ACRE
ALABAMA CENTER for REAL ESTATE
THE UNIVERSITY OF ALABAMA

touching lives

THE UNIVERSITY OF ALABAMA REAL ESTATE

www.acre.cba.ua.edu

Alabama New Construction Report – February 2012

Monthly Indicators	Recent Figures						Trends
Permits	**Current Month**	February	2012	**605**			The fact that permits also increased from the prior month (January '12) is consistent with the seasonal trends as builders begin to focus on products for the spring buying (prime) season.
February permits have increased 3.4 percent from January '12. Figures show a decrease of 7.9 percent from February '11.	vs. Prior Month	January	2012	**585**	**3.4%**		
	vs. Last Year (YoY)	February	2011	**657**	**-7.9%**		
	vs. 3-Yr Avg	February	'09-'11	**613**	**-1.4%**		
	Year-to-Date	February	2012	**1,190**			
	vs. Last Year (YoY)	February	2011	**1,207**	**-1.4%**		
Starts	**Current Month**	February	2012	**553**			While improving, confidence surveys of consumers and builders alike still detect enhanced levels of uncertainty that underscores the current fragile housing market. With that offered, the current figures do reflect an improvement from recent months.
February starts have increased 1.6 percent from January '12. February '12 figures show a decrease of 7.7 percent from February '11.	vs. Prior Month	January	2012	**544**	**1.6%**		
	vs. Last Year (YoY)	February	2011	**599**	**-7.7%**		
	vs. 3-Yr Avg	February	'09-'11	**645**	**-14.3%**		
	Year to Date	February	2011	**1,098**			
	vs.Prior Year	February	2010	**1,176**	**-6.6%**		

State **Commentary**

February new home sales results were good across the board: up 11.8% from last month and up 7.9% from February 2011. Statewide new construction inventory has declined by approximately 20% from last February but consistent with seasonal trends, is up 2.6% from last month.

According to McGraw-Hill, residential contract values decreased by 54% to $204..5 million in February '12 compared to February '11 values. This volume is consistent with Febraury 2003 @ $199 million (February's 5-year average = $327.1 million or 37.5% higher than February '12).

According to the Alabama Dept. of Industrial Relations, statewide related construction employment was up 1.5% (900 jobs) to 59,300 from last month and is down by 7.8% or 5,900 workers from February '11.

While improving, market challenges remain including elevated unemployment figures and lower than desired consumer confidence that is not being helped by rising gasoline cost at the pump. Competition from distressed existing home inventory, strict underwriting guidelines, and while slowly improving, the fundamental imbalance between supply & demand continues into the 2nd quarter of 2012.

Local

8 out of the 27 associations (30% - down from 33% in January) reported building permit gains from the prior month (Jan'11) while 8 associations (30% - up from 22% in January) experienced gains in housing starts. Seven associations (33% - up from 30% last month) experienced an increase from their February'11 monthly housing starts including Athens/Limestone (44%), Muscle Shoals (41%), St. Clair (26%), Tuscaloosa (23%), Enterprise (17%), Mobile (13%), Birmingham (10%) and Huntsville/Madison (9%).

2012 Current National Outlook from Industry Associations (annual % change compared to 2011 at the end of this year)

National Assn Home Builders (NAHB): New homes sales up 18.8%.
National Assn of REALTORS (NAR): New homes sales up 15.1%.

NOTE: *This representation is based in whole or in part on data supplied by the reporting municipalities/boards/associations. ACRE d oes not guarantee and is in no way responsible for its accuracy.*

ACRE
ALABAMA CENTER for REAL ESTATE
THE UNIVERSITY OF ALABAMA

touching lives

THE UNIVERSITY OF ALABAMA
REAL ESTATE

New Construction Report - February 2012

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Alabama State Total	605	585	3.4%	657	-7.9%	1,190	1,207	-1.4%
South Total*	20,900	18,000	16.1%	15,900	31.4%	38,900	31,000	25.5%
United States Total*	34,600	29,500	17.3%	26,500	30.6%	64,100	52,800	21.4%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Athens/Limestone **	20	8	150.0%	26	-23.1%	28	32	-12.5%
Baldwin County **	71	80	-11.3%	59	20.3%	151	121	24.8%
Blount County	0	0	N/A	1	-100.0%	0	2	-100.0%
Chilton County	0	0	N/A	0	N/A	0	1	-100.0%
Cullman County	2	5	-60.0%	0	N/A	7	1	600.0%
Dekalb County **	0	1	-100.0%	0	N/A	1	0	N/A
Enterprise	7	7	0.0%	6	16.7%	14	11	27.3%
Greater Birmingham **	102	98	4.1%	120	-15.0%	200	230	-13.0%
Greater Calhoun County **	4	0	N/A	3	33.3%	4	9	-55.6%
Greater Gadsden **	3	5	-40.0%	8	-62.5%	8	13	-38.5%
Greater Montgomery	30	43	-30.2%	26	15.4%	73	58	25.9%
Greater Morgan County **	9	7	28.6%	14	-35.7%	16	17	-5.9%
Dothan & Wiregrass Area	3	4	-25.0%	21	-85.7%	7	41	-82.9%
Metropolitan Mobile**	59	34	73.5%	47	25.5%	93	109	-14.7%
Tuscaloosa**	74	59	25.4%	51	45.1%	133	80	66.3%
Huntsville/Madison **	132	150	-12.0%	164	-19.5%	282	284	-0.7%
Jackson County **	3	0	N/A	2	50.0%	3	3	0.0%
Lee County	41	50	-18.0%	37	10.8%	91	78	16.7%
Macon County	0	0	N/A	0	N/A	0	1	-100.0%
Marshall County **	6	5	20.0%	24	-75.0%	11	34	-67.6%
Muscle Shoals **	8	4	100.0%	4	100.0%	12	13	-7.7%
Northwest Alabama	0	0	N/A	1	-100.0%	0	2	-100.0%
Phenix City	12	12	0.0%	17	-29.4%	24	21	14.3%
South Alabama	0	0	N/A	3	-100.0%	0	5	-100.0%
St. Clair County **	18	11	63.6%	21	-14.3%	29	38	-23.7%
Tallapoosa County	1	2	-50.0%	0	N/A	3	0	N/A
Walker County	0	0	N/A	2	-100.0%	0	3	-100.0%

**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 February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Alabama State Total	553	544	1.6%	599	-7.7%	1,098	1,176	-6.6%
South Total	19,024	17,210	10.5%	15,398	23.5%	36,234	30,415	19.1%
United States Total	32,087	30,129	6.5%	27,238	17.8%	62,216	56,142	10.8%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Athens/Limestone	15	10	43.8%	18	-19.6%	25	40	-38.7%
Baldwin County	39	61	-35.9%	59	-34.2%	100	119	-16.2%
Blount County	0	0	N/A	1	-100.0%	0	2	-100.0%
Chilton County	0	0	N/A	0	N/A	0	0	N/A
Cullman County	3	2	N/A	1	434.5%	5	2	202.3%
Dekalb County	1	2	-39.0%	0	N/A	2	0	N/A
Enterprise	7	6	16.7%	5	38.3%	13	10	29.9%
Greater Birmingham	97	88	10.4%	107	-9.3%	185	199	-7.0%
Greater Calhoun County	3	4	-31.5%	4	-40.1%	6	9	-27.8%
Greater Gadsden	5	7	-28.5%	6	-21.9%	11	10	14.3%
Greater Montgomery	36	40	-9.0%	27	31.5%	76	56	35.0%
Greater Morgan County	8	10	-11.7%	9	-4.6%	18	15	23.8%
Dothan & Wiregrass Area	5	5	-2.4%	19	-76.7%	9	36	-74.8%
Metropolitan Mobile	47	42	12.6%	56	-15.6%	89	120	-26.0%
Tuscaloosa	64	52	22.8%	39	62.0%	116	67	71.5%
Huntsville/Madison	134	123	9.1%	147	-8.3%	258	291	-11.4%
Jackson County	1	0	N/A	1	10.9%	3	2	63.8%
Lee County	45	47	-4.9%	37	21.0%	92	72	27.8%
Macon County	0	0	N/A	1	-100.0%	0	1	-100.0%
Marshall County	7	11	-33.6%	17	-59.2%	18	30	-42.0%
Muscle Shoals	6	4	41.3%	7	-6.1%	11	15	-30.5%
Northwest Alabama	0	1	N/A	1	-78.7%	1	3	-66.9%
Phenix City	14	17	-19.7%	13	3.0%	30	27	12.4%
South Alabama	0	1	-69.1%	2	-89.3%	1	4	-74.9%
St. Clair County	14	11	26.5%	20	-26.6%	26	41	-36.6%
Tallapoosa County	2	2	-31.1%	0	N/A	4	1	N/A
Walker County	0	0	N/A	2	-73.5%	0	3	-86.1%

*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 February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Total New Construction Sold	246	220	11.8%	228	7.9%	466	412	13.1%
Number of Units on Market	1,589	1,549	2.6%	1,986	-20.0%	N/A	N/A	N/A
Median Selling Price	$ 217,820	$ 223,277	-2.4%	$ 195,373	11.5%	$ 220,548	$ 193,329	14.1%
Average Selling Price	$ 234,229	$ 232,822	0.6%	$ 211,420	10.8%	$ 233,526	$ 208,194	12.2%
Average Days on Market	122	78	55.9%	115	6.3%	100	135	-25.8%

Total New Construction Sold

	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Birmingham	93	70	32.9%	66	40.9%	163	128	27.3%
Huntsville	75	94	-20.2%	96	-21.9%	169	174	-2.9%
Mobile	25	19	31.6%	36	-30.6%	44	53	-17.0%
Montgomery	40	21	90.5%	17	135.3%	61	37	64.9%
Tuscaloosa	13	16	-18.8%	13	0.0%	29	20	45.0%

Number of Units on Market

	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	I/S Ratio
Birmingham	728	678	7.4%	900	-19.1%	7.8
Huntsville	394	410	-3.9%	529	-25.5%	5.3
Mobile	154	173	-11.0%	178	-13.5%	6.2
Montgomery	197	181	8.8%	201	-2.0%	4.9
Tuscaloosa	116	107	8.4%	178	-34.8%	8.9

Median Selling Price

	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Birmingham	$ 206,000	$ 239,222	-13.9%	$ 188,075	9.5%	$ 222,611	$ 192,163	15.8%
Huntsville	$ 207,500	$ 247,297	-16.1%	$ 208,692	-0.6%	$ 227,399	$ 198,196	14.7%
Mobile	$ 211,200	$ 154,900	36.3%	$ 159,300	32.6%	$ 183,050	$ 154,600	18.4%
Montgomery	$ 221,900	$ 235,715	-5.9%	$ 245,900	-9.8%	$ 228,808	$ 234,525	-2.4%
Tuscaloosa	$ 242,500	$ 239,250	1.4%	$ 174,900	38.7%	$ 240,875	$ 187,163	28.7%

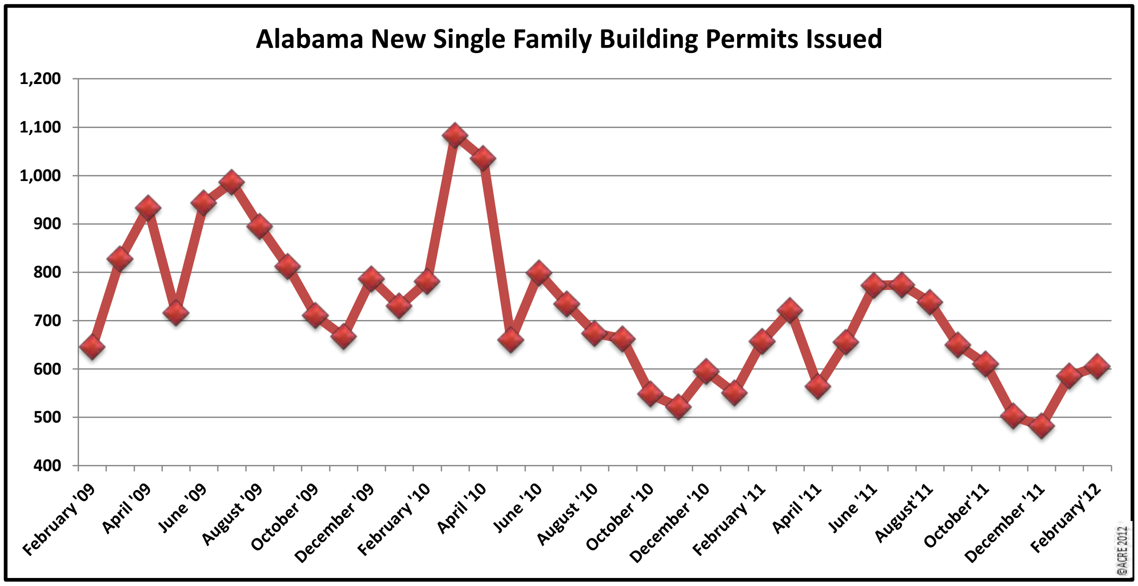
Average Selling Price

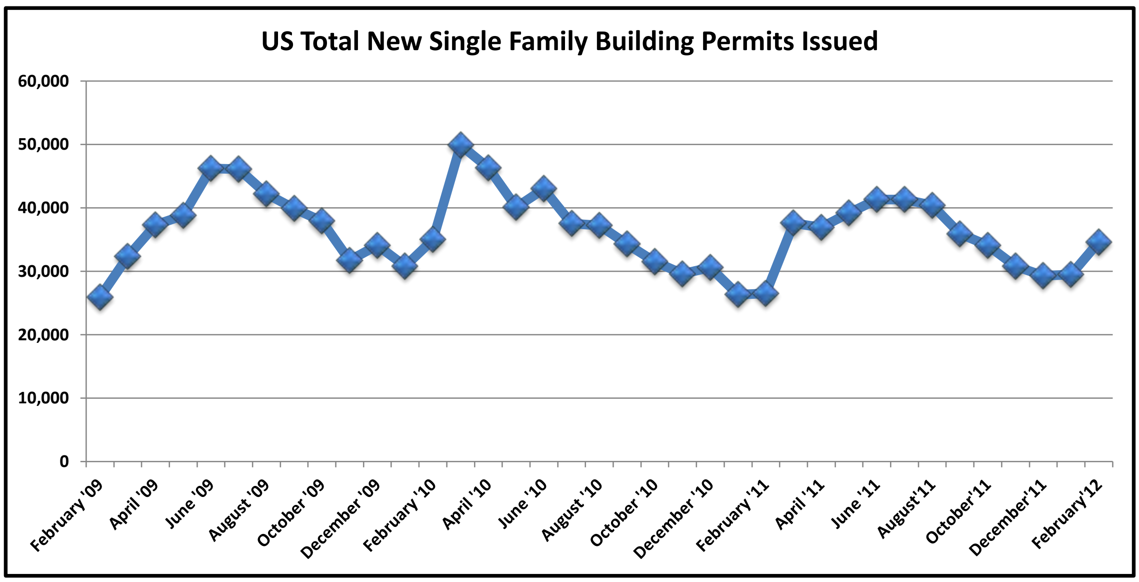
	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Birmingham	$ 239,306	$ 253,050	-5.4%	$ 211,395	13.2%	$ 246,178	$ 209,137	17.7%
Huntsville	$ 222,563	$ 243,664	-8.7%	$ 235,325	-5.4%	$ 233,114	$ 223,922	4.1%
Mobile	$ 197,428	$ 160,875	22.7%	$ 171,803	14.9%	$ 179,152	$ 171,308	4.6%
Montgomery	$ 225,955	$ 228,747	-1.2%	$ 253,577	-10.9%	$ 227,351	$ 241,286	-5.8%
Tuscaloosa	$ 285,894	$ 277,774	2.9%	$ 184,998	54.5%	$ 281,834	$ 195,315	44.3%

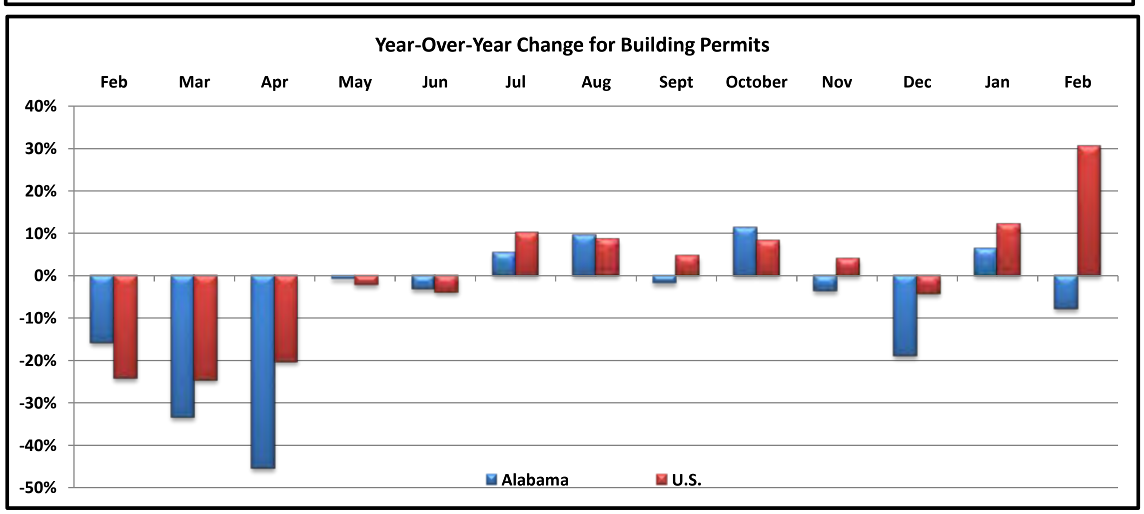
Average Days on Market

	Current Month February-12	Last Month January-12	% Difference	Last Year February-11	% Difference	YTD February-12	YTD February-11	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	124	76	63.2%	75	65.3%	100	87	15.6%
Mobile	188	98	91.8%	172	9.3%	143	203	-29.4%
Montgomery	65	58	12.1%	105	-38.1%	62	112	-44.8%
Tuscaloosa	111	81	37.0%	107	3.7%	96	139	-30.9%

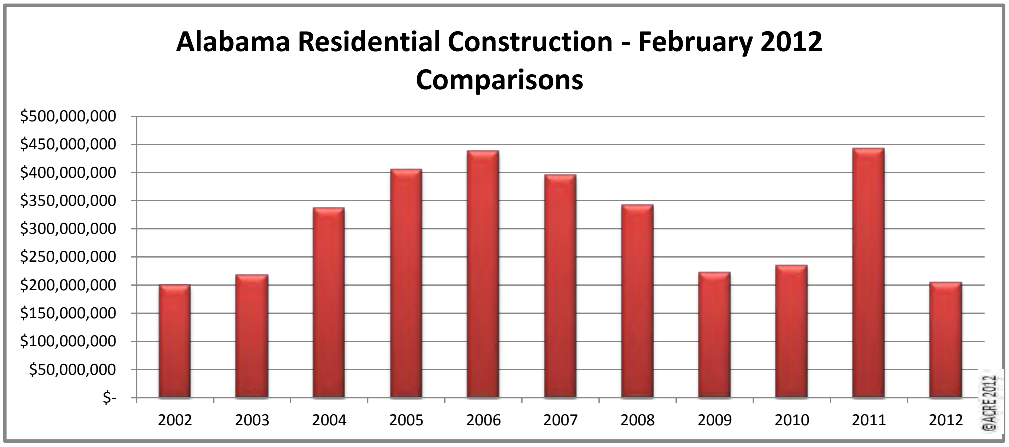
* Source: MLS

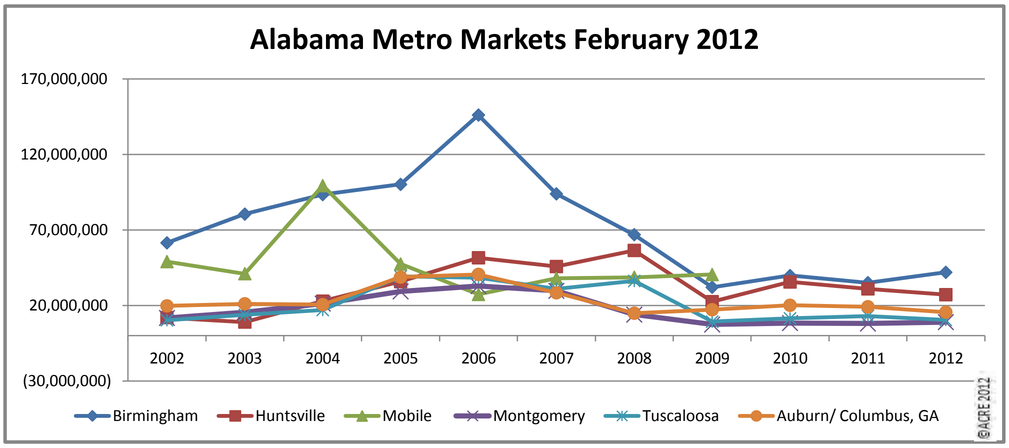

Alabama New Single Family Building Permits Issued
1,200
1,100
1,000
900
800
700
600
500
400
February '09
April '09
June '09
August '09
October '09
December '09
February '10
April '10
June '10
August '10
October '10
December '10
February '11
April '11
June '11
August'11
October'11
December '11
February'12
©ACRE 2012

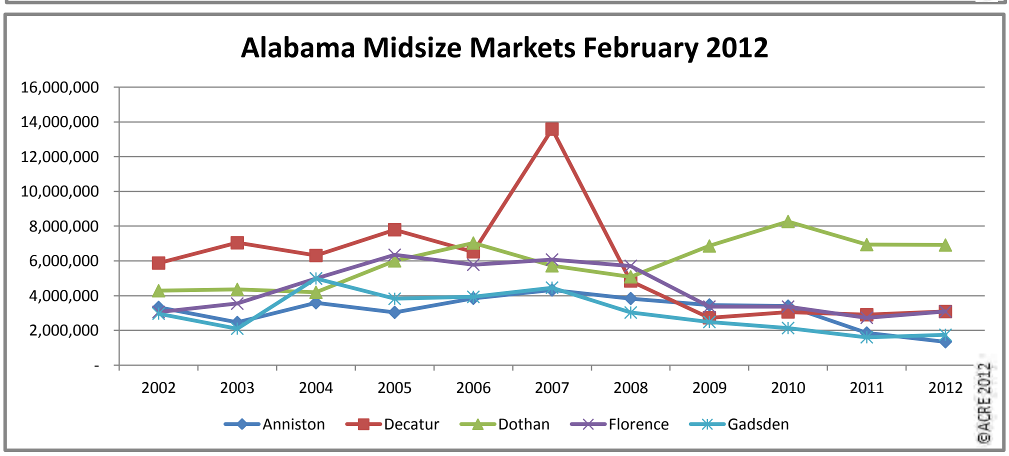

US Total New Single Family Building Permits Issued
60,000
50,000
40,000
30,000
20,000
10,000
0
February '09
April '09
June '09
August '09
October '09
December '09
February '10
April '10
June '10
August '10
October '10
December '10
February '11
April '11
June '11
August'11
October'11
December'11
February'12


Year-Over-Year Change for Building Permits
Feb
Mar
Apr
May
Jun
Jul
Aug
Sept
October
Nov
Dec
Jan
Feb
40%
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