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Alabama New Construction Report – April 2010

Monthly Indicator | **Recent Figures** | **Trends**

Permits

April '10 figures show an increase of 11.4 percent from April '09 but a 4.1 percent decrease versus the prior month.

Current Month	**Apr.**	**2010**	**1,039**	
vs. Prior Month	Mar.	2010	**1,083**	**-4.1%**
vs. Last Year (YoY)	Apr.	2009	**933**	**11.4%**
vs. Last 3 Mos. Avg.	Jan - Mar. '10		**766**	**35.6%**

The YoY growth of housing permits in April 2010 (1039 from 933) represents the 6th consecutive monthly YoY growth percentage since this survey began. A very weak first half of 2009 comparative figures during the financial crisis explain much of this advance.

Starts

Building starts for April 2010 experienced an increase from March of 14.3 percent and were 27.4 percent higher than those of April 2009, showing YoY growth that is consistent with the south and the nation.

Current Month	**Apr.**	**2010**	**999**	
vs. Prior Month	Mar.	2010	**874**	**14.3%**
vs. Last Year (YoY)	Apr.	2009	**784**	**27.4%**
vs. Last 3 Mos. Avg.	Jan - Mar.'10		**798**	**25.2%**

The ramifications of the extension & expansion of the homebuyer tax-credit should continue to favorably impact starts during the 1st half of 2010, hopefully providing the foundation for sustainable, though not rapid, starts growth in the future.

State **Commentary**

Overall, April new construction statistics indicate progress. New homes sales in our five metro markets increased by 19.5% from last April and 28.7% from the prior month. Overall inventory continues to decline as a result of even more aggressive and competitive pricing. Statewide ***new construction supply*** is currently estimated at **3,250 units**, a decline of 30% (+/-) from last April. According to McGraw-Hill, residential contract values increased by 9.6% in April '10 versus April '09 to $270 million, consistent with April '03 @ $254 million (April 10-year avg = $317 million). YTD residential contract values are up 17.8 from last year. Alabama construction employment was up 3% to 85,600 from last month but is down 8.7% from April '09. Elevated statewide unemployment figures, competition from distressed existing home inventory, and lack of ability to finance new production continue to challenge our new construction market. Assuming continued modest but increased growth in national and state GDP, Alabama housing starts & new construction sales have the opportunity to return to positive YoY percentage growth in 2010, though they will remain below normal production levels. As stated in March report, *for this to happen, we will need to see significant improvement in 2nd quarter. April was a good start!*

Local

During the month, 15 out of the 27 associations (55.6 percent) reported improvements from their April 2009 building starts. Eighteen associations had increases from their number of March housing starts, including but not limited to: Athens/Limestone (18.2%), Birmingham (5.6%), Enterprise (8.3%), Gadsden (40.0%), Huntsville/Madison (7.6%), Lee County (58.2%), Marshall County (44.4%), Montgomery (9.1%), Morgan County (18.2%), Mobile (19.8%), Muscle Shoals (33.3%), St. Clair County (18.2%) and Tuscaloosa (15.4%). Every local home building market is unique, and significant fluctuations from one area to another are anticipated for the foreseeable future.

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.*

New Construction Report - April 2010

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Alabama State Total	1,039	1,083	-4.1%	933	11.4%	3,633	2,965	22.5%
South Total*	19,200	18,000	6.7%	16,100	19.3%	88,500	67,100	31.9%
United States Total*	35,000	30,800	13.6%	25,900	35.1%	161,800	117,300	37.9%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY ASSOCIATION

Association	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Athens/Limestone HBA**	28	25	12.0%	13	115.4%	90	65	38.5%
Baldwin County HBA**	62	73	-15.1%	44	40.9%	268	185	44.9%
Blount County HBA	1	0	N/A	0	N/A	3	2	50.0%
Chilton County HBA	3	1	200.0%	1	200.0%	6	2	200.0%
Cullman County HBA	0	2	-100.0%	0	N/A	2	5	-60.0%
Dekalb County HBA**	3	0	N/A	2	50.0%	6	5	20.0%
Enterprise HBA	13	14	-7.1%	10	30.0%	44	38	15.8%
Greater Birmingham HBA**	172	178	-3.4%	172	0.0%	630	482	30.7%
Greater Calhoun County HBA**	17	14	21.4%	16	6.3%	63	71	-11.3%
Greater Gadsden HBA**	16	12	33.3%	13	23.1%	43	33	30.3%
Greater Montgomery HBA	43	59	-27.1%	35	22.9%	168	133	26.3%
Greater Morgan County HBA**	13	15	-13.3%	19	-31.6%	47	45	4.4%
HBA of Dothan & Wiregrass Area	23	42	-45.2%	24	-4.2%	113	77	46.8%
HBA of Metropolitan Mobile**	77	134	-42.5%	157	-51.0%	380	335	13.4%
HBA of Tuscaloosa**	85	74	14.9%	71	19.7%	289	195	48.2%
Huntsville/Madison HBA**	211	243	-13.2%	201	5.0%	757	754	0.4%
Jackson County HBA**	4	0	N/A	5	-20.0%	6	14	-57.1%
Lee County HBA	145	86	68.6%	73	98.6%	339	211	60.7%
Macon County HBA	2	0	N/A	2	0.0%	3	10	-70.0%
Marshall County HBA**	34	26	30.8%	7	385.7%	74	22	236.4%
Muscle Shoals HBA**	18	19	-5.3%	8	125.0%	60	25	140.0%
Northwest Alabama HBA	0	1	-100.0%	2	-100.0%	5	8	-37.5%
Phenix City HBA	30	37	-18.9%	18	66.7%	128	118	8.5%
South Alabama HBA	6	1	500.0%	3	100.0%	10	10	0.0%
St. Clair County HBA**	30	26	15.4%	33	-9.1%	89	104	-14.4%
Tallapoosa County HBA	3	0	N/A	2	50.0%	6	10	-40.0%
Walker County HBA	0	1	-100.0%	2	-100.0%	4	6	-33.3%

**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 April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Alabama State Total	999	874	14.3%	784	27.4%	3,361	2,727	23.2%
South Total	18,562	18,177	2.1%	14,850	25.0%	36,739	28,794	27.6%
United States Total	33,469	32,952	1.6%	25,210	32.8%	66,421	50,420	31.7%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Athens/Limestone HBA	26	22	18.2%	13	100.0%	83	64	29.7%
Baldwin County HBA	61	62	-1.6%	53	15.1%	259	190	36.3%
Blount County HBA	1	0	N/A	0	N/A	3	2	50.0%
Chilton County HBA	2	1	100.0%	1	100.0%	6	3	100.0%
Cullman County HBA	1	1	0.0%	1	0.0%	3	6	-50.0%
Dekalb County HBA	2	1	100.0%	2	0.0%	6	6	0.0%
Enterprise HBA	13	12	8.3%	10	30.0%	42	39	7.7%
Greater Birmingham HBA	169	160	5.6%	144	17.4%	585	421	39.0%
Greater Calhoun County HBA	14	16	-12.5%	19	-26.3%	57	72	-20.8%
Greater Gadsden HBA	14	10	40.0%	10	40.0%	44	30	46.7%
Greater Montgomery HBA	48	44	9.1%	35	37.1%	158	126	25.4%
Greater Morgan County HBA	13	11	18.2%	14	-7.1%	44	43	2.3%
HBA of Dothan & Wiregrass Area	30	30	0.0%	18	66.7%	104	76	36.8%
HBA of Metropolitan Mobile	103	86	19.8%	65	58.5%	374	270	38.5%
HBA of Tuscaloosa	75	65	15.4%	58	29.3%	255	184	38.6%
Huntsville/Madison HBA	212	197	7.6%	201	5.5%	713	691	3.2%
Jackson County HBA	2	1	100.0%	3	-33.3%	7	10	-30.0%
Lee County HBA	106	67	58.2%	58	82.8%	284	198	43.4%
Macon County HBA	1	0	N/A	2	-50.0%	3	8	-62.5%
Marshall County HBA	26	18	44.4%	5	420.0%	67	21	219.0%
Muscle Shoals HBA	16	12	33.3%	7	128.6%	47	25	88.0%
Northwest Alabama HBA	1	1	0.0%	2	-50.0%	8	7	14.3%
Phenix City HBA	32	32	0.0%	25	28.0%	116	112	3.6%
South Alabama HBA	2	1	100.0%	3	-33.3%	6	9	-33.3%
St. Clair County HBA	26	22	18.2%	32	-18.8%	78	102	-23.5%
Tallapoosa County HBA	2	1	100.0%	2	0.0%	5	8	-37.5%
Walker County HBA	1	1	0.0%	1	0.0%	4	4	0.0%

*Starts data not available due to that is it a calculated statistic from previous months data that is not available.

***NOTE**: This representation is based in whole or in part on data supplied by the local municipality's building department.*
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Defintion: Housing starts are a derived value using a percentage distribution based on the particular region in the United States multiplied times the number of building permits issued in that particular month.
Calculation: The distribution for the South Region is as follows: Same Month as Authorization = 44%; 1 Month Prior = 37%; 2 Months Prior = 9%; 3 Months Prior = 3%; 4 Months or more = 7%
To calculate July for example: = (0.44*July Permits) + (0.37*June Permits) + (0.09*May Permits) + (0.03*April Permits) + (0.07*March Permits)
Some variance by decimal extension

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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 April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Total New Construction Sold	404	314	28.7%	338	19.5%	1,183	1,298	-8.9%
Number of Units on Market	2,365	2,460	-3.9%	3,369	-29.8%	N/A	N/A	N/A
Median Selling Price	$ 185,657	$ 192,727	-3.7%	$ 204,479	-9.2%	$ 189,814	$ 201,872	-6.0%
Average Selling Price	$ 200,441	$ 211,130	-5.1%	$ 224,503	-10.7%	$ 211,684	$ 225,570	-6.2%
Average Days on Market	135	156	-13.5%	138	-2.5%	139	135	2.4%

Total New Construction Sold

	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Birmingham	181	91	98.9%	162	11.7%	458	643	-28.8%
Huntsville	109	113	-3.5%	73	49.3%	370	323	14.6%
Mobile	56	40	40.0%	38	47.4%	157	132	18.9%
Montgomery	33	35	-5.7%	30	10.0%	106	104	1.9%
Tuscaloosa	25	35	-28.6%	35	-28.6%	92	96	-4.2%

Number of Units on Market

	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	I/S Ratio
Birmingham	1,203	1,222	-1.6%	1,757	-31.5%	6.6
Huntsville	553	567	-2.5%	770	-28.2%	5.1
Mobile	238	251	-5.2%	204	16.7%	4.3
Montgomery	173	201	-13.9%	323	-46.4%	5.2
Tuscaloosa	198	219	-9.6%	315	-37.1%	7.9

Median Selling Price

	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Birmingham	$ 173,120	$ 177,900	-2.7%	$ 189,900	-8.8%	$ 187,505	$ 192,752	-2.7%
Huntsville	$ 222,000	$ 229,245	-3.2%	$ 233,920	-5.1%	$ 223,137	$ 239,445	-6.8%
Mobile	$ 173,366	$ 172,590	0.4%	$ 191,450	-9.4%	$ 173,464	$ 190,554	-9.0%
Montgomery	$ 219,900	$ 225,000	-2.3%	$ 211,125	4.2%	$ 211,763	$ 205,883	2.9%
Tuscaloosa	$ 139,900	$ 158,900	-12.0%	$ 196,000	-28.6%	$ 153,200	$ 180,725	-15.2%

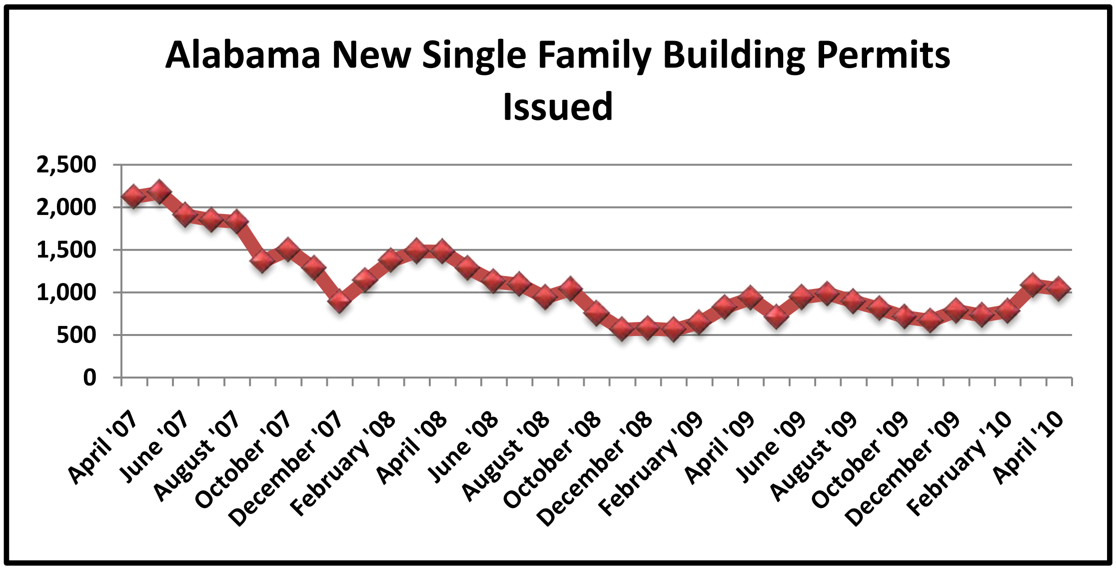
Average Selling Price

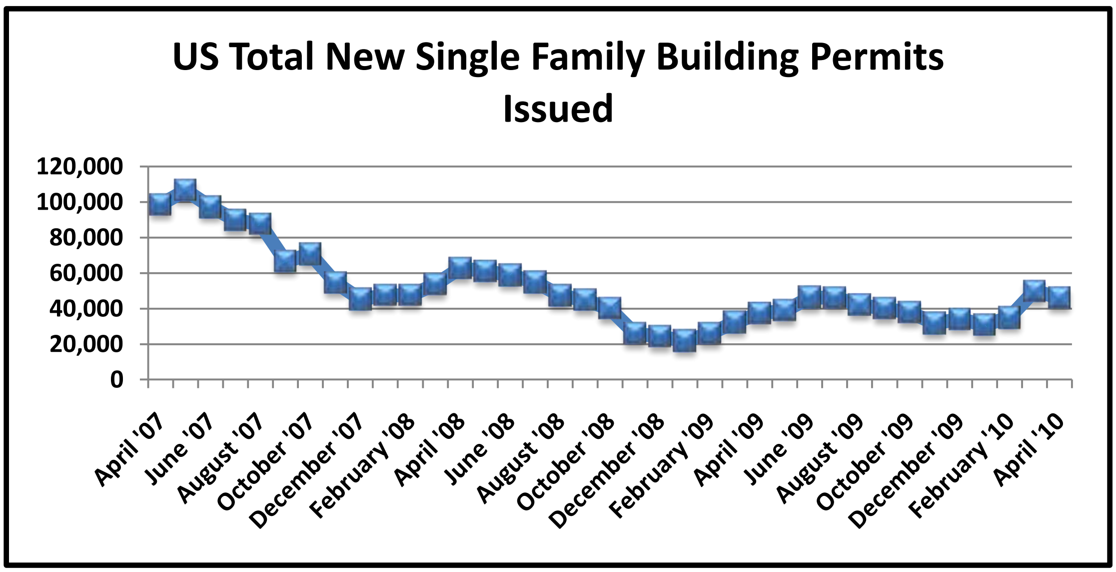
	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Birmingham	$ 200,523	$ 202,210	-0.8%	$ 218,718	-8.3%	$ 221,103	$ 229,130	-3.5%
Huntsville	$ 237,653	$ 232,149	2.4%	$ 238,835	-0.5%	$ 237,813	$ 254,545	-6.6%
Mobile	$ 180,041	$ 180,714	-0.4%	$ 196,181	-8.2%	$ 190,107	$ 204,187	-6.9%
Montgomery	$ 209,754	$ 224,056	-6.4%	$ 225,306	-6.9%	$ 218,631	$ 224,741	-2.7%
Tuscaloosa	$ 174,232	$ 216,521	-19.5%	$ 243,473	-28.4%	$ 190,768	$ 215,246	-11.4%

Average Days on Market

	Current Month April-10	Last Month March-10	% Difference	Last Year April-09	% Difference	YTD April-10	YTD April-09	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	128	132	-3.0%	93	37.6%	126	90	40.0%
Mobile	111	203	-45.3%	142	-21.8%	134	124	8.1%
Montgomery	91	121	-24.8%	135	-32.6%	119	139	-14.4%
Tuscaloosa	208	166	25.3%	182	14.3%	175	188	-6.9%

* Source: MLS


Alabama New Single Family Building Permits Issued
2,500
2,000
1,500
1,000
500
0
April '07
June '07
August '07
October '07
December '07
February '08
April '08
June '08
August '08
October '08
December '08
February '09
April '09
June '09
August '09
October '09
December '09
February '10
April '10


US Total New Single Family Building Permits Issued
120,000
100,000
80,000
60,000
40,000
20,000
0
April '07
June '07
August '07
October '07
December '07
February '08
April '08
June '08
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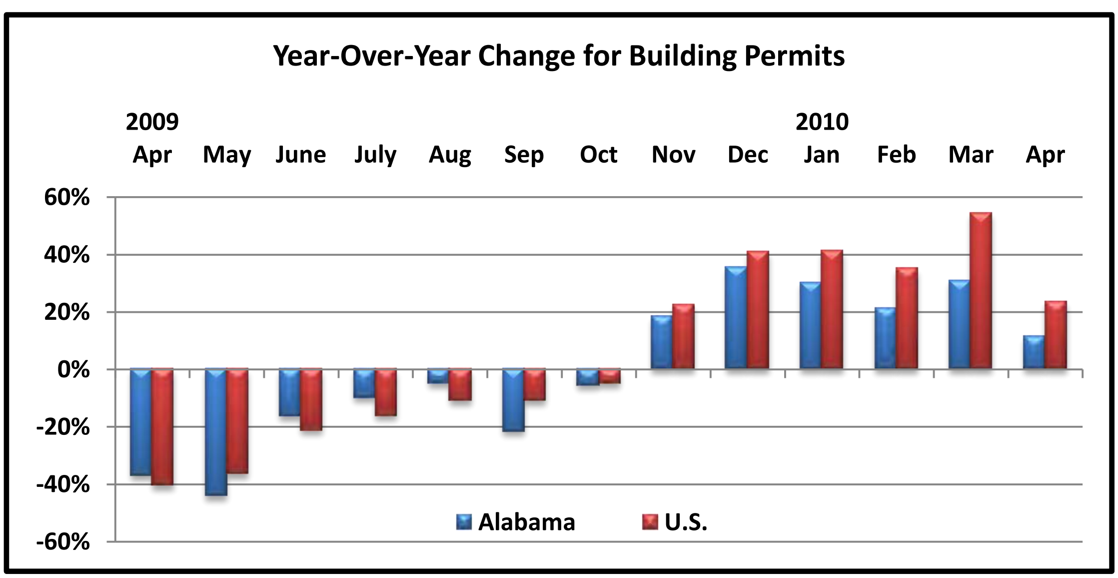
December '09
February '10
April '10


Year-Over-Year Change for Building Permits
2009
2010
Apr
May
June
July
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
60%
40%
20%
0%
-20%
-40%
-60%
Alabama
U.S.

Residential Construction Building Contracts in Dollars