ALABAMA CENTER for REAL ESTATE
THE UNIVERSITY OF ALABAMA

*Building Alabama's Multimedia Real Estate Network*

# Alabama New Construction Report – September 2013

| Monthly Indicators | Recent Figures | | | | | Trends |
|---|---|---|---|---|---|---|
| **Permits** | **Current Month** | September | 2013 | **686** | | * 2012 Permits in Alabama were up 8.4% compared to 2011. In comparison, south region permits were up 22% & US permits up 19%. *** Due to recent government shutdown, US data for THE month of September and October will not be released until December 18th.** |
| September permits have decreased 8.2 percent from last month. Figures also show an decrease of 7.1 percent from September '12. | vs. Prior Month | August | 2013 | **747** | -8.2% | |
| | vs. Last Year (YoY) | September | 2012 | **738** | -7.1% | |
| | vs. 3-Yr Avg | September | '10-'12 | **746** | -8.1% | |
| | **Year-to-Date** | September | 2013 | **6,775** | | |
| | vs. Last Year (YoY) | September | 2012 | **6,259** | **8.2%** | |
| **Starts** | **Current Month** | September | 2013 | **741** | | * 2012 Housing Starts in Alabama were up 6.5% compared to 2011. In comparison, South Region Starts were up 21% & US Starts up 17%. *** Due to recent government shutdown, US data for THE month of September and October will not be released until December 18th.** |
| September starts have decreased 7.0 percent from August '13. September '13 figures show an increase of 0.4 percent from September '12. | vs. Prior Month | August | 2013 | **818** | -9.3% | |
| | vs. Last Year (YoY) | September | 2012 | **738** | **0.4%** | |
| | vs. 3-Yr Avg | September | '10-'12 | **724** | **2.4%** | |
| | **Year to Date** | September | 2013 | **6,664** | | |
| | vs.Prior Year | September | 2012 | **6,039** | **10.4%** | |

## State

## Commentary

**September new home sales slipped 2.1% from the same period last year.** Sales also decreased by 18.1% from the prior month. Year-to-date sales through September remain 9.2% ahead of last year. In 2012, new home sales in Alabama improved by 7.2% compared to 2011 - this was a significant improvement from both 2011 & 2010 when sales were down 13% from each prior year. Average days on market of 92 dropped 10% from last year.

Statewide new construction inventory is approximately 16.2% higher than last September and 2.4% above last month. In 2013, Alabama home builders have brought more product to the market in response to the uptick in overall demand. With that said, the double-digit increase is such a short window brings out a caution flag at this time.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in October slipped .5% (-300 jobs) to 63,300 from last month and 3.1% (-2,000 jobs) from the same month a year ago.

While overall sales have improved during the first nine months of the year, market challenges remain including tepid economic growth, uptick in interest rates, challenging appraisals and other underwriting guidelines - and now the near-term impact of the recent government shutdown can be added to the list.

Months of new home supply in September was 5.5 months compared to 4.4 months in August 2013 (up 25%) and 4.6 months in September 2012 (up 19.6%).

## Local

12 out of the 27 associations (44% - up from 33% in August) reported building permit gains from the prior month while 11 associations (41% - up from 33% in August) experienced gains in housing starts. Fifteen associations (56% - up from 48% last month) experienced an increase from their September 2012 monthly housing starts.

Year-to-date, the top five markets by positive percentage change in housing starts: South Alabama (172%), Dothan/Wiregrass (84%), Athens/Limestone (77%), Baldwin County (39%) and Cullman County (37%). Here is a look at YTD housing start growth rates from select markets from across the state: Greater Montgomery (30%), Birmingham (19%), Huntsville (-1%), Shoals Area (36%), Tuscaloosa (-8%), Lee County (12%), and Mobile (-11%) .



***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 September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Alabama State Total** | 686 | 747 | -8.2% | 738 | -7.1% | 6,775 | 6,259 | 8.2% |

[redacted]

*Source Data: U.S. Census Bureau *Due to the Government shutdown September and October stats will not be updated till December 18th.

## NEW SINGLE FAMILY BUILDING PERMITS BY AREA

| Association | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| Athens/Limestone ** | 9 | 16 | -43.8% | 16 | -43.8% | 192 | 113 | 69.9% |
| Baldwin County ** | 111 | 99 | 12.1% | 94 | 18.1% | 951 | 722 | 31.7% |
| Blount County | 0 | 0 | N/A | 0 | N/A | 0 | 0 | N/A |
| Chilton County | 1 | 2 | -50.0% | 2 | -50.0% | 10 | 8 | 25.0% |
| Cullman County | 10 | 7 | 42.9% | 1 | 900.0% | 36 | 23 | 56.5% |
| Dekalb County ** | 2 | 5 | -60.0% | 0 | #DIV/0! | 21 | 18 | 16.7% |
| Enterprise | 3 | 5 | -40.0% | 4 | -25.0% | 56 | 74 | -24.3% |
| Greater Birmingham ** | 129 | 124 | 4.0% | 100 | 28.6% | 1,239 | 1,045 | 18.6% |
| Greater Calhoun County ** | 2 | 6 | -66.7% | 3 | -33.3% | 33 | 37 | -11.6% |
| Greater Gadsden ** | 0 | 6 | -100.0% | 5 | -100.0% | 62 | 59 | 5.1% |
| Greater Montgomery | 33 | 35 | -5.7% | 37 | -10.8% | 430 | 330 | 30.3% |
| Greater Morgan County ** | 11 | 14 | -21.4% | 17 | -35.3% | 128 | 134 | -4.5% |
| Dothan & Wiregrass Area | 16 | 17 | -5.9% | 18 | -11.1% | 176 | 104 | 69.2% |
| Metropolitan Mobile** | 49 | 46 | 6.5% | 63 | -22.2% | 425 | 487 | -12.7% |
| Tuscaloosa** | 57 | 55 | 3.6% | 102 | -44.1% | 519 | 597 | -13.1% |
| Huntsville/Madison ** | 102 | 173 | -41.0% | 164 | -37.8% | 1,398 | 1,448 | -3.5% |
| Jackson County ** | 5 | 4 | 25.0% | 0 | #DIV/0! | 17 | 16 | 6.3% |
| Lee County | 64 | 64 | 0.0% | 47 | 36.2% | 543 | 484 | 12.2% |
| Macon County | 0 | 0 | #DIV/0! | 0 | N/A | 3 | 0 | N/A |
| Marshall County ** | 20 | 11 | 81.8% | 22 | -9.1% | 106 | 151 | -29.8% |
| Muscle Shoals ** | 23 | 25 | -8.0% | 12 | 91.7% | 163 | 114 | 43.0% |
| Northwest Alabama | 4 | 1 | 300.0% | 1 | 300.0% | 8 | 10 | -20.0% |
| Phenix City | 14 | 15 | -6.7% | 9 | 55.6% | 87 | 99 | -12.1% |
| South Alabama | 3 | 3 | 0.0% | 2 | 50.0% | 37 | 14 | 164.3% |
| St. Clair County ** | 16 | 14 | 14.3% | 16 | 0.0% | 121 | 154 | -21.4% |
| Tallapoosa County | 0 | 0 | #DIV/0! | 2 | -100.0% | 7 | 12 | -41.7% |
| Walker County | 2 | 0 | N/A | 1 | N/A | 7 | 6 | 16.7% |

**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 September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Alabama State Total** | 741 | 818 | -9.3% | 738 | 0.4% | 6,664 | 6,039 | 10.4% |

[redacted]

* 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 September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| Athens/Limestone | 16 | 24 | -34.4% | 14 | 7.9% | 195 | 110 | 76.8% |
| Baldwin County | 110 | 119 | -7.5% | 90 | 22.5% | 947 | 682 | 38.9% |
| Blount County | 0 | 0 | -73.9% | 0 | 33.3% | 2 | 1 | N/A |
| Chilton County | 1 | 1 | 15.4% | 2 | -24.2% | 0 | 0 | N/A |
| Cullman County | 8 | 5 | 59.3% | 2 | 206.9% | 30 | 22 | 36.8% |
| Dekalb County | 3 | 4 | -19.3% | 0 | #DIV/0! | 21 | 18 | 16.7% |
| Enterprise | 5 | 7 | -30.0% | 7 | -34.1% | 55 | 74 | -26.3% |
| Greater Birmingham | 130 | 137 | -4.7% | 113 | 14.7% | 1,206 | 1,017 | 18.6% |
| Greater Calhoun County | 3 | 2 | 113.0% | 5 | -24.3% | 33 | 39 | -14.8% |
| Greater Gadsden | 4 | 8 | -51.1% | 7 | -48.2% | 65 | 60 | 7.6% |
| Greater Montgomery | 41 | 58 | -28.7% | 38 | 8.2% | 431 | 330 | 30.4% |
| Greater Morgan County | 12 | 13 | -5.5% | 19 | -35.2% | 128 | 128 | 0.2% |
| Dothan & Wiregrass Area | 17 | 18 | -8.0% | 18 | -8.4% | 171 | 93 | 84.5% |
| Metropolitan Mobile | 50 | 49 | 1.9% | 59 | -14.4% | 421 | 475 | -11.5% |
| Tuscaloosa | 57 | 60 | -5.1% | 82 | -30.5% | 512 | 559 | -8.5% |
| Huntsville/Madison | 143 | 183 | -21.7% | 160 | -10.6% | 1,381 | 1,395 | -1.0% |
| Jackson County | 4 | 3 | 47.2% | 1 | 401.3% | 27 | 15 | 79.0% |
| Lee County | 63 | 61 | 2.6% | 57 | 10.4% | 535 | 476 | 12.4% |
| Macon County | 0 | 0 | 133.3% | 0 | N/A | 3 | 0 | N/A |
| Marshall County | 15 | 10 | 45.3% | 19 | -22.6% | 100 | 137 | -27.3% |
| Muscle Shoals | 23 | 24 | -2.7% | 12 | 83.9% | 148 | 108 | 36.9% |
| Northwest Alabama | 2 | 1 | 172.6% | 1 | 62.4% | 7 | 10 | -31.4% |
| Phenix City | 13 | 14 | -1.9% | 11 | 26.2% | 81 | 107 | -24.7% |
| South Alabama | 3 | 4 | -15.1% | 2 | 120.3% | 38 | 14 | 171.8% |
| St. Clair County | 15 | 13 | 17.8% | 15 | 5.5% | 117 | 151 | -22.4% |
| Tallapoosa County | 0 | 0 | -81.3% | 2 | -97.6% | 7 | 12 | -40.0% |
| Walker County | 1 | 0 | 911.1% | 1 | 56.9% | 6 | 5 | 16.9% |

*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 September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Total New Construction Sold** | 331 | 404 | -18.1% | 338 | -2.1% | 2,979 | 2,754 | 8.2% |
| **Number of Units on Market** | 1,819 | 1,777 | 2.4% | 1,566 | 16.2% | N/A | N/A | N/A |
| **Median Selling Price** | $ 236,026 | $ 229,926 | 2.7% | $ 212,831 | 10.9% | $ 224,979 | $ 213,739 | 5.3% |
| **Average Selling Price** | $ 254,438 | $ 254,232 | 0.1% | $ 236,801 | 7.4% | $ 242,833 | $ 230,945 | 5.1% |
| **Average Days on Market** | 92 | 114 | -19.1% | 103 | -10.4% | 108 | 111 | -2.0% |

## Total New Construction Sold

| | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Birmingham** | 135 | 128 | 5.5% | 120 | 12.5% | 1,043 | 949 | 9.9% |
| **Huntsville** | 106 | 180 | -41.1% | 111 | -4.5% | 1,034 | 978 | 5.7% |
| **Mobile** | 23 | 23 | 0.0% | 38 | -39.5% | 290 | 265 | 9.4% |
| **Montgomery** | 43 | 57 | -24.6% | 52 | -17.3% | 413 | 391 | 5.6% |
| **Tuscaloosa** | 24 | 16 | 50.0% | 17 | 41.2% | 199 | 171 | 16.4% |

## Number of Units on Market

| | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | I/S Ratio |
|---|---|---|---|---|---|---|
| **Birmingham** | 749 | 753 | -0.5% | 673 | 11.3% | 5.5 |
| **Huntsville** | 526 | 501 | 5.0% | 425 | 23.8% | 5.0 |
| **Mobile** | 170 | 162 | 4.9% | 167 | 1.8% | 7.4 |
| **Montgomery** | 239 | 222 | 7.7% | 185 | 29.2% | 5.6 |
| **Tuscaloosa** | 135 | 139 | -2.9% | 116 | 16.4% | 5.6 |

## Median Selling Price

| | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Birmingham** | $ 248,190 | $ 249,225 | -0.4% | $ 237,945 | 4.3% | $ 239,312 | $ 225,380 | 6.2% |
| **Huntsville** | $ 278,065 | $ 219,481 | 26.7% | $ 214,330 | 29.7% | $ 241,839 | $ 228,330 | 5.9% |
| **Mobile** | $ 213,900 | $ 189,900 | 12.6% | $ 177,665 | 20.4% | $ 184,399 | $ 176,715 | 4.3% |
| **Montgomery** | $ 227,500 | $ 260,000 | -12.5% | $ 219,213 | 3.8% | $ 243,833 | $ 228,336 | 6.8% |
| **Tuscaloosa** | $ 212,476 | $ 231,022 | -8.0% | $ 215,000 | -1.2% | $ 215,511 | $ 209,934 | 2.7% |

## Average Selling Price

| | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Birmingham** | $ 294,650 | $ 296,727 | -0.7% | $ 268,229 | 9.9% | $ 274,096 | $ 253,426 | 8.2% |
| **Huntsville** | $ 274,319 | $ 238,928 | 14.8% | $ 238,186 | 15.2% | $ 253,367 | $ 240,918 | 5.2% |
| **Mobile** | $ 214,516 | $ 205,826 | 4.2% | $ 187,428 | 14.5% | $ 193,604 | $ 186,527 | 3.8% |
| **Montgomery** | $ 247,490 | $ 264,197 | -6.3% | $ 222,659 | 11.2% | $ 242,991 | $ 230,515 | 5.4% |
| **Tuscaloosa** | $ 241,215 | $ 265,480 | -9.1% | $ 267,502 | -9.8% | $ 250,109 | $ 243,339 | 2.8% |

## Average Days on Market

| | Current Month September-13 | Last Month August-13 | % Difference | Last Year September-12 | % Difference | YTD September-13 | YTD September-12 | % Difference |
|---|---|---|---|---|---|---|---|---|
| **Birmingham** | Unavailable | Unavailable | N/A | Unavailable | N/A | Unavailable | Unavailable | N/A |
| **Huntsville** | 70 | 83 | -15.7% | 94 | -25.5% | 79 | 90 | -12.0% |
| **Mobile** | 157 | 141 | 11.3% | 109 | 44.0% | 136 | 161 | -15.9% |
| **Montgomery** | 64 | 92 | -30.4% | 95 | -32.6% | 99 | 97 | 1.9% |
| **Tuscaloosa** | 78 | 140 | -44.3% | 114 | -31.6% | 120 | 94 | 27.3% |

* Source: MLS

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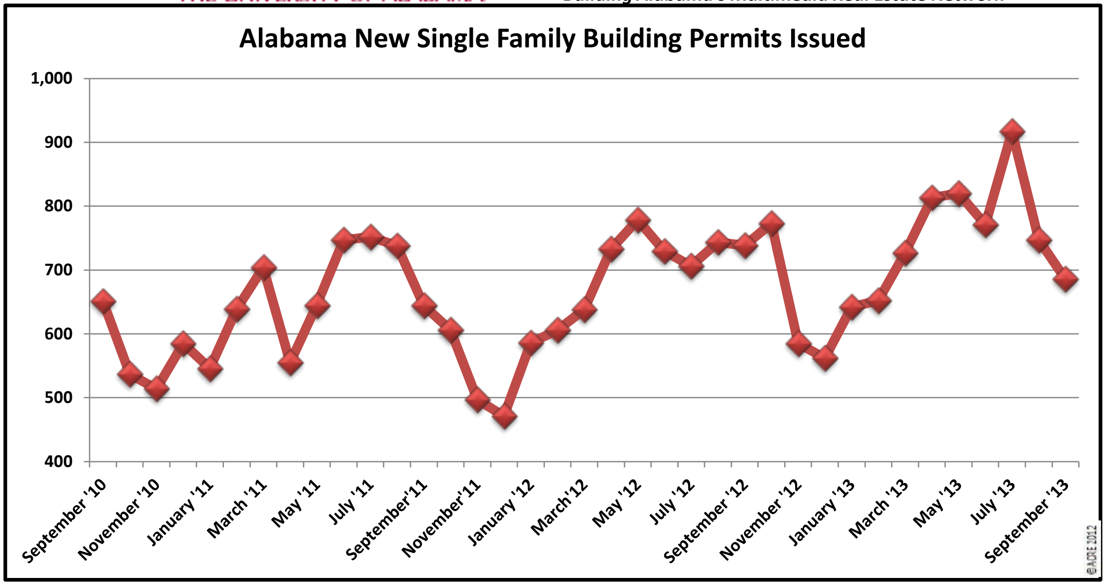


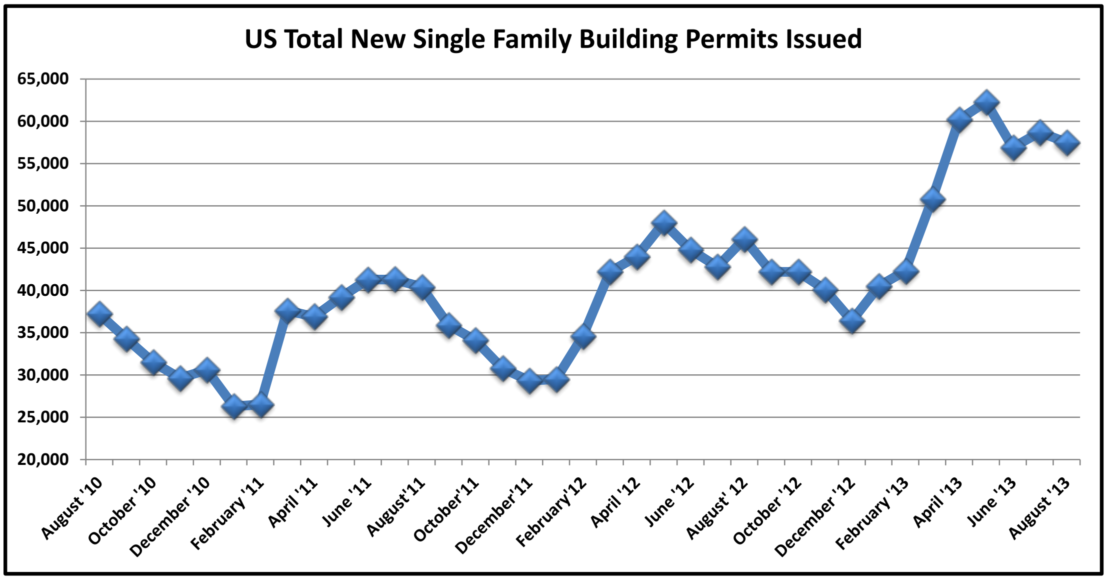


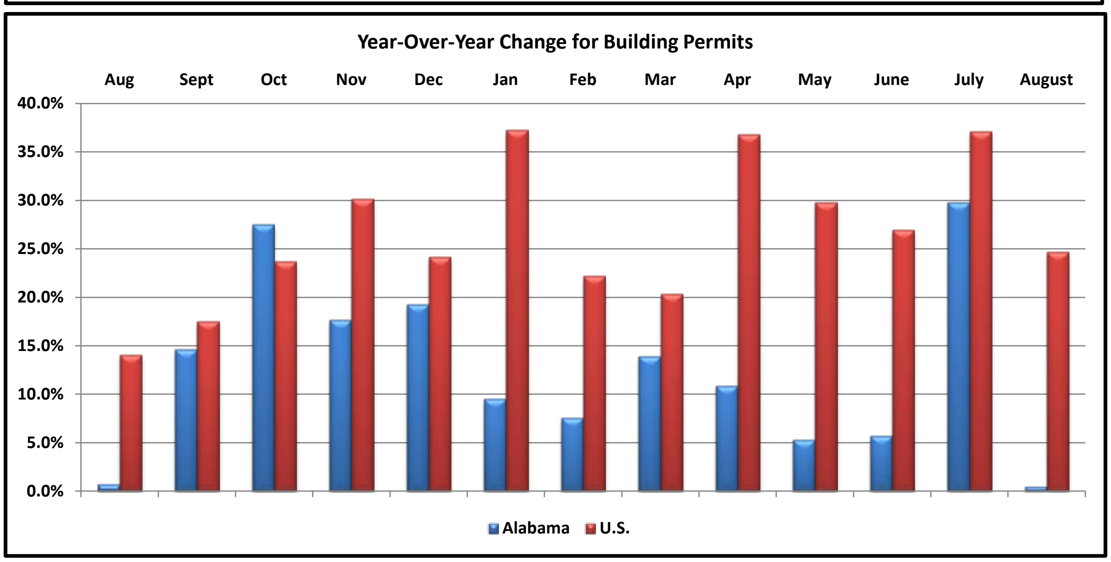




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