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Alabama New Construction Report – July 2011

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	July	2011	**774**		The year-over-year (YoY) increase in housing permits this month (774 vs 734 in July '10) represents the first positive percentage change since April 2010. It is also 5th time in six months that percentage change when compared to prior month has been favorable. See graph on page 5 for more details.
July permits have increased .13 percent from June '11. July '11 figures have shown an increase of 5.4 percent from July '10.	vs. Prior Month	June	2011	**773**	**0.13%**	
	vs. Last Year (YoY)	July	2010	**734**	**5.4%**	
	vs. 3-Yr Avg	July	'08-'10	**938**	**-17.5%**	
	Year-to-Date	July	2011	**4,694**		
	vs. Last Year (YoY)	July	2010	**5,822**	**-19.4%**	
Starts	**Current Month**	July	2011	**741**		Consumer and builder uncertainty over where the economy is heading underscores the current fragile housing market. With that offered, the current figures do reflect an improvement from recent months.
July starts have increased 6.0 percent from June '11. July '11 figures show a decrease of 5.0 percent from July '10.	vs. Prior Month	June	2011	**699**	**6.0%**	
	vs. Last Year (YoY)	July	2010	**780**	**-5.0%**	
	vs. 3-Yr Avg	July	'08-'10	**947**	**-21.7%**	
	Year to Date	July	2011	**4,519**		
	vs.Prior Year	July	2010	**5,780**	**-21.8%**	

State **Commentary**

July new construction sales compared favorably to both the prior month and the same period last year. July new home sales were up 6.6% from June 2011 and up 52.7% from July 2010. Statewide new construction inventory has declined by approximately 27% from last July and 2% from last month.

According to McGraw-Hill, residential contract values declined by 1.5% to $220.1 million in July'11 compared to July '10 values. This figure is consistent with July 1999 @ $209.3 million (July's 10-year avg = $333.9 million or 34.1% higher than July'11).

According to the Alabama Dept. of Industrial Relations, statewide residential construction employment was down .7% (500 jobs) to 69,700 from last month but remains down by 5.0% or 3,700 workers from July'10.

Market challenges remain, including supply/demand imbalance, stubborn unemployment figures, low consumer confidence, inflation, competition from distressed existing home inventory, strict underwriting guidelines, and the slow growth of economy. As one would expect, the April 27th disaster will have a significant impact on Alabama's construction industry. Over the long haul, building permits and contract values should modestly increase as the rebuilding process begins to hit its stride in the month's ahead to include 2012. In the end, this possible increase may only act as an offset to declining figures should recessionary forces take a greater hold on the market.

Local

9 out of the 27 associations (33% - down from 52% in June) reported building permit gains from the prior month (June'11) while 14 associations (52% - up from 44% in June) experienced gains in housing starts. Six associations (22% - same as June) experienced an increase from their July'10 monthly housing starts including Cullman County & South Alabama(200%), Baldwin County (32%), St. Clair (17%), Lee County (7%), and Tuscaloosa Cnty (4.8%).

Year-to-date, 4 associations have experienced year-over-year growth in housing starts: Walker County (120%), Cullman County (80%), South Alabama (54%) and St. Clair County (2%).

2011 Current National Outlook from Industry Associations (annual % change from 2010 at the end of year)
National Assn Home Builders (NAHB): New homes sales down 3.7%; housing starts down 9.5% from 2010.
National Assn of REALTORS (NAR): New homes sales down 8.0%; housing starts down 5.8%; new home median price ($227,200) up 2.8%.

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 - July 2011

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Alabama State Total	774	773	0.1%	734	5.4%	4,694	5,822	-19.4%
South Total*	21,300	20,400	4.4%	21,100	0.9%	113,200	130,300	-13.1%
United States Total*	41,300	39,200	5.4%	43,000	-4.0%	207,800	245,100	-15.2%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Athens/Limestone **	18	10	80.0%	24	-25.0%	108	177	-39.0%
Baldwin County **	79	80	-1.3%	54	46.3%	446	434	2.8%
Blount County	0	1	-100.0%	0	N/A	4	4	0.0%
Chilton County	0	2	-100.0%	1	-100.0%	7	8	-12.5%
Cullman County	4	3	33.3%	1	300.0%	10	5	100.0%
Dekalb County **	1	1	0.0%	6	-83.3%	9	18	-50.0%
Enterprise	3	12	-75.0%	17	-82.4%	49	80	-38.8%
Greater Birmingham **	129	144	-10.4%	145	-11.0%	862	980	-12.0%
Greater Calhoun County **	13	13	0.0%	10	26.4%	47	106	-55.7%
Greater Gadsden **	9	3	200.0%	8	12.5%	37	68	-45.6%
Greater Montgomery	22	39	-43.6%	26	-15.4%	207	279	-25.8%
Greater Morgan County **	10	7	42.9%	13	-23.1%	68	96	-29.2%
Dothan & Wiregrass Area	16	21	-23.8%	23	-30.0%	120	171	-29.8%
Metropolitan Mobile**	76	65	16.9%	64	18.8%	377	543	-30.6%
Tuscaloosa**	65	58	12.1%	50	30.0%	325	449	-27.6%
Huntsville/Madison **	200	177	13.0%	175	14.3%	1,166	1,312	-11.1%
Jackson County **	2	2	0.0%	4	-50.0%	13	13	0.0%
Lee County	47	47	0.0%	33	42.4%	312	446	-30.0%
Macon County	0	0	N/A	0	N/A	2	4	-50.0%
Marshall County **	28	32	-12.5%	28	0.0%	148	161	-8.1%
Muscle Shoals **	11	6	83.3%	10	10.0%	63	94	-33.0%
Northwest Alabama	2	2	0.0%	0	N/A	8	6	33.3%
Phenix City	15	18	-16.7%	22	-31.8%	129	192	-32.8%
South Alabama	4	1	300.0%	1	300.0%	22	16	37.5%
St. Clair County **	17	24	-29.2%	18	-5.6%	140	148	-5.4%
Tallapoosa County	2	4	-50.0%	0	N/A	7	7	0.0%
Walker County	1	1	0.0%	1	-100.0%	8	5	60.0%

**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 July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Alabama State Total	741	699	6.0%	780	-5.0%	4,519	5,780	-21.8%
South Total	20,400	19,531	4.4%	21,198	-3.8%	107,658	126,956	-15.2%
United States Total	38,980	36,921	5.6%	41,871	-6.9%	199,213	236,980	-15.9%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Athens/Limestone	15	14	7.1%	29	-48.3%	116	168	-31.0%
Baldwin County	75	64	17.2%	57	31.6%	428	455	-5.9%
Blount County	0	1	-100.0%	0	N/A	5	5	0.0%
Chilton County	1	1	0.0%	1	0.0%	8	9	-11.1%
Cullman County	3	2	50.0%	1	200.0%	9	5	80.0%
Dekalb County	1	1	0.0%	4	-75.0%	7	16	-56.3%
Enterprise	7	10	-30.0%	13	-46.2%	48	77	-37.7%
Greater Birmingham	131	133	-1.5%	133	-1.5%	799	967	-17.4%
Greater Calhoun County	1	8	-87.5%	13	-92.3%	30	105	-71.4%
Greater Gadsden	7	3	133.3%	8	-12.5%	36	72	-50.0%
Greater Montgomery	29	32	-9.4%	34	-14.7%	204	278	-26.6%
Greater Morgan County	12	11	9.1%	16	-25.0%	69	82	-15.9%
Dothan & Wiregrass Area	17	15	13.3%	23	-26.1%	117	166	-29.5%
Metropolitan Mobile	66	55	20.0%	66	0.0%	378	572	-33.9%
Tuscaloosa	57	51	11.8%	55	3.6%	297	435	-31.7%
Huntsville/Madison	185	166	11.4%	197	-6.1%	1,140	1,288	-11.5%
Jackson County	2	2	0.0%	2	0.0%	12	13	-7.7%
Lee County	47	46	2.2%	44	6.8%	294	459	-35.9%
Macon County	0	0	N/A	0	N/A	2	5	-60.0%
Marshall County	27	23	17.4%	32	-15.6%	136	151	-9.9%
Muscle Shoals	9	7	28.6%	11	-18.2%	62	85	-27.1%
Northwest Alabama	2	1	100.0%	0	N/A	8	8	0.0%
Phenix City	19	25	-24.0%	22	-13.6%	132	190	-30.5%
South Alabama	3	3	0.0%	1	200.0%	20	13	53.8%
St. Clair County	21	22	-4.5%	18	16.7%	146	143	2.1%
Tallapoosa County	3	2	50.0%	0	N/A	5	8	-37.5%
Walker County	1	1	0.0%	0	N/A	11	5	120.0%

*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.*
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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%

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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 July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Total New Construction Sold	374	351	6.6%	245	52.7%	1,959	2,511	-22.0%
Number of Units on Market	1,717	1,754	-2.1%	2,345	-26.8%	N/A	N/A	N/A
Median Selling Price	$ 216,696	$ 199,050	8.9%	$ 215,971	0.3%	$ 196,269	$ 191,862	2.3%
Average Selling Price	$ 236,131	$ 218,552	8.0%	$ 228,878	3.2%	$ 215,053	$ 211,560	1.7%
Average Days on Market	128	135	-5.0%	112	14.0%	282	284	-0.8%

Total New Construction Sold

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Birmingham	134	95	41.1%	78	71.8%	613	959	-36.1%
Huntsville	122	151	-19.2%	92	32.6%	748	809	-7.5%
Mobile	34	36	-5.6%	37	-8.1%	249	334	-25.4%
Montgomery	64	41	56.1%	22	190.9%	235	232	1.3%
Tuscaloosa	20	28	-28.6%	16	25.0%	114	177	-35.6%

Number of Units on Market

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	I/S Ratio
Birmingham	810	851	-4.8%	1105	-26.7%	6.0
Huntsville	434	431	0.7%	586	-25.9%	3.6
Mobile	171	153	11.8%	232	-26.3%	5.0
Montgomery	178	187	-4.8%	228	-21.9%	2.8
Tuscaloosa	124	132	-6.1%	194	-36.1%	6.2

Median Selling Price

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Birmingham	$ 199,950	$ 189,900	5.3%	$ 218,097	-8.3%	$ 187,123	$ 191,478	-2.3%
Huntsville	$ 249,334	$ 219,400	13.6%	$ 250,200	-0.3%	$ 222,526	$ 224,172	-0.7%
Mobile	$ 168,750	$ 189,950	-11.2%	$ 179,500	-6.0%	$ 161,436	$ 173,094	-6.7%
Montgomery	$ 235,453	$ 229,500	2.6%	$ 215,406	9.3%	$ 230,184	$ 207,544	10.9%
Tuscaloosa	$ 229,992	$ 166,500	38.1%	$ 216,650	6.2%	$ 180,074	$ 163,021	10.5%

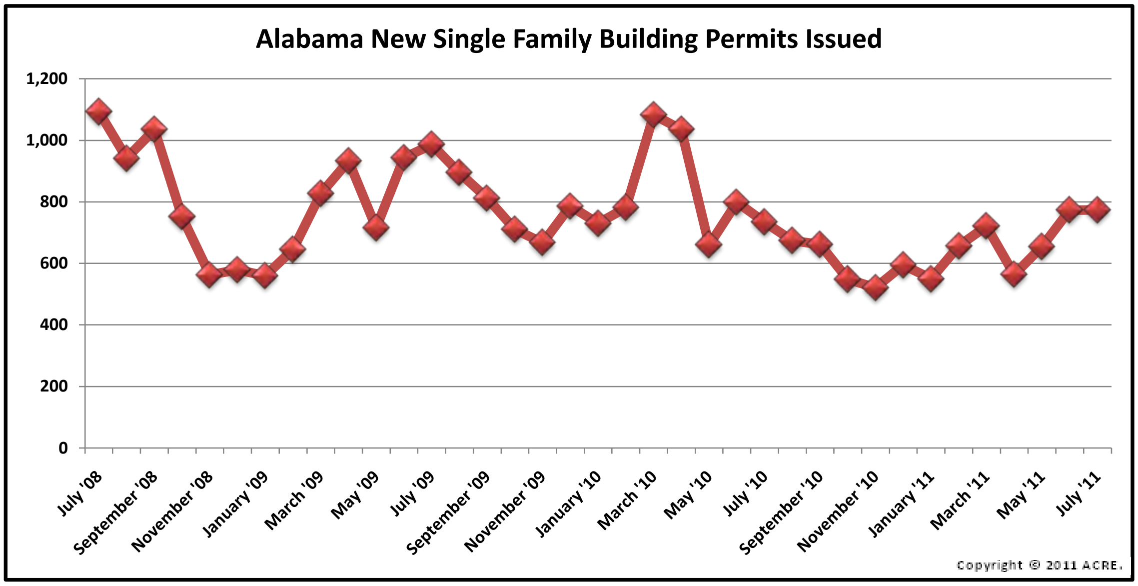
Average Selling Price

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Birmingham	$ 242,180	$ 226,592	6.9%	$ 243,392	-0.5%	$ 216,513	$ 221,106	-2.1%
Huntsville	$ 269,543	$ 232,791	15.8%	$ 251,064	7.4%	$ 241,289	$ 240,241	0.4%
Mobile	$ 182,546	$ 190,518	-4.2%	$ 206,337	-11.5%	$ 176,776	$ 188,423	-6.2%
Montgomery	$ 234,489	$ 235,447	-0.4%	$ 208,573	12.4%	$ 238,557	$ 215,405	10.7%
Tuscaloosa	$ 251,897	$ 207,411	21.4%	$ 235,022	7.2%	$ 202,131	$ 192,628	4.9%

Average Days on Market

	Current Month July-11	Last Month June-11	% Difference	Last Year July-10	% Difference	YTD July-11	YTD July-10	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	108	101	6.9%	86	25.6%	681	745	-8.6%
Mobile	181	197	-8.1%	188	-3.7%	194	138	40.7%
Montgomery	80	98	-18.4%	67	19.4%	106	98	8.4%
Tuscaloosa	143	143	0.0%	108	32.4%	146	155	-6.0%

* Source: MLS


Alabama New Single Family Building Permits Issued
1,200
1,000
800
600
400
200
0
July '08
September '08
November '08
January '09
March '09
May '09
July '09
September '09
November '09
January '10
March '10
May '10
July '10
September '10
November '10
January '11
March '11
May '11
July '11
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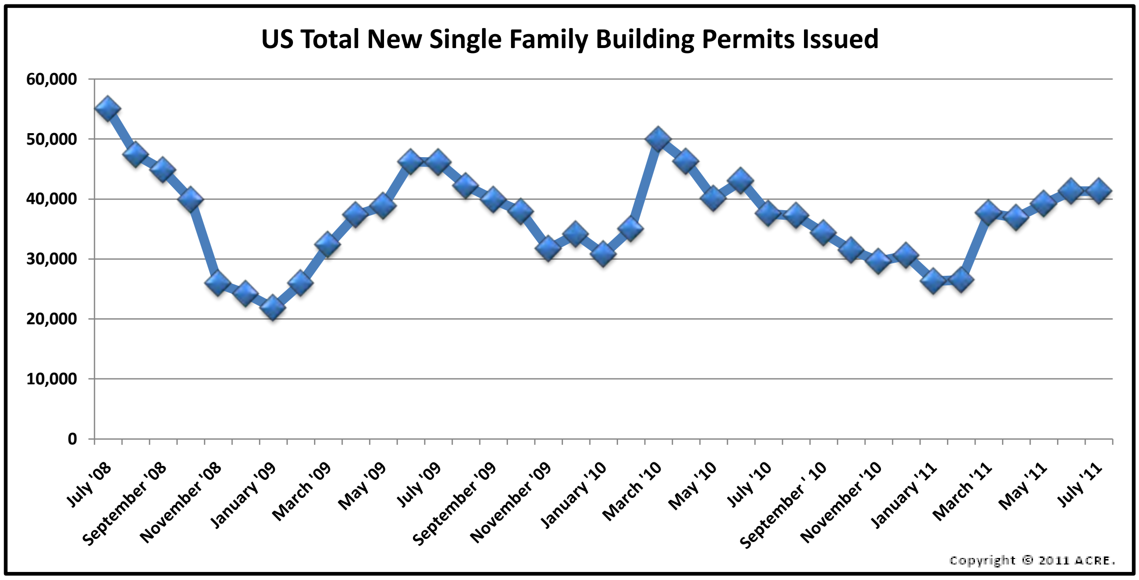
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60,000
50,000
40,000
30,000
20,000
10,000
0
July '08
September '08
November '08
January '09
March '09
May '09
July '09
September '09
November '09
January '10
March '10
May '10
July '10
September ' 10
November '10
January '11
March '11
May '11
July '11
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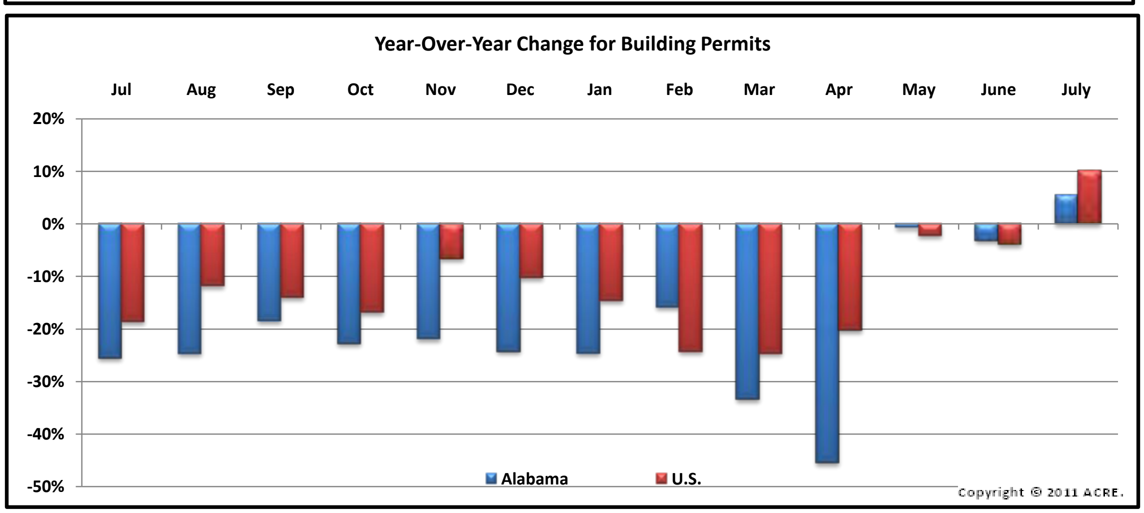
Year-Over-Year Change for Building Permits
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
June
July
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
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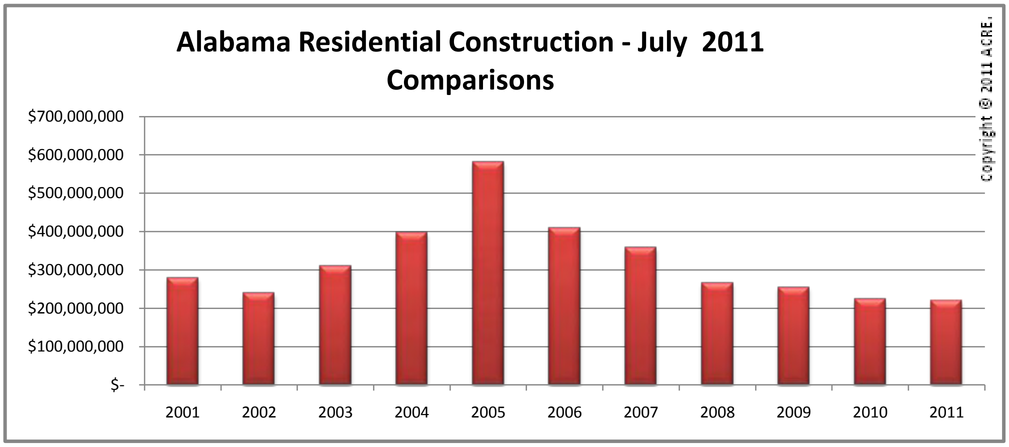
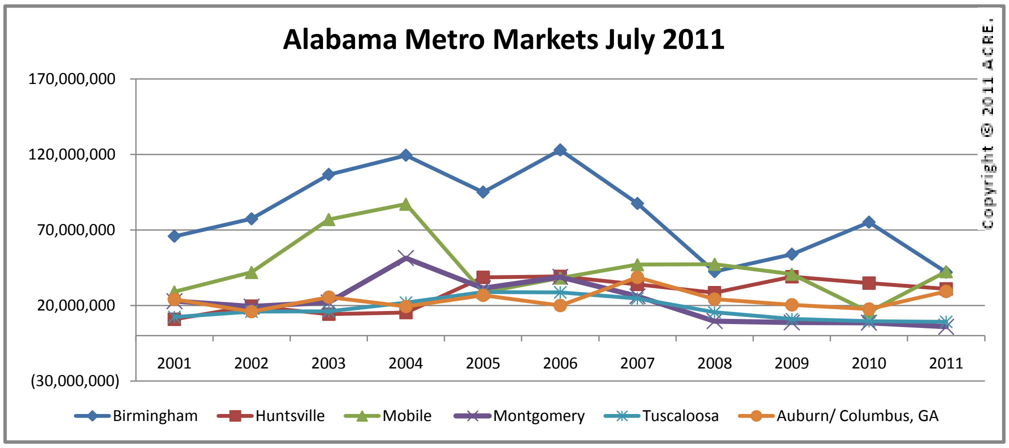
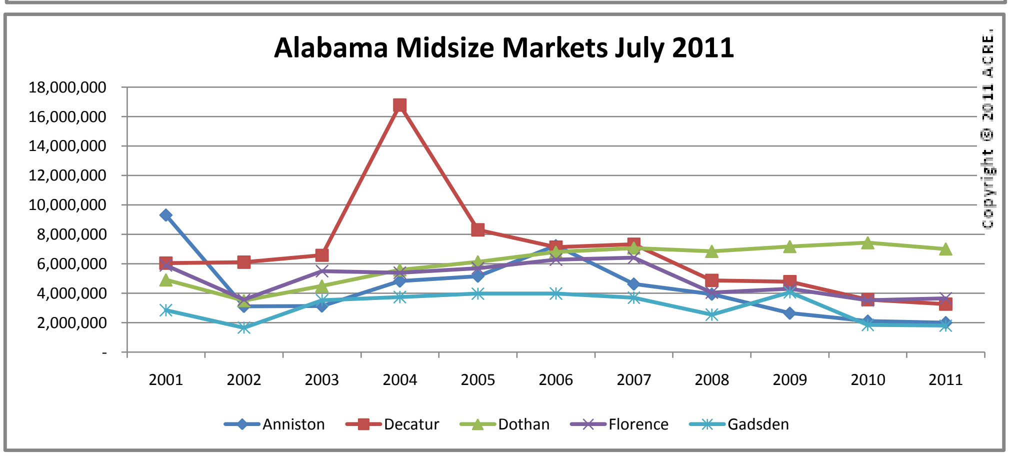
Residential Construction Building Contracts in Dollars







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