase returns recent trends that had showed Alabama home builders bringing more product to the market in response to the uptick in overall demand. This was not the case in May. Whether more inventory come online warrants a continued close watch as we move through the summer home buying season.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in June slipped .5% (-300 jobs) to 64,100 from last month and by 2.4% or -1,600 jobs below the same month a year ago.

"An improving job market goes hand-in-hand with a rise in builder confidence," added David Crowe, chief economist for the NAHB. "As employment increases and those with jobs feel more secure about their own economic situation, they are more likely to feel comfortable about buying a home."
Alabama's gradual but less than robust job growth is consistent with new home sales posted thus far in 2014.

Local

11 out of the 27 associations (41% - down from 48% in May) reported building permit gains from the prior month while 12 associations (44% - same as May) experienced gains in housing starts. Nine associations (33% - up from 30% last month) experienced an increase from their June 2013 monthly housing starts.

The top five **YTD** markets for housing starts through June by positive percentage change from the same period a year ago: Jackson County (382%), Greater Morgan County (74%), Cullman County (70%), Tallapoosa County (46%), and Phenix City (46%). Here's a look at YTD housing start growth rates from select markets from across the state: Baldwin County (-10%), Greater Montgomery (-22%), Birmingham (6%), Huntsville (-10%), Shoals Area(-5%), Dothan/Wiregrass (-8%), Lee County (-.8%), Tuscaloosa (1%), and Mobile (-28%).

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 SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Alabama State Total	780	726	7.4%	786	-0.8%	4,231	4,480	-5.6%
South Total*	30,700	30,400	1.0%	30,300	1.3%	169,800	169,600	0.1%
United States Total*	60,800	59,500	2.2%	56,900	6.9%	311,600	313,500	-0.6%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Athens/Limestone **	25	13	92.3%	48	-47.9%	89	140	-36.4%
Baldwin County **	116	93	24.7%	118	-1.7%	587	630	-6.8%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	1	1	0.0%	1	0.0%	4	7	-42.9%
Cullman County	5	1	400.0%	7	-28.6%	26	17	52.9%
Dekalb County **	2	2	0.0%	1	100.0%	9	10	-10.0%
Enterprise	3	4	-25.0%	12	-75.0%	32	41	-22.0%
Greater Birmingham **	135	178	-24.2%	141	-4.3%	883	840	5.1%
Greater Calhoun County **	3	2	50.0%	1	200.0%	15	24	-37.5%
Greater Gadsden **	5	5	0.0%	12	-58.3%	31	47	-34.0%
Greater Montgomery	34	34	0.0%	37	-8.1%	211	272	-22.4%
Greater Morgan County **	39	21	85.7%	15	160.0%	154	93	65.6%
Dothan & Wiregrass Area	18	19	-5.3%	26	-30.8%	109	125	-12.8%
Metropolitan Mobile**	34	36	-5.6%	46	-26.1%	188	280	-32.9%
Tuscaloosa**	59	59	0.0%	61	-3.3%	356	358	-0.6%
Huntsville/Madison **	189	139	36.0%	161	17.4%	856	916	-6.6%
Jackson County **	1	1	0.0%	1	0.0%	10	6	66.7%
Lee County	59	65	-9.2%	54	9.3%	372	360	3.3%
Macon County	0	0	#DIV/0!	0	N/A	0	3	N/A
Marshall County **	23	5	360.0%	6	283.3%	67	66	1.5%
Muscle Shoals **	12	17	-29.4%	14	-14.3%	79	89	-11.2%
Northwest Alabama	1	0	#DIV/0!	0	#DIV/0!	3	2	50.0%
Phenix City	5	12	-58.3%	9	-44.4%	81	42	92.9%
South Alabama	3	2	50.0%	6	-50.0%	7	26	-73.1%
St. Clair County **	8	15	-46.7%	6	33.3%	51	74	-31.1%
Tallapoosa County	0	1	-100.0%	2	-100.0%	9	7	28.6%
Walker County	0	1	N/A	1	N/A	2	5	-60.0%

**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

PROJECTED HOUSING STARTS TOTALS

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Alabama State Total	745	722	3.2%	799	-6.8%	4,073	4,318	-5.7%
South Total	27,200	31,900	-14.7%	30,159	-9.8%	168,800	160,925	4.9%
United States Total	58,500	59,700	-2.0%	58,175	0.6%	299,853	295,305	1.5%

* Due to the Government shutdown September and October stats will not be updated till December 18th.

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Athens/Limestone	19	15	25.0%	34	-45.2%	84	122	-31.1%
Baldwin County	103	95	8.3%	116	-11.2%	557	621	-10.2%
Blount County	0	0	#DIV/0!	0	-100.0%	0	0	N/A
Chilton County	1	1	62.5%	1	-36.4%	4	6	N/A
Cullman County	4	4	-3.6%	4	-16.5%	24	14	70.2%
Dekalb County	2	2	5.5%	1	93.0%	9	10	-10.0%
Enterprise	4	4	-8.9%	9	-57.2%	35	34	1.0%
Greater Birmingham	154	162	-4.6%	143	7.8%	842	794	6.1%
Greater Calhoun County	3	3	1.4%	4	-22.6%	15	27	-44.2%
Greater Gadsden	5	5	-1.2%	9	-44.7%	28	44	-34.9%
Greater Montgomery	35	37	-4.7%	48	-27.5%	209	268	-22.0%
Greater Morgan County	30	24	21.2%	15	97.1%	154	89	73.8%
Dothan & Wiregrass Area	18	19	-1.7%	21	-12.2%	107	115	-7.6%
Metropolitan Mobile	34	33	1.7%	55	-39.1%	197	273	-27.8%
Tuscaloosa	57	59	-3.1%	66	-12.5%	350	345	1.3%
Huntsville/Madison	158	136	16.7%	159	0.0%	785	874	-10.2%
Jackson County	1	2	-30.0%	1	7.7%	26	5	382.4%
Lee County	63	65	-2.8%	60	4.3%	352	355	-0.8%
Macon County	0	0	#DIV/0!	1	N/A	0	3	N/A
Marshall County	15	12	25.1%	11	33.6%	66	66	0.1%
Muscle Shoals	14	14	3.5%	14	3.5%	78	82	-4.5%
Northwest Alabama	1	0	350.0%	0	22.7%	3	3	-9.5%
Phenix City	10	16	-35.1%	5	93.7%	79	54	46.4%
South Alabama	2	1	62.7%	6	-60.5%	6	30	-79.1%
St. Clair County	11	11	-7.0%	14	-21.6%	52	74	-29.1%
Tallapoosa County	1	3	-64.5%	1	-21.6%	9	6	46.5%
Walker County	0	1	-24.5%	1	-20.0%	3	5	-45.8%

*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 June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Total New Construction Sold	358	310	15.5%	349	2.6%	1,818	1,866	-2.6%
Number of Units on Market	1,626	1,597	1.8%	1,691	-3.8%	N/A	N/A	N/A
Median Selling Price	$ 235,313	$ 228,927	2.8%	$ 232,741	1.1%	$ 231,106	$ 225,096	2.7%
Average Selling Price	$ 255,389	$ 241,840	5.6%	$ 255,754	-0.1%	$ 248,401	$ 239,086	3.9%
Average Days on Market	136	168	-18.8%	104	31.0%	158	107	47.7%

Total New Construction Sold

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Birmingham	129	124	4.0%	120	7.5%	683	647	5.6%
Huntsville	120	89	34.8%	114	5.3%	605	611	-1.0%
Mobile	28	32	-12.5%	37	-24.3%	162	214	-24.3%
Montgomery	59	46	28.3%	50	18.0%	265	266	-0.4%
Tuscaloosa	22	19	15.8%	28	-21.4%	103	128	-19.5%

Number of Units on Market

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	I/S Ratio
Birmingham	657	667	-1.5%	703	-6.5%	5.1
Huntsville	431	402	7.2%	474	-9.1%	3.6
Mobile	159	150	6.0%	163	-2.5%	5.7
Montgomery	236	233	1.3%	219	7.8%	4.0
Tuscaloosa	143	145	-1.4%	132	8.3%	6.5

Median Selling Price

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Birmingham	$ 276,583	$ 266,750	3.7%	$ 270,315	2.3%	$ 260,600	$ 235,082	10.9%
Huntsville	$ 272,774	$ 240,000	13.7%	$ 234,475	16.3%	$ 247,569	$ 236,701	4.6%
Mobile	$ 181,484	$ 192,250	-5.6%	$ 180,375	0.6%	$ 184,397	$ 181,982	1.3%
Montgomery	$ 233,274	$ 251,736	-7.3%	$ 238,542	-2.2%	$ 242,285	$ 242,850	-0.2%
Tuscaloosa	$ 212,450	$ 193,900	9.6%	$ 240,000	-11.5%	$ 220,679	$ 228,867	-3.6%

Average Selling Price

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Birmingham	$ 304,935	$ 299,675	1.8%	$ 301,789	1.0%	$ 289,136	$ 265,048	9.1%
Huntsville	$ 278,820	$ 260,861	6.9%	$ 244,571	14.0%	$ 260,318	$ 249,584	4.3%
Mobile	$ 198,423	$ 193,825	2.4%	$ 204,741	-3.1%	$ 201,578	$ 189,887	6.2%
Montgomery	$ 246,134	$ 246,592	-0.2%	$ 235,693	4.4%	$ 245,241	$ 240,200	2.1%
Tuscaloosa	$ 248,631	$ 208,245	19.4%	$ 291,976	-14.8%	$ 245,734	$ 250,715	-2.0%

Average Days on Market

	Current Month June-14	Last Month May-14	% Difference	Last Year June-13	% Difference	YTD June-14	YTD June-13	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	115	179	-35.8%	81	42.0%	133	78	71.7%
Mobile	203	200	1.5%	145	40.0%	216	126	71.3%
Montgomery	143	131	9.2%	90	58.9%	143	103	39.0%
Tuscaloosa	84	161	-47.8%	100	-16.0%	141	122	15.4%

* Source: MLS

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