CULVERHOUSE COLLEGE OF COMMERCE | ALABAMA CENTER FOR REAL ESTATE

Alabama New Construction Report – October 2014

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

Permits

October permits have increased 1.2 percent from last month. Figures also show an decrease of 3.2 percent from October '13.

Current Month	October	2014	**735**	
vs. Prior Month	September	2014	**726**	**1.2%**
vs. Last Year (YoY)	October	2013	**759**	**-3.2%**
vs. 3-Yr Avg	October	'11-'13	**594**	**23.8%**
Year-to-Date	October	2014	**7,251**	
vs. Last Year (YoY)	October	2013	**7,614**	**-4.8%**

*** 2014 permits in Alabama through October are down 4.8% compared to 2013.** In comparison, south region permits were up 2.5% & US permits were up .7%.

*** Alabama permits decreased 3.2% compared to October 2013.** In comparison, south region permits were up 8.0% & US permits were up 3.9%.

Starts

October starts have increased 0.7 percent from September '14. October '14 figures show a decrease of 0.8 percent from October '13.

Current Month	October	2014	**735**	
vs. Prior Month	September	2014	**730**	**0.7%**
vs. Last Year (YoY)	October	2013	**741**	**-0.8%**
vs. 3-Yr Avg	October	'11-'13	**575**	**27.9%**
Year to Date	October	2014	**7,128**	
vs.Prior Year	October	2013	**7,476**	**-4.7%**

*** 2014 Starts through October are down 4.7% compared to 2013.** In comparison, South Region Starts were up 5.7% & US Starts up 2.9%.

*** Alabama housing starts slipped .8% compared to October 2013.** In comparison, south region starts were up 15.6% & US up 7.4%.

State — Commentary

October new homes sales decreased 12.4% from the prior month. In addition, sales slipped 13.4% from the same period last year. 2014 YTD sales through October are 7.6% 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 Ocotber of 129 represents a 50.4% increase from last October. Months of new home supply in October was 5.7 months; compared to 4.9 months in September 2014 (up 16%) and 5.1 months in October 2013 (up 12%). Statewide new construction inventory is approximately 3.7% below last October and .7% above last month.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in October slipped .6% (400 jobs) to 67,100 from last month but grew by 3.2% or 2,100 jobs above the same month a year ago. ***This represents the fourth 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: "After a sluggish start to 2014, the Home Builders/Wells Fargo Market Index (HMI) has stabilized in the mid-to-high 50s index level trend for the past six months, which is consistent with our assessment that we are in a slow march back to normal. As we head into 2015, the housing market should continue to recover at a steady, gradual pace."

Local

10 out of the 27 associations (37% - down from 56% in Sept) reported building permit gains from the prior month while 9 associations (33% - down from 41% in Sept) experienced gains in housing starts. Eleven associations (41% - same as last month) experienced an increase from their October 2013 monthly housing starts.

The top five **YTD** markets for housing starts through October by positive percentage change from the same period a year ago: Jackson County (242%), Greater Morgan County (99%), Tallapoosa County (83%), Phenix City (27%), and St Clair County (25%). Here's a look at YTD housing start growth rates from select markets from across the state: Baldwin County (-5%), Greater Montgomery (-23%), Birmingham (3%), Huntsville (-12%), Shoals Area(-26%), Dothan/Wiregrass (-2%), Lee County (-.7%), Tuscaloosa (0%), Cullman (13%) (and Mobile (-24%).

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 - October 2014

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Alabama State Total	735	726	1.2%	759	-3.2%	7,251	7,614	-4.8%
South Total*	29,600	28,300	4.6%	27,400	8.0%	289,700	282,600	2.5%
United States Total*	56,100	53,700	4.5%	54,000	3.9%	537,400	533,900	0.7%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Athens/Limestone **	24	24	0.0%	11	118.2%	176	203	-13.3%
Baldwin County **	127	118	7.6%	120	5.8%	1,065	1,084	-1.8%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	0	0	N/A	2	-100.0%	5	12	-58.3%
Cullman County	4	5	-20.0%	7	N/A	45	43	4.7%
Dekalb County **	1	2	-50.0%	2	N/A	19	23	-17.4%
Enterprise	6	5	20.0%	2	200.0%	50	58	-13.8%
Greater Birmingham **	142	143	-0.7%	171	-17.0%	1,430	1,411	1.3%
Greater Calhoun County **	1	3	-66.7%	0	#DIV/0!	26	33	-21.2%
Greater Gadsden **	7	9	-22.2%	1	600.0%	56	63	-11.1%
Greater Montgomery	36	35	2.9%	23	56.5%	360	453	-20.5%
Greater Morgan County **	36	38	-5.3%	20	80.0%	284	148	91.9%
Dothan & Wiregrass Area	19	20	-5.0%	15	26.7%	186	191	-2.6%
Metropolitan Mobile**	36	33	9.1%	53	-32.1%	374	515	-27.4%
Tuscaloosa**	48	57	-15.8%	53	-9.4%	574	579	-0.9%
Huntsville/Madison **	132	109	21.1%	153	-13.7%	1,371	1,551	-11.6%
Jackson County **	3	8	-62.5%	3	0.0%	29	20	45.0%
Lee County	50	61	-18.0%	50	0.0%	602	593	1.5%
Macon County	0	0	N/A	0	N/A	0	3	N/A
Marshall County **	18	17	5.9%	30	-40.0%	149	159	-6.3%
Muscle Shoals **	10	9	11.1%	14	-28.6%	121	177	-31.6%
Northwest Alabama	0	0	N/A	2	-100.0%	3	10	-70.0%
Phenix City	8	6	33.3%	13	-38.5%	122	100	22.0%
South Alabama	3	4	-25.0%	4	-25.0%	17	41	-58.5%
St. Clair County **	23	18	27.8%	10	130.0%	171	130	31.5%
Tallapoosa County	1	2	N/A	0	N/A	14	7	100.0%
Walker County	0	0	N/A	0	N/A	2	7	-71.4%

**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 October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Alabama State Total	735	730	0.7%	741	-0.8%	7,128	7,476	-4.7%
South Total	31,400	29,200	7.5%	27,154	15.6%	292,100	276,224	5.7%
United States Total	57,200	56,900	0.5%	53,253	7.4%	534,353	519,440	2.9%

* 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 October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Athens/Limestone	23	20	14.1%	14	69.7%	169	209	-18.9%
Baldwin County	121	115	5.8%	116	5.1%	1,020	1,076	-5.2%
Blount County	0	0	-15.9%	0	270.0%	1	2	N/A
Chilton County	0	0	-66.0%	2	-89.3%	6	11	N/A
Cullman County	5	5	-11.4%	8	-41.2%	42	38	12.6%
Dekalb County	2	3	-41.2%	2	-8.5%	19	23	-17.4%
Enterprise	5	4	19.2%	3	47.6%	51	58	-12.0%
Greater Birmingham	140	138	1.6%	149	-5.7%	1,396	1,355	3.0%
Greater Calhoun County	2	3	-39.1%	4	-39.4%	26	38	-31.9%
Greater Gadsden	7	6	13.8%	2	247.8%	52	67	-22.9%
Greater Montgomery	36	38	-4.1%	31	17.1%	356	461	-22.7%
Greater Morgan County	36	33	10.9%	15	132.9%	284	142	99.9%
Dothan & Wiregrass Area	19	20	-1.7%	16	18.0%	183	188	-2.4%
Metropolitan Mobile	35	34	2.0%	52	-32.3%	382	506	-24.4%
Tuscaloosa	53	56	-5.9%	55	-4.2%	575	575	0.0%
Huntsville/Madison	128	124	2.8%	138	-7.6%	1,340	1,519	-11.8%
Jackson County	5	6	-20.5%	4	36.9%	58	17	241.6%
Lee County	55	56	-2.7%	57	-3.3%	588	591	-0.7%
Macon County	0	0	#DIV/0!	0	N/A	0	3	N/A
Marshall County	19	19	-4.1%	24	-21.6%	147	143	2.6%
Muscle Shoals	10	12	-13.8%	19	-45.6%	123	166	-26.2%
Northwest Alabama	0	0	133.3%	2	-97.2%	3	9	-62.5%
Phenix City	8	10	-22.4%	13	-42.1%	120	94	27.0%
South Alabama	3	3	24.4%	4	-14.8%	16	41	-61.7%
St. Clair County	21	21	-1.1%	11	81.6%	161	129	25.1%
Tallapoosa County	1	2	-19.5%	0	871.4%	14	7	83.2%
Walker County	0	0	-100.0%	1	-100.0%	3	7	-59.7%

*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.

NOTE**:** *This representation is based in whole or in part on data supplied by the local municipality's building department.*
Alabama Center for Real Estate - University of Alabama does not guarantee and is in no way responsible for its accuracy.

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 October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Total New Construction Sold	310	354	-12.4%	358	-13.4%	3,082	3,336	-7.6%
Number of Units on Market	1,763	1,751	0.7%	1,831	-3.7%	N/A	N/A	N/A
Median Selling Price	$ 225,500	$ 242,792	-7.1%	$ 236,586	-4.7%	$ 231,878	$ 226,140	2.5%
Average Selling Price	$ 247,517	$ 251,474	-1.6%	$ 246,957	0.2%	$ 248,482	$ 243,246	2.2%
Average Days on Market	129	117	10.3%	86	50.4%	144	106	36.2%

Total New Construction Sold

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Birmingham	125	157	-20.4%	126	-0.8%	1,232	1,169	5.4%
Huntsville	88	93	-5.4%	136	-35.3%	940	1,170	-19.7%
Mobile	30	25	20.0%	20	50.0%	267	310	-13.9%
Montgomery	55	60	-8.3%	52	5.8%	470	465	1.1%
Tuscaloosa	12	19	-36.8%	24	-50.0%	173	222	-22.1%

Number of Units on Market

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	I/S Ratio
Birmingham	724	733	-1.2%	759	-4.6%	5.8
Huntsville	526	515	2.1%	518	1.5%	6.0
Mobile	146	142	2.8%	164	-11.0%	4.9
Montgomery	209	195	7.2%	255	-18.0%	3.8
Tuscaloosa	158	166	-4.8%	135	17.0%	13.2

Median Selling Price

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Birmingham	$ 257,000	$ 278,853	-7.8%	$ 244,900	4.9%	$ 263,191	$ 239,871	9.7%
Huntsville	$ 227,865	$ 243,545	-6.4%	$ 259,450	-12.2%	$ 248,203	$ 243,600	1.9%
Mobile	$ 178,184	$ 237,986	-25.1%	$ 174,052	2.4%	$ 190,560	$ 183,364	3.9%
Montgomery	$ 225,000	$ 268,558	-16.2%	$ 249,900	-10.0%	$ 239,017	$ 244,440	-2.2%
Tuscaloosa	$ 239,450	$ 185,020	29.4%	$ 254,630	-6.0%	$ 218,419	$ 219,423	-0.5%

Average Selling Price

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Birmingham	$ 288,966	$ 294,133	-1.8%	$ 293,024	-1.4%	$ 289,610	$ 275,989	4.9%
Huntsville	$ 254,459	$ 251,365	1.2%	$ 264,291	-3.7%	$ 262,246	$ 254,459	3.1%
Mobile	$ 198,063	$ 227,643	-13.0%	$ 182,076	8.8%	$ 203,571	$ 192,451	5.8%
Montgomery	$ 241,649	$ 266,131	-9.2%	$ 236,388	2.2%	$ 244,522	$ 242,331	0.9%
Tuscaloosa	$ 254,450	$ 218,099	16.7%	$ 259,007	-1.8%	$ 242,462	$ 250,999	-3.4%

Average Days on Market

	Current Month October-14	Last Month September-14	% Difference	Last Year October-13	% Difference	YTD October-14	YTD October-13	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	107	103	3.9%	73	46.6%	127	78	61.4%
Mobile	144	148	-2.7%	108	33.3%	185	133	39.0%
Montgomery	110	105	4.8%	95	15.8%	133	99	35.0%
Tuscaloosa	155	112	38.4%	67	131.3%	134	114	16.8%

* Source: MLS

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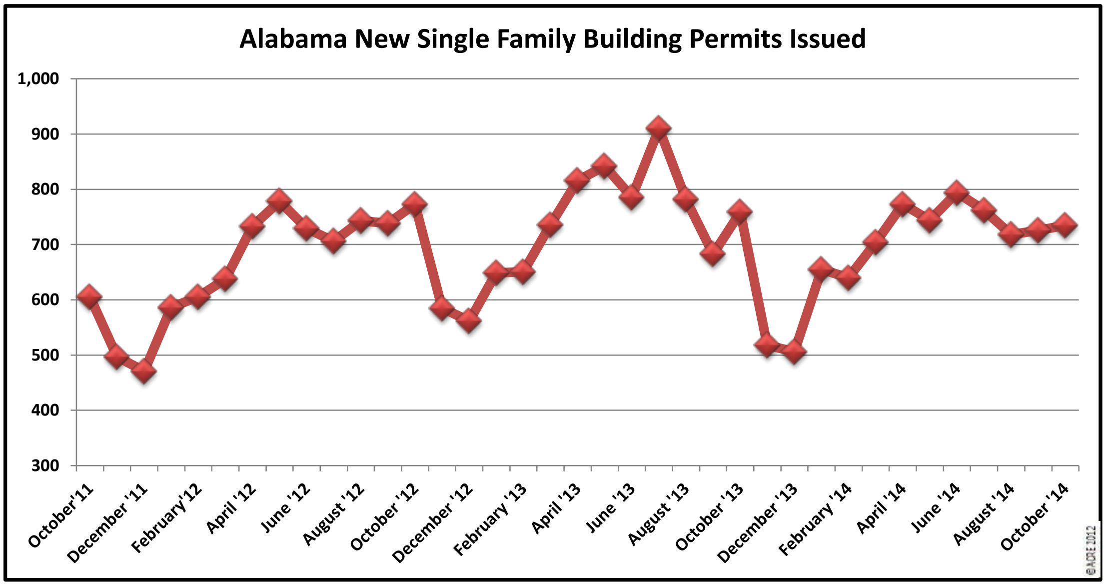

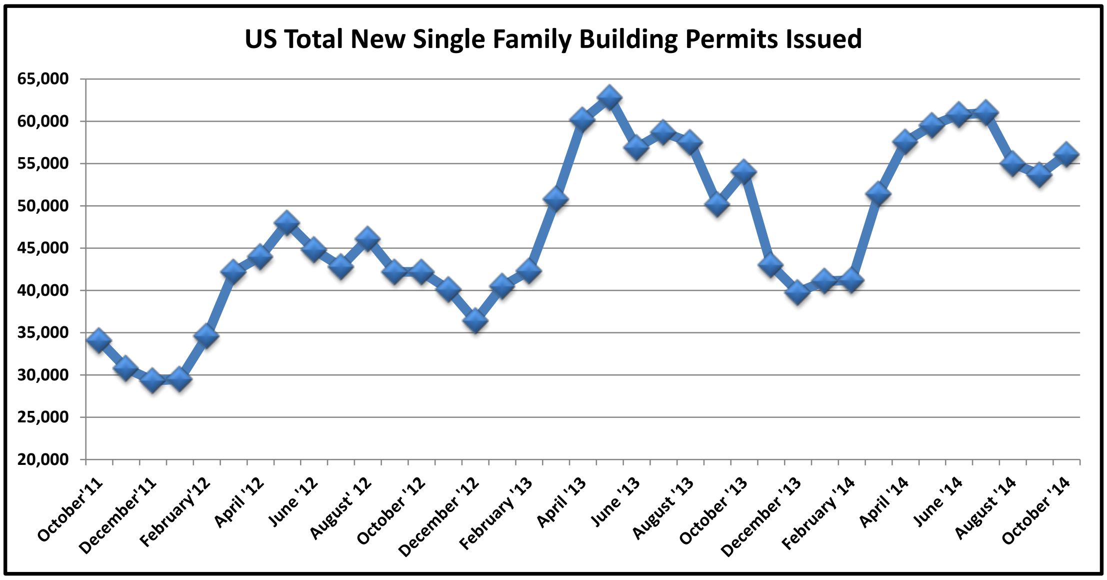

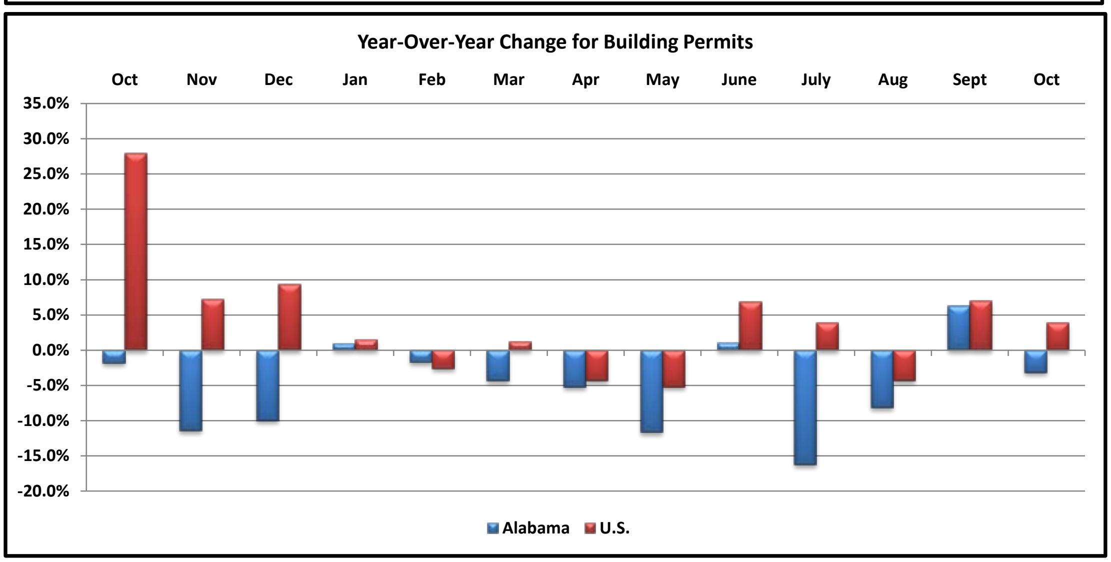

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