CULVERHOUSE COLLEGE OF COMMERCE | ALABAMA CENTER FOR REAL ESTATE

Alabama New Construction Report – June 2015

Monthly Indicators	Recent Figures					Trends
Permits June permits have decreased 1.8 percent from last month. Figures also show a decrease of 4.0 percent from June '14.	**Current Month**	June	2015	**762**		* **Alabama permits decreased 4.0% compared to June 2014.** In comparison, south region permits rose 17.3% & US permits were up 14.1%. * **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%.
	vs. Prior Month	May	2015	**776**	**-1.8%**	
	vs. Last Year (YoY)	June	2014	**794**	**-4.0%**	
	vs. 3-Yr Avg	June	'12-'14	**754**	**1.0%**	
	Year-to-Date	June	2015	**4,428**		
	vs. Last Year (YoY)	June	2014	**4,310**	**2.7%**	
Starts June starts have decreased 1.8 percent from May '15. June '15 figures show an increase of 0.1 percent from June '14.	**Current Month**	June	2015	**761**		* **Alabama housing starts improved .1% compared to June 2014.** In concert, south region starts increased 36.5% while US starts improved 14.0%. * **2014 Recap: Starts in Alabama slipped 2% YOY from 2013.** In comparison, South Region Starts were up 6% & US Starts up 2.9%.
	vs. Prior Month	May	2015	**775**	**-1.8%**	
	vs. Last Year (YoY)	June	2014	**760**	**0.1%**	
	vs. 3-Yr Avg	June	'12-'14	**740**	**2.9%**	
	Year to Date	June	2015	**4,350**		
	vs.Prior Year	June	2014	**4,134**	**5.2%**	

Commentary
State

Demand: New home sales totaling 415 units in June increased 15.9 percent from the same period last year. June new homes sales were also up 24.6 percent from the prior month. Average days on market in June of 113 represent a 17.4% decrease from last June which is encouraging news.

Supply: Months of new home supply in June was 4.1 months; compared to 5.1 months in May 2015 (favorably down 19.6%) and 4.5 months in June 2014 (down 8.9%). Statewide new construction inventory is approximately 5.6% above last June and 1.7% above last month.

According to the Alabama Dept. of Industrial Relations, statewide related residential construction employment in June increased 4.9% (+3,200 jobs) to 68,200 from the same period last year and up 3.6% or 2,400 jobs from last month. This represents the twelveth 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: “The Housing Market Index (HMI) indices measuring current and future sales expectations are at their highest levels since the last quarter of 2005, indicating a growing optimism among builders that housing will continue to strengthen in the months ahead. At the same time, builders remain sensitive to consumers' ability to buy a new home."

Local

12 out of the 27 associations (44% - up from 33% in May'15) reported building permit gains from the prior month while 8 associations (30% - down from 56% in May'15) experienced gains in housing starts. Sixteen associations (67% - same as last month) experienced an increase from their June 2014 monthly housing starts**.**

The top five YTD markets (with minimum of sixty starts) for housing starts through June by positive percentage change from the same period a year ago: Marshall County (70%), Lee County (28%), Greater Montgomery (21%), Dothan/Wiregrass Area (20%) and Baldwin County (17%),. Here's a look at YTD housing start growth rates from select markets from across the state: Birmingham (-9%), Huntsville (1%), Shoals Area (-3%), Tuscaloosa (-7%), Cullman (-3%) and Mobile (-1%).

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-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Alabama State Total	762	776	-1.8%	794	-4.0%	4,428	4,310	2.7%
South Total*	36,000	32,500	10.8%	30,700	17.3%	188,600	169,800	11.1%
United States Total*	69,400	62,400	11.2%	60,800	14.1%	339,200	311,600	8.9%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Athens/Limestone **	15	15	0.0%	25	-40.0%	87	89	-2.2%
Baldwin County **	122	106	15.1%	116	5.2%	675	587	15.0%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	1	4	-75.0%	1	N/A	10	4	150.0%
Cullman County	2	3	-33.3%	5	-60.0%	22	26	-15.4%
Dekalb County **	5	4	25.0%	2	150.0%	18	9	100.0%
Enterprise	11	2	450.0%	3	266.7%	36	32	12.5%
Greater Birmingham **	137	122	12.3%	135	1.5%	776	883	-12.1%
Greater Calhoun County **	3	1	200.0%	3	0.0%	17	15	13.3%
Greater Gadsden **	6	9	-33.3%	5	20.0%	35	31	12.9%
Greater Montgomery	50	35	42.9%	34	47.1%	261	211	23.7%
Greater Morgan County **	21	22	-4.5%	39	-46.2%	131	154	-14.9%
Dothan & Wiregrass Area	22	23	-4.3%	18	22.2%	134	109	22.9%
Metropolitan Mobile**	36	44	-18.2%	41	-12.2%	225	237	-5.1%
Tuscaloosa**	58	49	18.4%	59	-1.7%	338	356	-5.1%
Huntsville/Madison **	141	155	-9.0%	189	-25.4%	825	856	-3.6%
Jackson County **	2	1	100.0%	1	100.0%	13	10	30.0%
Lee County	68	104	-34.6%	59	15.3%	466	372	25.3%
Macon County	0	0	N/A	0	N/A	1	0	N/A
Marshall County **	24	43	-44.2%	23	4.3%	133	67	98.5%
Muscle Shoals **	14	14	0.0%	12	16.7%	78	79	-1.3%
Northwest Alabama	1	2	N/A	1	N/A	3	3	N/A
Phenix City	7	9	-22.2%	5	40.0%	58	81	-28.4%
South Alabama	0	3	-100.0%	3	-100.0%	10	7	42.9%
St. Clair County **	15	4	275.0%	15	0.0%	65	81	-19.8%
Tallapoosa County	0	1	N/A	0	#DIV/0!	4	9	-55.6%
Walker County	1	1	N/A	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 municipalities in previous months

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PROJECTED HOUSING STARTS TOTALS

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Alabama State Total	761	775	-1.8%	760	0.1%	4,350	4,134	5.2%
South Total	38,900	33,700	15.4%	28,500	36.5%	188,700	170,100	10.9%
United States Total	69,400	65,000	6.8%	60,900	14.0%	341,100	302,253	12.9%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Athens/Limestone	15	18	-14.2%	19	-20.2%	87	84	3.6%
Baldwin County	113	111	2.6%	103	9.9%	677	579	16.9%
Blount County	0	0	N/A	0	N/A	0	0	N/A
Chilton County	2	2	-7.2%	1	139.6%	9	4	135.7%
Cullman County	3	5	-41.0%	4	-17.0%	23	24	-3.4%
Dekalb County	4	3	45.1%	2	99.5%	15	9	66.4%
Enterprise	7	4	64.2%	4	68.5%	33	35	-5.0%
Greater Birmingham	130	128	1.5%	154	-16.1%	767	842	-9.0%
Greater Calhoun County	2	2	-12.6%	3	-32.6%	16	12	32.0%
Greater Gadsden	7	7	-3.2%	5	39.0%	32	28	14.0%
Greater Montgomery	43	39	10.2%	35	21.6%	253	209	21.3%
Greater Morgan County	21	24	-12.4%	30	-27.8%	130	134	-2.8%
Dothan & Wiregrass Area	22	20	11.1%	18	19.9%	128	107	20.5%
Metropolitan Mobile	40	41	-4.3%	44	-9.4%	235	237	-0.8%
Tuscaloosa	56	60	-7.3%	57	-2.4%	326	350	-6.8%
Huntsville/Madison	145	156	-7.0%	158	-8.5%	794	785	1.2%
Jackson County	2	2	-15.6%	1	35.7%	15	13	11.1%
Lee County	83	87	-4.7%	63	31.8%	450	352	27.8%
Macon County	0	0	N/A	0	N/A	1	0	N/A
Marshall County	30	30	1.2%	15	105.7%	123	72	69.7%
Muscle Shoals	14	14	-2.8%	14	0.0%	76	78	-3.2%
Northwest Alabama	1	1	N/A	1	118.5%	4	3	31.2%
Phenix City	9	10	-12.9%	10	-14.7%	59	79	-24.8%
South Alabama	2	3	-41.5%	2	-28.9%	13	6	108.9%
St. Clair County	10	6	60.0%	16	-37.9%	72	81	-11.4%
Tallapoosa County	1	1	-31.0%	1	-34.1%	5	9	-38.4%
Walker County	1	2	-36.1%	0	170.0%	6	3	133.5%

*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 June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Total New Construction Sold	415	333	24.6%	358	15.9%	1,838	1,818	1.1%
Number of Units on Market	1,717	1,688	1.7%	1,626	5.6%	N/A	N/A	N/A
Median Selling Price	$ 251,352	$ 244,742	2.7%	$ 235,313	6.8%	$ 243,991	$ 231,106	5.6%
Average Selling Price	$ 270,101	$ 267,362	1.0%	$ 255,389	5.8%	$ 262,048	$ 248,401	5.5%
Average Days on Market	113	108	4.7%	136	-17.4%	132	158	-16.4%

Total New Construction Sold

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Birmingham	167	132	26.5%	129	29.5%	738	683	8.1%
Huntsville	134	101	32.7%	120	11.7%	574	605	-5.1%
Mobile	38	29	31.0%	28	35.7%	164	162	1.2%
Montgomery	54	54	0.0%	59	-8.5%	253	265	-4.5%
Tuscaloosa	22	17	29.4%	22	0.0%	109	103	5.8%

Number of Units on Market

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	I/S Ratio
Birmingham	784	790	-0.8%	657	19.3%	4.7
Huntsville	449	393	14.2%	431	4.2%	3.4
Mobile	138	136	1.5%	159	-13.2%	3.6
Montgomery	205	218	-6.0%	236	-13.1%	3.8
Tuscaloosa	141	151	-6.6%	143	-1.4%	6.4

Median Selling Price

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Birmingham	$ 282,500	$ 260,650	8.4%	$ 276,583	2.1%	$ 270,352	$ 260,600	3.7%
Huntsville	$ 261,802	$ 241,000	8.6%	$ 272,774	-4.0%	$ 245,156	$ 247,569	-1.0%
Mobile	$ 209,949	$ 216,060	-2.8%	$ 181,484	15.7%	$ 215,104	$ 184,397	16.7%
Montgomery	$ 270,450	$ 268,000	0.9%	$ 233,274	15.9%	$ 256,208	$ 242,285	5.7%
Tuscaloosa	$ 232,059	$ 238,000	-2.5%	$ 212,450	9.2%	$ 233,135	$ 220,679	5.6%

Average Selling Price

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Birmingham	$ 319,010	$ 293,016	8.9%	$ 304,935	4.6%	$ 307,754	$ 289,136	6.4%
Huntsville	$ 287,524	$ 273,658	5.1%	$ 278,820	3.1%	$ 266,339	$ 260,318	2.3%
Mobile	$ 217,854	$ 214,114	1.7%	$ 198,423	9.8%	$ 219,895	$ 201,578	9.1%
Montgomery	$ 264,253	$ 264,323	0.0%	$ 246,134	7.4%	$ 258,876	$ 245,241	5.6%
Tuscaloosa	$ 261,866	$ 291,701	-10.2%	$ 248,631	5.3%	$ 257,378	$ 245,734	4.7%

Average Days on Market

	Current Month June-15	Last Month May-15	% Difference	Last Year June-14	% Difference	YTD June-15	YTD June-14	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	62	52	19.2%	115	-46.1%	78	133	-41.5%
Mobile	106	121	-12.4%	203	-47.8%	154	216	-28.6%
Montgomery	138	141	-2.1%	143	-3.5%	145	143	1.2%
Tuscaloosa	144	116	24.1%	84	71.4%	153	141	8.0%

* Source: MLS

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