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Alabama New Construction Report – June 2010

Monthly Indicator	Recent Figures					Trends
Permits June '10 figures show a decrease of 15.3 percent from June '09 but a significantly larger 20.9 percent increase in single family building permits issued versus the prior month.	**Current Month**	**June**	**2010**	**799**		**The YoY decline of housing permits this month (799 from 943) represents the 2nd consecutive decline after a six month favorable growth period which began back in November 2009.**
	vs. Prior Month	May	2010	**661**	**20.9%**	
	vs. Last Year (YoY)	June	2009	**943**	**<15.3%>**	
	vs. Last 3 Year Avg.	June	'07-'09	**1325**	**<39.7%>**	
Starts Building starts for June 2010 experienced a decrease from May 2010 of 11.2 percent and were 8.2 percent lower than June 2009.	**Current Month**	**June**	**2010**	**771**		**Year-to-Date starts are up 15.9% from last year. However, there was a decline of 97 housing starts from the month prior. This represents the second consecutive month-over-month decline in projected housing starts.**
	vs. Prior Month	May	2010	**868**	**<11.2%>**	
	vs. Last Year (YoY)	June	2009	**840**	**<8.2%>**	
	vs. Last 3 Year Avg.	June	'07-'09	**1376**	**<44.0%>**	

State **Commentary**

June statistics indicate continued progress on the home sales front but also reveal a decline in housing starts. New homes sales in our five metro markets increased by 57.1% from last June and 37.5% from the prior month. Overall inventory remains consistent with prior months, marked by a slight 2.7% increase over May. Statewide ***new construction supply*** is currently estimated at **3,350 units**, a decline of 25% +/- from last June. According to McGraw-Hill, residential contract values increased by 9% in June '10 versus June '09 to $270 million, consistent with June '03 @ $299 million (June 10-year average = $325.5 million). YTD residential contract values are up 7% from last year. Alabama construction employment was up 0.5% to 87,700 from last month but is down 5.4% from June '10. 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. Short-term concerns include the slowing of the national GDP and the uncertain future and recovery of our coastal region. **Please note the 2nd Quarter Residential Construction value graph on page 6 which shows our current figures mirroring the 2nd Quarter of 2003.**

Local

During the month, 6 out of the 27 associations (22 percent) reported improvements from their June 2009 building starts. Only four associations had increases from their May 2010 housing starts, including Athens/Limestone HBA (15.4%), Greater Morgan County HBA (14.3%), Huntsville/Madison HBA (4.3%), and Marshall County HBA (36.4%). All associations with monthly starts advances are located in the northern portion of state. Every local home building market is unique, and significant fluctuations from one area to another are anticipated for the foreseeable future.

New Construction Report - June 2010

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Alabama State Total	799	661	20.9%	943	-15.3%	5,090	4,624	10.1%
South Total*	20,900	20,500	2.0%	23,800	-12.2%	130,100	110,200	18.1%
United States Total*	42,900	40,100	7.0%	46,200	-7.1%	245,000	202,300	21.1%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY ASSOCIATION

Association	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Athens/Limestone HBA**	36	27	33.3%	22	63.6%	153	100	53.0%
Baldwin County HBA**	61	51	19.6%	89	-31.5%	380	315	20.6%
Blount County HBA	0	1	-100.0%	1	-100.0%	4	4	0.0%
Chilton County HBA	1	0	N/A	1	0.0%	7	3	133.3%
Cullman County HBA	2	0	N/A	0	N/A	4	6	-33.3%
Dekalb County HBA**	2	4	-50.0%	5	-60.0%	12	12	0.0%
Enterprise HBA	8	11	-27.3%	14	-42.9%	63	62	1.6%
Greater Birmingham HBA**	110	98	12.2%	135	-18.5%	835	737	13.3%
Greater Calhoun County HBA**	16	18	-11.1%	15	6.7%	97	108	-10.2%
Greater Gadsden HBA**	6	11	-45.5%	13	-53.8%	60	53	13.2%
Greater Montgomery HBA	40	45	-11.1%	39	2.6%	253	196	29.1%
Greater Morgan County HBA**	21	15	40.0%	15	40.0%	83	72	15.3%
HBA of Dothan & Wiregrass Area	21	14	50.0%	28	-25.0%	148	124	19.4%
HBA of Metropolitan Mobile**	62	38	63.2%	109	-43.1%	480	504	-4.8%
HBA of Tuscaloosa**	58	52	11.5%	57	1.8%	399	313	27.5%
Huntsville/Madison HBA**	219	161	36.0%	210	4.3%	1,137	1,155	-1.6%
Jackson County HBA**	1	2	-50.0%	5	-80.0%	9	20	-55.0%
Lee County HBA	43	31	38.7%	76	-43.4%	413	341	21.1%
Macon County HBA	1	0	N/A	2	-50.0%	4	14	-71.4%
Marshall County HBA**	42	17	147.1%	8	425.0%	133	36	269.4%
Muscle Shoals HBA**	12	12	0.0%	11	9.1%	84	49	71.4%
Northwest Alabama HBA	1	0	N/A	4	-75.0%	6	14	-57.1%
Phenix City HBA	17	25	-32.0%	51	-66.7%	170	194	-12.4%
South Alabama HBA	1	4	-75.0%	5	-80.0%	15	19	-21.1%
St. Clair County HBA**	18	23	-21.7%	22	-18.2%	130	147	-11.6%
Tallapoosa County HBA	0	1	-100.0%	3	-100.0%	7	15	-53.3%
Walker County HBA	0	0	0.0%	3	-100.0%	4	11	-63.6%

**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 June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Alabama State Total	771	868	-11.2%	840	-8.2%	4,998	4,313	15.9%
South Total	21,110	22,211	-5.0%	21,038	0.3%	126,868	103,379	22.7%
United States Total	41,827	42,472	-1.5%	40,823	2.5%	236,936	188,664	25.6%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Athens/Limestone HBA	30	26	15.4%	18	66.7%	139	95	46.3%
Baldwin County HBA	48	53	-9.4%	62	-22.6%	360	296	21.6%
Blount County HBA	1	1	0.0%	1	0.0%	5	4	25.0%
Chilton County HBA	1	1	0.0%	1	0.0%	8	4	100.0%
Cullman County HBA	1	0	N/A	1	0.0%	4	8	-50.0%
Dekalb County HBA	3	3	0.0%	3	0.0%	12	10	20.0%
Enterprise HBA	10	12	-16.7%	12	-16.7%	64	61	4.9%
Greater Birmingham HBA	115	131	-12.2%	129	-10.9%	829	688	20.5%
Greater Calhoun County HBA	18	18	0.0%	19	-5.3%	93	94	-1.1%
Greater Gadsden HBA	7	13	-46.2%	10	-30.0%	64	49	30.6%
Greater Montgomery HBA	42	44	-4.5%	33	27.3%	244	188	29.8%
Greater Morgan County HBA	16	14	14.3%	14	14.3%	74	72	2.8%
HBA of Dothan & Wiregrass Area	19	20	-5.0%	24	-20.8%	143	120	19.2%
HBA of Metropolitan Mobile	65	100	-35.0%	98	-33.7%	539	479	12.5%
HBA of Tuscaloosa	59	66	-10.6%	57	3.5%	380	260	46.2%
Huntsville/Madison HBA	193	185	4.3%	201	-4.0%	1,091	1,084	0.6%
Jackson County HBA	2	2	0.0%	3	-33.3%	11	16	-31.3%
Lee County HBA	50	81	-38.3%	65	-23.1%	415	323	28.5%
Macon County HBA	1	1	0.0%	2	-50.0%	5	12	-58.3%
Marshall County HBA	30	22	36.4%	7	328.6%	119	35	240.0%
Muscle Shoals HBA	12	15	-20.0%	11	9.1%	74	45	64.4%
Northwest Alabama HBA	0	0	0.0%	2	-100.0%	8	11	-27.3%
Phenix City HBA	23	29	-20.7%	37	-37.8%	168	173	-2.9%
South Alabama HBA	3	3	0.0%	4	-25.0%	12	16	-25.0%
St. Clair County HBA	21	26	-19.2%	22	-4.5%	125	150	-16.7%
Tallapoosa County HBA	1	2	-50.0%	2	-50.0%	8	12	-33.3%
Walker County HBA	0	0	0.0%	2	-100.0%	4	8	-50.0%

*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.*
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%
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 June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Total New Construction Sold	627	456	37.5%	399	57.1%	2,266	2,059	10.1%
Number of Units on Market	2,415	2,351	2.7%	3,067	-21.3%	N/A	N/A	N/A
Median Selling Price	$ 188,025	$ 179,783	4.6%	$ 196,598	-4.4%	$ 187,844	$ 200,643	-6.4%
Average Selling Price	$ 209,473	$ 195,908	6.9%	$ 222,780	-6.0%	$ 208,674	$ 223,552	-6.7%
Average Days on Market	95	110	-13.4%	145	-34.6%	127	136	-7.2%

Total New Construction Sold

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Birmingham	235	188	25.0%	196	19.9%	881	977	-9.8%
Huntsville	212	135	57.0%	115	84.3%	717	550	30.4%
Mobile	86	54	59.3%	28	207.1%	297	197	50.8%
Montgomery	54	50	8.0%	38	42.1%	210	189	11.1%
Tuscaloosa	40	29	37.9%	22	81.8%	161	146	10.3%

Number of Units on Market

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	I/S Ratio
Birmingham	1,196	1,163	2.8%	1,625	-26.4%	5.1
Huntsville	561	557	0.7%	682	-17.7%	2.6
Mobile	241	233	3.4%	218	10.6%	2.8
Montgomery	210	188	11.7%	271	-22.5%	3.9
Tuscaloosa	207	210	-1.4%	271	-23.6%	5.2

Median Selling Price

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Birmingham	$ 202,330	$ 169,900	19.1%	$ 202,727	-0.2%	$ 187,042	$ 197,281	-5.2%
Huntsville	$ 219,194	$ 207,265	5.8%	$ 242,000	-9.4%	$ 219,834	$ 242,330	-9.3%
Mobile	$ 169,400	$ 168,900	0.3%	$ 165,000	2.7%	$ 172,026	$ 185,619	-7.3%
Montgomery	$ 194,400	$ 195,950	-0.8%	$ 200,764	-3.2%	$ 206,233	$ 203,128	1.5%
Tuscaloosa	$ 154,800	$ 156,900	-1.3%	$ 172,500	-10.3%	$ 154,083	$ 174,858	-11.9%

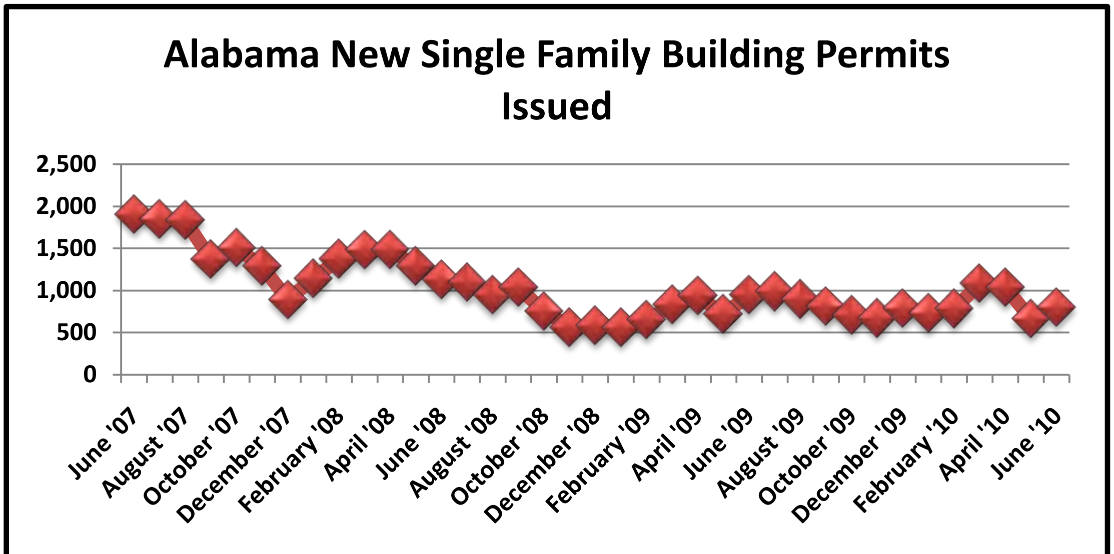
Average Selling Price

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Birmingham	$ 220,528	$ 199,407	10.6%	$ 237,571	-7.2%	$ 217,391	$ 231,366	-6.0%
Huntsville	$ 253,248	$ 226,121	12.0%	$ 259,557	-2.4%	$ 238,437	$ 255,874	-6.8%
Mobile	$ 179,021	$ 173,177	3.4%	$ 170,673	4.9%	$ 185,437	$ 197,381	-6.1%
Montgomery	$ 210,529	$ 214,207	-1.7%	$ 225,063	-6.5%	$ 216,544	$ 224,493	-3.5%
Tuscaloosa	$ 184,038	$ 166,628	10.4%	$ 221,034	-16.7%	$ 185,563	$ 208,646	-11.1%

Average Days on Market

	Current Month June-10	Last Month May-10	% Difference	Last Year June-09	% Difference	YTD June-10	YTD June-09	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	62	92	-32.6%	105	-41.0%	110	93	18.3%
Mobile	106	136	-22.1%	140	-24.3%	130	129	0.8%
Montgomery	77	66	16.7%	146	-47.3%	103	139	-25.9%
Tuscaloosa	135	145	-6.9%	190	-28.9%	163	184	-11.4%

* Source: MLS


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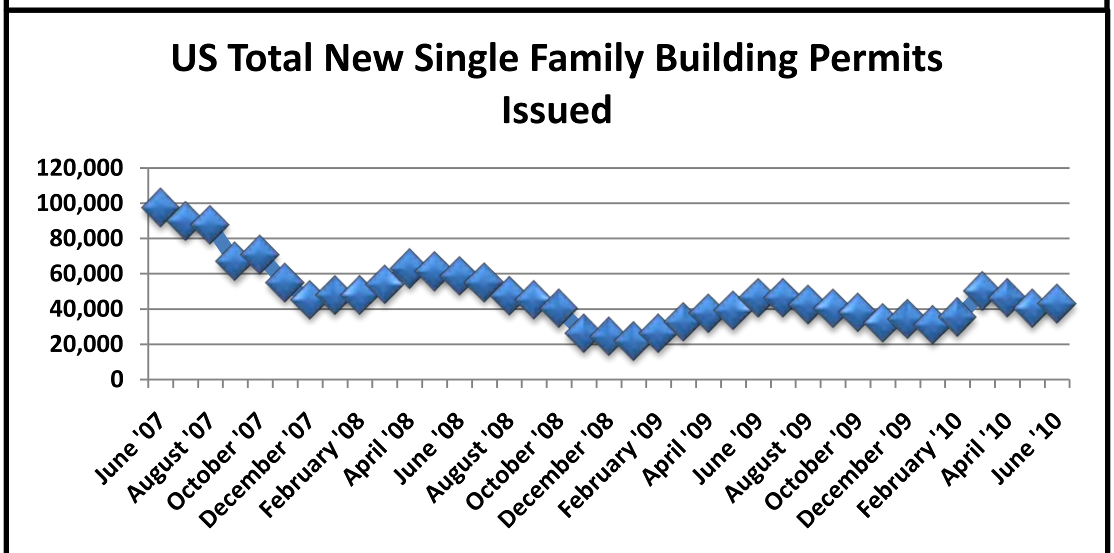
February '10
April '10
June '10


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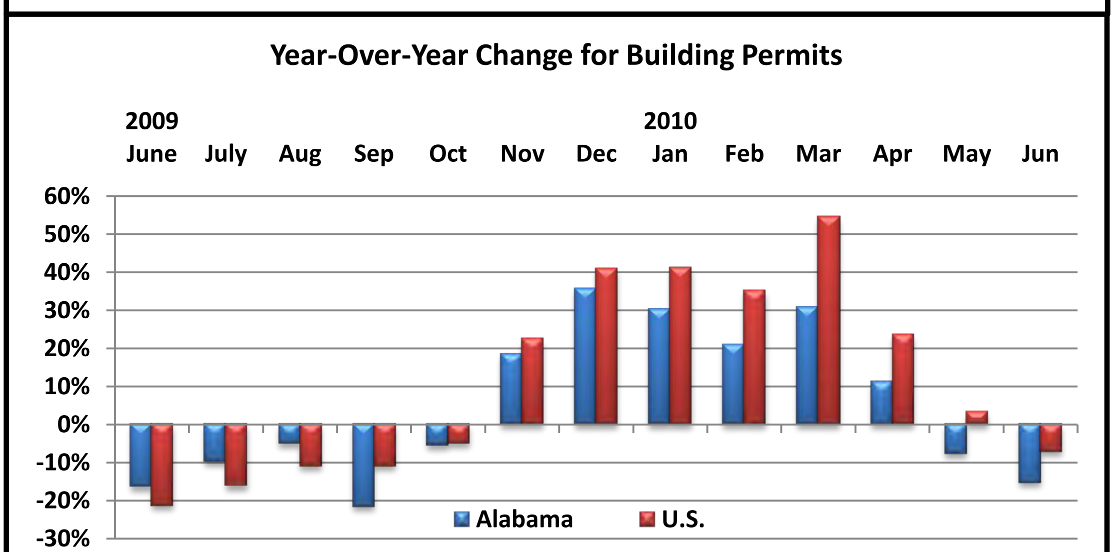
February '10
April '10
June '10


Year-Over-Year Change for Building Permits
2009
2010
June
July
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
60%
50%
40%
30%
20%
10%
0%
-10%
-20%
-30%
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Residential Construction Building Contracts in Dollars