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Alabama New Construction Report – April 2011

Monthly Indicators		Recent Figures				Trends
Permits April permits have decreased 18.2 percent from March '11. April '11 figures have shown a decrease of 43.0 percent from April '10.	**Current Month**	Apr.	2011	**590**		The month-over-month (MoM) decrease in housing permits in April (590 from 721) represents the return to an unfavorable percent directional change after two months of positive gains in percentage versus prior the month. See graph on page 5 for more
	vs. Prior Month	Mar.	2011	**721**	-18.2%	
	vs. Last Year (YoY)	Apr.	2010	**1,035**	-43.0%	
	vs. 3-Yr Avg	Apr.	'08-'10	**1,149**	-48.7%	
	Year-to-Date	Apr.	2011	**2,518**		
	vs. Last Year (YoY)	Apr.	2010	**3,629**	-30.6%	
Starts April starts have decreased 3.6 percent from March '11. April '11 figures show a decrease of 36.0 percent from April '10.	**Current Month**	Apr.	2011	**641**		Current consumer and builder uncertainty are reflected in recent starts data highlighting current fragile housing conditions.
	vs. Prior Month	Mar.	2011	**665**	-3.6%	
	vs. Last Year (YoY)	Apr.	2010	**1,001**	-36.0%	
	vs. 3 - Yr Avg	Apr.	'08-'10	**1,064**	-39.8%	
	Year to Date	Apr.	2011	**2,474**		
	vs.Prior Year	Apr.	2010	**3,397**	-27.2%	

State — Commentary

April new construction sales compared unfavorably from the prior month. April new home sales were on schedule to eclipse March '11, by an estimated 3.8 percent, but an estimated 16 new home closings were postponed on 4/28 & 4/29 a s a result of the April 27th disaster. Statewide new construction inventory is currently estimated at 1,904 units, a decline of 20% from last April and 3% from last month.

According to McGraw-Hill, residential contract values decreased by 20.6% to $230.9 million in April'11 versus April '10 values. This is consistent with April '02 @ $244.8 million (April's 10-year avg = $324.5 million or 28.9% higher than April '11).

According to the Alabama Dept. of Industrial Relations, statewide residential construction employment was up .4% (300 jobs) t o 69,600 from last month but remains down by 5.0% or 3,700 workers from April '10. Market challenges remain, including supply/demand imbalance, elevated unemployment figures, low consumer confidence, inflation (fuel), competition from distressed existing home inventory, more st rict underwriting guidelines, and the slow growth of economy.

As one would expect, the April 27th disaster will have a significant impact on Alabama's new construction industry. Starti ng with our May report, ACRE will begin to piece together the disaster's preliminary impact across our State.

Local

5 out of the 27 associations (19%) reported building permit gains from the prior month (March '11) while 7 associations or 26% experienced gains in housing starts. Only two associations (12%) experienced increases from their April '10 monthly housing starts, including: South Alabama (50%) and Walker County (100%).

2011 Current National Outlook from Industry Associations (% change from 2010)

National Assn Home Builders (NAHB): New homes sales up 3.7%; housing starts unchanged from 2010.
National Assn of REALTORS (NAR): New homes sales down .5%; housing starts down 3.3%; new home median price up 1.4%.

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 2011

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month April-11	Last Month March-11	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Alabama State Total	590	721	-18.2%	1,035	-43.0%	2,518	3,629	-30.6%
South Total*	18,800	21,600	-13.0%	24,000	-21.7%	71,400	88,700	-19.5%
United States Total*	36,000	38,300	-6.0%	46,300	-22.2%	127,100	162,000	-21.5%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month April-11	Last Month March-11	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Athens/Limestone **	10	21	-52.4%	28	-64.3%	63	90	-30.0%
Baldwin County **	45	72	-37.5%	62	-27.4%	238	268	-11.2%
Blount County	1	0	N/A	1	0.0%	3	3	0.0%
Chilton County	0	3	-100.0%	3	-100.0%	4	6	-33.3%
Cullman County	1	0	N/A	0	N/A	2	2	0.0%
Dekalb County **	1	4	-75.0%	3	-66.7%	5	6	-16.7%
Enterprise	7	8	-12.5%	13	-46.2%	26	44	-40.9%
Greater Birmingham **	91	129	-29.5%	169	-46.2%	450	627	-28.2%
Greater Calhoun County **	5	4	25.0%	17	-70.6%	18	63	-71.4%
Greater Gadsden **	1	6	-83.3%	16	-93.8%	20	43	-53.5%
Greater Montgomery	31	33	-6.1%	43	-27.9%	122	168	-27.4%
Greater Morgan County **	4	12	-66.7%	13	-69.2%	33	47	-29.8%
Dothan & Wiregrass Area	13	23	-43.5%	23	-43.5%	77	113	-31.9%
Metropolitan Mobile**	46	42	9.5%	76	-39.5%	197	379	-48.0%
Tuscaloosa**	30	42	-28.6%	85	-64.7%	152	289	-47.4%
Huntsville/Madison **	189	185	2.2%	211	-10.4%	658	757	-13.1%
Jackson County **	0	4	-100.0%	4	-100.0%	7	6	16.7%
Lee County	41	49	-16.3%	145	-71.7%	168	339	-50.4%
Macon County	0	1	-100.0%	2	-100.0%	2	3	-33.3%
Marshall County **	17	23	-26.1%	34	-50.0%	74	74	0.0%
Muscle Shoals **	10	15	-33.3%	18	-44.4%	38	60	-36.7%
Northwest Alabama	2	0	N/A	0	N/A	4	5	-20.0%
Phenix City	16	22	-27.3%	30	-46.7%	59	128	-53.9%
South Alabama	4	2	100.0%	6	-33.3%	11	10	10.0%
St. Clair County **	24	19	26.3%	30	-20.0%	81	89	-9.0%
Tallapoosa County	0	0	N/A	3	-100.0%	0	6	-100.0%
Walker County	1	2	-50.0%	0	N/A	6	4	50.0%

**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 municpalities in previous months

PROJECTED HOUSING STARTS TOTALS

	Current Month April-11	Last Month March-11	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Alabama State Total	641	665	-3.6%	1,001	-36.0%	2,474	3,397	-27.2%
South Total	19,177	18,202	5.4%	24,291	-21.1%	67,794	83,547	-18.9%
United States Total	35,299	31,981	10.4%	45,296	-22.1%	123,246	152,637	-19.3%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month April-11	Last Month March-11	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Athens/Limestone	16	23	-30.4%	26	-38.5%	73	83	-12.0%
Baldwin County	58	62	-6.5%	68	-14.7%	238	281	-15.3%
Blount County	1	1	0.0%	1	0.0%	4	3	33.3%
Chilton County	1	2	-50.0%	2	-50.0%	5	6	-16.7%
Cullman County	1	0	N/A	1	0.0%	3	3	0.0%
Dekalb County	2	1	100.0%	2	0.0%	3	6	-50.0%
Enterprise	7	7	0.0%	13	-46.2%	24	42	-42.9%
Greater Birmingham	106	117	-9.4%	168	-36.9%	419	588	-28.7%
Greater Calhoun County	4	5	-20.0%	14	-71.4%	16	57	-71.9%
Greater Gadsden	5	7	-28.6%	14	-64.3%	22	44	-50.0%
Greater Montgomery	31	29	6.9%	48	-35.4%	116	158	-26.6%
Greater Morgan County	8	12	-33.3%	13	-38.5%	36	44	-18.2%
Dothan & Wiregrass Area	16	21	-23.8%	30	-46.7%	73	104	-29.8%
Metropolitan Mobile	46	49	-6.1%	99	-53.5%	215	385	-44.2%
Tuscaloosa	37	44	-15.9%	75	-50.7%	149	255	-41.6%
Huntsville/Madison	180	167	7.8%	212	-15.1%	638	713	-10.5%
Jackson County	2	3	-33.3%	2	0.0%	7	7	0.0%
Lee County	43	41	4.9%	106	-59.4%	155	284	-45.4%
Macon County	0	1	-100.0%	1	-100.0%	2	3	-33.3%
Marshall County	19	21	-9.5%	26	-26.9%	71	67	6.0%
Muscle Shoals	11	10	10.0%	16	-31.3%	37	47	-21.3%
Northwest Alabama	1	0	N/A	1	0.0%	4	8	-50.0%
Phenix City	18	18	0.0%	32	-43.8%	63	116	-45.7%
South Alabama	3	2	50.0%	2	50.0%	9	6	50.0%
St. Clair County	23	20	15.0%	26	-11.5%	84	78	7.7%
Tallapoosa County	0	0	N/A	2	-100.0%	0	5	-100.0%
Walker County	2	2	0.0%	1	100.0%	8	4	100.0%

*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%

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-11	Last Month March-10	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Total New Construction Sold	256	262	-2.3%	404	-36.6%	930	1,183	-21.4%
Number of Units on Market	1,904	1,965	-3.1%	2,365	-19.5%	N/A	N/A	N/A
Median Selling Price	$ 195,912	$ 185,934	5.4%	$ 185,657	5.5%	$ 192,126	$ 189,814	1.2%
Average Selling Price	$ 223,833	$ 203,502	10.0%	$ 200,441	11.7%	$ 210,930	$ 211,666	-0.3%
Average Days on Market	138	157	-12.4%	135	2.2%	141	139	1.8%

Total New Construction Sold

	Current Month April-11	Last Month March-10	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Birmingham	82	80	2.5%	181	-54.7%	290	458	-36.7%
Huntsville	84	102	-17.6%	109	-22.9%	360	370	-2.7%
Mobile	41	45	-8.9%	56	-26.8%	139	157	-11.5%
Montgomery	33	22	50.0%	33	0.0%	92	106	-13.2%
Tuscaloosa	16	13	23.1%	25	-36.0%	49	92	-46.7%

Number of Units on Market

	Current Month April-11	Last Month March-10	% Difference	Last Year April-10	% Difference	I/S Ratio
Birmingham	870	883	-1.5%	1203	-27.7%	10.6
Huntsville	488	512	-4.7%	553	-11.8%	5.8
Mobile	173	181	-4.4%	238	-27.3%	4.2
Montgomery	217	209	3.8%	173	25.4%	6.6
Tuscaloosa	156	180	-13.3%	198	-21.2%	9.8

Median Selling Price

	Current Month April-11	Last Month March-10	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Birmingham	$ 171,962	$ 178,777	-3.8%	$ 173,120	-0.7%	$ 183,766	$ 187,505	-2.0%
Huntsville	$ 247,500	$ 215,908	14.6%	$ 222,000	11.5%	$ 214,950	$ 223,137	-3.7%
Mobile	$ 147,900	$ 149,900	-1.3%	$ 173,366	-14.7%	$ 151,750	$ 173,464	-12.5%
Montgomery	$ 233,000	$ 235,083	-0.9%	$ 219,900	6.0%	$ 234,283	$ 211,763	10.6%
Tuscaloosa	$ 179,200	$ 150,000	19.5%	$ 139,900	28.1%	$ 175,881	$ 153,200	14.8%

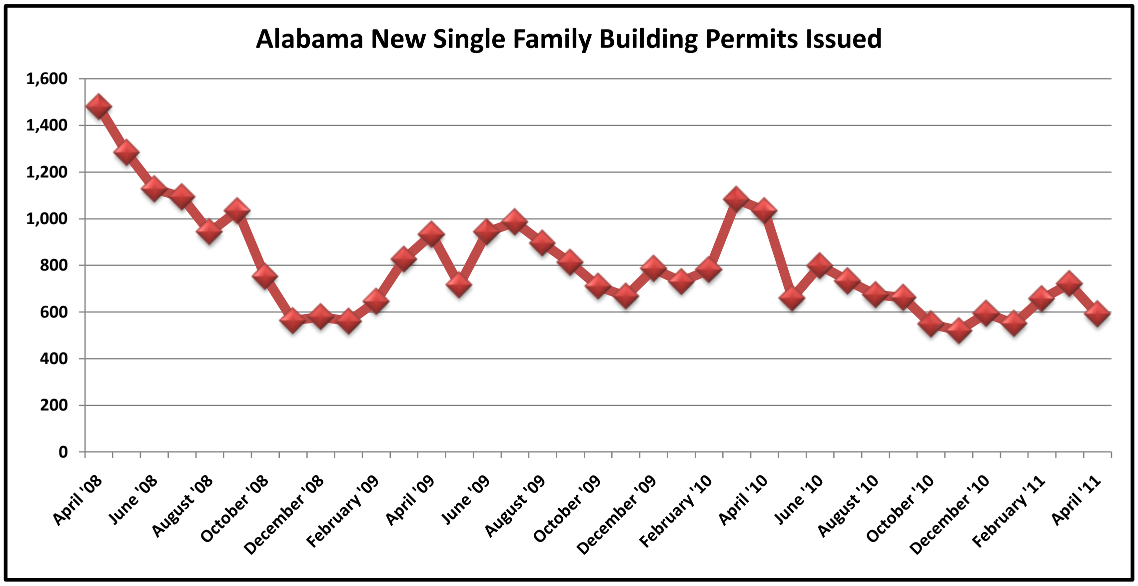
Average Selling Price

	Current Month April-11	Last Month March-10	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Birmingham	$ 205,643	$ 205,166	0.2%	$ 200,523	2.6%	$ 207,271	$ 221,103	-6.3%
Huntsville	$ 251,388	$ 247,119	1.7%	$ 237,653	5.8%	$ 236,588	$ 237,813	-0.5%
Mobile	$ 167,475	$ 164,824	1.6%	$ 180,041	-7.0%	$ 168,729	$ 190,107	-11.2%
Montgomery	$ 256,470	$ 246,840	3.9%	$ 209,754	22.3%	$ 246,471	$ 218,631	12.7%
Tuscaloosa	$ 238,189	$ 153,559	55.1%	$ 174,232	36.7%	$ 195,595	$ 190,678	2.6%

Average Days on Market

	Current Month April-11	Last Month March-10	% Difference	Last Year April-10	% Difference	YTD April-11	YTD April-10	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	107	101	5.9%	128	-16.4%	95	126	-24.6%
Mobile	198	193	2.6%	111	78.4%	199	134	48.5%
Montgomery	91	146	-37.7%	91	0.0%	115	119	-3.6%
Tuscaloosa	154	188	-18.1%	208	-26.0%	155	175	-11.3%

* Source: MLS


Alabama New Single Family Building Permits Issued
1,600
1,400
1,200
1,000
800
600
400
200
0
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
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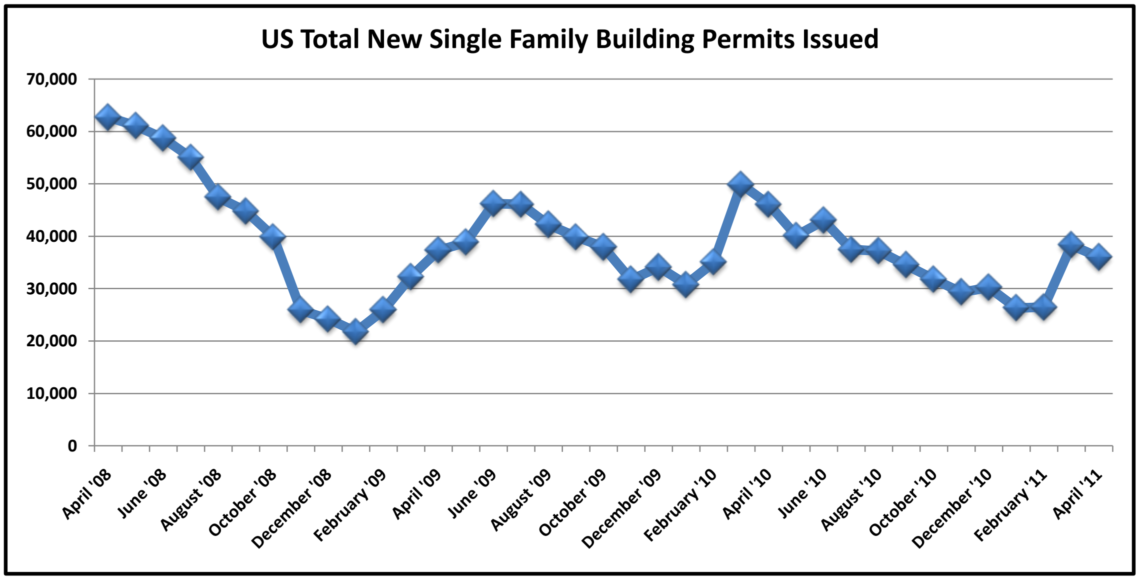
December '10
February '11
April '11


US Total New Single Family Building Permits Issued
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
April '08
June '08
August '08
October '08
December '08
February '09
April '09
June '09
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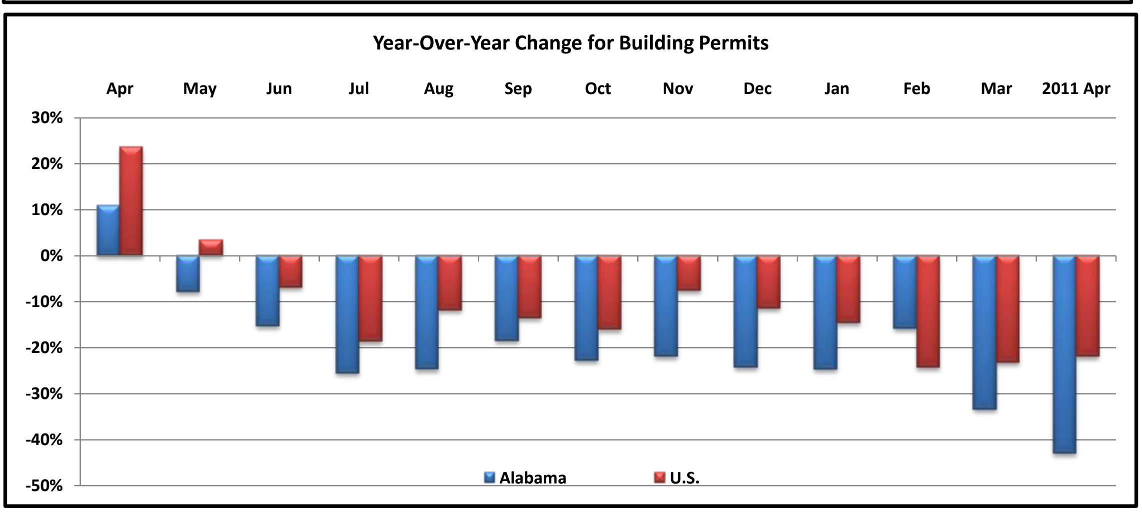
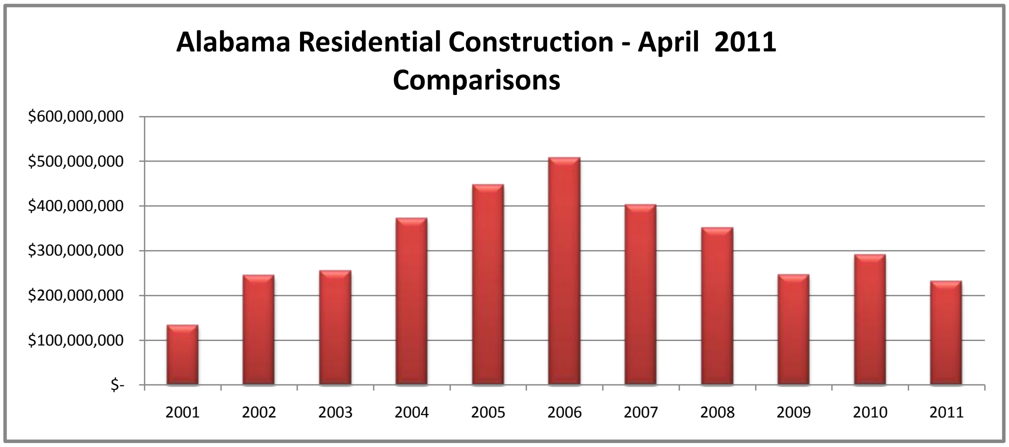
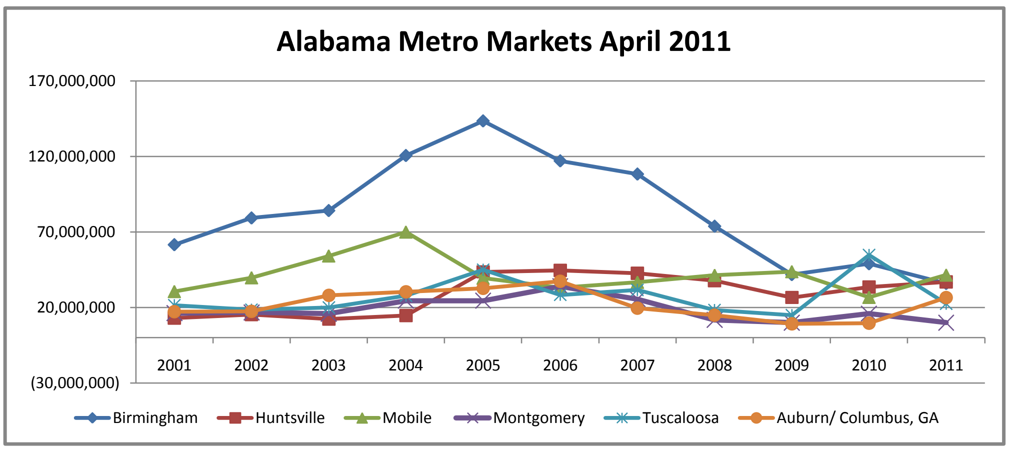
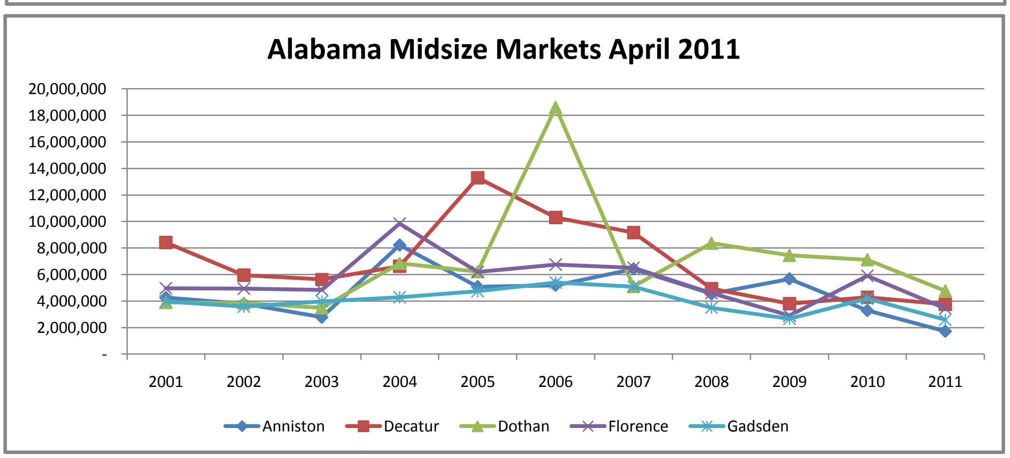
December '10
February '11
April '11


Year-Over-Year Change for Building Permits
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
2011 Apr
30%
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
Alabama
U.S.

Residential Construction Building Contracts in Dollars







Source: McGraw Hill Construction - Residential Markets, Metro Markets, and Midsize Markets