AGENDA ITEM 2

PLANNING COMMISSION

AGENDA REQUEST

TO: HONORABLE CHAIRMAN & MEMBERS OF THE PLANNING COMMISSION

THROUGH: Elliot Kampert, Director

FROM: Planning & Development Review Staff

SUBJECT: LPA 02-16 and 404982-BCC-2016, request for plan amendment and rezoning Thomas Young Revocable Trust

DATE: November 10, 2016

BCC DISTRICT: (3) Commissioner Boyles

PLANNING COMMISSION DISTRICT: (3) Jeremy Stewart

PUBLIC HEARING: Consideration of a request changing the use of land submitted by Tom Young relating to property located off Garrett Pit Road, Crestview. The request is to change the Comprehensive Plan Future Land Use Map (FLUM) designation for the property from **Agriculture (AG)** to **Low Density Residential (LDR)**, or a more restrictive FLUM designation. If the FLUM amendment is approved, request to rezone the property from **Agriculture (AG)** district to **Residential - 1 (R-1)** district, or a more restrictive zoning district. Property contains 54.43 acres, more or less. ***Transmittal hearing for state agency review.***

STAFF FINDINGS:

- The proposed FLUM amendment is classified as a Type – 1 plan amendment which involves properties 10 acres or more in size. Type – 1 amendments must be transmitted to the State for state agency review.
- The proposed amendment and rezoning site is located within the Eglin North Encroachment Zone. This will necessitate review by Eglin officials to determine possible impact.
- In October, 2014 the Board of County Commissioners approved a large-scale amendment submitted by Tom Young changing 194 acres abutting this requested change from “rural residential” to “low density residential.”
- The Planning Commission recommended approval of a 9.9 acre change to LDR for this same applicant, and a 9.9 acre change to LDR for the applicant’s grandson Alec Strayer for separate adjacent properties on October 8, 2015. Tom Young transferred the 9.9 acre property to Alec Strayer on September 4, 2015. Alec Strayer then transferred the property back to Tom Young on March 3, 2016, after the FLUM amendment and rezoning was approved for both properties by the Board of County Commissioners on November 3, 2015.
- The Planning Commission also recommended approval of another 9.5 acre change submitted by Tom Young from AG to LDR on August 2, 2016.

- This requested 54 acre change appears to be part of a land assembly that will be added to the 223 acres previously approved.
- If approved, this will make 277 acres changed to LDR on a piece-meal basis since October, 2014. The allowed 4 du/acre will allow up to 1,109 dwelling units on the combined properties which would represent one of, if not the, largest subdivision in north Okaloosa County.
- Comprehensive Plan, Future Land Use Element Policy 9.2 provides criteria that must be considered for plan amendments that change lands designated as "agriculture" or "rural residential" to another FLUM designation. These criteria and the applicant's response to each follows. This application involves a proposed amendment to the 'agricultural" FLUM category.

  In the evaluation of proposed land use amendments for land in the "agricultural" or "rural residential" categories, the application shall demonstrate the following:

  a. the need for such land use amendment;
  Applicant response: there is a substantial need for lots of all sizes south of Crestview, Florida.

  Staff Response: The applicant's response is the same as was given for his July, 2016 FLUM amendment and rezoning. To date, the applicant has assembled 223 acres through separate FLUM amendments and rezonings. The applicant has not submitted any development order applications or provided any indications of developing the 223 acres already changed. Additional data and analysis provided by Choctaw Engineering, Inc. (Exhibit 2) indicates a need for additional residential land based on the County's Planning Profile for Planning Area 32536 and real estate market data.

  b. the amendment will not result in urban sprawl;
  Applicant response: This development will not result in urban sprawl as lots are to be one half acre lots.

  Staff Response: The applicant's response is the same as was given for his July, 2016 FLUM amendment and rezoning. The LDR category and R-1 zoning allow .25 acre lots.

  c. a functional relationship of the proposed amendment to other more densely or intensely designated or developed lands;
  Applicant response: This parcel of property is located off Garrett Pit Road in Crestview, Florida, South of I-10 and will enable me to construct a Boulevard Entrance to the 200 acre tract of land to be developed at a future date.

  Staff Response: The applicant's response is the same as was given for his July, 2016 FLUM amendment and rezoning.

  d. the availability of facilities and services for a more dense or intense land use;
  Applicant response: This parcel will enable me to provide a good fire lane out of this Subdivision to be known as Cherry Brooke.

  Staff Response: The applicant's response is the same as was given for his July, 2016 FLUM amendment and rezoning.

e. the relationship of the proposed amendment site to the urban development area boundary.
Applicant response: This subdivision is located in the approved urban development area.

Staff Response: The applicant's response is the same as was given for his July, 2016 FLUM amendment and rezoning. According to best available maps the property is not located within the urban development area.

- Evaluation guidelines and criteria for Type – 1 amendments are specified in the Comprehensive Plan, Administration Element, Policy 1.15. Staff evaluation of these is attached as Exhibit 1. The proposed amendment was found to be generally consistent with the specified guidelines and criteria.

PUBLIC COMMENT/OPPOSITION:

STAFF POSITION: Staff has no objection to the requested FLUM amendment and rezoning. However, the applicant should be discouraged from any further piece-meal amendments which add to this land assembly.

RECOMMENDATION: It is recommended that the Board consider the facts presented herein, as well as any facts that may be presented at the public hearing, and then make a recommendation to the Board of County Commissioners.

BOARD OF COUNTY COMMISSIONERS: Scheduled for December 6, 2016 at 8:30 AM in Crestview City Hall.

ATTACHMENTS:

A – Location Map
B – Aerial Photo
C – Existing Land Use Map
D – FLUM/Zoning Map
E – Proposed FLUM/Zoning Map
F – 1 Mile FLUM/Zoning Map
G – Wetlands Map

EXHIBIT:

1 – Applicant letter
2 – Data and Analysis Report from applicant

TJ/tj

GIS ANALYSIS RESULTS

Date: 10/17/2016

Project: 35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010

Permit:

Property Address: LOCATED OFF POINT CENTER RD, CRESTVIEW, FL

Zoning: RR & AG

FLU: RR & AAY

Proposed Zoning: R-1

Proposed FLU: LDR

Fire District: NORTH OKALOOSA **Commissioner District:** 3 **Census Tract:** 20600

Soil Type: 6 – Dorovan – nearly level, very poorly drained soils that are organic – usually in freshwater swamps or drainage ways.

25 – Troup Sand – 8 to 12 percent slopes, well drained soil

37 –Bonifay Sand – 5 to 8% slope, well drained, permeability is rapid in the surface and subsurface layer, landfills or septic tanks should have limitations

Wind Zone: LESS THAN 140 MPH

Flood Zone: X 500 Year Flood Plain **Map Number:** 12091CO <u>255H</u>

Storm Surge Area: NO

Urban Development Area: NO **Water Efficient Area:** NO

Wells: None

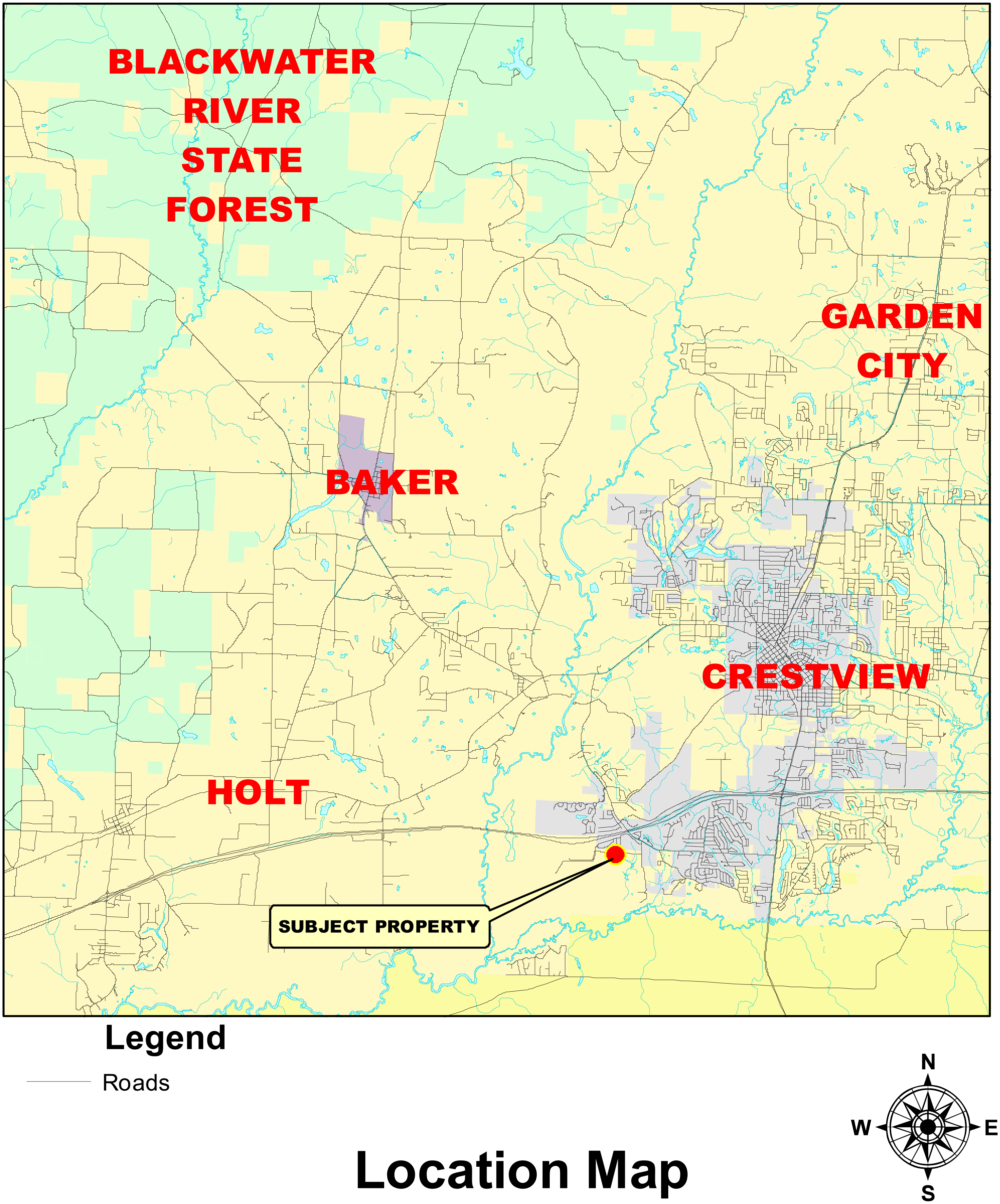
Environmental Data: None **Historical Data:** None

Wetlands: Uplands & Wetlands

Water and Sewer: OCWS **Within 3 mile of an Airport:** NO

ATTACHMENT - A

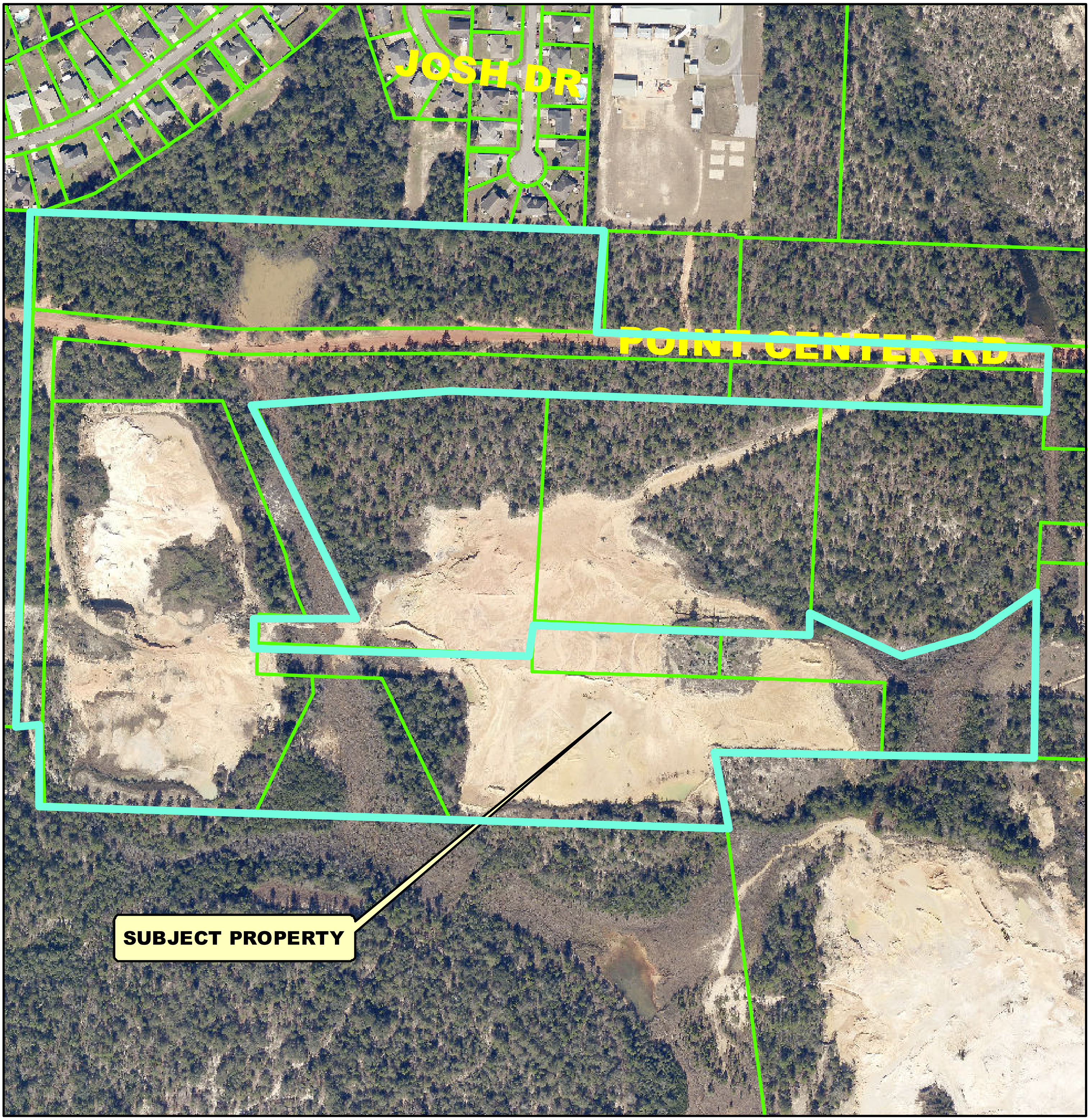
35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



Location Map

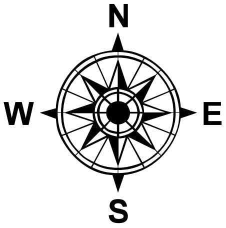
ATTACHMENT - B

35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



Legend

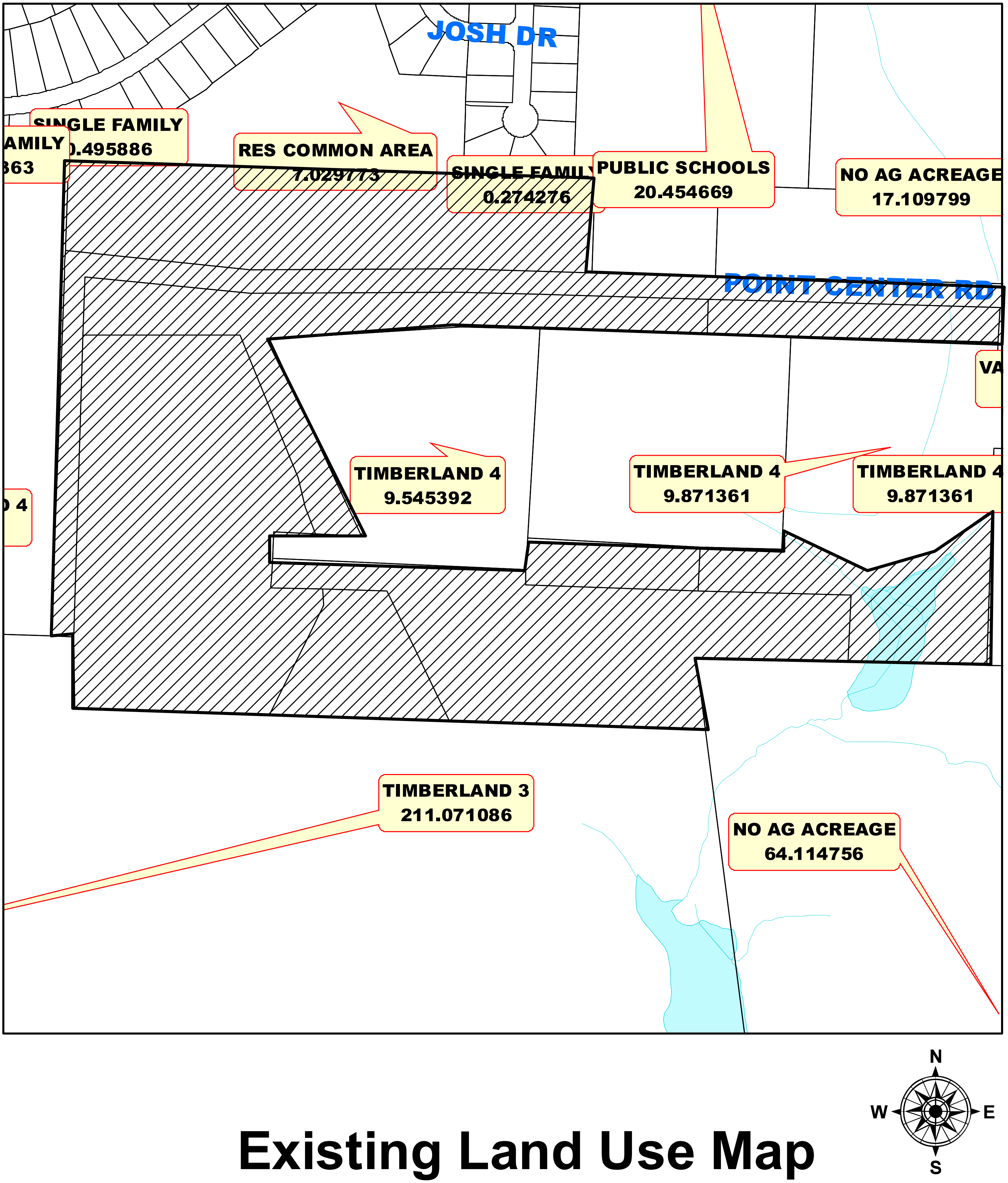
Parcel Lines



Aerial Photo

ATTACHMENT - C

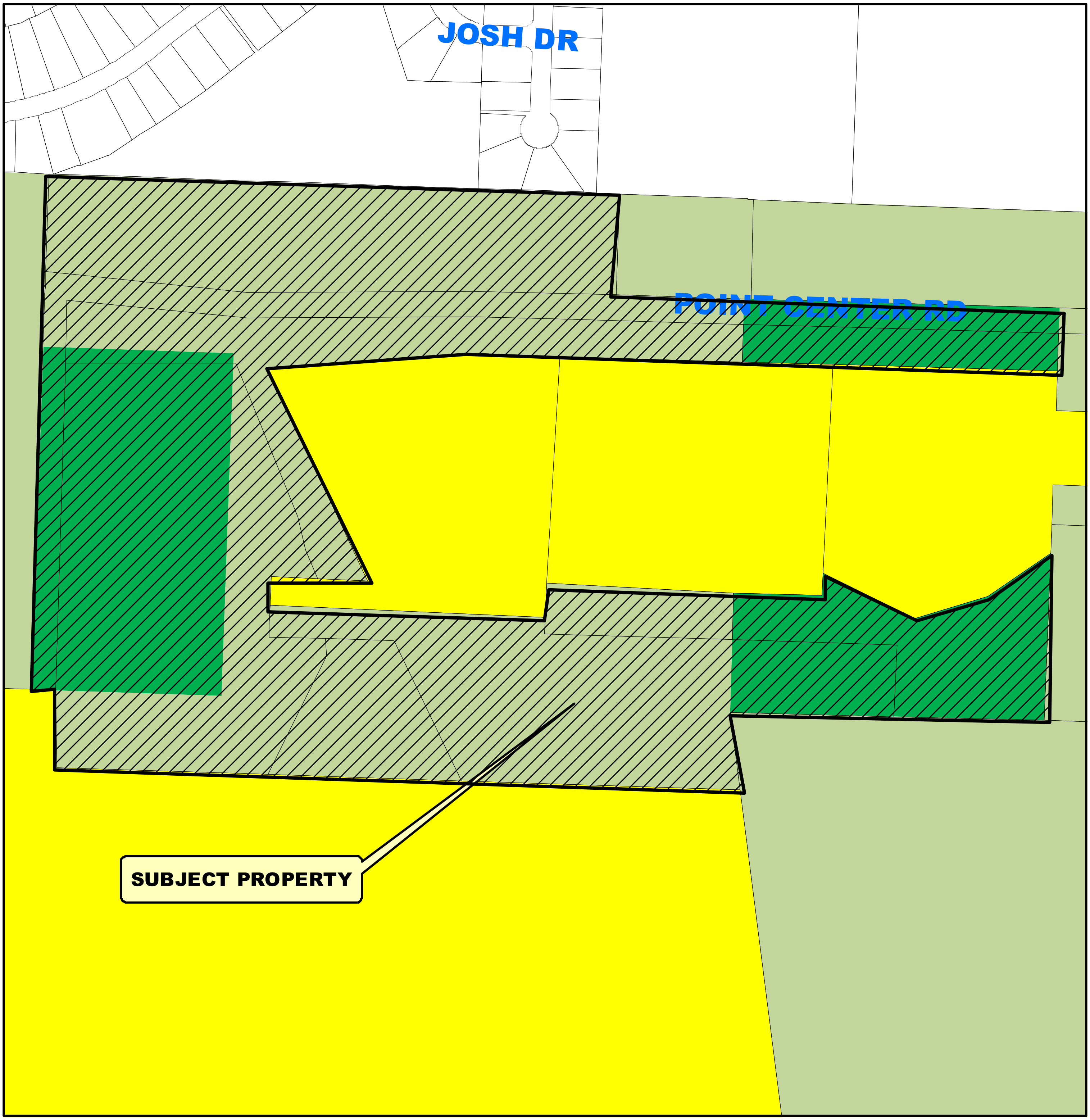
35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



Existing Land Use Map

ATTACHMENT - D

35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



FLUM Legend

RR

AA

N
W E
S

ZONE Legend

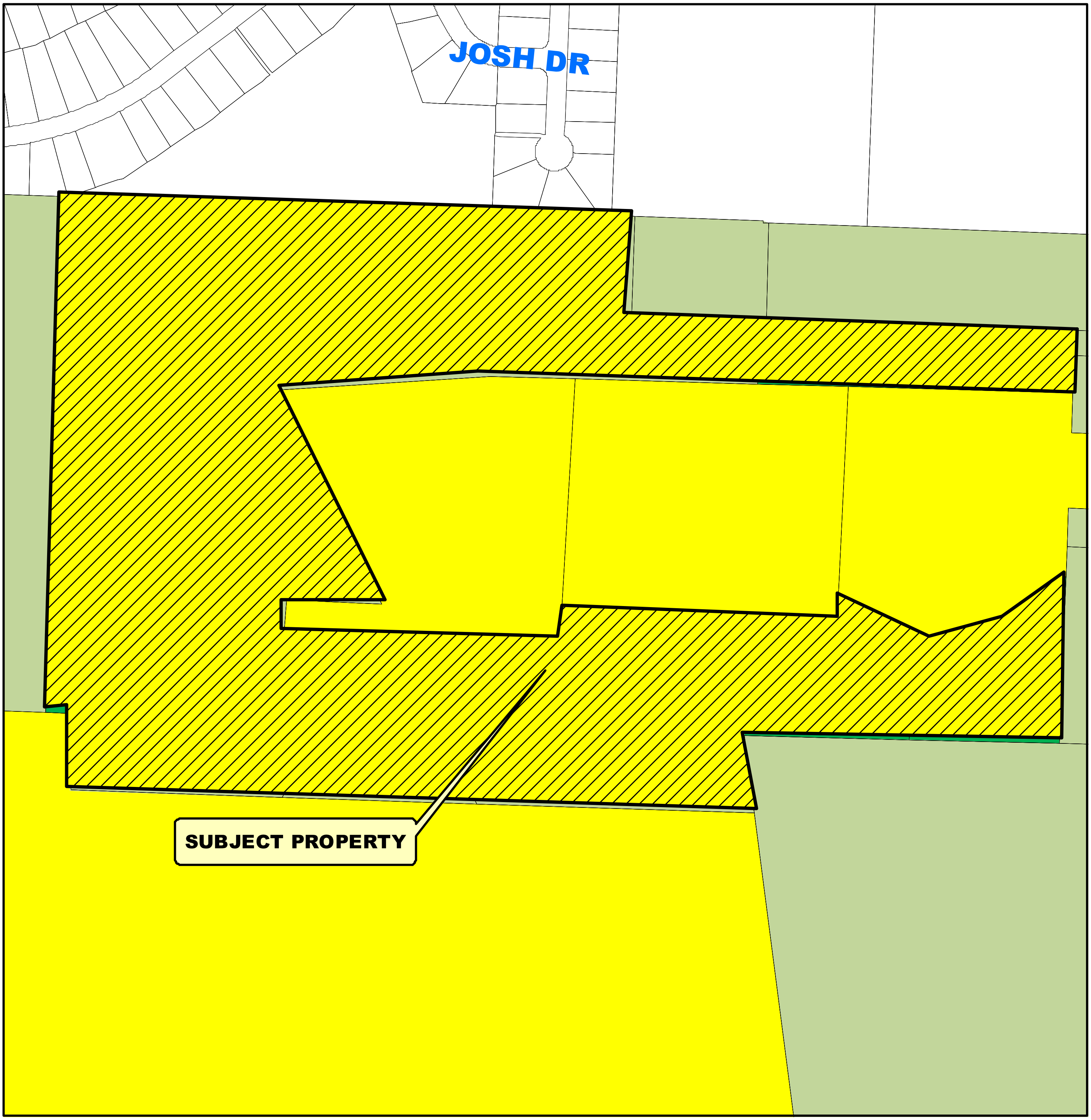
RR

AG

FLUM & Zoning Map

ATTACHMENT - E

35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



FLUM Legend

LDR

N
W
E
S

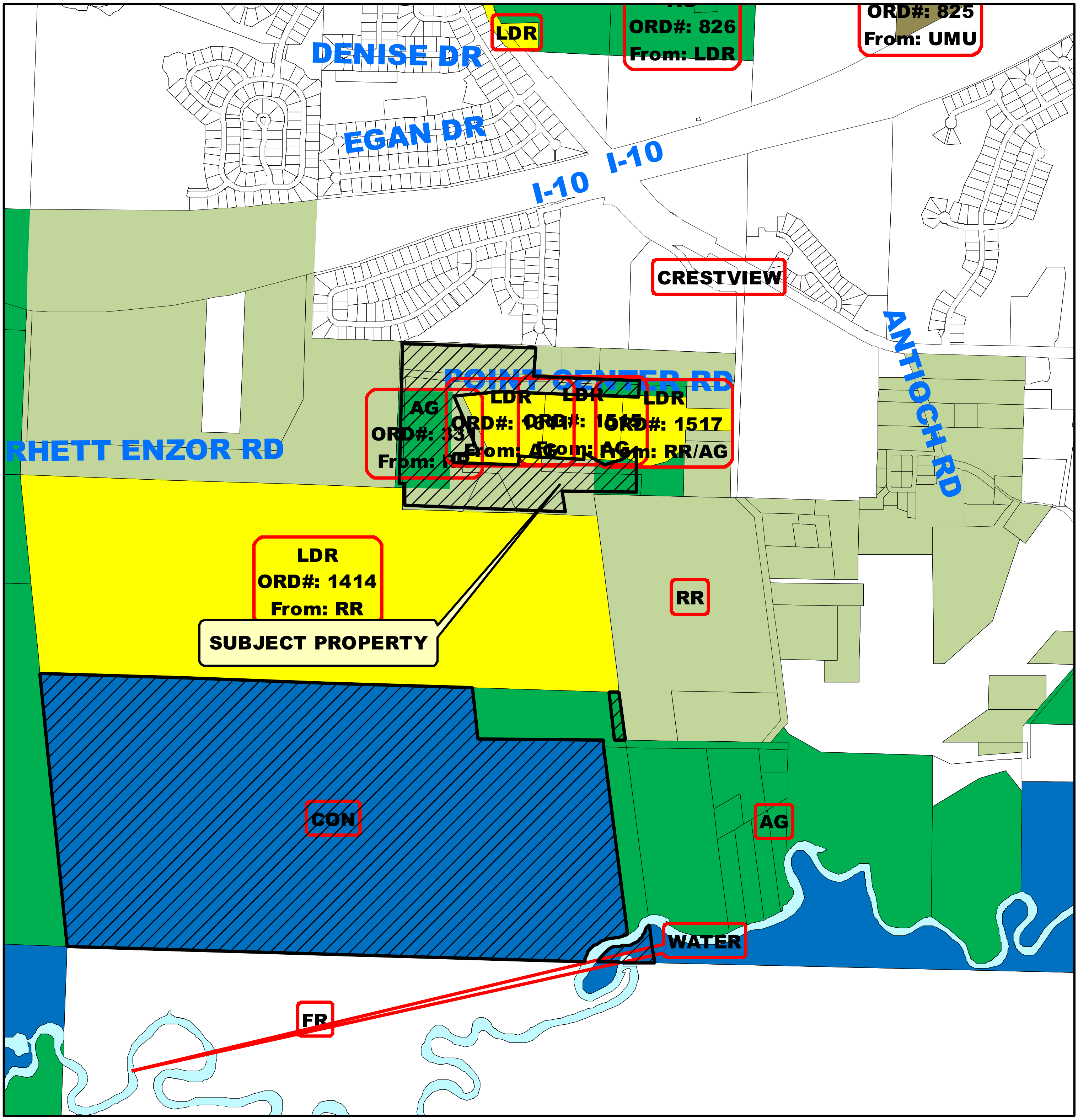
ZONE Legend

R-1

Proposed FLUM & Zoning Map

ATTACHMENT - F

35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



FLUM Legend

RR
LDR
AA

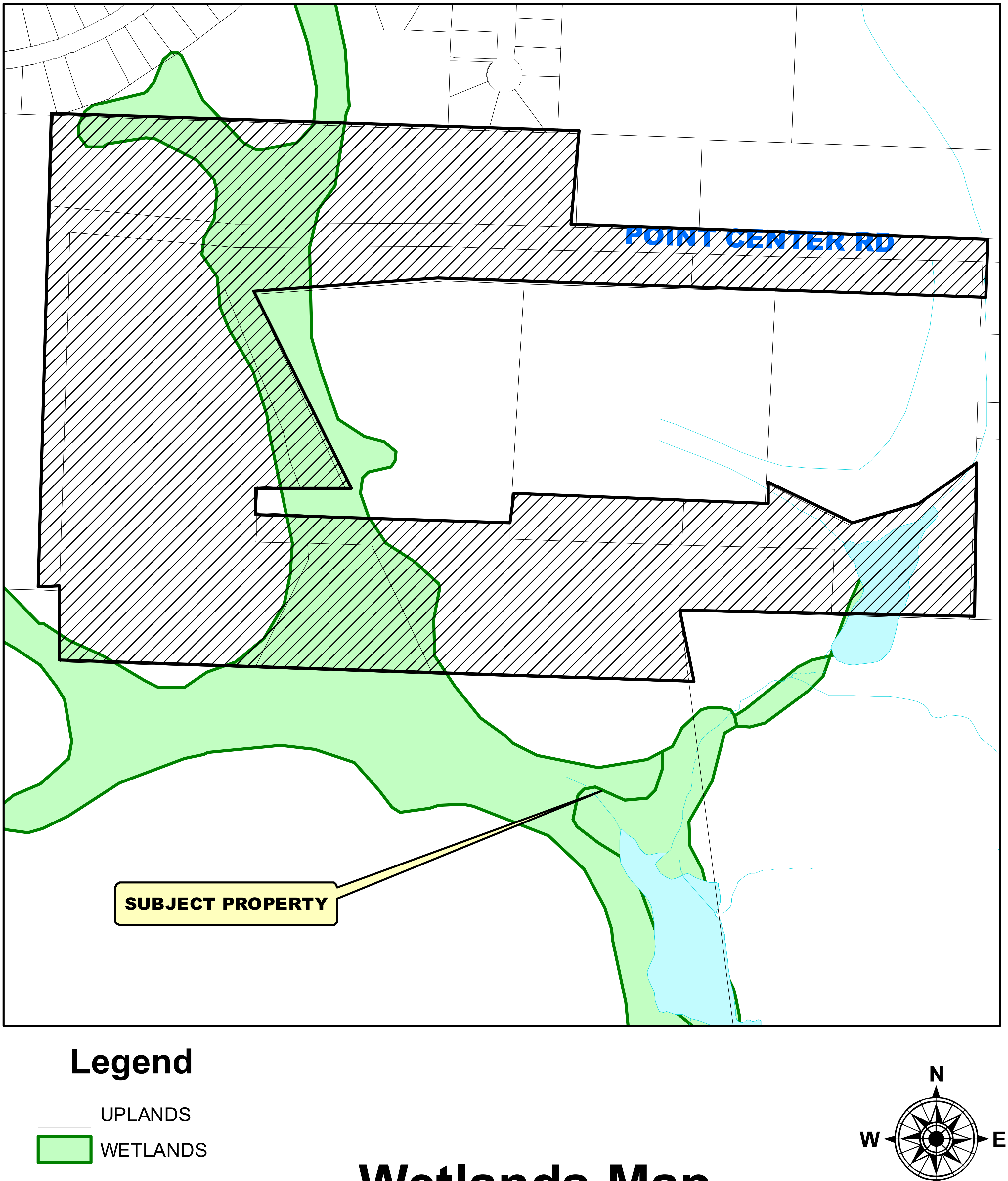
ZONE Legend

RR
R-1
AG

1 Mile FLUM & Zoning Map

ATTACHMENT - G

35-3N-24-0000-0007-0000/0020/0050/0060/0003-0010



Wetlands Map

EXHIBIT 1

1.15 Amendment guidelines and criteria: The Board of County Commissioners shall exercise its legislative authority when deciding whether or not to approve or not approve plan amendments. However, the following guidelines and criteria shall be considered when making such decision and may form the basis for approving or not approving any particular plan amendment. These shall only apply to Type-1 plan amendments.

1. All procedural requirements prescribed herein must be met.
Analysis: *All procedural requirements including public notice have been met.*

2. The requested plan amendment must be consistent with the objectives and policies of this Plan, particularly the designation and location criteria specified in the Future Land Use Element (FLUE).
Analysis: *The proposed amendment is generally consistent with the Comprehensive Plan.*

3. The potential to create a threat to the general health, safety, and welfare of the public, or otherwise adversely affect the public interest.
Analysis: *The amendment area is located within the Eglin Encroachment Zone. The combined acreage of previous amendments and the proposed amendment is approaching the threshold for Development of Regional Impact (DRI) review. The threshold for Okaloosa County is 1,000 residential units.*

4. The extent to which any development enabled by the amendment will promote an orderly and logical pattern of development relative to the area involved, and can co-exist in relative proximity to other adjacent or nearby land uses in a stable fashion over time such that no other use or condition is unduly negatively impacted directly or indirectly by another use or condition, or will otherwise interfere with the quiet use and enjoyment of properties enjoyed by other property owners in the vicinity of the amendment area.
Analysis: *The proposed amendment is compatible with the other areas changed to LDR in the vicinity.*

5. The amendment is intended to correct an oversight or mistake in the Plan or on the FLUM, or conditions and circumstances in the vicinity of the amendment area changed to justify or give rise to a need for the amendment.
Analysis: *Not applicable.*

6. The amendment will not promote or result in urban sprawl as that term is defined in ss163.3177(6),(a),9, Fla. Stat. A finding by the State Land Planning Agency that an amendment will result in urban sprawl shall constitute a rebuttable presumption that the amendment will promote or result in urban sprawl.
Analysis: *The amendment does not appear to promote urban sprawl as defined in the above statutory citation.*

7. Facilities and services including roads, water, sewer, recreation, drainage, and public safety are adequate to support the level of development enabled by the amendment, or that mitigation in the form of improvements or compensation can be provided to offset negative impact.
Analysis: *Any development enabled by the amendment will necessitate considerable improvements for roads, water, and possibly sewer infrastructure.*

8. The amendment will not result in damage to or destruction of valuable natural resources as described in the Conservation Element of this Plan.
Analysis: *There are apparent wetlands present which bisect the amendment area. The applicant would need to acquire applicable federal and state permits to fill these areas or for wetlands crossings.*

9. The amendment will not conflict, interfere with, or contradict infrastructure plans of the county, or other government agency, or public utility; or otherwise create a physical liability for the county, government agency, or public utility.
Analysis: *Development of the project will require additional road, water and possibly sewer infrastructure that must be provided by the applicant.*

10. The amendment will generally result in a net public benefit as opposed to a public liability.
Analysis: *All required improvements must be provided at the time and expense of the applicant. Development of the project should increase the property tax base at little expense to the County.*

EXHIBIT
2

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Fort Walton Beach, FL 32547
Ph. (850) 862-6611
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Email: msiner@choctaweng.com

Choctaw Engineering, Inc.

Young Future Land Use Amendment: *Data Analysis*

Tom Young
17 Shady Lane
Mary Esther, FL 32569
Ph. (850) 543-7608
Fx: (850) 244-2043

Data Analysis

Introduction

This property (Parcel ID # 35-3N-24-0000-0007-0060 and 35-3N-24-0000-0007-0050) is located on the south side of Point Center Road west of Garrett Pit Road. The property is approximately 54.4 acres and is presently vacant. There is a stream that runs north-south through the center of the property with wetlands along the banks of the stream. The surrounding properties are large tracts of land primarily used for a school (north), a borrow pit (west) and single-family homes (east and south).

Future Land Use

The subject property is presently designated with an Agricultural future land use designation. The properties to the south and east have a Low Density Residential (LDR) future land use. The properties to the west and north have a Rural Residential (RR) future land use designation. The proposed amendment is to change the property to Low Density Residential similar properties to the east and south.

Need Analysis

According to the County's studies for the Comprehensive Plan, there will be a need for 13,481 dwelling units in in the Crestview/Auburn Planning Area by the year 2020. Per the 2013 Planning Profile, there were a total of 6,874 dwelling units in the planning area in 2010. Thus there is a need for an additional 6,607 dwelling units to be constructed by the year 2020.

Per the 2013 Planning Profile for the Crestview/Auburn planning area, there are 2,846 acres of existing residential land use. Based on the 6,874 existing dwelling units, the average density within this area is 2.4 dwelling units an acre. Assuming the need for 13,481 dwelling units by 2020, the total amount of residential land use area required is estimated to be 4,490 acres (3 units/acre average). Presently there are 3,678 acres of property designated Low Density Residential future land use in this area. Thus approximately an additional 800 acres of property with a single-family future land use designation is needed to support the 2020 housing needs.

Infrastructure Impacts

The following analysis was based upon the Low Density Residential land use designation allowing a density of four units acre. Therefore the total amount of potential units for the subject property is 217 units (54.4 x 4). This analysis is to determine the potential impact of the proposed future land use amendment for the subject property. The County's land use regulations require any proposed development that it will not negatively impact the levels of service for any infrastructure during the development approval process.

Potable Water

The subject property is serviced by the Auburn Water Systems for potable water. According to the County's studies for the Comprehensive Plan, Okaloosa Water And Sewer has a capacity of 4,200,00 gals/day and the current demand is approximately 2,380,000 gals/day. The proposed development could generate a demand of 75,950 gals/day (units x 300 gals/unit = 75,950). Based on the excess of capacity of 1,820,000 gals/day, there should be plenty of potable water capacity for the future build-out of this project.

Sanitary Sewer

Presently, no central sewer service is available in the vicinity of the subject property. Due to the location of the property, it is unlikely that central sewer will be brought to the area in the near future. Therefore it is likely to assume that any proposed development will need to accommodate the sanitary sewer with septic tank systems on the individual lots. If septic tank systems are utilized, the lots will be required to be a minimum of one-quarter acre and will also require approval from the Health Department.

Solid Waste

According to the County's studies for the Comprehensive Plan, there is a capacity of approximately 1,400 tons/day in the County's solid waste facilities. The proposed development will generate a demand of 3,906 lbs./day or 1.95 tons/day (217 unit x 3 pers/unit x 6 lbs./pers = 3,906). Based on the capacity of 1,400 tons of available capacity, there should be plenty of solid waste capacity for the future build-out of this project.

Open/Recreation Space

According to the County's Comprehensive Plan, the County requires 0.6 acres of recreation space per 1,000 persons. Per the 2000 census, the total required amount of recreation space was determined to be 63.3 acres (105,500 persons x 0.6 acres/1000 persons = 63.3). According to the County's studies for the Comprehensive Plan, there are approximately 205.2 acres of parks/recreation space within the County. Based on the 2000 census, the total amount of open space is approximately 2 acres per 1000 persons, thus there is plenty of open space available for the future build-out of this project.

Traffic

The traffic generated by the proposed development of this property was determined using traffic Input measurement data from the 9th Edition Trip Generation Manual published by the Institute of Transportation Engineers, Code 210 (Single-Family Detached Housing). Code 210 indicates 1.0 vehicle trips per dwelling unit. Thus, the proposed residential development is projected to create 217 (1.0 x 217 units) new PM peak hour vehicle trips. Based upon the location of the property, PJ Adams Parkway is the nearest roadway and most likely to be impacted by the development.

PJ Adams Parkway is currently a 2 lane, divided major arterial roadway with a design capacity of 1,520 PM peak hour trips. Based upon the 2015 FDOT traffic counts, there are approximately 1,092 PM peak hour vehicles on PJ Adams Parkway. This project will increase the traffic impact to 1,309 PM peak hour trips, which does not exceed the design capacity for this segment of PJ Adams Parkway.

Compatibility

The subject property is adjacent to properties with the requested future land use designation. Growth patterns in the area show that the properties in the local area are developing in a manner consistent with the Low Density Residential land use designation. The following are indicators that the proposed amendment would be suitable for the area:

- The County is currently experiencing a need for the type of housing proposed by this development.
- There is sufficient infrastructure to accommodate the number of units allowable for this property.
- There are existing residential developments in the vicinity of this property.
- The property is located in close proximity to major roadway facilities which provide convenient access to shopping, schools and employment centers.

Natural Resources

The site has been inspected by Biome Consulting Group to assess any environmental concerns. The site was determined to contain plant communities and wetland hydrology indicators which are regulated by the US Army Corps of Engineers (COE) and the Florida Department of Environmental Protection (FDEP). Per the County's Comprehensive plan, any proposed development will be encouraged to be within the upland portion of the development. The development will maintain a 25-foot buffer from the waters edge of the wetlands and will only be impacted as required to provide access throughout the property.

There are no areas with protected habitat species or flora and fauna near the subject site. Additionally, there are no known archeological sites with historic structures or objects within this area. If such archeological resources are uncovered during the development process, they will be addressed in accordance with the County's Comprehensive Plan.

Conclusion

Based upon the analysis provided in this report, the following items were determined for this amendment:

- There is sufficient infrastructure capacity to accommodate the proposed increase in density without negatively impacting the level of service.
- Future development of the property will help meet the growing demand for housing within the County.
- The property can provide residential development convenient to shopping, education, and employment facilities.
- Future development will be designed to protect and preserve the natural resources located within the property.

This amendment to change the future land use designation of this property from Agricultural to Low Density Residential is consistent with the County's Comprehensive Plan.

MarketGraphics
RESEARCH GROUP

Strategic Planning Comments, Analysis and Forecast
Coastal Alabama / Florida Panhandle - January 2014

10 Significant Insights:

1. The projected future lot shortage must be addressed
2. The current lot inventory is 35,110
3. In 2015, the market will need 7,390 lots
4. The total market demand for lots between 2014 to 2019 is 49,086
5. 9,882 of the aforementioned lots needed with be in Baldwin County
6. 9,725 of those lots needed will be in Walton County
7. There will be a 37,576 lots needed to be developed before the end of 2019
8. The lot count has fallen 7,638 lots since May 2009
9. The number of started subdivisions has fallen by only 45 since September 2009
10. The number of newly finished unoccupied homes has fallen by 3,868 since September 2008.

10 Perspectives regarding Employment (need 1.25 to 1 ratio minimum)

1.	January 2007	1.924 to 1
2.	January 2008	2.212 to 1
3.	January 2009	-0.501 to 1
4.	January 2010	-8.702 to 1
5.	January 2011	-4.369 to 1
6.	January 2012	2.549 to 1
7.	January 2013	3.097 to 1
8.	May 2013	3.000 to 1
9.	September 2013	2.108 to 1
10.	January 2014	2.020 to 1

MarketGraphics
RESEARCH GROUP

10 Significant Perspectives regarding Future Developed Lots:

1.	January 2007	Developed Lots	32,293
2.	January 2008	Developed Lots	38,515
3.	January 2009	Developed Lots	41,889
4.	January 2010	Developed Lots	43,172
5.	January 2011	Developed Lots	40,991
6.	January 2012	Developed Lots	39,735
7.	January 2013	Developed Lots	37,517
8.	May 2013	Developed Lots	36,968
9.	September 2013	Developed Lots	35,907
10.	January 2014	Developed Lots	35,110

10 Significant Perspectives in the Change of Total Developed Subdivisions:

1.	January 2007	Developed Subdivisions	884
2.	January 2008	Developed Subdivisions	1,107
3.	January 2009	Developed Subdivisions	1,220
4.	January 2010	Developed Subdivisions	1,247
5.	January 2011	Developed Subdivisions	1,234
6.	January 2012	Developed Subdivisions	1,227
7.	January 2013	Developed Subdivisions	1,215
8.	May 2013	Developed Subdivisions	1,227
9.	September 2013	Developed Subdivisions	1,217
10.	January 2014	Developed Subdivisions	1,210

Interesting Chart:

Date	Total Active Subdivisions	Developed Lots	Houses Finished Not Occupied
January 2007	884	32,293	4,788
January 2008	1,107	38,515	5,263
January 2009	1,220	41,889	5,147
January 2010	1,247	43,172	4,108
January 2011	1,234	40,991	3,302
January 2012	1,227	39,735	2,401
January 2013	1,215	37,517	1,507
May 2013	1,227	36,968	1,473
September 2013	1,217	35,907	1,343
January 2014	1,210	35,110	1,443

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Current Top 10 Largest New Home Demand Locations by Price Point and by MG Area:

	County	MG Area	Price Range	Current Supply	12-month Demand
1	Baldwin	5	$175,000 to $225,000	19	183
2	Baldwin	5	$225,000 to $275,000	29	163
3	Okaloosa	23	$175,000 to $225,000	37	132
4	Baldwin	5	$275,000 to $325,000	19	128
5	Walton	30	$425,000 to $625,000	27	125
6	Walton	31	$175,000 to $225,000	15	122
7	Okaloosa	23	$225,000 to $275,000	26	119
8	Santa Rosa	28	Under $175,000	14	113
9	Baldwin	1	Over $925,000	47	112
10	Baldwin	1	$625,000 to $925,000	68	112

Top 10 Places to Build a New Home 8-months from now:

	County	MG Area	Price Range	Projected Supply	12-month Demand
1.	Baldwin	5	$175,000 - $225,000	13	186
2.	Baldwin	5	$225,000 t $275,000	23	166
3.	Okaloosa	23	$175,000 to $225,000	58	134
4.	Baldwin	5	$275,000 to $325,000	14	130
5.	Walton	30	$425,000 to $625,000	42	127
6.	Walton	31	$175,000 to $225,000	15	124
7.	Okaloosa	23	$225,000 to $275,000	47	121
8.	Santa Rosa	28	Under $175,000	5	115
9.	Baldwin	1	Over $925,000	24	114
10.	Baldwin	1	$625,000 to $925,000	59	114

Edsel Charles

Chairman of the Board
MarketGraphics Research Group, Inc.

Housing Forecast Market Research Update

Coastal Alabama & Florida Panhandle

January 2014

Rob Hale and Jason Hale
MarketGraphics Southeast
PO Box 660851, Birmingham, AL 35266
(251) 752-0850 ◇ www.mgsoutheast.com
rhale@mgsoutheast.com ◇ jhale@mgsoutheast.com

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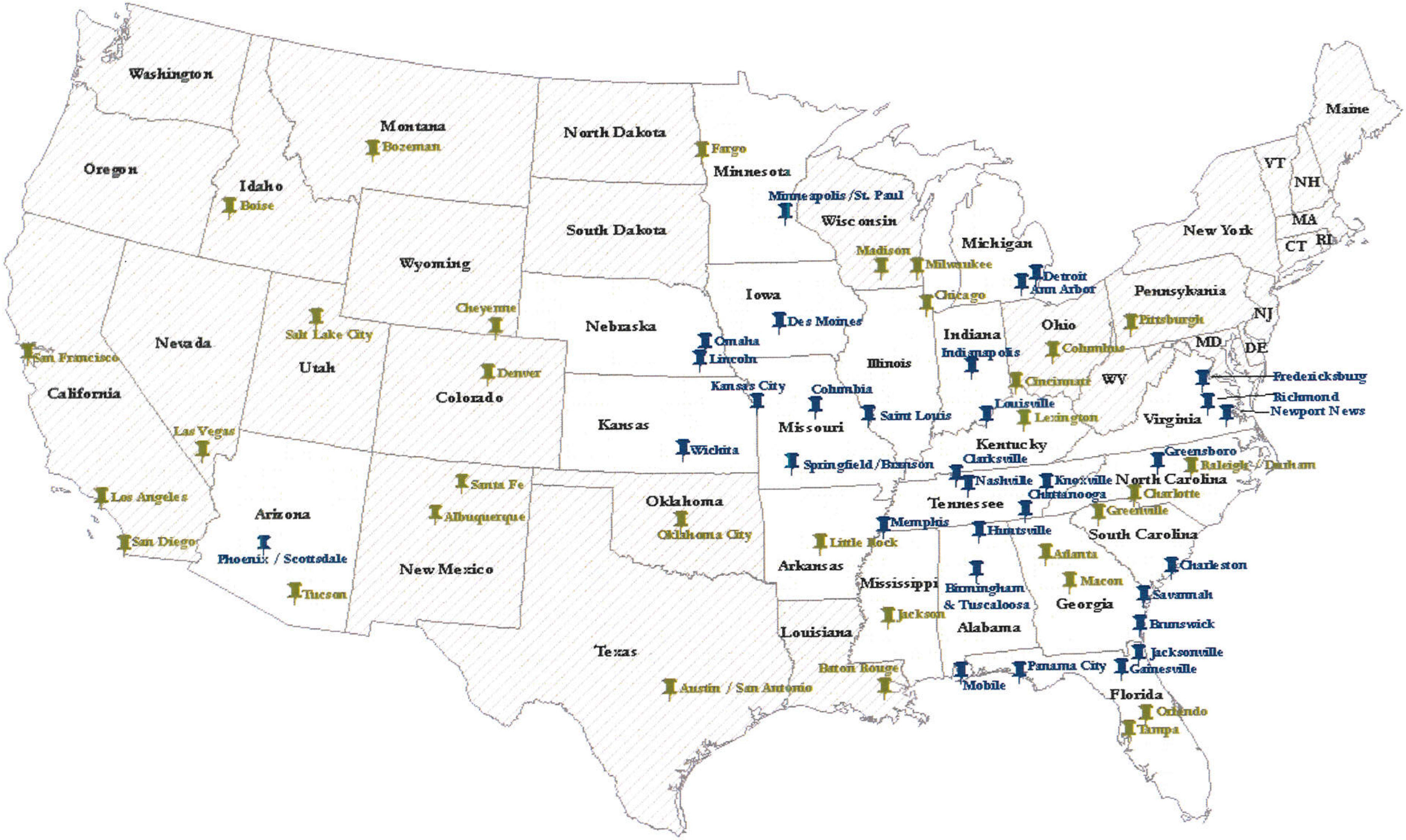
RESEARCH GROUP



Current MG Cities

Prospective Markets

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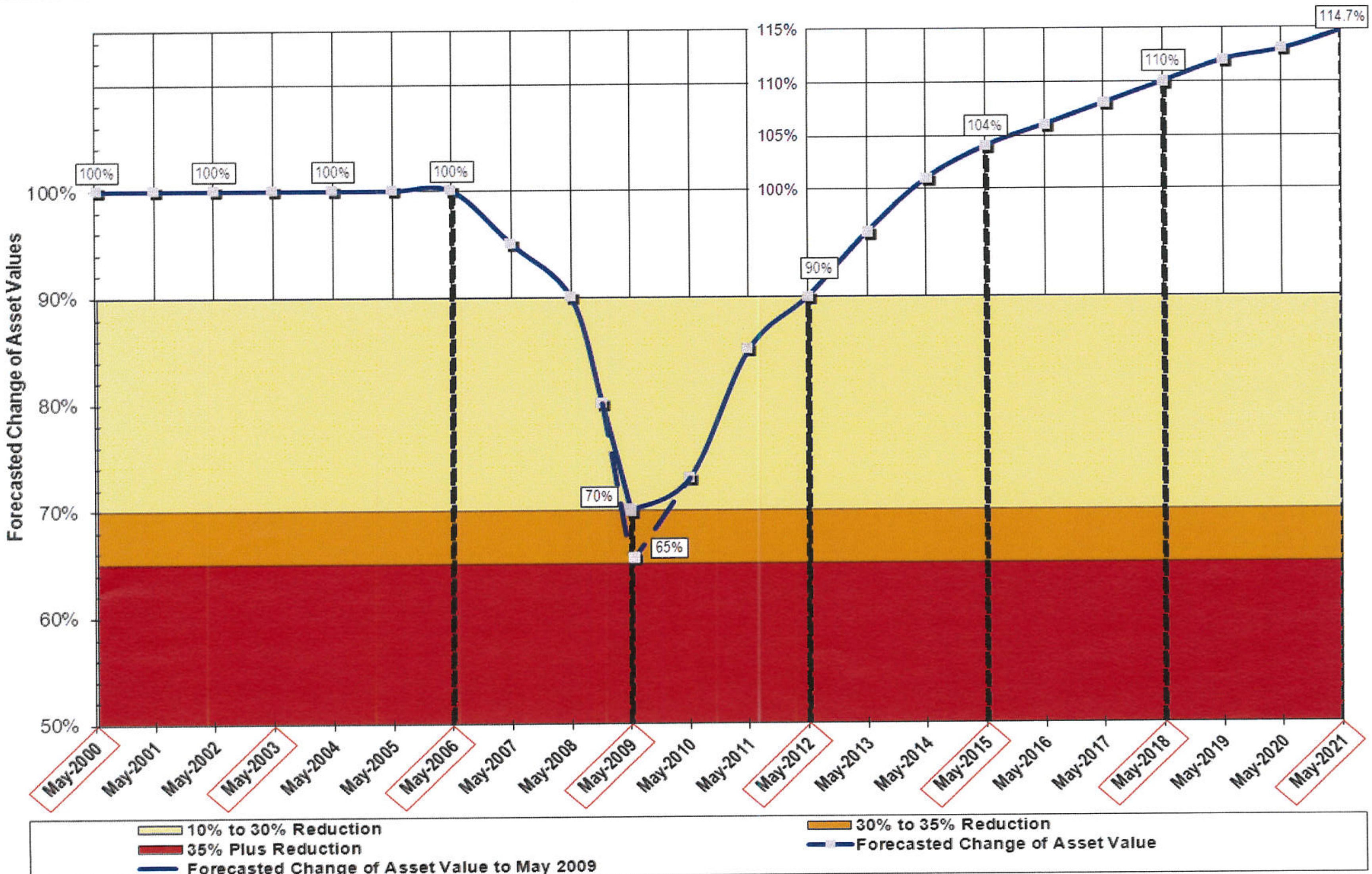
Economic Value of Assets (as of May 14, 2000 Forecast)

Forecast 30% to 35% Reduction Depending on City and Location 1st Forecast to May 2012
2nd Forecast, as of May 14, 2011, is from the end of May 2012 thru May 2021



Note: The 1st forecast, done on May 14, 2000, was from May 2000 to May 2012. The 2nd forecast, done on May 14, 2011, was from the end of May 2012 to the end of May 2021.

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Coastal, Alabama& Florida Panhandle (8-County Market)

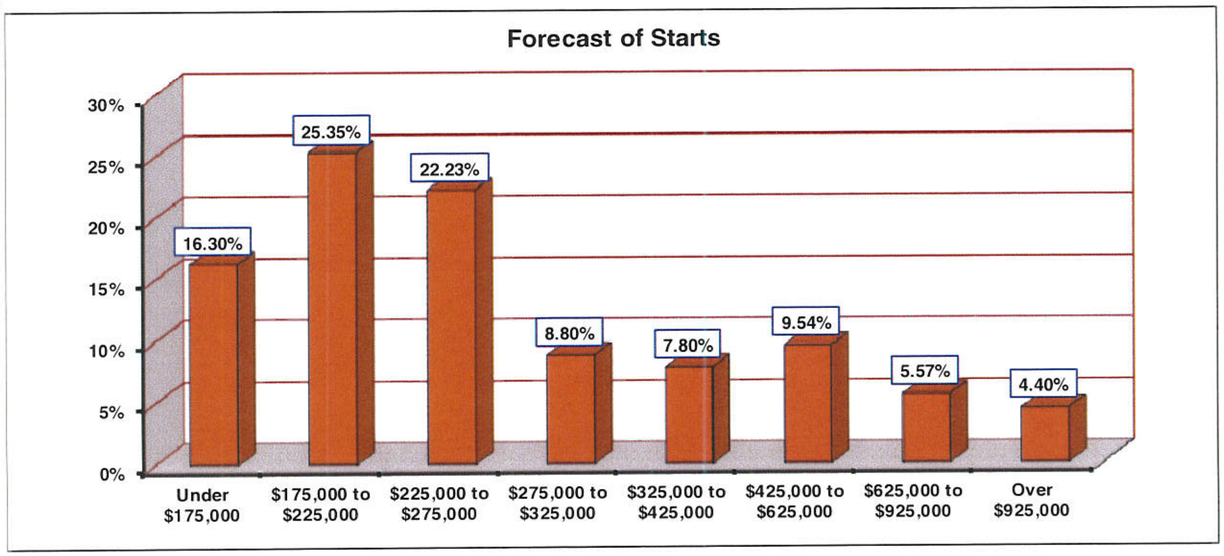
Coastal Alabama and Florida Panhandle

New Homes Dollar Volume Forecast and Average Price of Housing

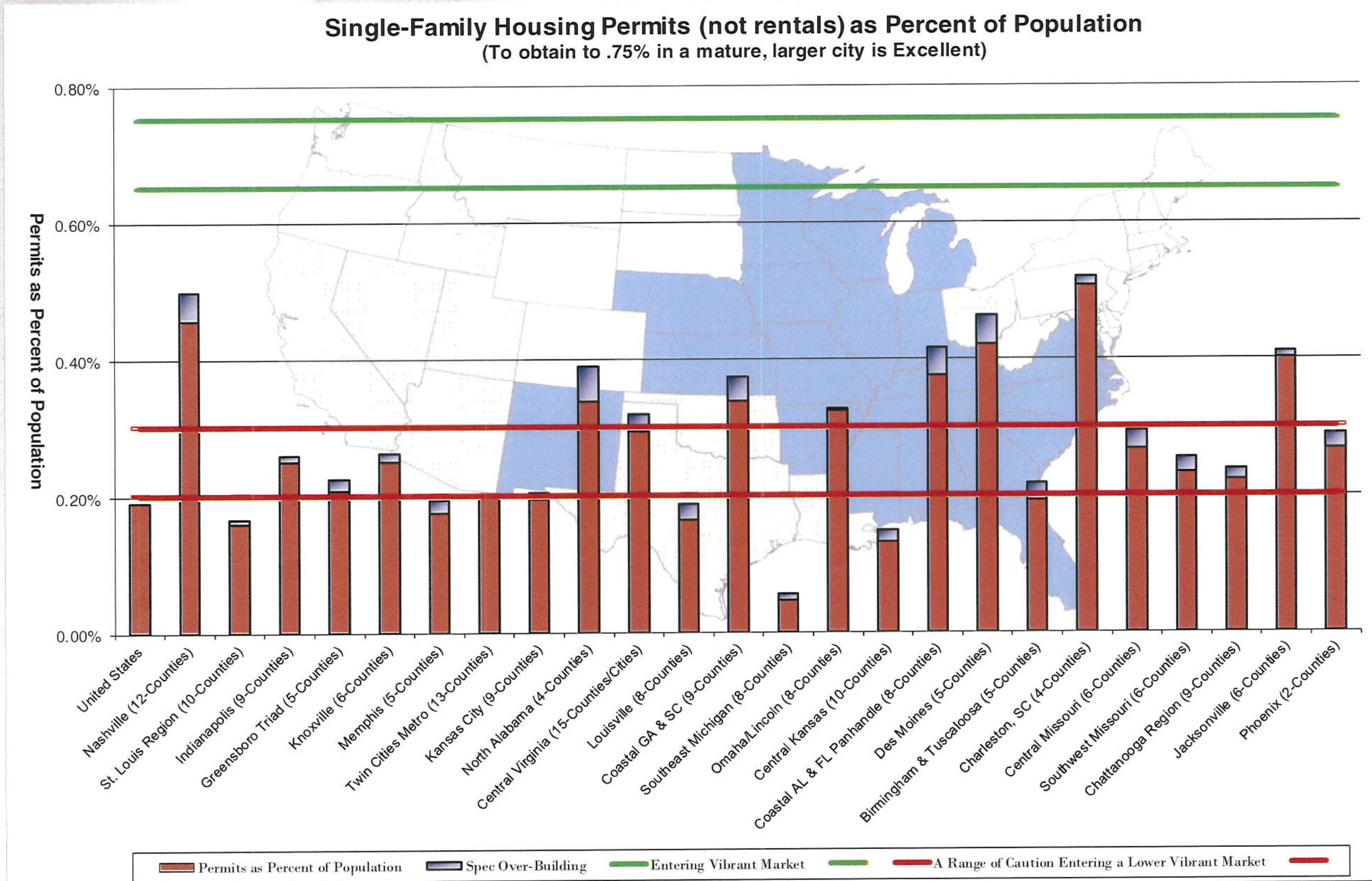
Coastal Alabama and Florida Panhandle (8-County Market)

Price Range	Starts Forecasted	% Based on Starts	Avg. Price of Homes	Dollar Volume Forecasted	% Based on Dollars
Under $175,000	1,124	16.30%	$140,000	$157,362,475	7.02%
$175,000 to $225,000	1,748	25.35%	$200,000	$349,500,769	15.58%
$225,000 to $275,000	1,533	22.23%	$250,000	$383,208,567	17.09%
$275,000 to $325,000	607	8.80%	$300,000	$182,019,097	8.12%
$325,000 to $425,000	537	7.80%	$375,000	$201,546,687	8.99%
$425,000 to $625,000	658	9.54%	$525,000	$345,458,846	15.40%
$625,000 to $925,000	384	5.57%	$775,000	$297,679,003	13.27%
Over $925,000	303	4.40%	$1,075,000	$326,087,560	14.54%
Total	**6,894**	**100%**		**$2,242,863,004**	**100%**

(Total Dollar Volume / Total Forecast of Starts) **Forecast average price of new homes:** **$325,336**

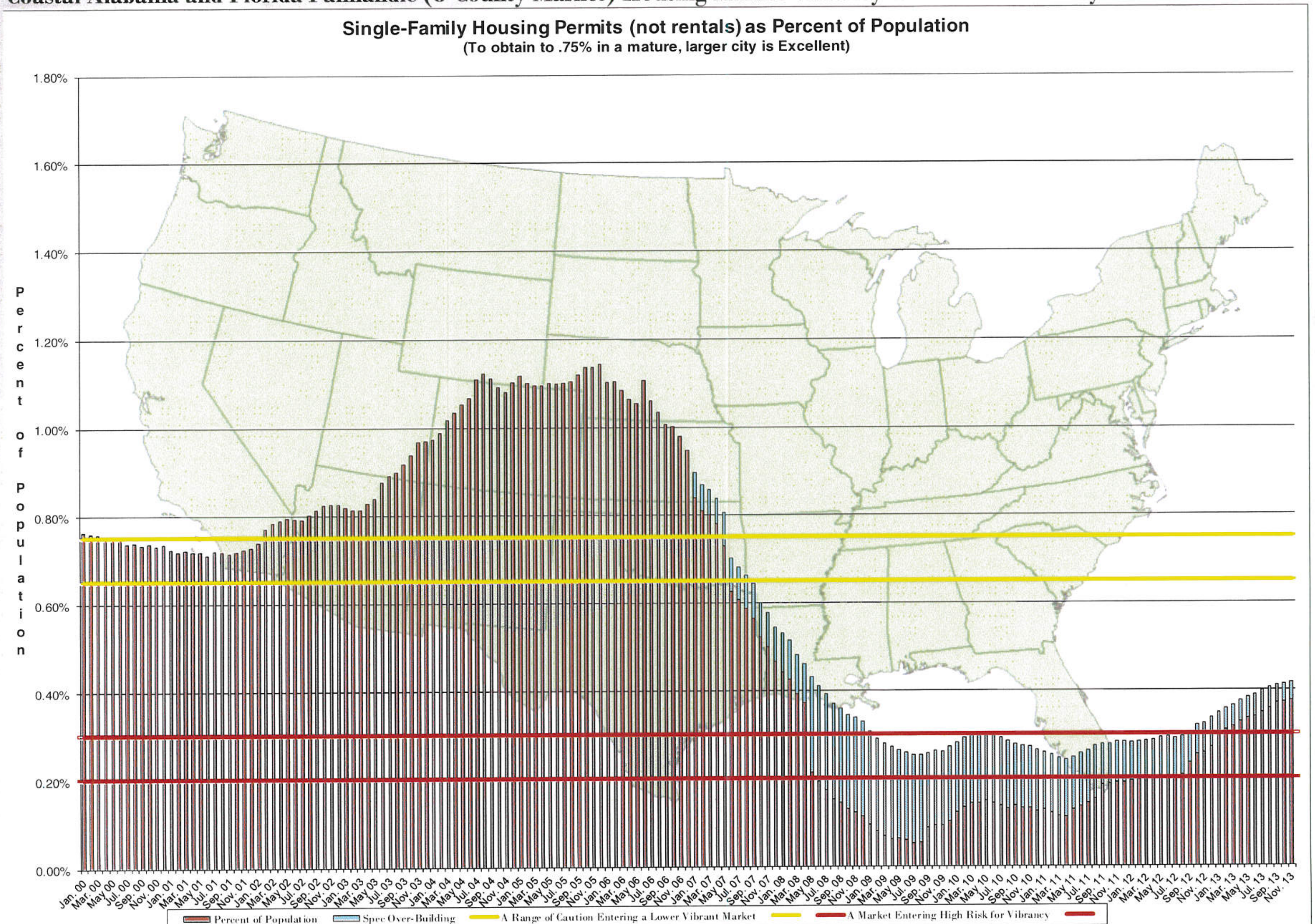


Review of Housing Market Vibrancy



The Census Bureau publishes their updated population estimate with a July date. Their updates are usually posted several months after that date.

Coastal Alabama and Florida Panhandle (8-County Market) Housing Market Vibrancy for Permits Issued by 12-Month Period



The Census Bureau publishes their updated population estimate with a July date. Their updates are usually posted several months after that date.

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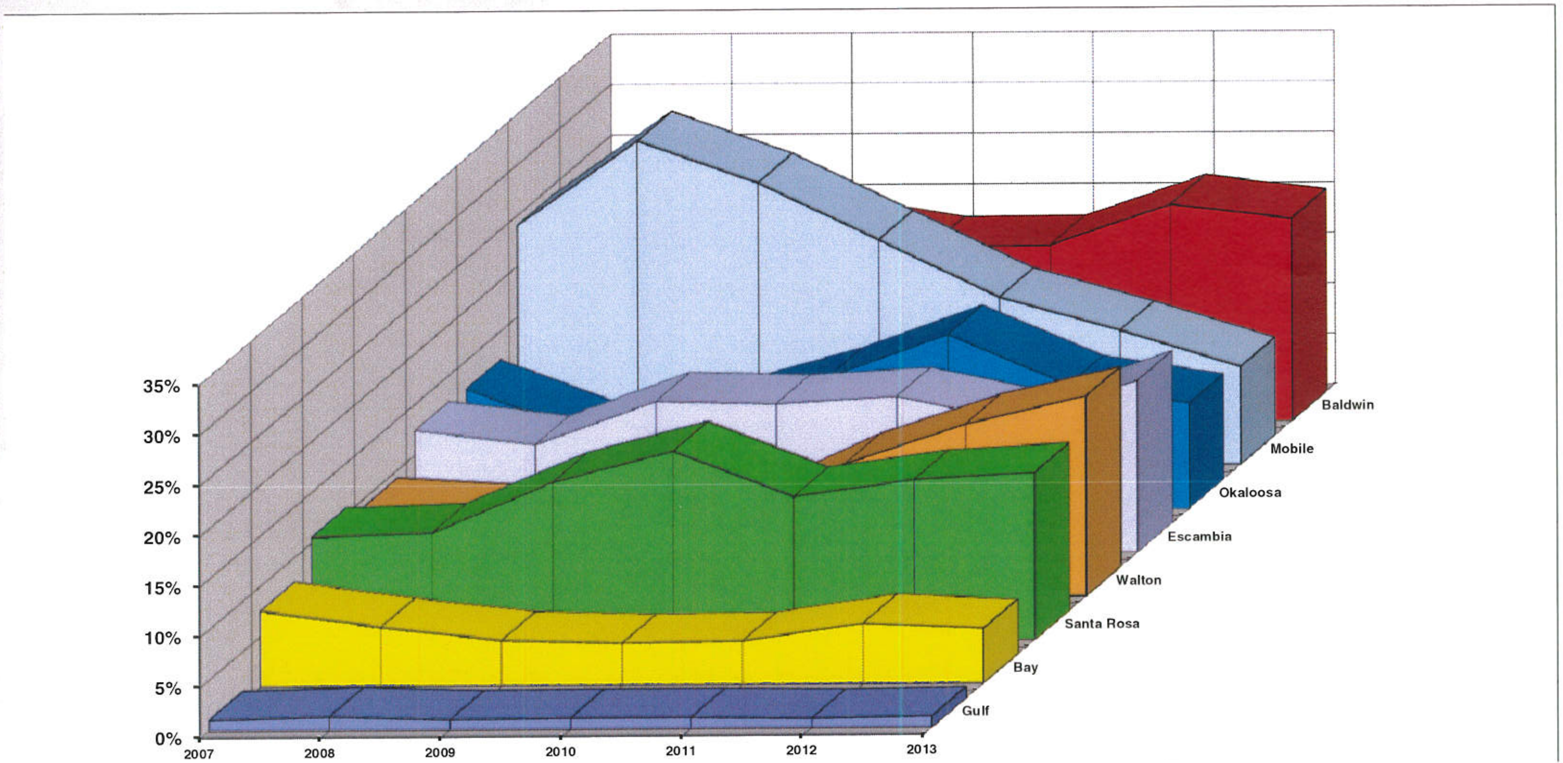
Market Share by County

Coastal Alabama and Florida Panhandle (8-County Market)

Based on permits issued



County	2007	2008	2009	2010	2011	2012	2013
Baldwin	22.90%	22.26%	19.53%	17.42%	17.49%	21.46%	20.00%
Mobile	24.03%	32.32%	28.11%	22.41%	16.67%	13.34%	9.67%
Okaloosa	12.22%	7.73%	9.97%	13.16%	17.32%	12.27%	10.38%
Escambia	12.42%	10.96%	15.15%	14.86%	15.52%	12.96%	16.99%
Walton	9.21%	8.45%	5.81%	7.96%	13.24%	17.06%	19.78%
Santa Rosa	10.57%	10.96%	15.88%	18.89%	14.32%	15.93%	16.57%
Bay	7.55%	5.91%	4.51%	4.16%	4.32%	6.02%	5.47%
Gulf	1.10%	1.40%	1.03%	1.14%	1.13%	0.95%	1.14%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Building Permit Summary

Coastal Alabama and Florida Panhandle (8-County Market)

2010 Building Permits		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN - APR	JAN - DEC
Baldwin	Areas 1-6	71	62	73	62	51	61	54	45	43	46	39	67	268	674
Mobile	Areas 7-13	95	74	134	76	37	63	64	72	66	57	77	52	379	867
Bay	Areas 14-16	7	21	16	19	16	13	18	11	19	12	4	5	63	161
Escambia	Areas 17-20	55	42	63	66	47	43	44	52	40	52	37	34	226	575
Gulf	Areas 21-22	13	3	3	6	1	3	2	0	2	7	3	1	25	44
Okaloosa	Areas 23-26	31	59	42	45	44	48	29	40	43	44	40	44	177	509
Santa Rosa	Areas 27-29	43	106	92	67	54	43	79	48	68	46	37	48	308	731
Walton	Areas 30-32	26	11	34	27	40	18	25	24	20	28	17	38	98	308
TOTALS	2010	341	378	457	368	290	292	315	292	301	292	254	289	1544	3869

2011 Building Permits		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN - APR	JAN - DEC
Baldwin	Areas 1-6	62	59	72	45	49	80	79	75	50	61	51	46	238	729
Mobile	Areas 7-13	48	58	42	42	47	92	92	78	40	47	65	44	190	695
Bay	Areas 14-16	9	14	13	13	14	33	9	16	17	14	18	10	49	180
Escambia	Areas 17-20	56	34	32	75	69	53	55	69	91	37	38	38	197	647
Gulf	Areas 21-22	4	3	4	0	1	5	5	5	6	3	2	9	11	47
Okaloosa	Areas 23-26	43	58	79	70	89	56	67	89	63	41	30	37	250	722
Santa Rosa	Areas 27-29	55	37	45	43	53	53	53	47	43	54	54	60	180	597
Walton	Areas 30-32	28	20	58	37	45	49	56	60	43	48	67	41	143	552
TOTALS	2011	305	283	345	325	367	421	416	439	353	305	325	285	1258	4169

Building Permit Summary

Coastal Alabama and Florida Panhandle (8-County Market)

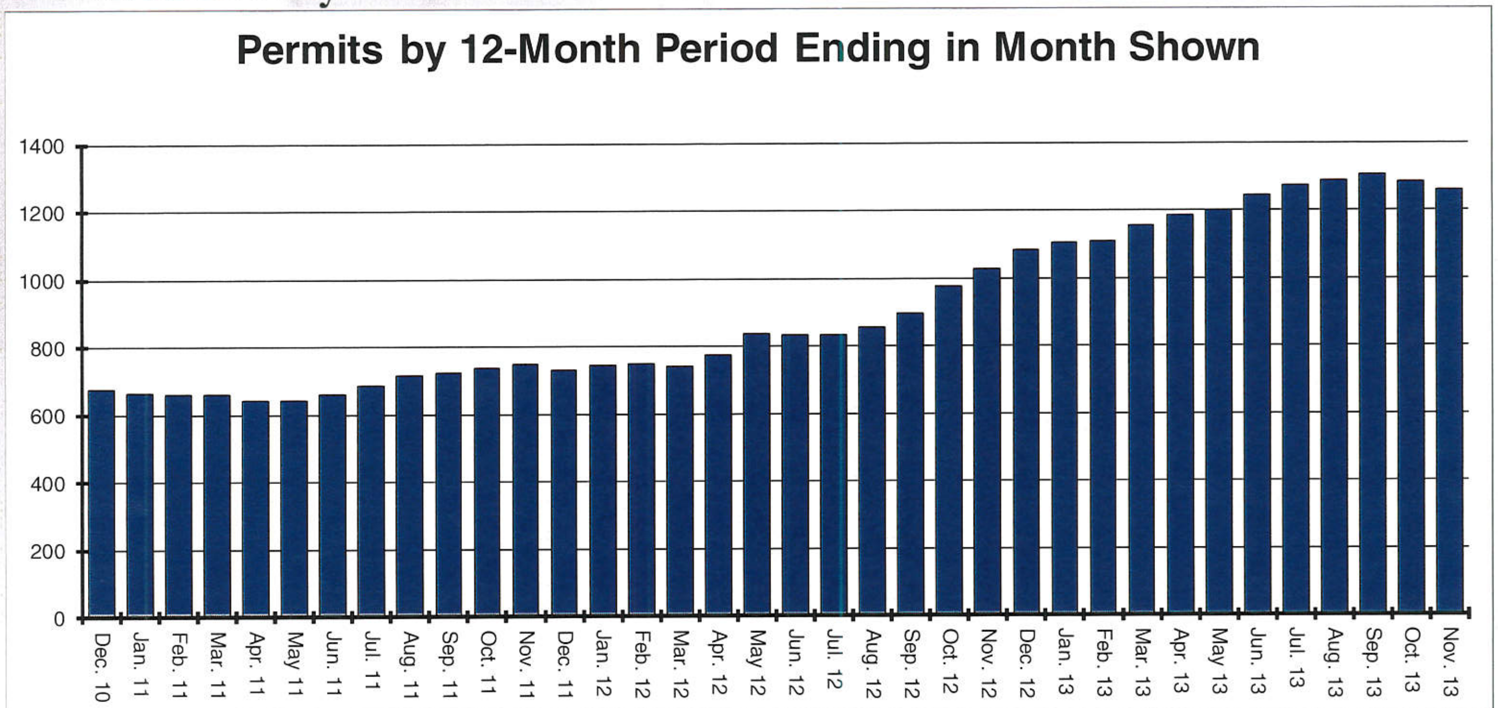
2012 BUILDING PERMITS		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN - NOV	JAN - DEC
Baldwin	Areas 1-6	80	61	65	79	109	76	82	96	91	141	101	102	981	1083
Mobile	Areas 7-13	58	59	43	51	56	50	69	68	68	69	46	36	637	673
Bay	Areas 14-16	20	14	25	14	22	14	27	28	29	40	40	31	273	304
Escambia	Areas 17-20	46	47	40	45	55	76	19	94	73	53	47	59	595	654
Gulf	Areas 21-22	4	6	5	3	4	5	1	2	4	7	3	4	44	48
Okaloosa	Areas 23-26	42	35	69	58	53	43	63	54	60	51	39	52	567	619
Santa Rosa	Areas 27-29	32	53	43	62	81	85	63	70	80	80	65	90	714	804
Walton	Areas 30-32	64	43	88	47	74	75	61	72	67	133	42	95	766	861
TOTALS	2012	346	318	378	359	454	424	385	484	472	574	383	469	4577	5046

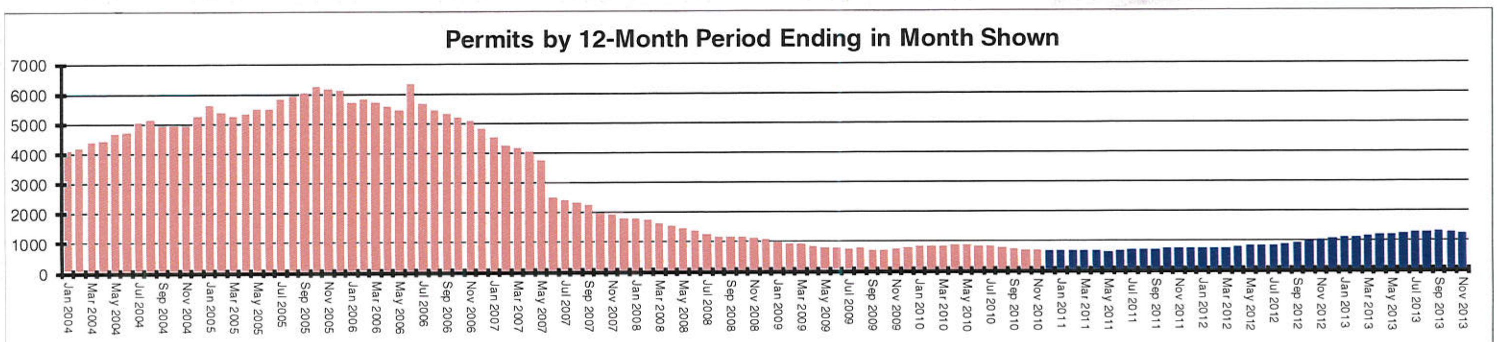
2013 BUILDING PERMITS		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN - NOV	Current YTD
Baldwin	Areas 1-6	100	66	113	107	126	118	114	108	112	118	74		1156	1156
Mobile	Areas 7-13	56	20	26	56	87	48	69	49	48	55	45		559	559
Bay	Areas 14-16	28	28	29	26	37	25	20	37	27	42	17		316	316
Escambia	Areas 17-20	96	82	102	82	51	99	57	107	96	99	111		982	982
Gulf	Areas 21-22	6	4	5	6	4	5	4	12	5	7	8		66	66
Okaloosa	Areas 23-26	63	60	54	69	63	52	44	57	57	50	31		600	600
Santa Rosa	Areas 27-29	74	79	78	93	96	86	80	99	95	112	66		958	958
Walton	Areas 30-32	111	119	74	88	94	69	137	143	97	125	86		1143	1143
TOTALS	2013	534	458	481	527	558	502	525	612	537	608	438	0	5780	5780

Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)

Baldwin County

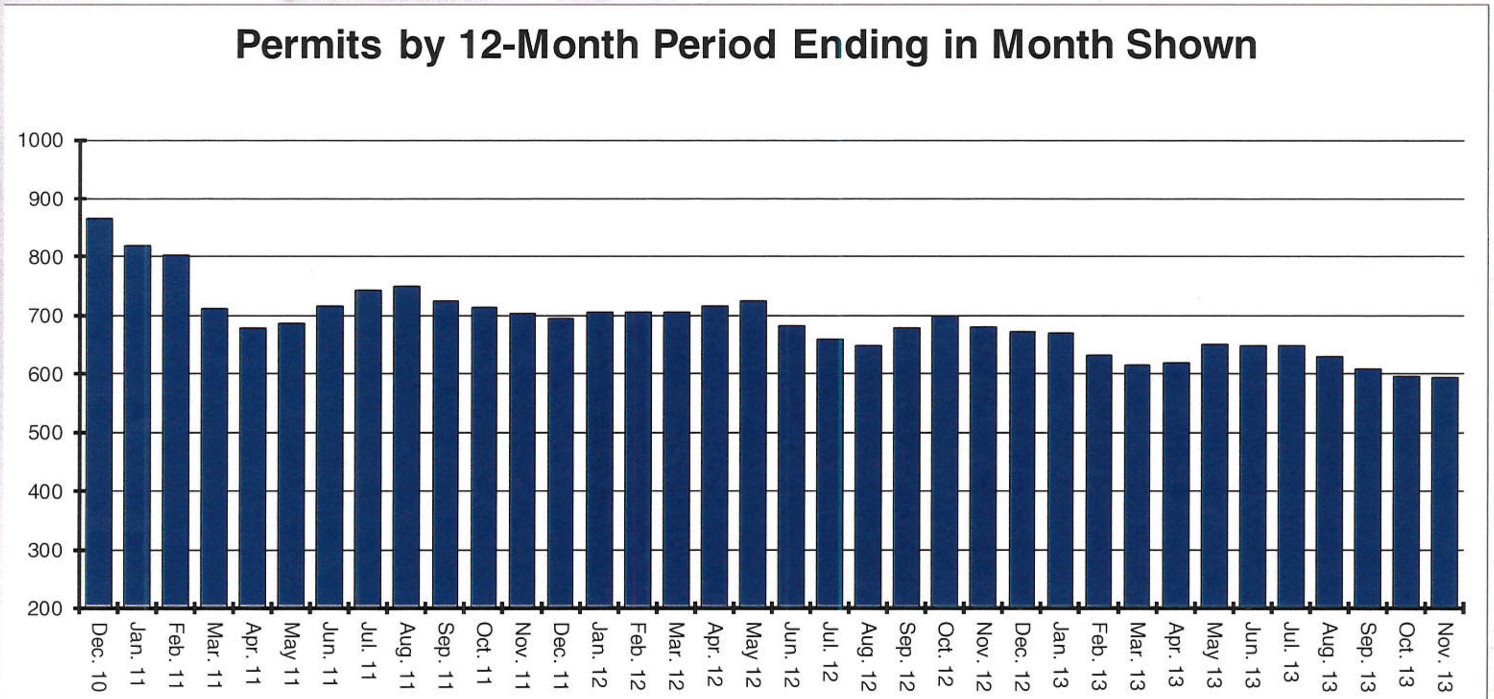


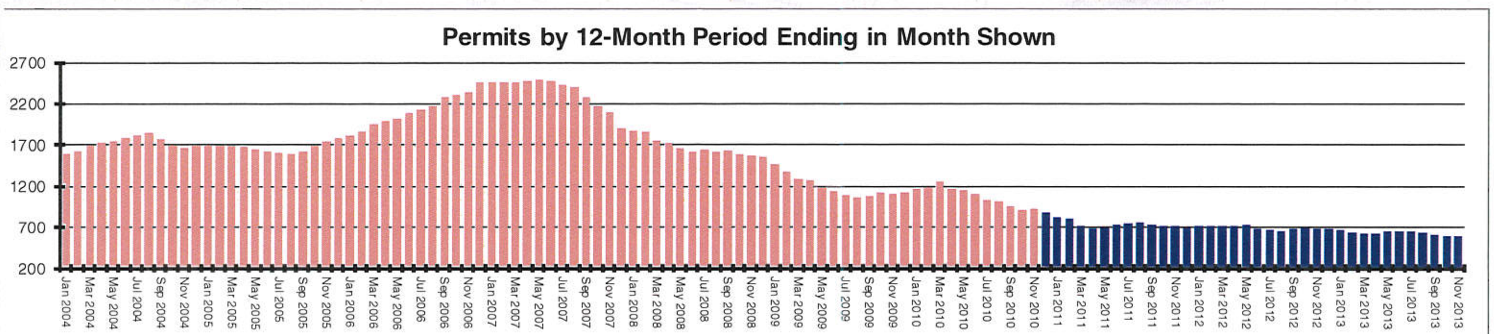


Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)

Mobile County

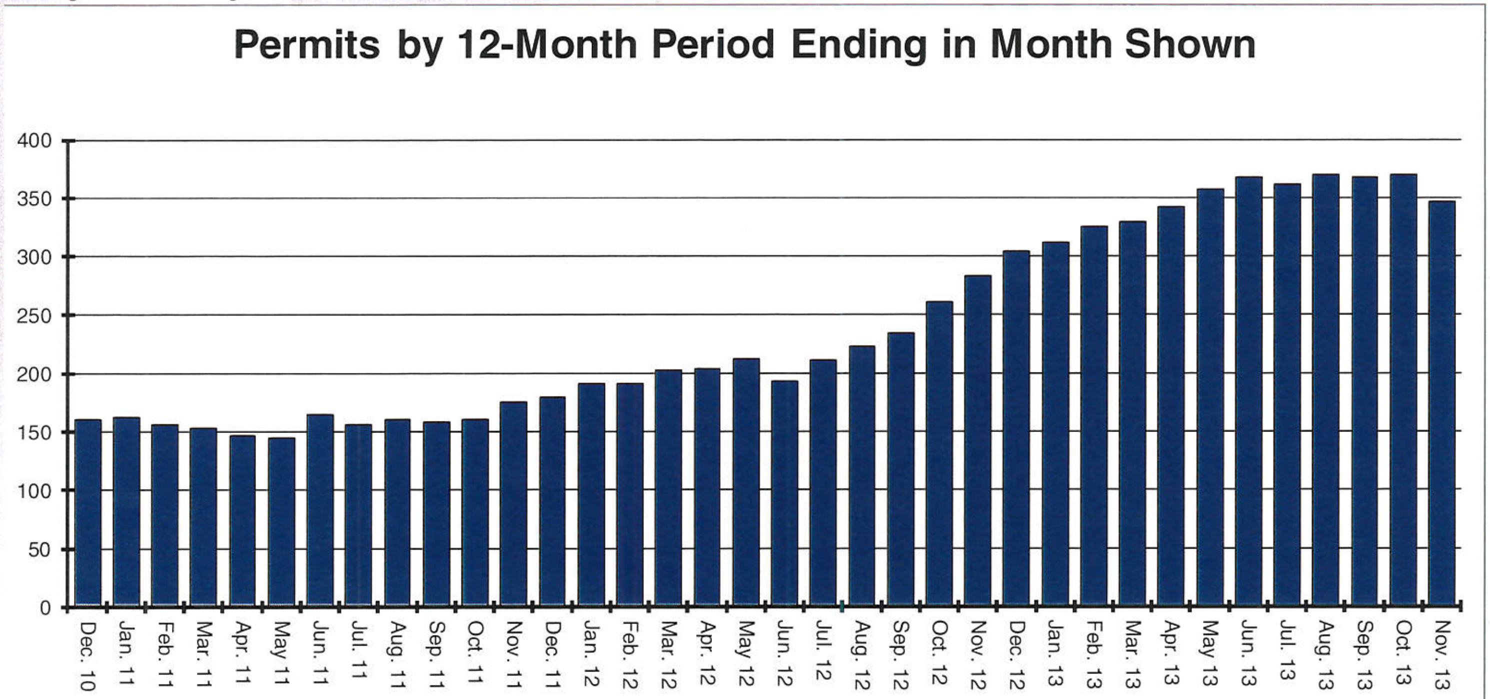


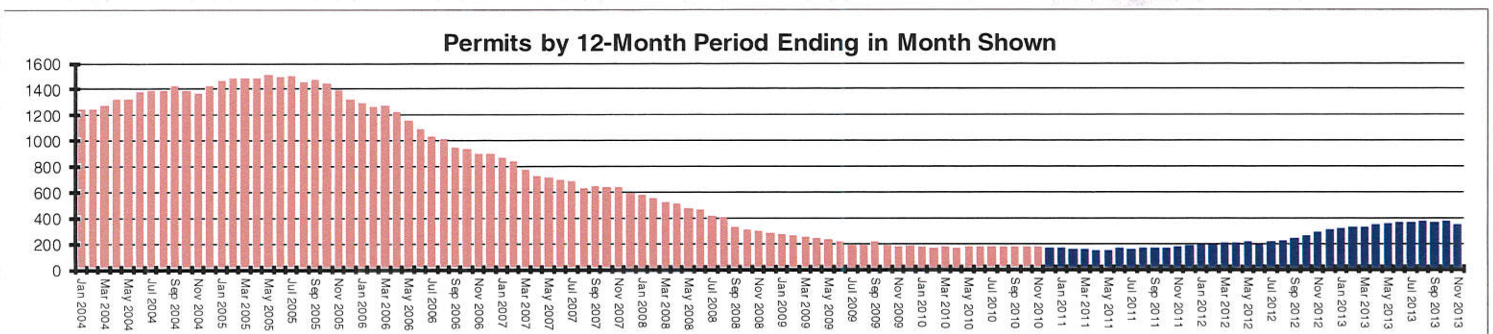


Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)

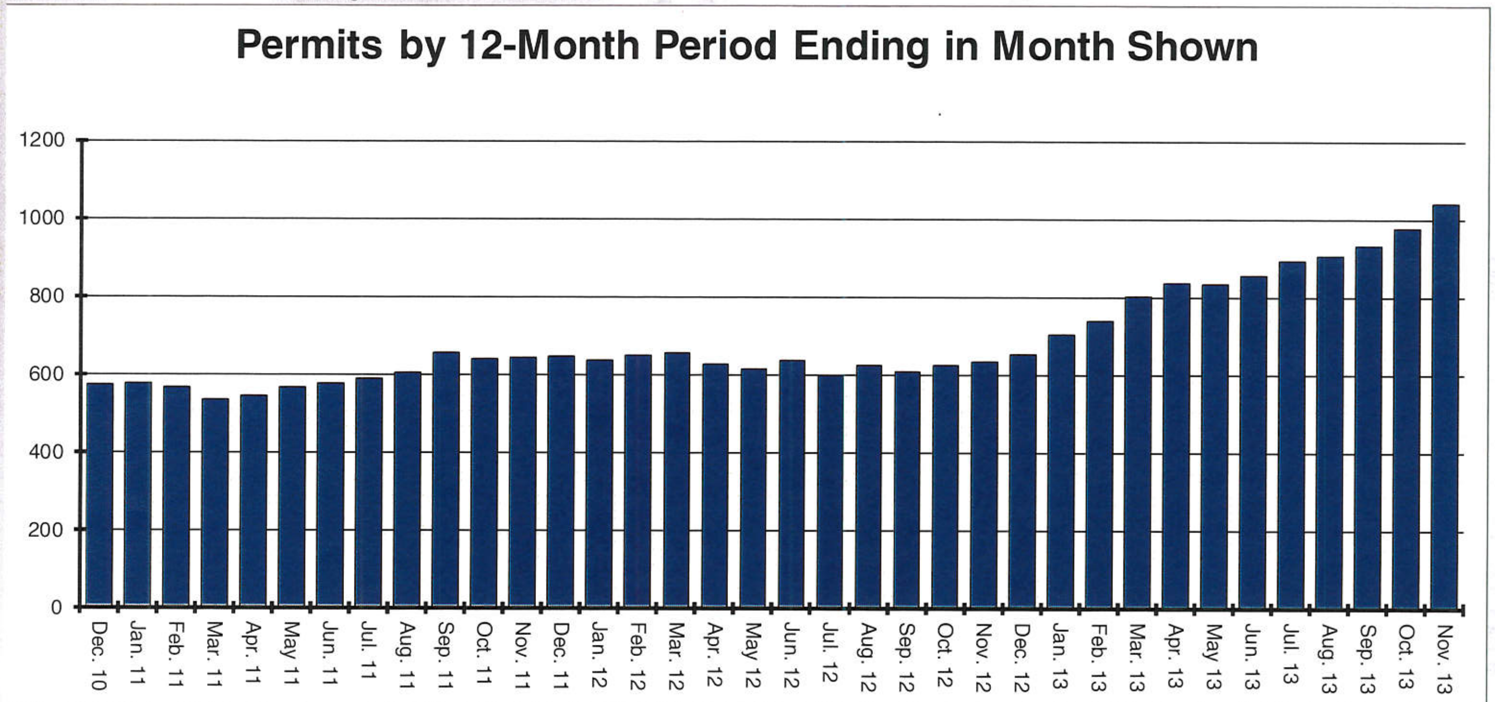
Bay County

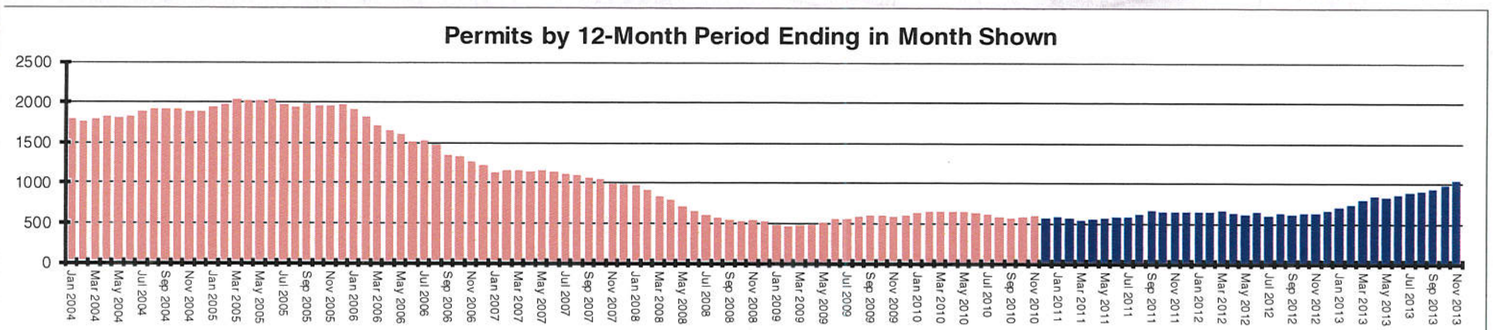




Permits by 12-Month Period Ending in Month Shown

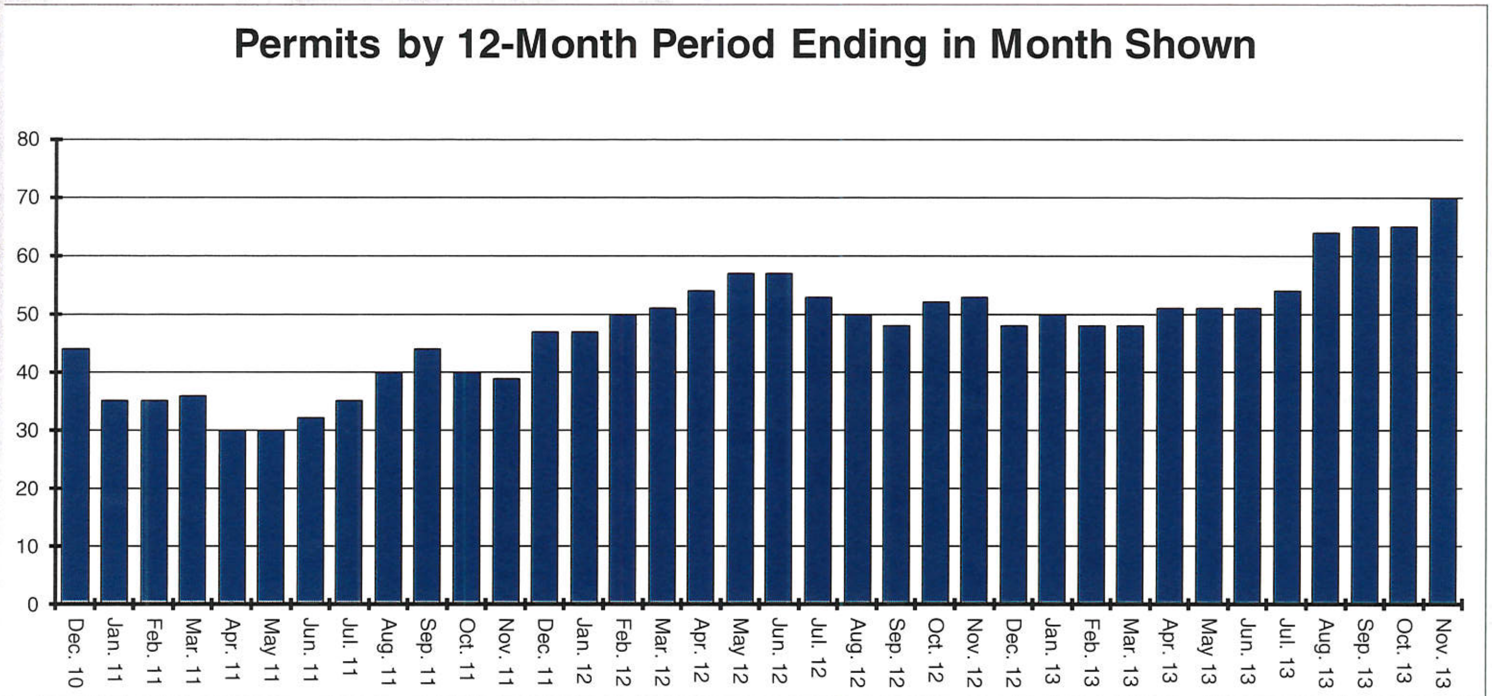
Coastal Alabama and Florida Panhandle (8-County Market)
Escambia County

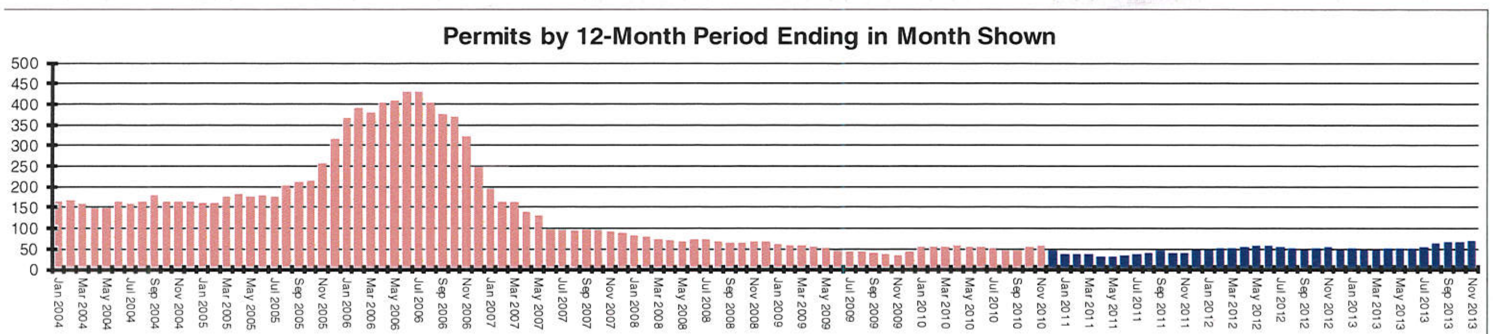




Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)
Gulf County





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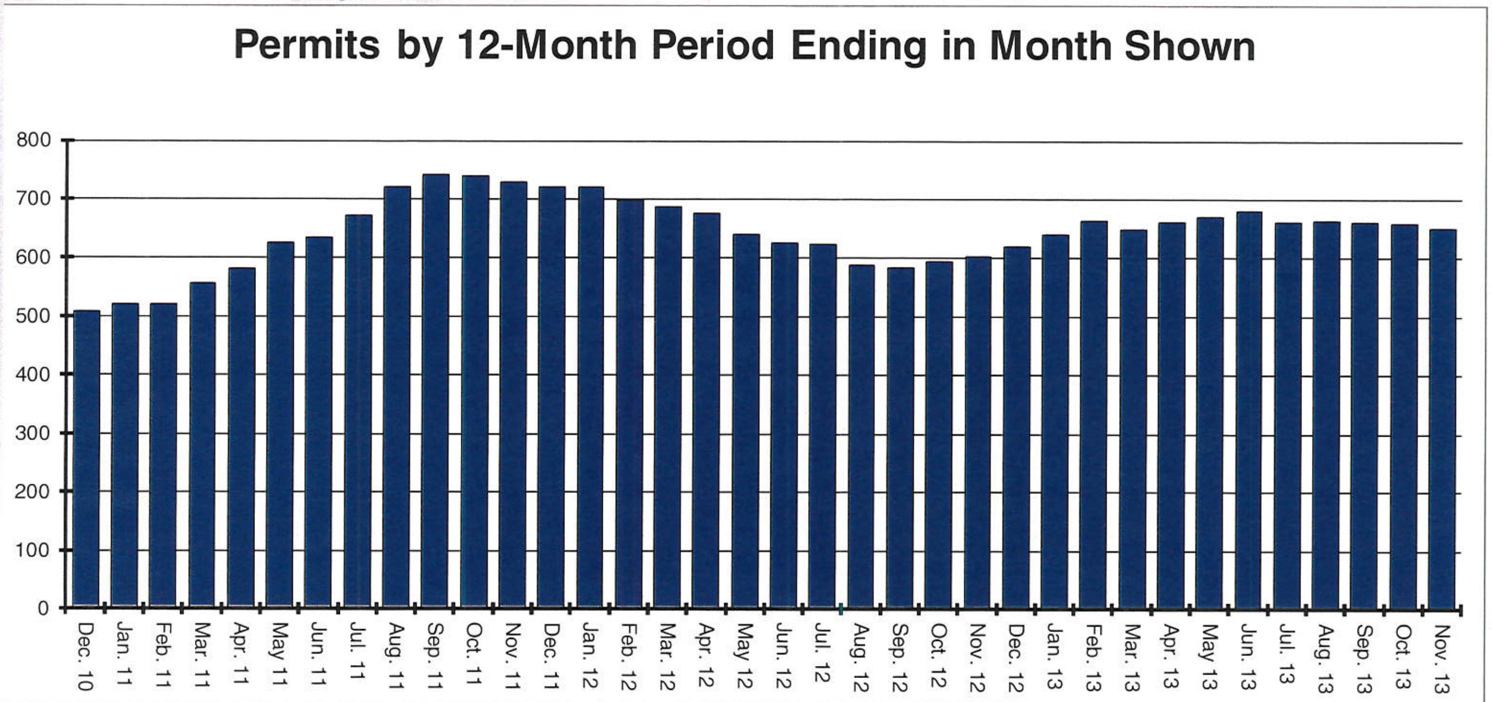
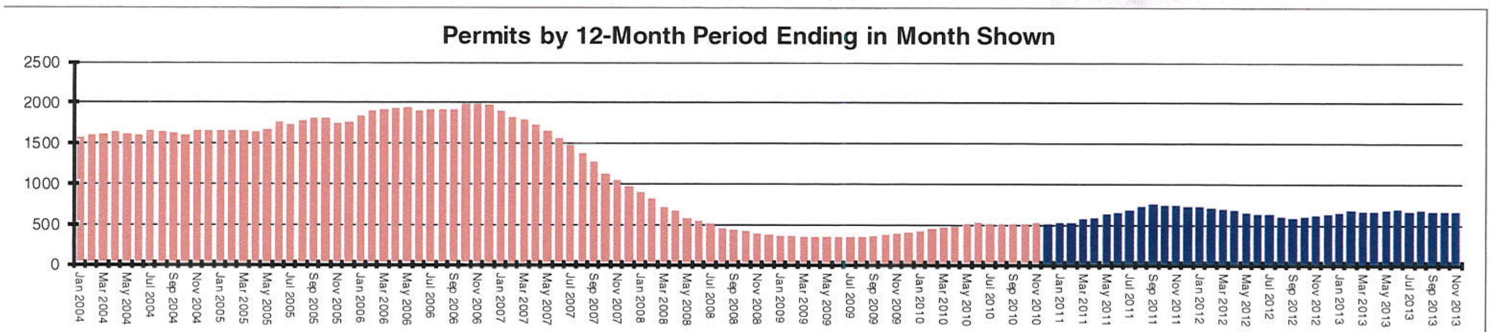
Permits by 12-Month Period Ending in Month Shown

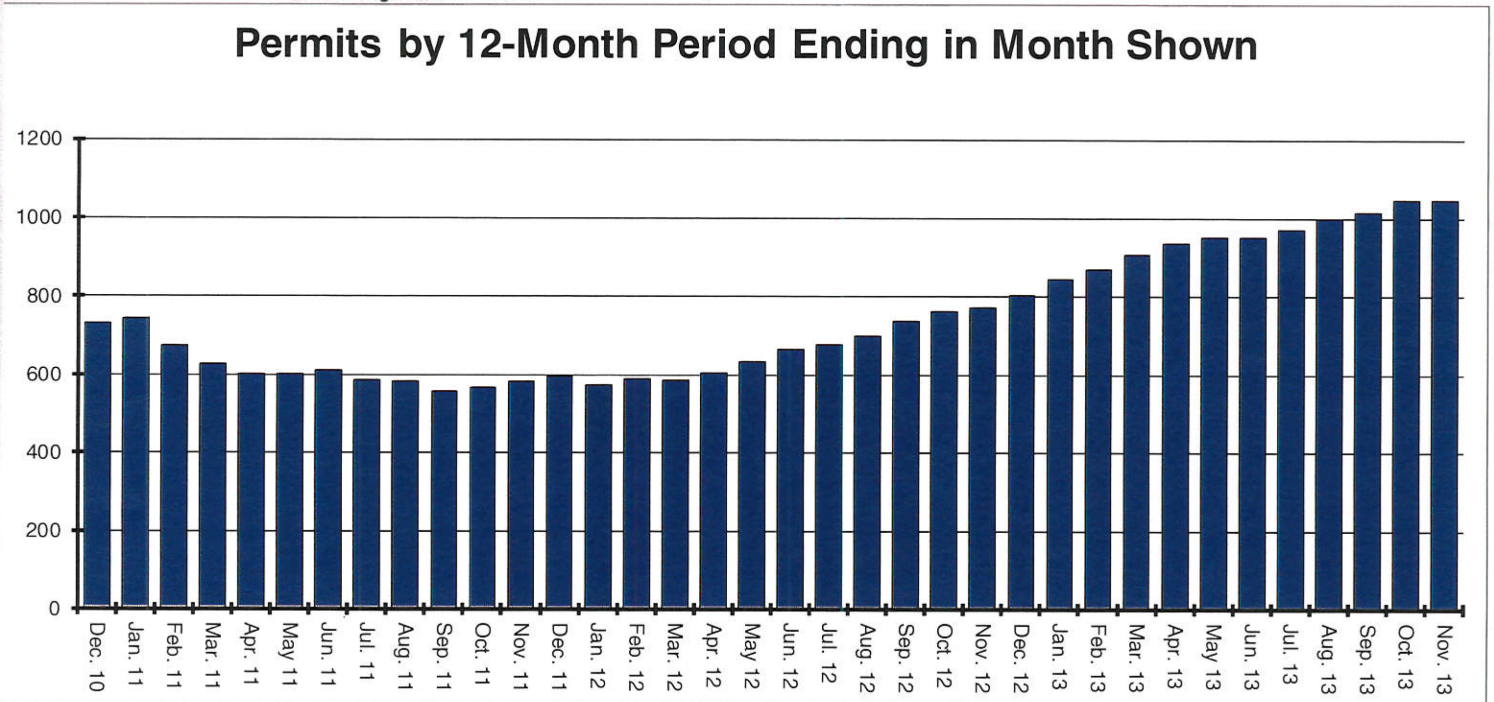
Coastal Alabama and Florida Panhandle (8-County Market)
Okaloosa County

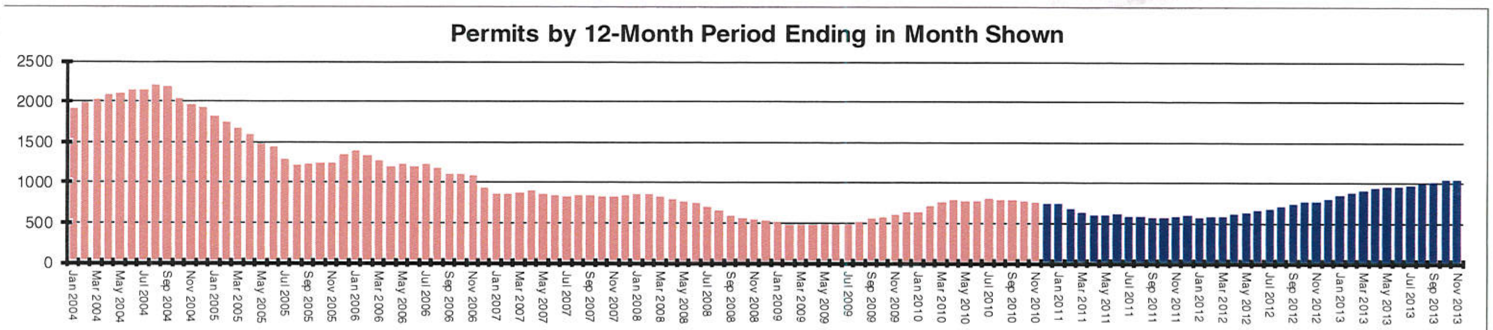




Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)
Santa Rosa County





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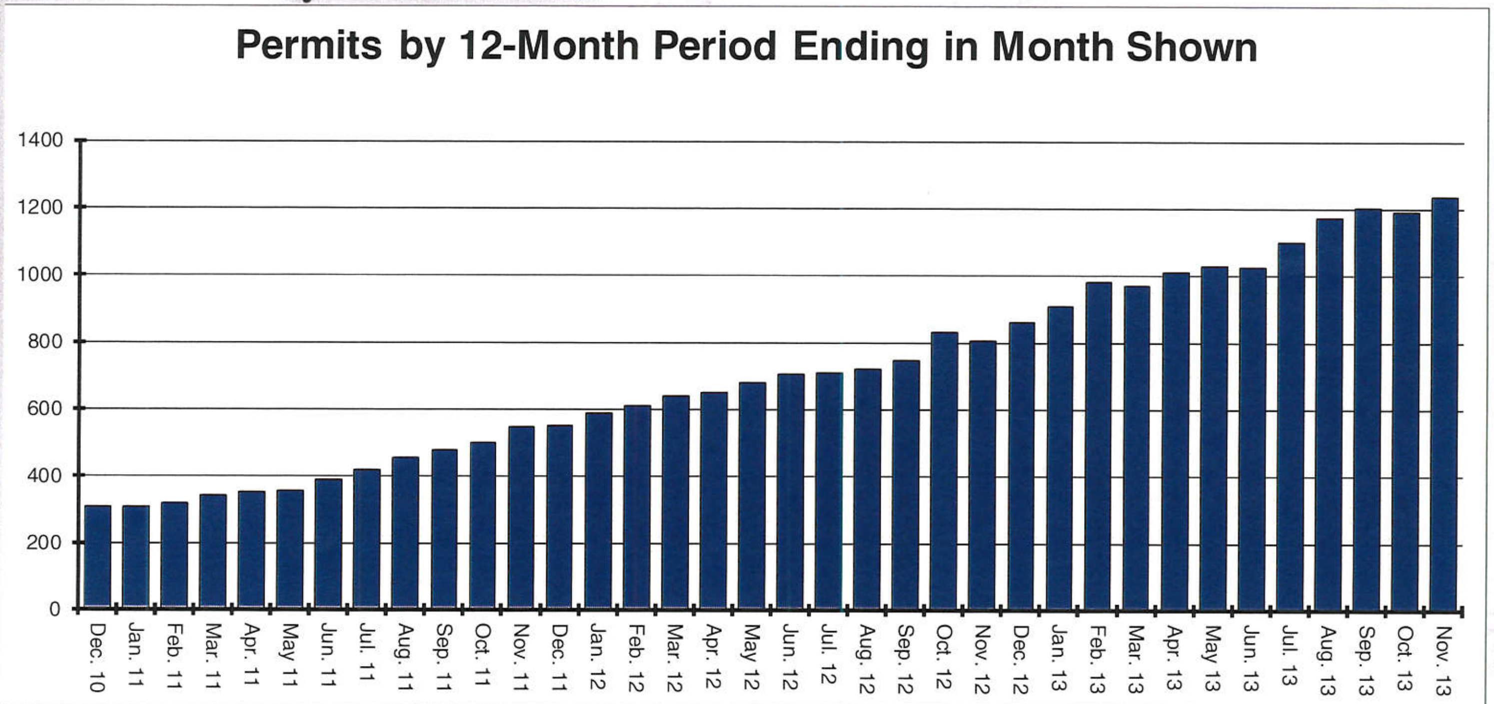
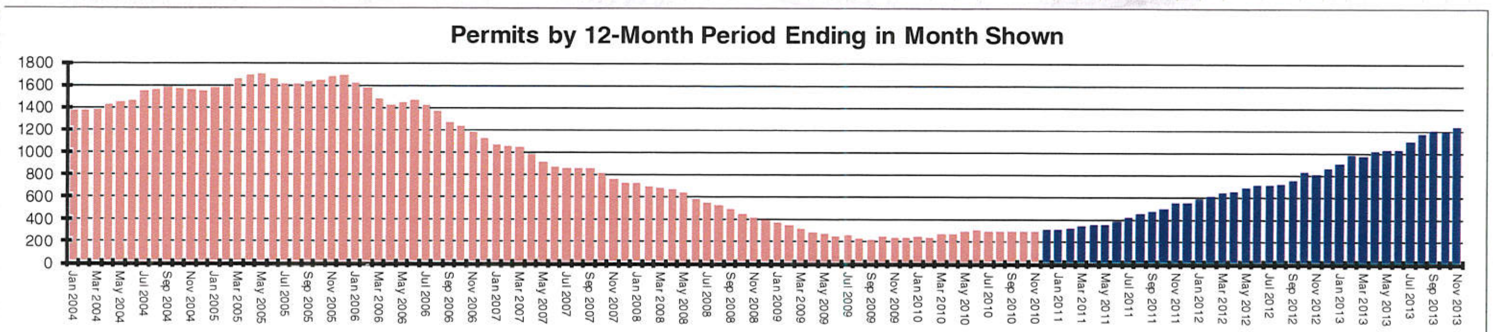
Permits by 12-Month Period Ending in Month Shown

Coastal Alabama and Florida Panhandle (8-County Market)
Walton County





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Perspectives of Demand

Housing & Lots

Increasing Demand
Neutral Demand
Decreasing Demand

Demand is simply the degree of need in the market for product, goods, or services.
In this example, it is housing and lots.
The 3 above perspectives of demand i.e. increasing demand, neutral demand & decreasing demand are in ranges as affected by:

1. **Present Need**
2. **Current Supply**
3. **Price**
4. **Urgency**
5. **Future Need**
6. **Projected future supply**
7. **Economic Outlook**

Range	Degree of Rating	Market Attitude	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Increasing Demand	10.	Prices are Nuts																				
	9.	Frantic to Buy																				
	8.	Worried of Product Available																				
	7.	Shortages																				
	6.	Supply falling																				
	5.	Inventory Low																				
Increasing Demand	4.	Labor Tight																				
	3.	Prices Up																				
	2.	Sales																				
	1.	Increased Sales																				
Neutral Demand		Hopeful Signs																				
		Not Moving																				
		Soft																				
Decreasing Demand	1.	Softer																				
	2.	Concerned																				
	3.	Negative																				
Decreasing Demand	4.	Cancelations																				
	5.	Worried																				
	6.	Lay-offs																				
Decreasing Demand	7.	Difficult																				
	8.	In Red																				
	9.	Fear																				
	10.	Stopped																				

This Chart done for Housing only ☐
Lots and Land Only ☐
Housing and Lots Together ☐
Prepared on ________________, 20___ By:______________________ Metro Area: National

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Coastal, Alabama& Florida Panhandle (8-County Market)

Employment and Permit Comparison

Coastal Alabama and Florida Panhandle (8-County Market)

County	Average Annual Employment Change *	Permits Issued in the Last 12 Months	Employment and Permit Comparison	Permits Reported 4 Months Ago
Baldwin		1,258		1,311
Mobile		595		632
Bay		347		361
Escambia		1,041		895
Gulf		70		54
Okaloosa		652		664
Santa Rosa		1,048		971
Walton		1,238		1,101
Total	12,623 Jobs	6,249	2.020 to 1	5,989

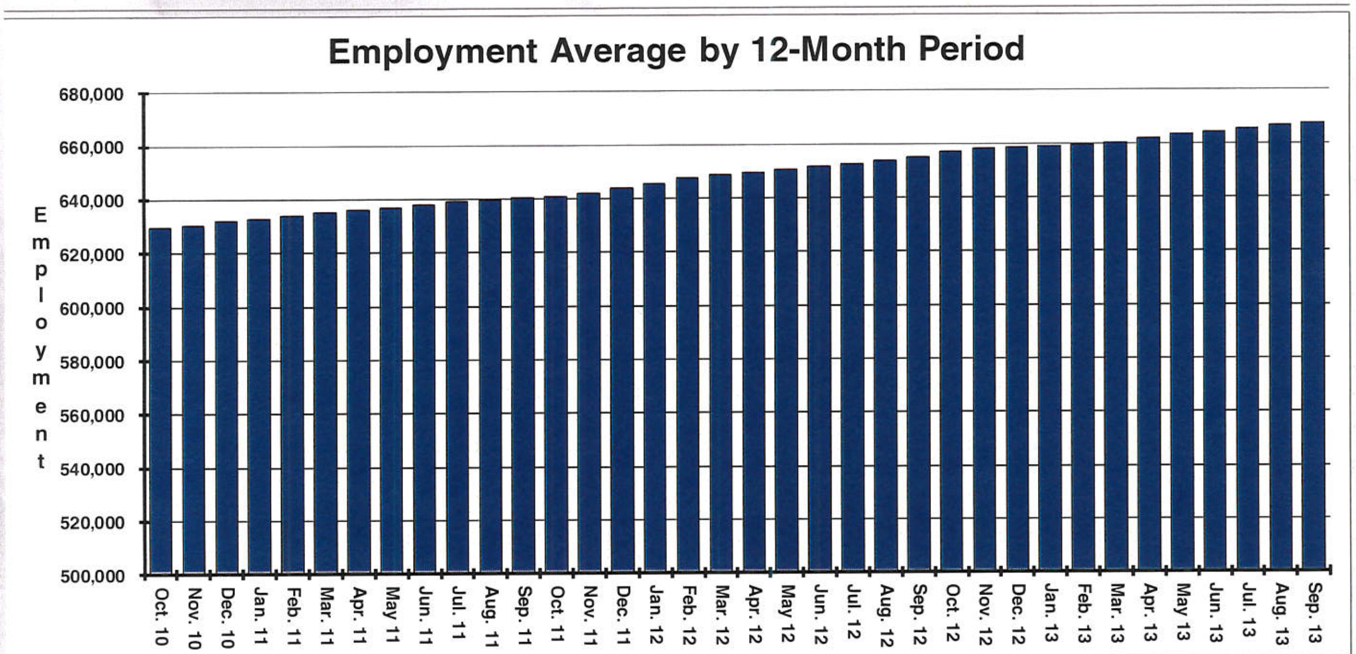
We have found employment data reported by states tend to be generally understated and partially incomplete as it goes through multiple revisions.

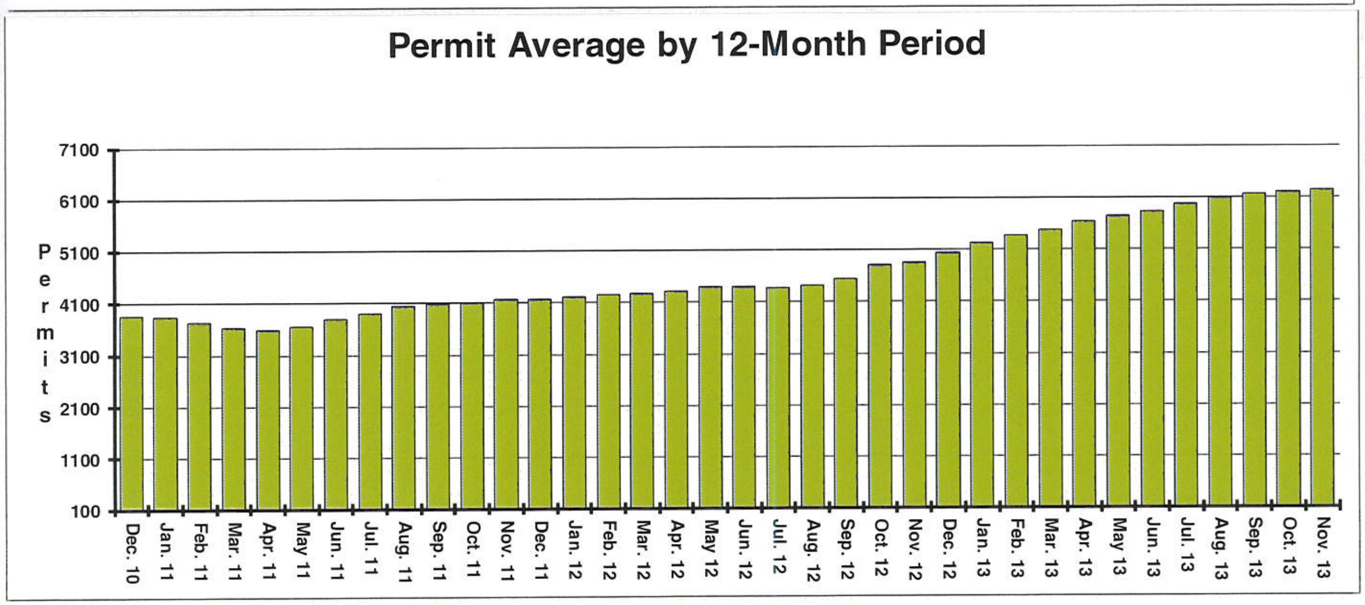
Source: States of Alabama and Florida and local permit reporting departments

Previous Comparisons:

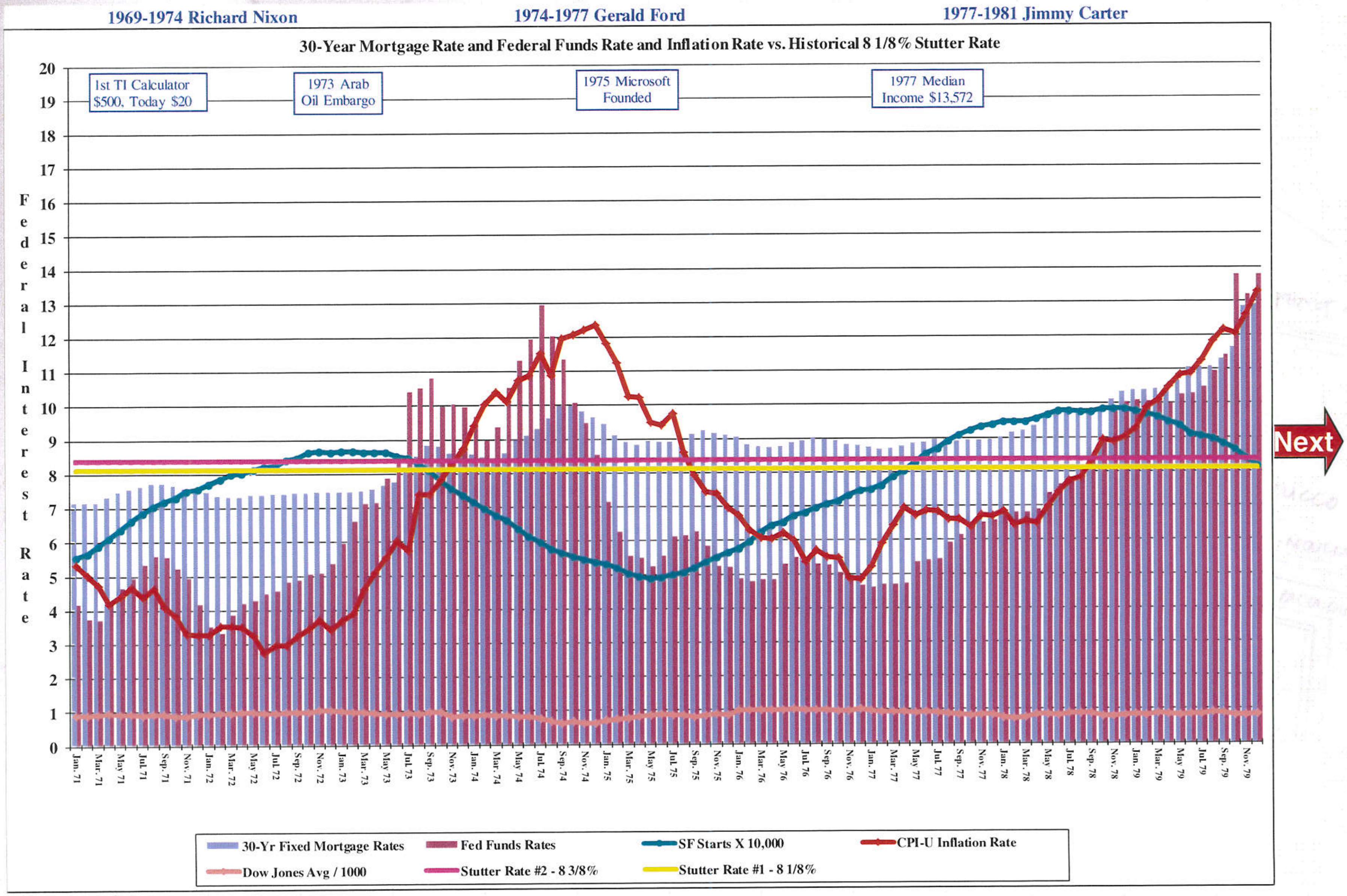
January 2014	2.020 to 1	September 2007	2.283 to 1
September 2013	2.108 to 1	May 2007	2.118 to 1
May 2013	3.000 to 1	January 2007	1.924 to 1
January 2013	3.097 to 1		
September 2012	3.170 to 1		
May 2012	2.493 to 1		
January 2012	2.549 to 1		
September 2011	2.081 to 1		
May 2011	0.861 to 1		
January 2011	-4.369 to 1		
September 2010	-7.447 to 1		
May 2010	-8.708 to 1		
January 2010	-8.702 to 1		
September 2009	-5.985 to 1		
May 2009	-1.607 to 1		
January 2009	-0.501 to 1		
September 2008	0.831 to 1		
May 2008	1.483 to 1		

Coastal Alabama and Florida Panhandle (8-County Market)

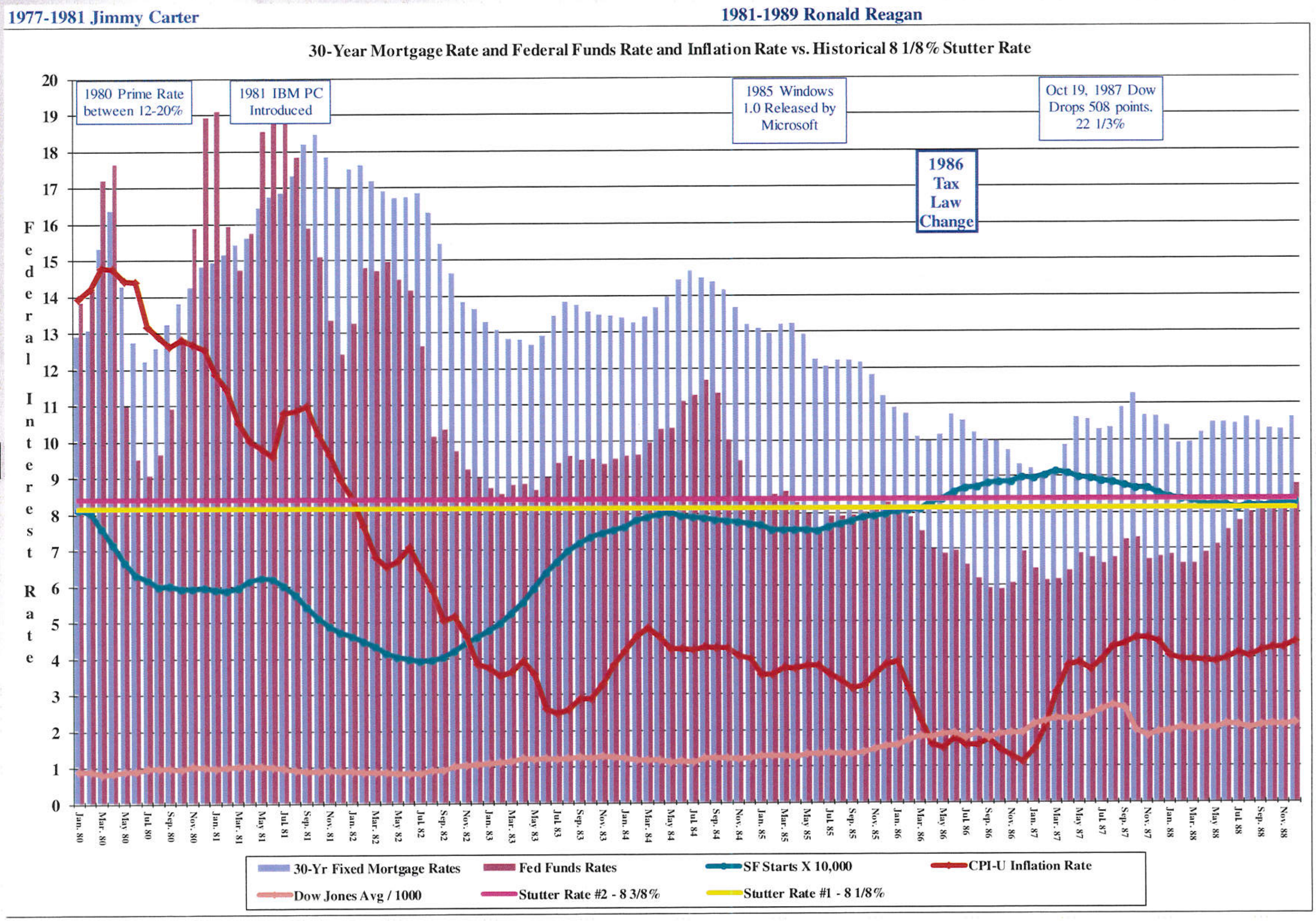




30-Year Mortgage Rate and Federal Funds Rate vs. Stutter Rates



30-Year Mortgage Rate and Federal Funds Rate vs. Stutter Rates



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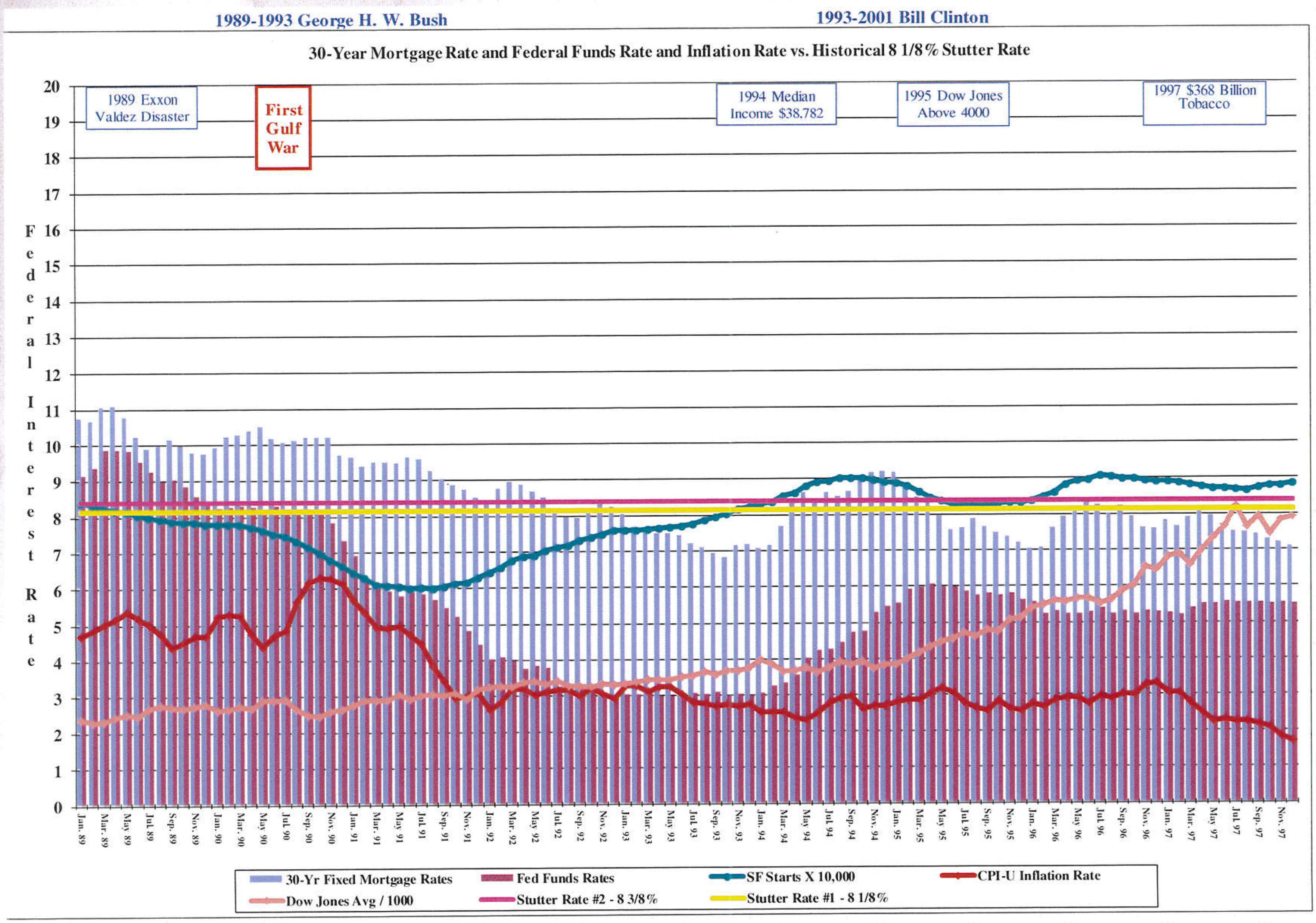
Coastal, Alabama& Florida Panhandle (8-County Market)

30-Year Mortgage Rate and Federal Funds Rate vs. Stutter Rates



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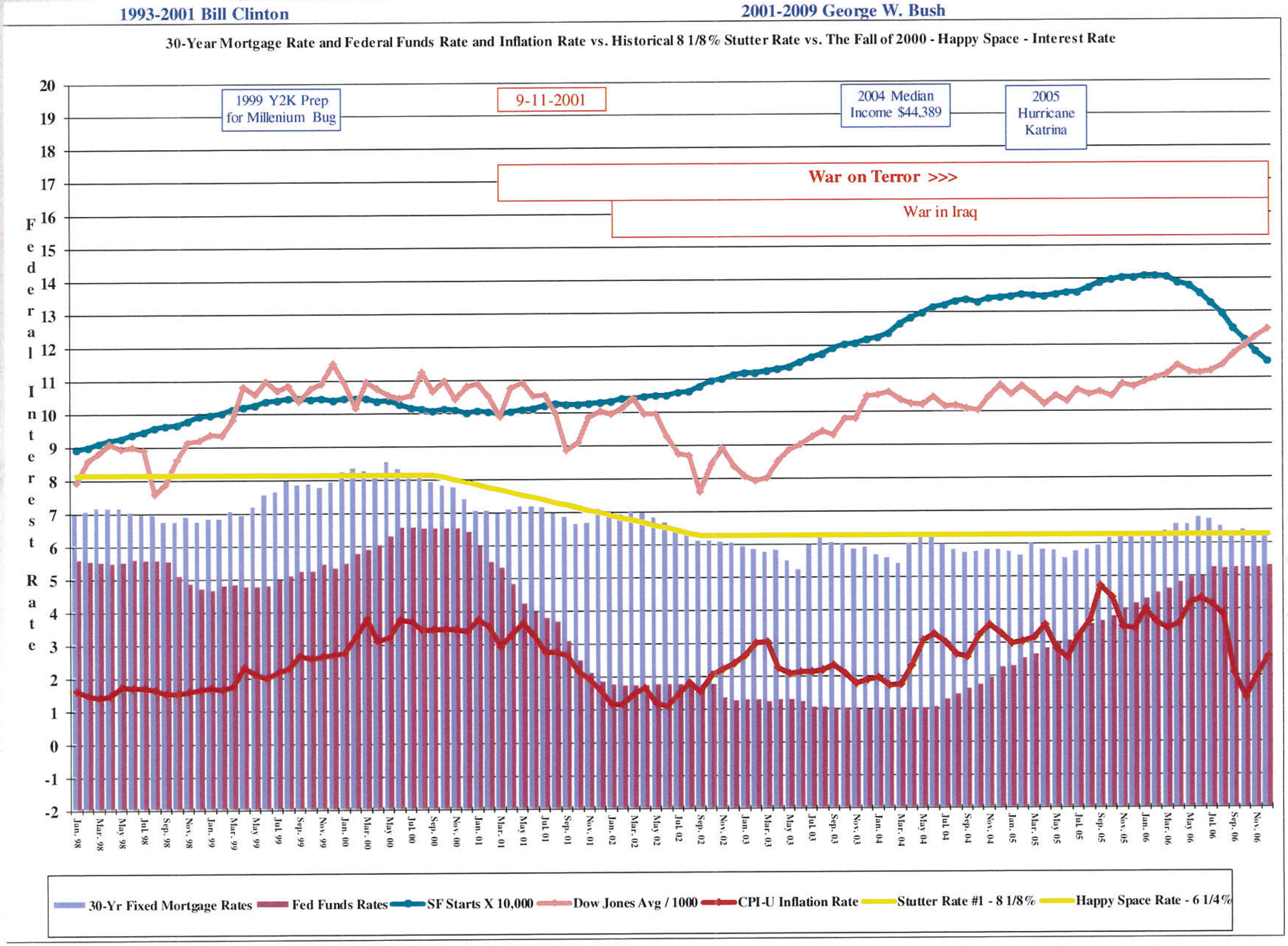
Coastal, Alabama& Florida Panhandle (8-County Market)

30-Year Mortgage Rate and Federal Funds Rate vs. Stutter Rates

Prev



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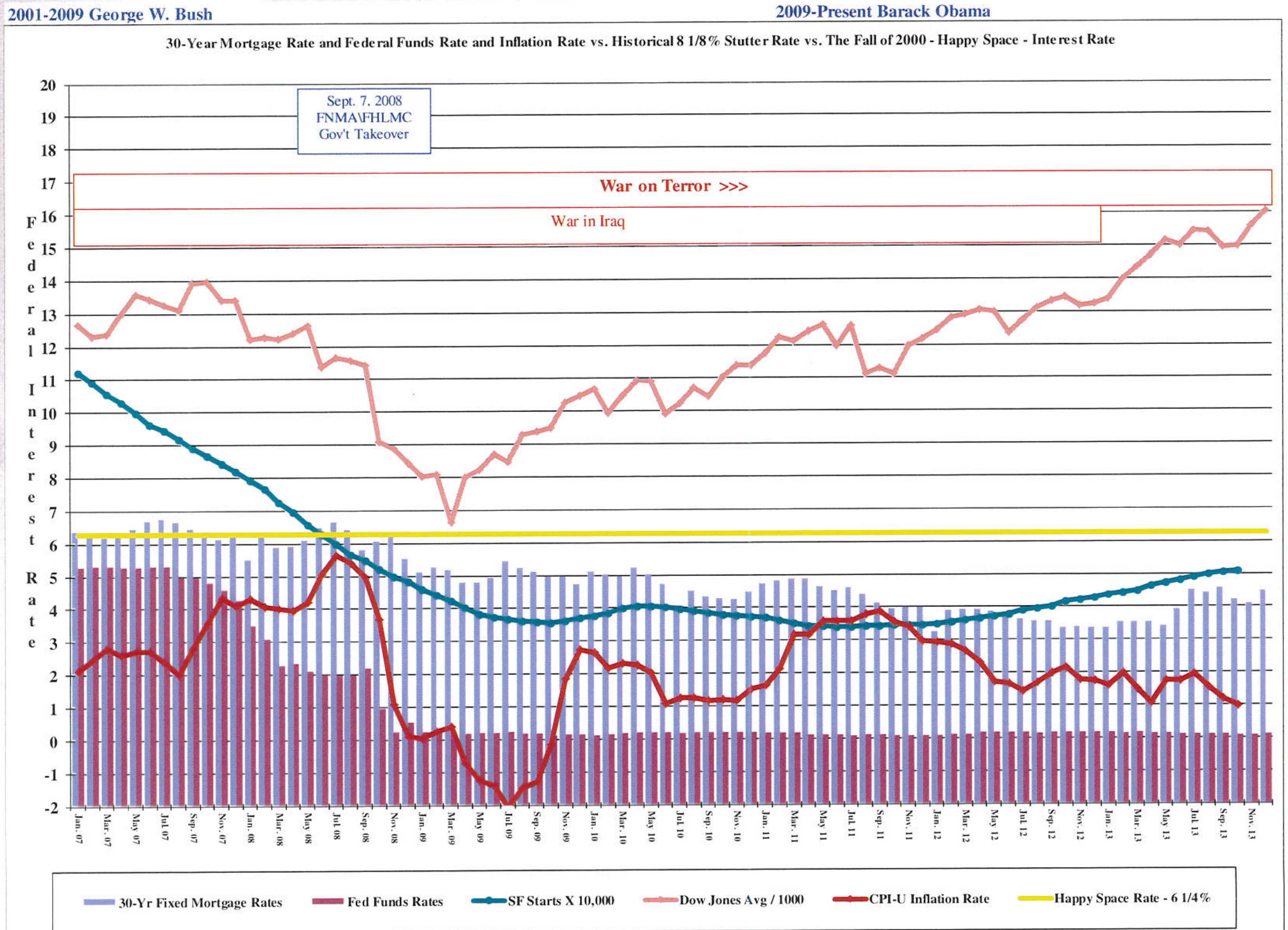
Coastal, Alabama& Florida Panhandle (8-County Market)

30-Year Mortgage Rate and Federal Funds Rate vs. Stutter Rates vs. The Fall of 2000 – Happy Space – Interest Rate



For 30 years the market started to shut down at the stutter rate of 8 1/8%. About September 2000 homebuyers tended to buy more space, partially with **lower** interest rates. Now to be happy with enough house space, the rate struggles at 6 1/4%. It takes about 2 to 3 months when interest rates go up to affect housing downward. It takes about 4 to 6 months when rates go down to affect starts upward.

Net Home Inventory and Projected 12-Month Demand
2007

"Net" New Homes Inventory / Forecast 12-Month Demand Comparison

Inventory is projected to reflect inventory of homes not sold, but more caution when done by price points

Coastal Alabama and Florida Panhandle (8-County Market) - 2007

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Totals	
	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*
1	0.0	*0*	0.0	*0*	0.0	*0*	0.0	*0*	40.0	*60*	191.3	*286*	324.5	*1093*	90.2	*413*	646	*1851*
2	0.0	*0*	216.8	*383*	94.1	*248*	71.6	*205*	29.7	*177*	82.6	*310*	64.8	*159*	13.6	*35*	573	*1517*
3	5.0	*30*	77.0	*240*	46.6	*125*	15.5	*46*	2.0	*8*	5.8	*14*	0.2	*1*	0.1	*0*	152	*464*
4	20.3	*107*	13.5	*43*	8.2	*30*	2.6	*7*	0.1	*0*	0.0	*0*	0.0	*0*	0.0	*0*	45	*188*
5	27.0	*97*	36.4	*156*	36.9	*158*	15.9	*88*	20.1	*94*	13.7	*82*	3.5	*21*	0.2	*1*	154	*697*
6	2.7	*8*	3.3	*20*	0.9	*5*	1.2	*7*	1.6	*10*	1.3	*8*	0.0	*0*	0.0	*0*	11	*57*
7	2.1	*28*	1.1	*19*	0.6	*4*	0.7	*2*	0.5	*1*	0.0	*0*	0.0	*0*	0.0	*0*	5	*54*
8	1.2	*13*	6.2	*69*	1.5	*11*	3.4	*38*	2.3	*26*	1.1	*12*	0.0	*0*	0.0	*0*	16	*170*
9	22.4	*250*	7.8	*87*	2.9	*33*	1.2	*13*	0.8	*9*	1.2	*9*	0.0	*0*	0.0	*0*	36	*402*
10	0.0	*0*	0.0	*0*	0.0	*0*	0.3	*3*	1.1	*12*	0.0	*0*	0.0	*0*	0.0	*0*	1	*16*
11	46.0	*399*	31.5	*318*	15.0	*168*	13.5	*150*	8.6	*96*	2.8	*31*	0.5	*4*	1.1	*10*	119	*1176*
12	18.0	*121*	1.1	*13*	4.0	*44*	0.8	*7*	1.0	*8*	0.5	*6*	0.1	*1*	0.0	*0*	26	*199*
13	0.0	*0*	0.0	*0*	9.6	*27*	0.0	*0*	0.0	*0*	2.8	*31*	58.0	*353*	0.0	*0*	70	*411*
Totals	145	*1053*	395	*1348*	220	*852*	127	*566*	108	*501*	303	*789*	452	*1631*	105	*459*	1854	*7200*

Inventory less than 10% of annual closings - good market
Inventory between 10% - 15% of annual closings - reasonable but in transition
Inventory between 15% - 20% of annual closings - moving into cautious range
Inventory between 20% - 25% of annual closings - expanded risk
Inventory between 25% - 30% of annual closings - serious risk
Inventory over 30% of annual closings - level of risk that needs serious action

Net Home Inventory and Projected 12-Month Demand
2008

"Net" New Homes Inventory / Forecast 12-Month Demand Comparison

Inventory is projected to reflect inventory of homes not sold, but more caution when done by price points

Coastal Alabama and Florida Panhandle (8-County Market) - 2008

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Totals	
	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*	Inv	*Dem*
1	0.0	*0*	0.0	*0*	0.0	*0*	0.0	*0*	0.0	*0*	76.7	*59*	217.8	*371*	77.3	*174*	372	*605*
2	0.0	*0*	89.2	*95*	122.4	*125*	114.3	*112*	71.2	*71*	163.7	*141*	94.5	*80*	21.9	*27*	677	*650*
3	15.1	*33*	87.4	*201*	52.7	*64*	12.3	*11*	3.1	*3*	4.6	*4*	0.0	*1*	0.0	*1*	175	*316*
4	22.5	*65*	13.1	*26*	14.0	*19*	3.9	*4*	0.0	*1*	0.0	*0*	0.0	*0*	0.0	*0*	54	*114*
5	27.8	*63*	50.6	*98*	80.1	*109*	51.5	*53*	49.7	*51*	52.1	*57*	10.5	*17*	0.1	*1*	322	*451*
6	12.8	*16*	2.4	*12*	4.4	*6*	3.2	*3*	7.0	*6*	7.8	*10*	0.0	*1*	0.0	*0*	38	*54*
7	10.5	*68*	2.9	*34*	0.2	*7*	0.2	*3*	0.1	*1*	0.0	*0*	0.0	*0*	0.0	*0*	14	*113*
8	0.0	*0*	3.2	*62*	2.4	*10*	3.0	*22*	2.8	*32*	1.4	*10*	0.0	*1*	0.0	*0*	13	*138*
9	23.2	*288*	14.3	*97*	13.2	*76*	2.9	*22*	0.2	*7*	0.2	*6*	0.0	*1*	0.0	*0*	54	*498*
10	0.1	*0*	0.1	*0*	0.0	*0*	0.4	*1*	2.9	*9*	0.0	*1*	0.0	*0*	0.0	*0*	4	*12*
11	58.6	*404*	53.1	*357*	23.5	*157*	25.0	*106*	26.9	*95*	4.0	*34*	0.3	*3*	0.2	*9*	192	*1165*
12	15.3	*126*	6.6	*18*	3.2	*26*	1.8	*13*	1.3	*10*	0.5	*6*	0.1	*1*	0.0	*6*	29	*207*
13	0.0	*0*	0.0	*0*	0.0	*15*	0.0	*1*	0.0	*0*	0.0	*41*	115.2	*211*	0.0	*3*	115	*272*
Totals	186	*1062*	323	*999*	316	*614*	219	*351*	165	*287*	311	*371*	438	*689*	100	*221*	2058	*4594*

Inventory less than 10% of annual closings - good market	Inventory between 15% - 20% of annual closings - moving into cautious range	Inventory between 25% - 30% of annual closings - serious risk
Inventory between 10% - 15% of annual closings - reasonable but in transition	Inventory between 20% - 25% of annual closings - expanded risk	Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics
RESEARCH GROUP

Net Home Inventory and Projected 12-Month Demand
2009

"Net" New Homes Inventory / Forecast 12-Month Demand Comparison

Inventory is projected to reflect inventory of homes not sold, but more caution when done by price points

Coastal Alabama and Florida Panhandle (8-County Market) - 2009

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Totals	
	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem
1	0.0	0	0.0	0	3.6	3	4.5	3	2.0	1	49.1	25	213.2	157	243.4	154	516	344
2	152.8	79	188.2	85	27.0	16	30.1	14	14.8	14	59.9	27	73.8	34	14.1	7	561	275
3	15.1	14	56.8	42	53.4	24	12.0	6	4.9	3	3.8	2	0.0	1	0.0	0	146	91
4	31.8	32	7.5	9	17.2	8	3.8	3	0.9	1	0.1	1	0.0	1	0.0	0	61	54
5	13.8	30	39.1	32	64.2	50	32.8	34	22.9	19	35.1	20	47.0	21	11.3	5	266	211
6	10.0	9	5.9	4	2.6	4	3.5	2	5.2	3	2.0	4	0.1	1	0.1	0	29	27
7	11.6	23	6.6	10	0.2	2	0.1	2	0.1	2	0.0	0	0.0	0	0.0	0	19	40
8	0.2	0	4.8	10	1.8	8	6.0	13	2.6	15	0.5	8	0.0	2	0.0	0	16	57
9	25.7	98	18.9	61	26.6	67	2.8	8	0.4	2	0.6	2	0.0	2	0.0	0	75	241
10	0.8	2	0.0	2	0.0	2	1.4	4	2.4	4	0.0	0	0.0	0	0.0	0	5	15
11	53.5	193	47.6	243	26.4	122	20.1	78	24.4	78	6.2	31	0.8	4	0.6	4	180	752
12	14.6	115	2.5	13	2.5	21	1.5	10	3.0	8	1.5	8	1.0	4	0.1	2	27	182
13	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	33.6	52	33.6	69	0.0	8	67	130
14	0.5	1	2.2	3	22.5	6	283.4	66	355.8	73	255.4	52	169.0	34	6.0	1	1095	237
15	24.8	6	22.0	6	19.4	4	12.0	4	7.4	3	10.3	4	3.7	1	1.1	1	101	30
16	0.3	1	3.0	1	1.8	1	0.4	1	0.6	1	2.2	1	2.1	1	0.2	0	10	4
17	0.2	10	2.0	5	3.5	11	1.5	4	9.3	11	34.5	37	98.2	92	30.4	28	180	199
18	1.8	3	19.9	34	12.5	23	1.9	4	1.5	3	1.5	3	0.9	3	0.0	1	40	73
19	4.5	14	10.4	15	5.0	8	0.2	1	0.3	1	0.1	1	0.3	1	0.0	0	21	42
20	17.9	56	47.1	78	7.7	15	1.5	6	2.3	5	4.2	5	0.4	1	0.0	1	81	169
21	0.0	0	0.1	0	0.2	0	0.3	1	45.6	35	0.1	1	5.2	6	7.8	8	59	51
22	1.1	4	0.4	1	0.4	1	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	2	7
23	134.2	108	38.5	40	30.8	41	8.0	7	0.3	1	1.7	2	0.9	1	0.0	1	214	201
24	0.0	0	0.0	1	0.0	1	0.9	2	4.1	8	2.7	6	0.3	2	0.0	1	8	21
25	2.0	7	18.0	28	4.5	6	6.5	10	0.0	1	6.5	7	14.6	13	1.1	3	53	74
26	0.0	0	0.0	0	2.7	9	3.1	10	1.2	4	0.2	1	6.4	6	23.6	20	37	50
27	2.4	23	10.4	42	18.3	36	3.3	23	2.7	11	35.0	83	11.3	49	3.5	18	87	284
28	39.7	57	21.2	42	30.5	41	11.8	15	6.6	13	0.1	5	0.0	2	0.0	2	110	175
29	10.6	13	0.2	3	0.1	2	0.1	2	0.1	2	0.0	0	0.0	0	0.0	0	11	21
30	1.1	4	3.3	9	0.1	1	0.2	1	1.5	2	30.6	32	72.4	66	131.9	107	241	222
31	1.1	4	1.3	6	2.3	9	1.2	2	4.3	5	7.2	15	3.6	6	8.7	15	30	60
32	37.0	31	13.5	11	17.5	16	14.9	13	16.7	15	2.5	3	0.0	1	0.0	0	102	89
Totals	609	937	591	838	405	555	470	349	544	344	587	439	759	581	484	388	4448	4430

Inventory less than 10% of annual closings - good market
Inventory between 10% - 15% of annual closings - reasonable but in transition
Inventory between 15% - 20% of annual closings - moving into cautious range
Inventory between 20% - 25% of annual closings - expanded risk
Inventory between 25% - 30% of annual closings - serious risk
Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics RESEARCH GROUP

Net Home Inventory and Projected 12-Month Demand

2010

Net Home Inventory and Projected 12-Month Demand

Coastal Alabama and Florida Panhandle (8-County Market) - 2010

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Total	
	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem	Inv	Dem
1	0.0	0	0.0	0	2.3	5	13.4	22	19.4	25	29.1	30	114.7	203	269.8	213	449	498
2	58.6	46	72.5	58	75.4	60	76.4	61	85.4	72	54.8	43	64.6	51	7.3	7	495	398
3	10.5	19	25.4	44	43.3	42	8.3	7	2.4	4	1.0	3	0.0	1	0.0	0	91	120
4	11.3	32	2.9	8	9.7	9	1.5	3	0.4	1	0.0	1	0.0	1	0.0	0	26	55
5	21.4	37	19.4	62	43.7	81	21.9	34	13.5	25	15.1	27	38.8	30	11.0	9	185	305
6	8.8	10	2.0	9	3.2	9	3.3	7	2.3	4	1.0	2	0.1	1	0.1	0	21	42
7	5.0	13	0.3	4	0.2	1	0.1	1	0.1	1	0.0	1	0.0	0	0.0	0	6	21
8	0.6	2	1.1	6	0.8	1	12.3	9	1.4	5	0.3	1	0.0	1	0.0	0	17	25
9	12.8	46	24.8	39	27.0	41	9.4	9	1.1	3	0.0	1	0.0	1	0.0	0	75	140
10	0.5	1	0.6	1	0.0	1	2.2	2	0.2	2	0.0	0	0.0	0	0.0	0	3	7
11	40.6	101	29.8	64	15.2	34	13.7	23	16.9	21	3.4	7	0.6	2	0.4	1	121	253
12	12.0	75	1.5	5	1.5	6	0.3	3	3.4	3	2.8	3	0.8	1	0.0	1	22	97
13	0.0	0	0.0	0	0.0	0	0.0	0	33.6	27	36.8	29	0.0	3	0.0	0	70	59
14	6.0	9	15.1	19	71.2	75	284.4	257	334.6	265	95.7	76	41.2	32	2.3	3	850	736
15	20.6	18	26.0	30	18.8	19	20.5	20	3.9	4	5.4	7	2.1	3	0.5	1	98	102
16	1.0	3	0.4	4	0.2	3	0.6	1	0.5	1	0.8	1	0.5	1	0.3	1	4	15
17	0.1	1	4.4	10	8.7	11	8.9	11	6.4	11	39.9	32	19.9	17	14.0	11	102	104
18	4.3	4	17.0	16	15.2	18	0.8	3	1.5	3	1.5	3	0.8	2	0.0	1	41	50
19	3.5	11	3.9	9	2.0	8	0.3	1	0.4	1	0.0	1	0.0	1	0.0	0	10	32
20	26.6	53	32.4	70	4.0	7	1.8	3	1.6	3	0.9	4	0.1	1	0.0	1	67	142
21	0.0	0	16.6	15	19.4	15	0.0	1	0.0	1	8.0	6	9.1	7	3.9	4	57	49
22	2.4	5	0.0	1	0.3	1	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	3	8
23	54.6	70	19.3	47	20.5	49	3.9	13	0.1	1	0.2	1	0.1	1	0.0	0	99	182
24	0.0	0	0.0	0	1.0	3	1.4	3	1.0	4	1.8	6	0.3	1	0.0	1	6	18
25	2.0	9	14.1	16	1.0	8	0.4	9	0.0	1	8.3	6	10.4	8	1.0	2	37	59
26	0.0	0	0.9	3	1.3	4	0.0	1	0.0	1	0.0	1	4.1	6	1.5	13	8	29
27	3.2	14	5.1	41	6.2	47	6.7	7	17.2	15	80.6	64	0.2	8	0.3	2	119	198
28	24.3	37	18.0	33	20.0	27	4.8	8	2.4	4	0.2	1	0.1	1	0.0	0	70	111
29	5.6	11	0.6	1	0.4	1	0.4	1	0.0	1	0.0	0	0.0	0	0.0	0	7	15
30	0.4	1	0.6	2	1.1	8	0.7	1	7.9	10	16.4	20	41.6	53	69.1	63	138	158
31	0.8	1	1.5	3	1.3	4	0.8	2	3.9	3	2.3	5	0.8	3	2.0	8	13	29
32	23.6	27	11.4	9	13.8	15	7.9	11	6.2	8	0.8	1	0.0	1	0.0	0	64	72
Total	361	656	367	629	428	613	507	535	568	530	407	383	351	441	383	342	3373	4129

Inventory less than 10% of annual closings - good market

Inventory between 10% - 15% of annual closings - reasonable but in transition

Inventory between 15% - 20% of annual closings - moving into cautious range

Inventory between 20% - 25% of annual closings - expanded risk

Inventory between 25% - 30% of annual closings - serious risk

Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics RESEARCH GROUP

Net Home Inventory and Projected 12-Month Demand
2011

Historical Net Home Inventory (Supply) and Projected 12-Month Demand
Coastal Alabama and Florida Panhandle (8-County Market) - 2011

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Total	
	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*
1	0.0	0	0.0	0	2.2	1	3.0	1	0.5	11	53.0	12	110.3	15	172.2	36	341	76
2	33.9	25	19.3	61	8.7	20	0.2	5	5.9	3	2.8	20	13.0	11	2.3	3	86	148
3	1.7	24	18.6	34	30.8	33	6.2	11	0.7	3	0.3	1	0.0	1	0.0	0	58	107
4	6.1	25	1.8	10	4.8	7	0.2	2	0.1	1	0.0	0	0.0	0	0.0	0	13	45
5	13.8	16	20.8	47	24.5	61	19.2	36	27.2	54	42.0	27	15.4	4	0.1	0	163	245
6	8.2	14	1.5	8	2.0	8	2.1	12	1.2	3	0.6	1	0.1	0	0.1	0	16	46
7	2.2	2	0.2	3	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	3	5
8	0.9	2	3.7	9	6.7	13	10.4	7	0.5	3	0.3	2	0.0	0	0.0	0	22	36
9	13.5	69	11.1	73	13.4	58	5.2	20	0.3	5	0.1	0	0.0	0	0.0	0	44	225
10	0.6	0	0.0	0	0.0	0	0.1	1	0.1	1	0.0	0	0.0	0	0.0	0	1	2
11	27.0	106	18.3	73	17.7	68	7.5	42	4.1	29	1.9	13	0.8	2	0.2	1	78	334
12	8.9	30	1.6	6	1.2	3	0.9	5	1.5	8	1.9	3	0.2	2	0.0	0	16	57
13	0.0	0	4.3	1	14.9	8	22.7	9	11.4	7	5.6	5	0.0	0	0.0	0	59	30
14	13.5	22	55.3	20	122.5	50	201.6	62	99.2	59	27.2	7	12.2	11	0.5	2	532	233
15	6.1	8	10.5	6	5.6	10	2.9	14	1.1	5	4.2	0	1.7	0	0.1	0	32	43
16	0.2	5	0.2	2	0.5	1	0.4	1	0.4	1	1.6	0	0.5	0	0.2	0	4	10
17	0.5	0	9.3	30	5.1	15	2.0	2	0.9	13	1.0	15	0.1	4	0.0	3	19	82
18	2.2	3	10.4	25	8.4	55	2.7	10	1.8	8	1.1	6	0.3	3	0.0	0	27	110
19	6.5	9	5.2	9	1.5	4	0.6	1	0.5	1	0.1	0	0.0	0	0.0	0	14	24
20	23.1	64	20.6	58	10.1	73	0.9	23	0.9	1	0.6	4	0.2	1	0.0	0	56	224
21	0.0	0	0.1	1	16.0	20	15.6	2	1.1	1	11.1	3	12.9	3	5.0	1	62	31
22	1.6	1	0.1	0	0.3	1	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	2	2
23	62.8	163	43.6	223	27.4	184	2.1	37	0.7	4	0.1	0	0.0	0	0.0	0	137	611
24	0.0	0	0.1	0	1.7	34	1.9	37	2.0	38	1.8	37	0.3	3	0.0	0	8	149
25	4.0	11	4.0	20	1.4	29	0.1	11	0.0	2	8.2	15	3.6	13	0.5	1	22	102
26	0.0	0	1.4	1	2.4	1	0.0	1	0.0	1	0.0	3	0.9	1	0.0	1	5	9
27	3.0	19	7.7	65	7.7	53	7.6	7	22.5	10	39.6	22	0.3	0	0.3	0	89	176
28	19.8	65	18.2	68	9.4	27	2.2	10	1.0	5	0.2	2	0.1	1	0.0	0	51	178
29	8.6	14	7.8	14	2.1	7	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	19	36
30	0.0	0	0.0	1	0.3	0	1.3	2	8.9	17	22.1	61	26.1	57	26.2	13	85	151
31	0.6	12	4.4	18	0.8	13	0.5	3	0.9	3	1.4	6	0.8	4	1.1	5	11	64
32	4.3	40	7.3	43	11.3	54	3.3	48	1.4	6	0.1	1	0.0	0	0.0	0	28	192
Total	274	749	307	929	361	911	324	423	197	303	229	266	200	136	209	66	2100	3783

Inventory less than 10% of annual closings - good market

Inventory between 10% - 15% of annual closings - reasonable but in transition

Inventory between 15% - 20% of annual closings - moving into cautious range

Inventory between 20% - 25% of annual closings - expanded risk

Inventory between 25% - 30% of annual closings - serious risk

Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics
RESEARCH GROUP

Net Home Inventory and Projected 12-Month Demand

2012

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Total	
	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*
1	0.0	0	0.0	0	0.2	0	0.3	0	0.0	2	68.0	109	94.5	141	116.8	137	280	389
2	0.3	40	1.7	15	2.2	8	3.8	10	5.2	24	0.5	3	9.5	13	0.9	5	24	118
3	2.0	10	15.3	43	17.1	35	2.7	7	0.8	2	0.2	1	0.0	1	0.0	0	38	99
4	0.9	12	1.1	6	1.2	4	0.0	1	0.1	0	0.1	1	0.0	0	0.0	0	3	24
5	19.7	74	19.9	95	26.0	79	14.5	46	12.5	45	20.3	43	12.2	16	0.1	2	125	400
6	6.0	9	1.0	7	0.7	8	0.7	8	0.4	4	0.4	2	0.1	1	0.1	0	9	39
7	1.5	3	0.0	1	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	1	5
8	1.4	5	7.9	13	14.6	18	9.4	11	0.4	4	0.1	1	0.0	1	0.0	0	34	53
9	23.2	54	18.9	38	10.8	25	3.3	8	0.2	1	0.1	1	0.0	1	0.0	0	56	128
10	0.0	0	0.0	0	0.0	0	0.2	0	0.4	1	0.0	1	0.0	0	0.0	0	1	2
11	31.5	82	27.0	54	21.2	59	5.8	16	3.7	8	1.3	5	1.0	2	0.0	1	91	227
12	8.7	10	0.8	2	1.1	6	0.4	6	0.3	4	1.9	5	0.1	1	0.0	0	13	34
13	0.0	0	26.0	30	26.0	30	0.0	4	0.0	0	4.2	7	0.0	0	0.0	0	56	71
14	5.3	17	43.6	59	85.1	96	160.8	95	74.0	38	24.6	20	10.7	12	0.5	2	405	339
15	4.3	9	6.0	21	3.1	14	1.5	9	0.6	3	0.8	4	0.4	2	0.0	1	17	63
16	0.4	1	0.1	3	0.5	4	1.2	6	0.9	4	0.4	2	0.3	3	0.1	2	4	25
17	0.3	1	2.0	23	1.2	12	0.2	6	0.5	3	0.5	3	0.3	2	0.0	1	5	51
18	1.4	7	6.5	20	9.6	30	3.6	9	1.9	6	1.4	4	0.4	2	0.0	1	25	79
19	10.5	21	0.9	11	0.5	8	0.4	3	0.7	4	0.1	1	0.0	1	0.0	0	13	49
20	16.0	91	11.2	60	7.1	38	2.5	10	1.1	5	0.2	9	0.0	2	0.0	1	38	216
21	0.0	0	0.1	0	10.0	11	9.6	11	0.6	3	5.9	13	5.0	15	1.1	7	32	60
22	1.2	2	0.1	1	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	1	3
23	26.6	83	34.5	164	16.7	94	2.4	7	0.9	5	0.2	1	0.0	1	0.0	0	81	355
24	1.3	4	1.1	8	3.1	25	2.1	16	4.2	17	2.3	8	0.4	1	0.0	1	15	80
25	3.0	12	0.2	8	1.0	8	0.1	2	0.5	2	5.3	8	2.8	5	0.4	2	13	47
26	0.0	0	0.5	2	0.3	2	0.0	1	0.5	2	0.5	3	0.5	2	0.0	0	2	12
27	4.4	24	3.2	76	3.8	31	6.2	9	23.3	31	37.4	16	0.4	2	0.2	1	79	190
28	14.9	70	15.9	68	6.3	23	1.3	7	0.8	5	0.0	2	0.0	1	0.0	1	39	177
29	5.2	12	7.0	13	3.6	10	0.7	4	0.0	1	0.0	0	0.0	0	0.0	0	17	40
30	0.0	0	0.4	1	2.7	6	3.6	11	11.0	37	25.6	59	17.8	54	16.1	52	77	220
31	1.1	16	9.0	82	5.7	24	3.9	12	3.3	9	2.7	9	1.2	4	1.6	4	29	160
32	4.0	19	3.8	12	9.0	34	6.1	21	0.9	4	0.1	1	0.0	1	0.0	0	24	92
Total	195	688	266	936	290	743	247	356	150	274	205	342	157	287	138	221	1649	3847

Inventory is projected to reflect inventory of homes not sold, but more caution when done by price points

Inventory less than 10% of annual closings - good market
Inventory between 10% - 15% of annual closings - reasonable but in transition
Inventory between 15% - 20% of annual closings - moving into cautious range
Inventory between 20% - 25% of annual closings - expanded risk
Inventory between 25% - 30% of annual closings - serious risk
Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics RESEARCH GROUP

Net Home Inventory and Projected 12-Month Demand

12 Months Ago

MG Area	Under $175,000		$175,000 to $225,000		$225,000 to $275,000		$275,000 to $325,000		$325,000 to $425,000		$425,000 to $625,000		$625,000 to $925,000		Over $925,000		Total	
	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*	Supply	*Demand*
1	0.0	0	0.0	0	0.2	0	0.2	0	0.0	2	52.4	30	89.7	50	114.8	96	257	178
2	0.0	44	2.1	15	2.2	13	4.0	23	5.4	31	0.7	3	10.6	15	1.3	7	26	151
3	1.0	8	11.2	57	20.3	55	1.7	7	0.5	2	0.2	1	0.0	1	0.0	0	35	131
4	2.8	14	1.5	9	0.8	5	0.0	1	0.0	1	0.0	1	0.0	0	0.0	0	5	31
5	18.1	89	18.5	112	24.5	104	17.6	68	15.7	55	25.4	64	12.5	18	0.1	2	132	512
6	6.0	9	1.2	7	1.6	9	1.2	9	0.3	5	0.2	2	0.1	1	0.1	0	11	42
7	0.9	3	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	1	4
8	1.7	7	6.0	16	8.3	24	9.8	14	1.2	5	0.1	1	0.0	1	0.0	0	27	68
9	17.6	68	23.5	56	17.8	42	5.8	10	0.2	1	0.1	1	0.0	1	0.0	0	65	179
10	0.0	0	0.0	0	0.0	0	0.2	0	0.6	1	0.0	1	0.0	0	0.0	0	1	2
11	21.2	93	20.9	67	17.5	76	3.8	21	3.4	14	1.6	3	0.3	1	0.0	1	69	276
12	6.0	11	0.3	3	0.9	5	0.4	5	0.5	2	2.1	5	0.1	1	0.0	0	10	32
13	0.0	0	23.2	33	23.2	33	0.0	3	0.0	0	5.6	8	0.0	0	0.0	0	52	77
14	6.4	13	22.5	56	31.9	87	11.8	43	11.8	23	19.8	28	8.6	13	0.5	2	113	265
15	7.8	22	9.2	33	5.1	16	0.6	11	0.3	7	0.8	5	0.4	2	0.0	1	24	97
16	0.5	1	0.2	5	1.1	6	2.7	16	1.7	9	0.2	3	0.1	3	0.1	2	6	45
17	0.2	0	2.9	21	0.9	22	0.4	6	0.7	3	0.6	5	0.0	3	0.0	1	6	61
18	18.1	26	14.4	27	12.9	43	2.9	9	1.6	6	1.2	5	0.4	1	0.0	1	51	118
19	13.5	31	2.0	11	0.8	7	0.4	5	1.0	5	0.1	1	0.0	1	0.0	0	18	61
20	13.8	103	16.7	62	10.8	46	2.7	18	1.8	6	0.8	7	0.1	1	0.0	1	47	244
21	0.0	0	0.0	1	4.4	13	5.8	14	1.0	3	6.0	15	6.9	19	1.9	9	26	74
22	1.6	2	0.1	1	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	2	3
23	24.2	70	29.2	165	17.7	96	1.9	8	0.9	7	0.2	1	0.0	1	0.0	0	74	348
24	0.7	9	2.0	36	3.9	59	1.6	40	3.5	23	1.9	10	0.3	2	0.0	1	14	180
25	3.0	15	0.1	5	0.6	22	0.0	2	0.5	2	5.2	10	3.4	7	0.5	2	13	65
26	0.0	0	0.5	2	0.3	2	0.0	1	0.4	7	0.7	7	0.3	3	0.0	0	2	22
27	4.5	32	4.0	75	4.7	41	5.8	11	23.2	38	39.8	57	0.5	2	0.2	1	83	257
28	17.1	97	13.7	93	6.9	39	1.0	15	0.8	8	0.0	2	0.0	1	0.0	0	39	255
29	9.0	30	6.2	19	4.4	19	1.4	8	0.0	1	0.0	0	0.0	0	0.0	0	21	77
30	0.0	0	0.4	1	2.8	9	3.0	18	16.8	41	17.9	82	14.1	76	13.5	64	69	291
31	0.6	17	7.7	109	5.7	40	3.2	24	1.1	18	1.6	15	1.5	6	1.8	5	23	234
32	3.8	22	2.8	11	7.1	38	5.9	26	2.0	7	0.1	1	0.0	1	0.0	0	22	106
Total	200	836	243	1109	239	971	96	436	97	333	185	374	150	231	135	196	1345	4486

Inventory less than 10% of annual closings - good market
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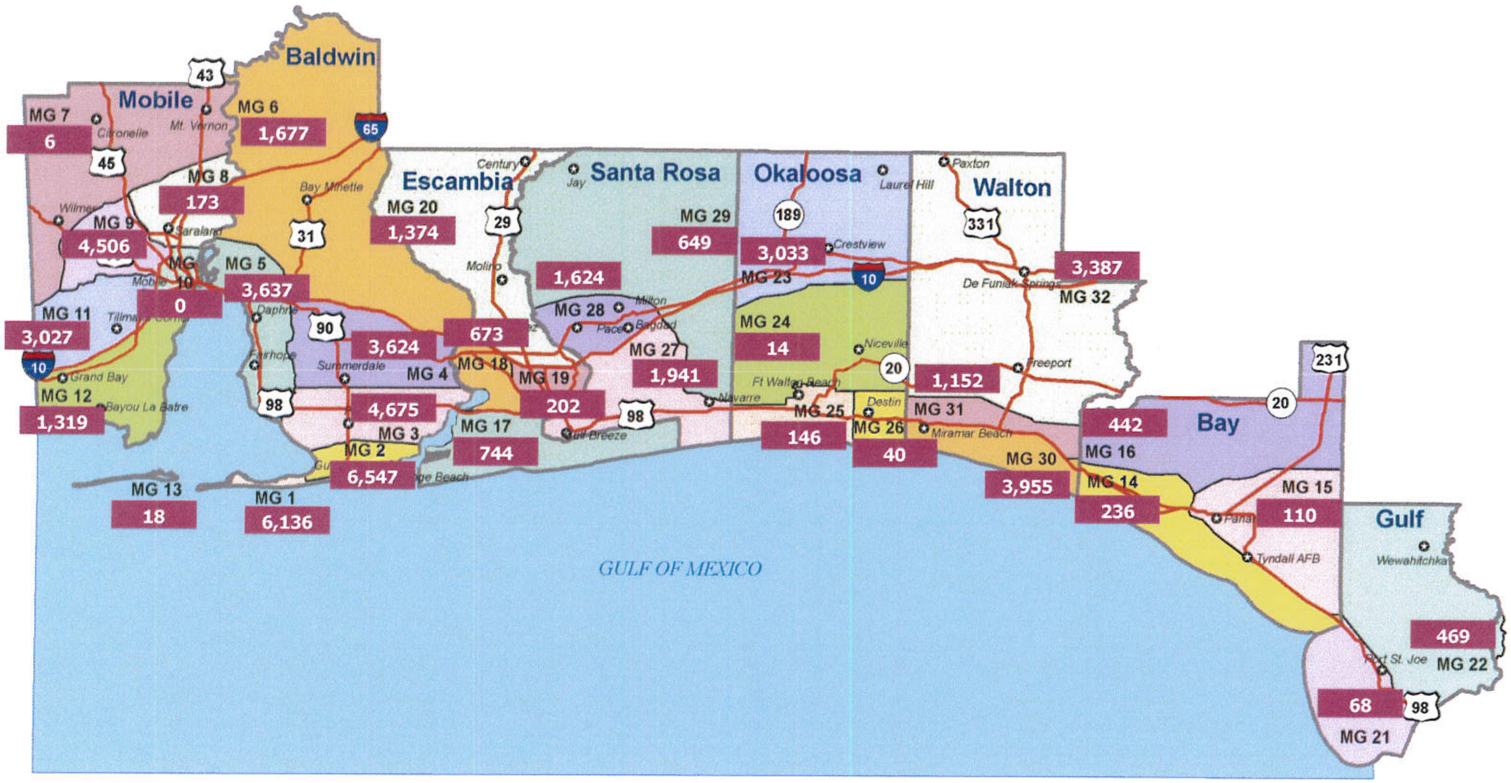
Inventory between 25% - 30% of annual closings - serious risk
Inventory over 30% of annual closings - level of risk that needs serious action

MarketGraphics RESEARCH GROUP

Coastal, Alabama& Florida Panhandle (8-County Market)

Undeveloped Lots by MG Area

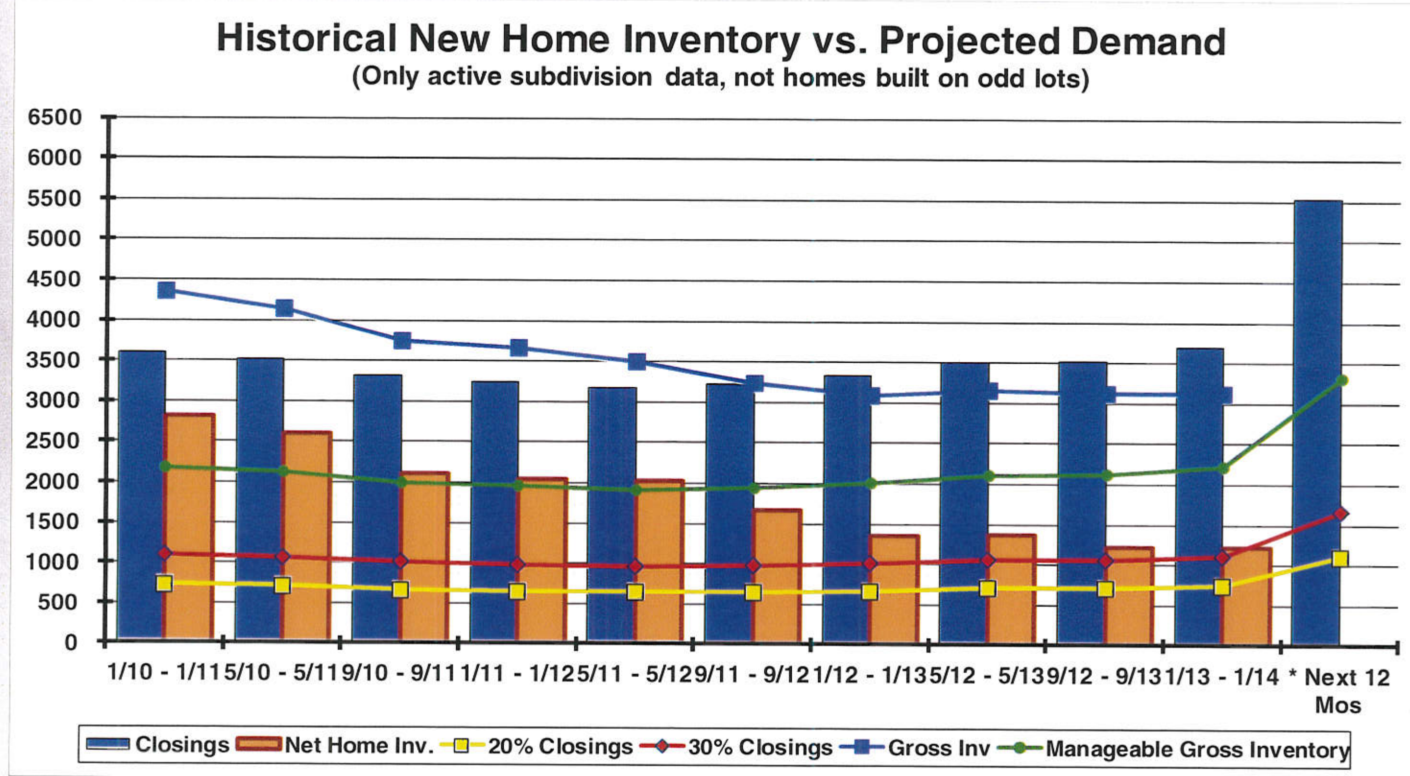
Coastal Alabama and Florida Panhandle



Note: When dealing in undeveloped lots, you must be careful. It is estimated that a number of lots will not be used for years. Please refer to the MG Methodology for planning commission tracking details.

Historical New Home Inventory vs. Projected Demand

Coastal Alabama and Florida Panhandle (8-County Market)



	1/10 - 1/11	5/10 - 5/11	9/10 - 9/11	1/11 - 1/12	5/11 - 5/12	9/11 - 9/12	1/12 - 1/13	5/12 - 5/13	9/12 - 9/13	1/13 - 1/14	* Next 12 Mos
Closings	3597	3518	3318	3249	3180	3231	3332	3510	3526	3692	5524
Net Home Inv.	2798.6	2589.1	2100.1	2035.6	2016.9	1649.0	1344.6	1359.8	1221.3	1220.7	
30% Closings	1079.1	1055.4	995.4	974.7	954.0	969.3	1000	1053	1058	1107.6	1657.2
20% Closings	719.4	703.6	663.6	649.8	636.0	646.2	666	702	705	738.4	1104.8
Gross Inv	4339	4128	3727	3658	3488	3233	3076	3149	3105	3106	

The best net home inventory should fall under the 20% of annual closings. Above 30% is a concern. This chart has columns representing closings and net home inventory not sold with the 20% to 30% caution inventory range shown by the 2 crossing lines.

* Next 12 Mos Projected Demand - The activity anticipated to occur in the subdivisions tracked based on past audit.

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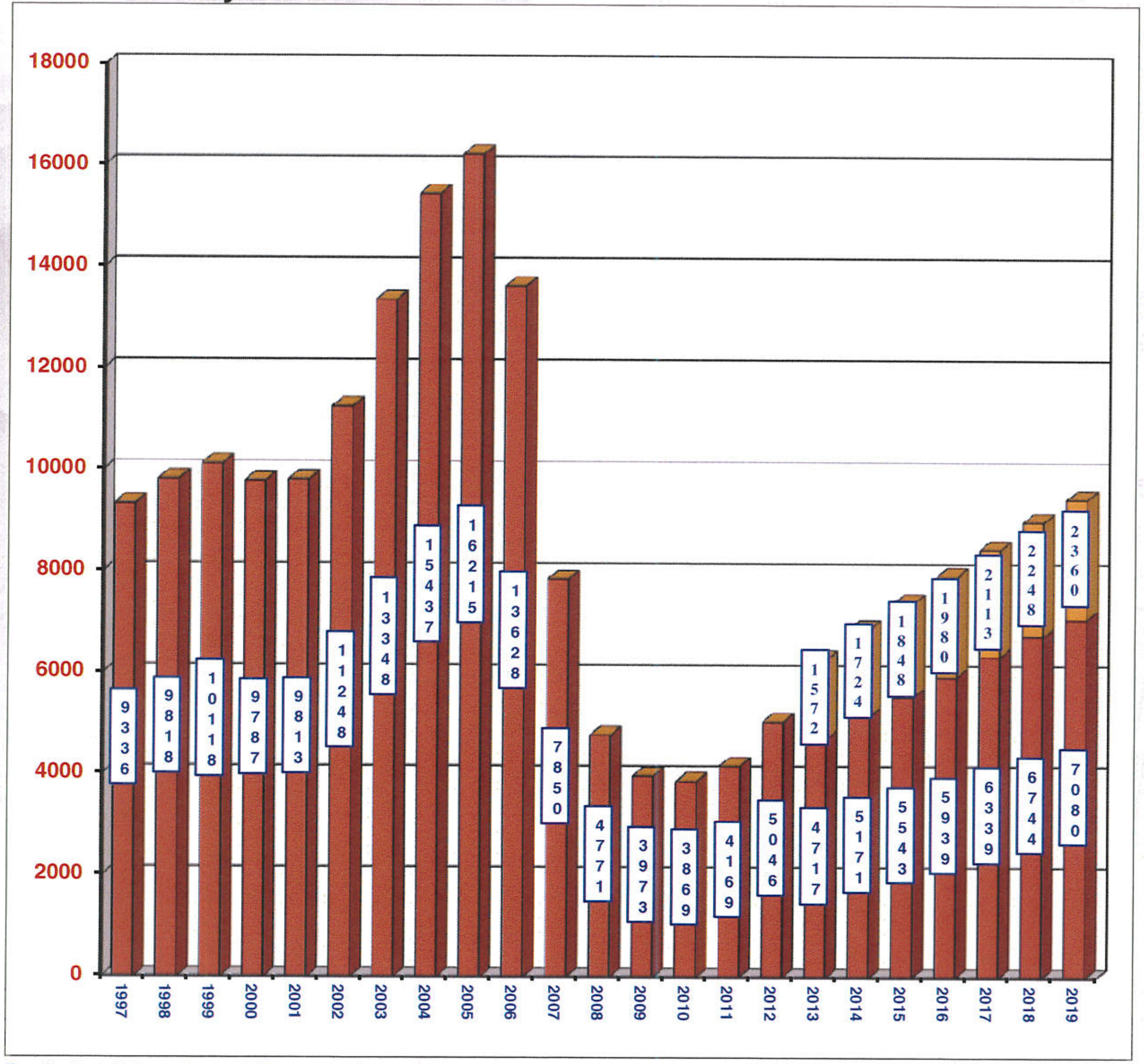
Previous Starts and Housing Forecast

Coastal Alabama and Florida Panhandle (8-County Market)

Economic Cycle



Top Portion of Range (orange): Represents the upside forecasted potential.
Bottom Portion of Range: Represents the downside risk evaluation.

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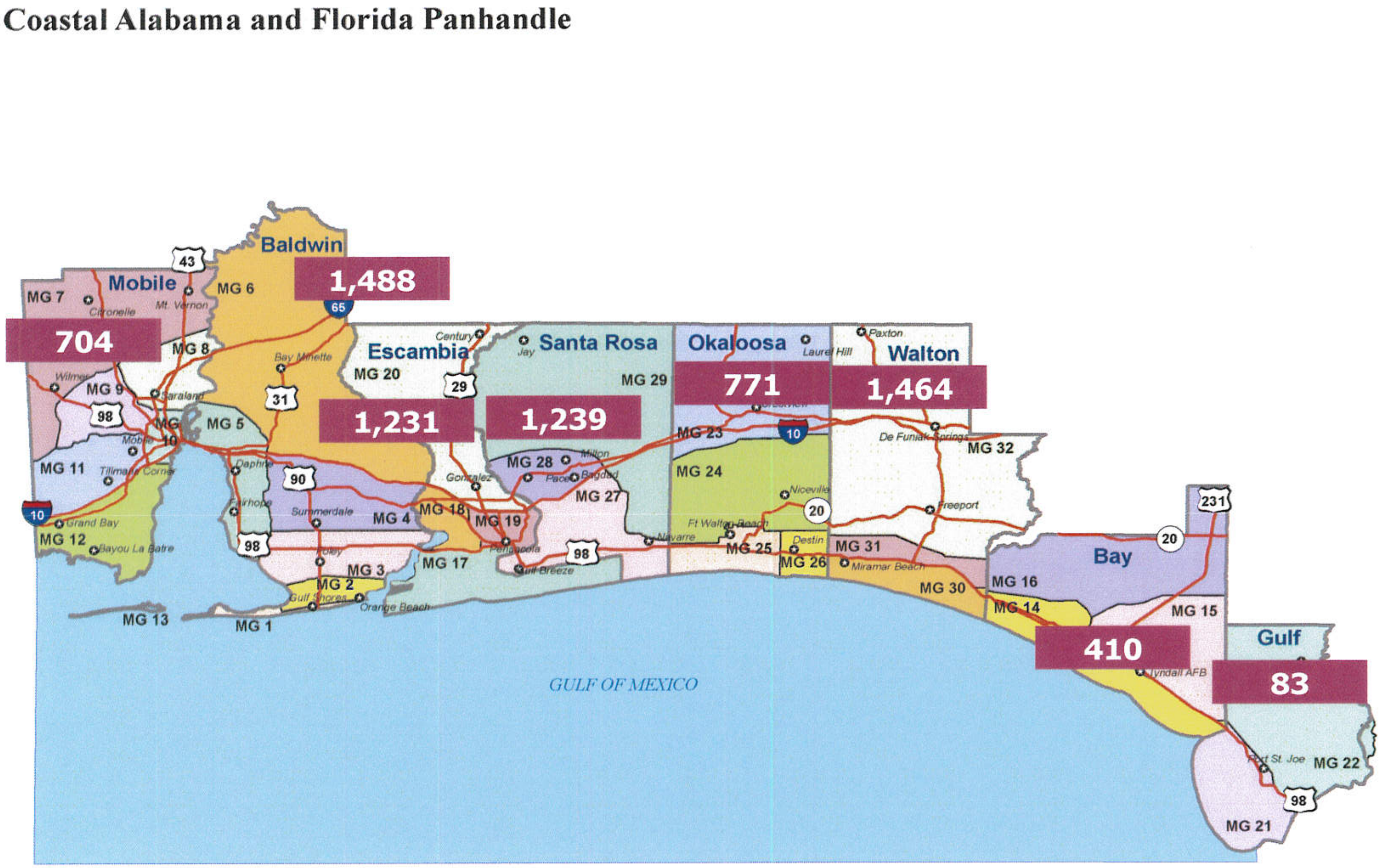
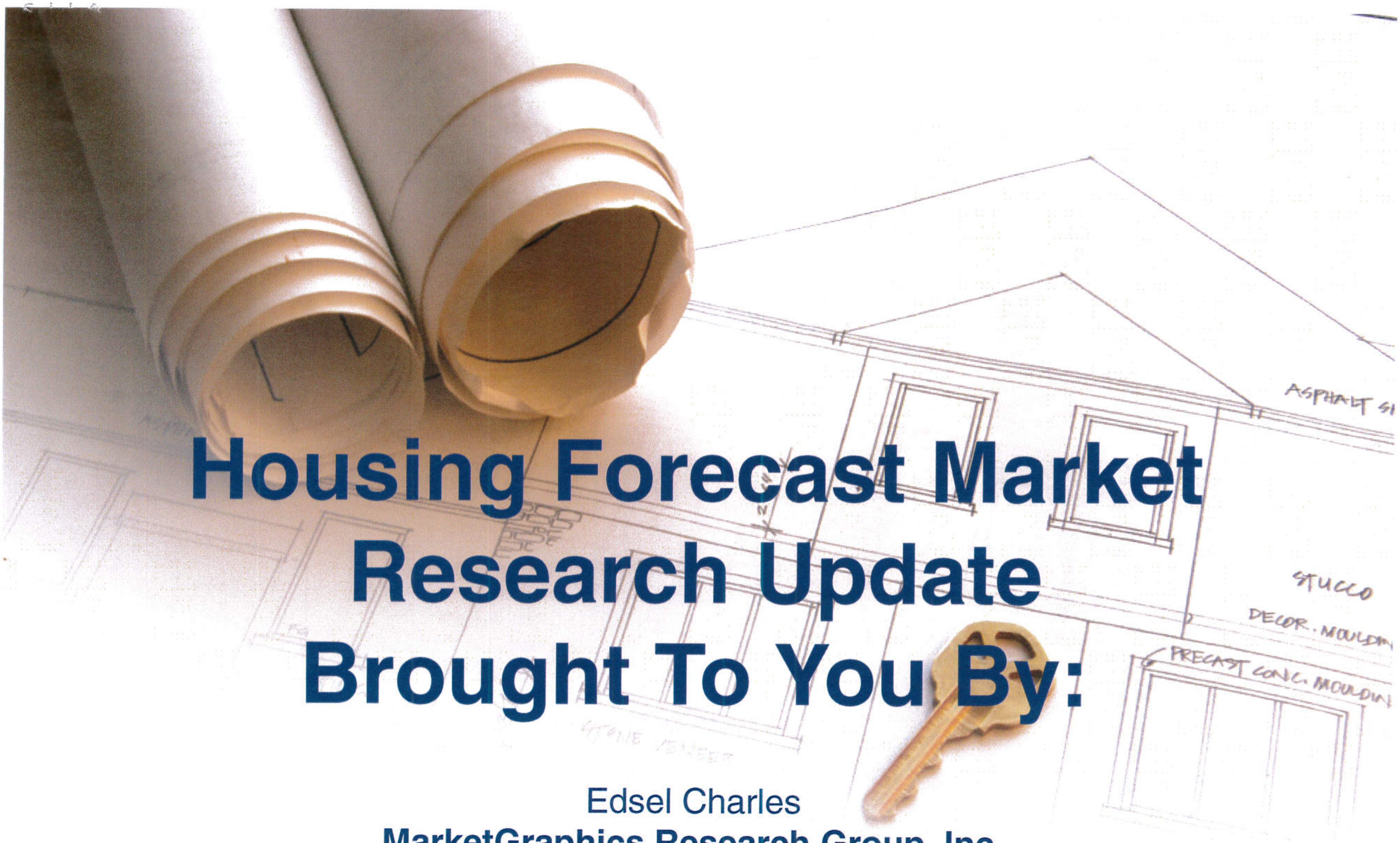
Forecast of Housing Starts by County for 2015





Housing Forecast Market Research Update Brought To You By:

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