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Alabama New Construction Report – July 2012

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	July	2012	**705**		The decline in Alabama permits from last month is consistent with declines in the south region & broader US market and sesasonal swings. In constrast, both the South region and US market, unlike Alabama, posted positive results compared to July 2011.
July permits have decreased 3.4 percent from last month which could be expected based upon seasonal patterns. Figures also show a decrease of 6.2 percent from July '11.	vs. Prior Month	June	2012	**730**	-3.4%	
	vs. Last Year (YoY)	July	2011	**752**	-6.2%	
	vs. 3-Yr Avg	July	'09-'11	**670**	5.3%	
	Year-to-Date	July	2012	**4,777**		
	vs. Last Year (YoY)	July	2011	**4,588**	4.1%	
Starts	**Current Month**	July	2012	**717**		While YTD Starts remain positive, confidence surveys of consumers & builders still detect levels of uncertainty that underscores the current housing market. YTD figures reflect overall improvement from recent years.
July starts have decreased 2.5 percent from June '12. July'12 figures show a decrease of 1.8 percent from July '11.	vs. Prior Month	June	2012	**735**	-2.5%	
	vs. Last Year (YoY)	July	2011	**729**	-1.8%	
	vs. 3-Yr Avg	July	'09-'11	**748**	-4.2%	
	Year to Date	July	2012	**4,589**		
	vs.Prior Year	July	2011	**4,439**	3.4%	

State **Commentary**

June new home sales results were unfavorable on both fronts: down 17.9% from July 2011 and 17.5% from last month. On a more positive note, YTD sales remain up 3.6% from 2011 and statewide new construction inventory has declined by approximately 14% from last July and 2.7% from last month.

According to McGraw-Hill, residential contract values increased by 28.1% to $282.1 million in July '12 compared to July '11 values. This volume is consistent with July 2003 @ $309.1 million (July's 5-year average = $264 million or 6.6% higher than July '12).

According to the Alabama Dept. of Industrial Relations, statewide related construction employment was up 1.1% (700 jobs) to 61,400 from last month but remained down 6.9% or 4,600 workers from July '11 (but the year-over-year % change continues to narrow).

While gradually improving in recent months, market challenges remain including weak economic growth, stagnant job growth and competition from distressed existing home inventory. Strict underwriting guidelines are still applicable in today's market. The November election outcome and subsequent tax policy also represents a current cloud of uncertainty.

An important note, the balance between supply & demand widened for the first time in months as the market entered the 3rd quarter of 2012. Months of new home supply in July was 4.8 months. This is higher than last month (4.1 months) and last July (4.6 months).

Local

9 out of the 27 associations (33% - up from 30% in June) reported building permit gains from the prior month (June'12) while 9 associations (33% - down from 37% in June) experienced gains in housing starts. Ten associations (37% -down from 52% last month) experienced an increase from their July'11 monthly housing starts including : Marshall County (255%), DeKalb (100%), Greater Morgan (68%), Muscle Shoals (29%), Lee County (28%), Enterprise (22%), Greater Gadsden (20%), Greater Montgomery (14%), Blount County (10%) and Baldwin County (7%).

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 31.4%.

__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 - July 2012

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Alabama State Total	705	730	-3.4%	752	-6.2%	4,777	4,588	4.1%
South Total*	23,800	24,100	-1.2%	18,300	30.1%	156,800	131,500	19.2%
United States Total*	42,800	44,800	-4.5%	35,300	21.2%	285,900	243,100	17.6%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Athens/Limestone **	14	14	0.0%	18	-22.2%	84	108	-22.2%
Baldwin County **	79	83	-4.8%	79	0.0%	540	446	21.1%
Blount County	0	0	N/A	0	N/A	0	4	-100.0%
Chilton County	1	0	N/A	0	N/A	4	7	-42.9%
Cullman County	2	1	N/A	4	-50.0%	19	10	90.0%
Dekalb County **	2	3	-33.3%	1	100.0%	15	9	66.7%
Enterprise	8	9	-11.1%	3	166.7%	61	49	24.5%
Greater Birmingham **	130	126	3.2%	129	1.0%	822	862	-4.6%
Greater Calhoun County **	8	9	-11.1%	13	-38.5%	29	47	-37.6%
Greater Gadsden **	9	5	80.0%	9	0.0%	44	37	18.9%
Greater Montgomery	35	29	20.7%	22	59.1%	253	207	22.2%
Greater Morgan County **	19	12	58.3%	10	90.0%	95	68	39.7%
Dothan & Wiregrass Area	17	14	21.4%	16	6.3%	66	120	-45.0%
Metropolitan Mobile**	34	46	-26.1%	76	-55.3%	361	377	-4.2%
Tuscaloosa**	58	55	5.5%	65	-10.8%	425	325	30.8%
Huntsville/Madison **	151	193	-21.8%	200	-24.5%	1,136	1,166	-2.6%
Jackson County **	2	1	100.0%	2	0.0%	15	13	15.4%
Lee County	75	48	56.3%	47	59.6%	373	312	19.6%
Macon County	0	0	N/A	0	N/A	0	2	-100.0%
Marshall County **	19	26	-26.9%	6	216.7%	113	42	169.0%
Muscle Shoals **	11	9	22.2%	11	0.0%	90	63	42.9%
Northwest Alabama	1	0	N/A	2	-50.0%	7	8	-12.5%
Phenix City	15	24	-37.5%	15	0.0%	77	129	-40.3%
South Alabama	1	1	0.0%	4	-75.0%	11	22	-50.0%
St. Clair County **	14	21	-33.3%	17	-17.6%	126	140	-10.0%
Tallapoosa County	0	1	-100.0%	2	-100.0%	6	7	-14.3%
Walker County	0	0	N/A	1	-100.0%	5	8	-37.5%

**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-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Alabama State Total	717	735	-2.5%	729	-1.8%	4,589	4,439	3.4%
South Total	23,895	24,045	-0.6%	19,836	20.5%	150,030	127,494	17.7%
United States Total	44,002	45,120	-2.5%	38,080	15.6%	273,723	237,293	15.4%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Athens/Limestone	13	13	1.2%	15	-11.7%	83	116	-28.8%
Baldwin County	80	84	-3.9%	75	7.0%	509	431	18.1%
Blount County	0	0	N/A	0	10.0%	0	5	-91.6%
Chilton County	0	0	N/A	0	N/A	0	0	N/A
Cullman County	2	3	-22.4%	3	-33.8%	17	8	114.9%
Dekalb County	2	3	-22.2%	1	100.0%	15	9	66.7%
Enterprise	9	9	-1.4%	7	22.3%	58	48	21.2%
Greater Birmingham	127	123	2.7%	134	-5.7%	777	811	-4.2%
Greater Calhoun County	8	6	19.6%	11	-32.9%	28	40	-29.1%
Greater Gadsden	7	6	20.9%	6	20.1%	44	34	30.5%
Greater Montgomery	34	35	-2.7%	30	14.3%	255	205	24.3%
Greater Morgan County	16	14	13.8%	10	68.0%	90	67	34.5%
Dothan & Wiregrass Area	14	13	14.5%	17	-16.7%	57	119	-52.0%
Metropolitan Mobile	43	50	-13.4%	66	-34.5%	366	376	-2.6%
Tuscaloosa	58	62	-6.4%	58	-1.4%	414	297	39.3%
Huntsville/Madison	171	188	-8.9%	185	-7.6%	1,079	1,140	-5.4%
Jackson County	2	2	-18.3%	2	-14.4%	27	12	131.8%
Lee County	60	53	13.1%	47	28.0%	352	297	18.7%
Macon County	0	0	N/A	0	-100.0%	0	2	-100.0%
Marshall County	21	21	1.4%	6	255.7%	100	42	137.0%
Muscle Shoals	12	15	-18.8%	9	29.8%	83	62	34.1%
Northwest Alabama	1	1	-25.0%	2	-53.6%	7	8	-12.9%
Phenix City	16	12	35.5%	19	-11.4%	83	132	-37.4%
South Alabama	1	2	-27.7%	3	-52.9%	11	20	-45.1%
St. Clair County	18	20	-10.8%	20	-11.6%	122	144	-15.5%
Tallapoosa County	1	1	-41.8%	2	-73.5%	8	6	33.2%
Walker County	0	1	-69.9%	1	-71.4%	5	9	-47.9%

*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%

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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-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Total New Construction Sold	307	372	-17.5%	374	-17.9%	2,030	1,959	3.6%
Number of Units on Market	1,483	1,524	-2.7%	1,717	-13.6%	N/A	N/A	N/A
Median Selling Price	$ 221,886	$ 226,766	-2.2%	$ 216,696	2.4%	$ 214,422	$ 196,269	9.2%
Average Selling Price	$ 237,436	$ 233,775	1.6%	$ 236,131	0.6%	$ 229,875	$ 215,053	6.9%
Average Days on Market	98	111	-12.2%	128	-23.8%	113	136	-17.0%

Total New Construction Sold

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Birmingham	104	141	-26.2%	134	-22.4%	706	613	15.2%
Huntsville	108	126	-14.3%	122	-11.5%	704	748	-5.9%
Mobile	28	28	0.0%	34	-17.6%	194	249	-22.1%
Montgomery	43	55	-21.8%	64	-32.8%	292	235	24.3%
Tuscaloosa	24	22	9.1%	20	20.0%	134	114	17.5%

Number of Units on Market

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	I/S Ratio
Birmingham	649	680	-4.6%	810	-19.9%	6.2
Huntsville	394	410	-3.9%	434	-9.2%	3.6
Mobile	141	138	2.2%	171	-17.5%	5.0
Montgomery	177	176	0.6%	178	-0.6%	4.1
Tuscaloosa	122	120	1.7%	124	-1.6%	5.1

Median Selling Price

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Birmingham	$ 233,950	$ 230,700	1.4%	$ 199,950	17.0%	$ 222,224	$ 187,123	18.8%
Huntsville	$ 250,000	$ 251,395	-0.6%	$ 249,334	0.3%	$ 228,014	$ 222,526	2.5%
Mobile	$ 182,840	$ 196,786	-7.1%	$ 168,750	8.3%	$ 180,134	$ 161,436	11.6%
Montgomery	$ 220,000	$ 249,950	-12.0%	$ 235,453	-6.6%	$ 227,091	$ 230,184	-1.3%
Tuscaloosa	$ 222,638	$ 205,000	8.6%	$ 229,992	-3.2%	$ 214,646	$ 180,074	19.2%

Average Selling Price

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Birmingham	$ 272,264	$ 260,899	4.4%	$ 242,180	12.4%	$ 249,553	$ 216,513	15.3%
Huntsville	$ 258,455	$ 244,361	5.8%	$ 269,543	-4.1%	$ 238,172	$ 241,289	-1.3%
Mobile	$ 198,183	$ 195,845	1.2%	$ 182,546	8.6%	$ 189,578	$ 176,776	7.2%
Montgomery	$ 225,704	$ 237,808	-5.1%	$ 234,489	-3.7%	$ 227,590	$ 238,557	-4.6%
Tuscaloosa	$ 232,574	$ 229,960	1.1%	$ 251,897	-7.7%	$ 244,482	$ 202,131	21.0%

Average Days on Market

	Current Month July-12	Last Month June-12	% Difference	Last Year July-11	% Difference	YTD July-12	YTD July-11	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	81	70	15.7%	108	-25.0%	91	97	-6.5%
Mobile	164	124	32.3%	181	-9.4%	167	194	-13.8%
Montgomery	70	176	-60.2%	80	-12.5%	100	106	-5.9%
Tuscaloosa	75	74	1.4%	143	-47.6%	93	146	-36.4%

* Source: MLS

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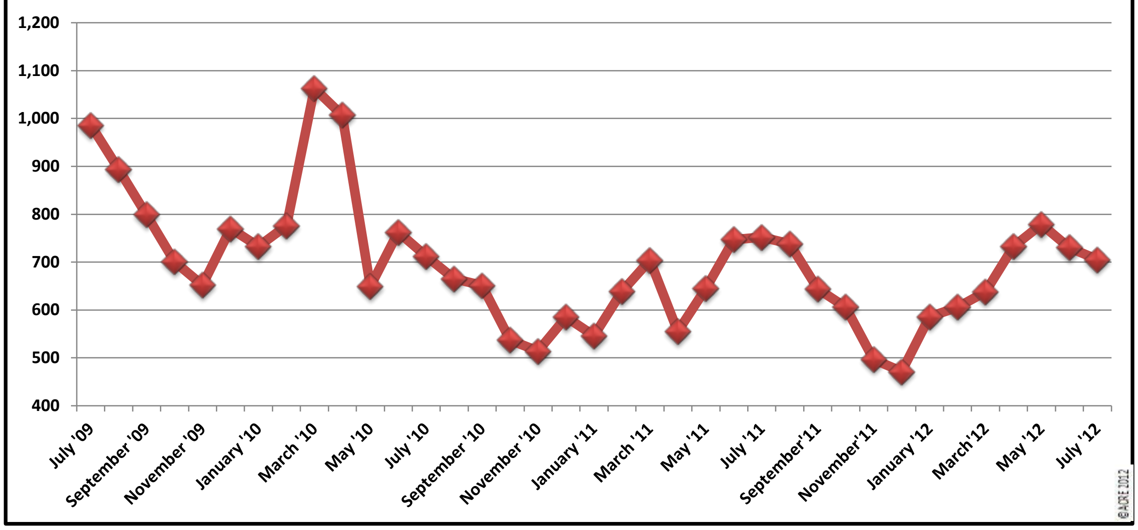
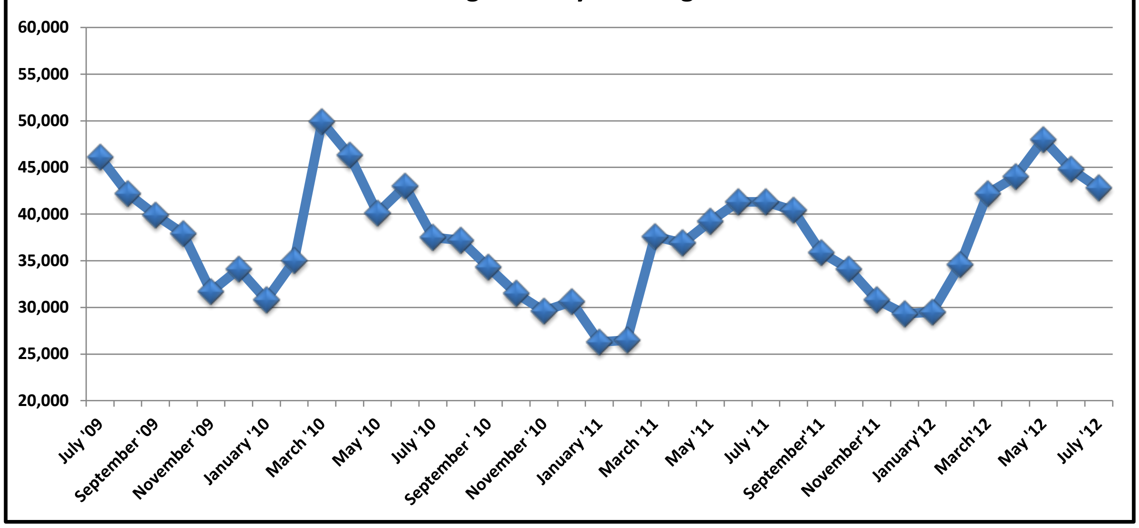
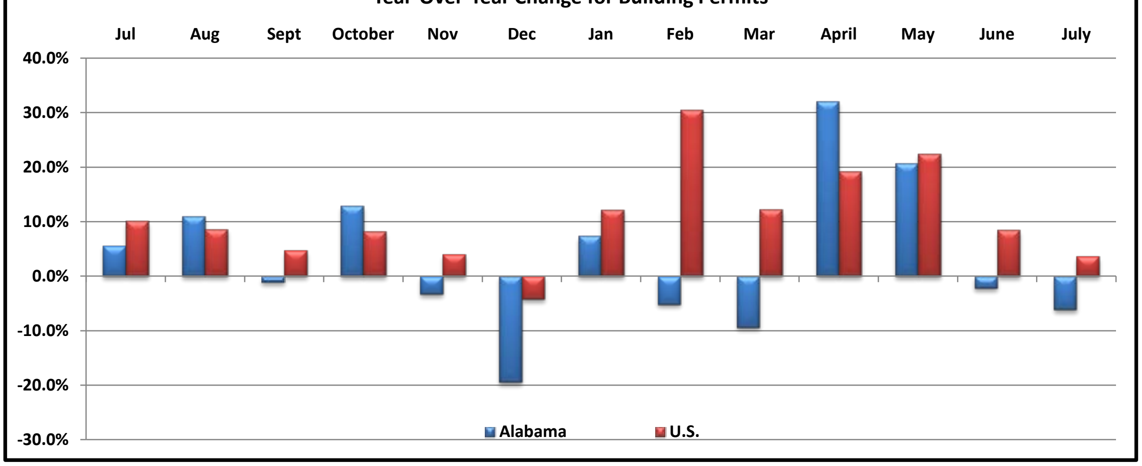


Alabama New Single Family Building Permits Issued

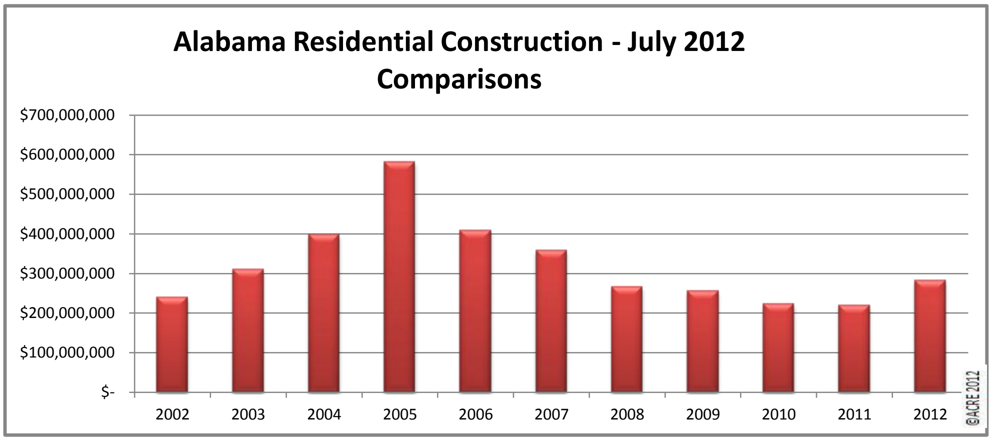


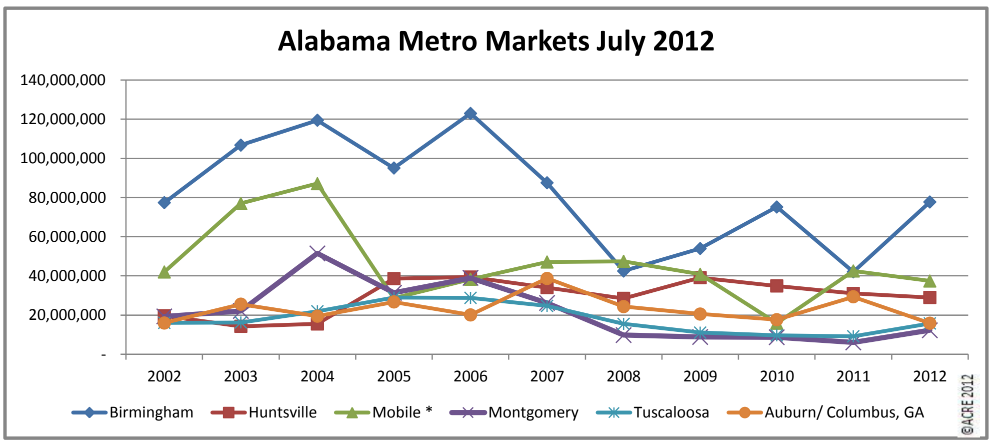
US Total New Single Family Building Permits Issued

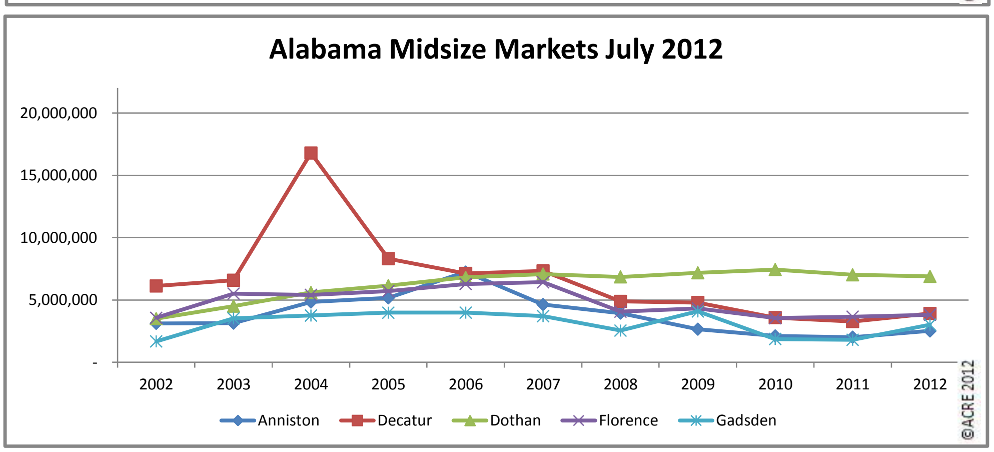


Year-Over-Year Change for Building Permits

Residential Construction Building Contracts in Dollars







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