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Alabama New Construction Report – June 2011

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	June	2011	**787**		The month-over-month (MoM) increase in housing permits this month (787 from 655) represents the 4th time in five months that percentage change when compared to prior month has been favorable.
June permits have increased 20.2 percent from May '11. June '11 figures have shown a decrease of 1.5 percent from June '10.	vs. Prior Month	May	2011	**655**	**20.2%**	
	vs. Last Year (YoY)	June	2010	**799**	**-1.5%**	
	vs. 3-Yr Avg	June	'08-'10	**1,149**	**-31.5%**	
	Year-to-Date	June	2011	**3,934**		See graph on page 5 for more details.
	vs. Last Year (YoY)	June	2010	**5,088**	**-22.7%**	

Starts	**Current Month**	June	2011	**570**		Current consumer and builder uncertainty are reflected in recent starts data highlighting current fragile housing conditions.
June starts have decreased 7.0 percent from May '11. June '11 figures show a decrease of 25.3 percent from June '10.	vs. Prior Month	May	2011	**613**	**-7.0%**	
	vs. Last Year (YoY)	June	2010	**763**	**-25.3%**	
	vs. 3 - Yr Avg	June	'08-'10	**1,064**	**-46.4%**	
	Year to Date	June	2011	**3,635**		
	vs.Prior Year	June	2010	**5,000**	**-27.3%**	

State **Commentary**

June new construction sales compared favorably from the prior month. June new home sales were up 15.58% from June 2011. Statewide new construction inventory has declined by approximately 27% from last June and 2% from last month.

According to McGraw-Hill, residential contract values increased by 20.7% to $251.2 million in June'11 compared to June '10 values. This figure is consistent with June '09 @ $248.8 million (June's 10-year avg = $326.4 million or 23.1% higher than June'11).

According to the Alabama Dept. of Industrial Relations, statewide residential construction employment was up .4% (300 jobs) t o 70,300 from last month but remains down by 4.9% or 3,600 workers from June'10. Market challenges remain, including supply/demand imbalance, st ubborn unemployment figures, low consumer confidence, inflation , competition from distressed existing home inventory, strict underw riting 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. Over t he long haul, building permits and contract values will increase as the rebuilding process begins to hit its stride in the month's ahead. It appear s this began in June, note the significant contract values : Tuscaloosa (up 52% from prior month), Huntsvillle (up 49%) and Decatur (up 33%).

Local

14 out of the 27 associations (52% - up from48% in May) reported building permit gains from the prior month (May'11) while 12 associations (44% - up from 26%) experienced gains in housing starts. Six associations (22% - up from 4% in May) experienced an increase from their June'10 monthly housing starts including Tallapoosa County (100%),Cullman County (100%), Greater Bham (16%), Phenix City (9%), Baldwin (9%) and St. Clair (4.8%).

2011 Current National Outlook from Industry Associations (annual % change from 2010 at the end of year)
National Assn Home Builders (NAHB): New homes sales up 1.2%; housing starts down 7.2% from 2010.
National Assn of REALTORS (NAR): New homes sales down 4.2%; housing starts down 10.9%; new home median price ($223,600) up 1.2%.

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NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month June-11	Last Month May-11	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Alabama State Total	787	655	20.2%	799	-1.5%	3,934	5,088	-22.7%
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 June-11	Last Month May-11	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Athens/Limestone **	10	17	-41.2%	36	-72.2%	90	153	-41.2%
Baldwin County **	80	49	63.3%	61	31.1%	367	380	-3.4%
Blount County	1	0	N/A	0	N/A	4	4	0.0%
Chilton County	2	1	100.0%	1	100.0%	7	7	0.0%
Cullman County	3	1	200.0%	2	50.0%	6	4	50.0%
Dekalb County **	1	2	-50.0%	2	-50.0%	8	12	-33.3%
Enterprise	12	8	50.0%	8	50.0%	46	63	-27.0%
Greater Birmingham **	144	139	3.6%	110	30.9%	733	835	-12.2%
Greater Calhoun County **	13	3	333.3%	15	-11.6%	34	96	-64.5%
Greater Gadsden **	3	5	-40.0%	6	-50.0%	28	60	-53.3%
Greater Montgomery	39	24	62.5%	40	-2.5%	185	253	-26.9%
Greater Morgan County **	7	18	-61.1%	21	-66.7%	58	83	-30.1%
Dothan & Wiregrass Area	21	6	250.0%	21	0.0%	104	148	-29.7%
Metropolitan Mobile**	65	46	41.3%	63	3.2%	301	479	-37.2%
Tuscaloosa**	72	50	44.0%	58	24.1%	274	399	-31.3%
Huntsville/Madison **	177	148	19.6%	219	-19.2%	966	1,137	-15.0%
Jackson County **	2	2	0.0%	1	100.0%	11	9	22.2%
Lee County	47	50	-6.0%	43	9.3%	265	413	-35.8%
Macon County	0	0	N/A	1	-100.0%	2	4	-50.0%
Marshall County **	32	16	100.0%	42	-23.8%	120	133	-9.8%
Muscle Shoals **	6	8	-25.0%	12	-50.0%	52	84	-38.1%
Northwest Alabama	2	0	N/A	1	100.0%	6	6	0.0%
Phenix City	18	37	-51.4%	17	5.9%	114	170	-32.9%
South Alabama	1	6	-83.3%	1	0.0%	18	15	20.0%
St. Clair County **	24	18	33.3%	18	33.3%	123	130	-5.4%
Tallapoosa County	4	1	300.0%	0	N/A	5	7	-28.6%
Walker County	1	0	N/A	0	N/A	7	4	75.0%

**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 June-11	Last Month May-11	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Alabama State Total	570	613	-7.0%	763	-25.3%	3,635	5,000	-27.3%
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 June-11	Last Month May-11	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Athens/Limestone	14	14	0.0%	30	-53.3%	87	139	-37.4%
Baldwin County	64	51	25.5%	59	8.5%	353	398	-11.3%
Blount County	1	0	N/A	1	0.0%	5	5	0.0%
Chilton County	1	1	0.0%	1	0.0%	7	8	-12.5%
Cullman County	2	1	100.0%	1	100.0%	6	4	50.0%
Dekalb County	1	2	-50.0%	3	-66.7%	6	12	-50.0%
Enterprise	10	7	42.9%	10	0.0%	41	64	-35.9%
Greater Birmingham	133	116	14.7%	115	15.7%	668	834	-19.9%
Greater Calhoun County	8	5	60.0%	17	-52.9%	29	92	-68.5%
Greater Gadsden	3	4	-25.0%	0	N/A	29	64	-54.7%
Greater Montgomery	32	27	18.5%	42	-23.8%	175	244	-28.3%
Greater Morgan County	11	8	37.5%	14	-21.4%	57	66	-13.6%
Dothan & Wiregrass Area	15	12	25.0%	19	-21.1%	100	143	-30.1%
Metropolitan Mobile	55	45	22.2%	56	-1.8%	312	506	-38.3%
Tuscaloosa	0	40	-100.0%	59	-100.0%	189	380	-50.3%
Huntsville/Madison	88	158	-44.3%	193	-54.4%	877	1,091	-19.6%
Jackson County	2	1	100.0%	2	0.0%	10	11	-9.1%
Lee County	46	46	0.0%	50	-8.0%	247	415	-40.5%
Macon County	0	0	N/A	1	-100.0%	2	5	-60.0%
Marshall County	23	15	53.3%	30	-23.3%	109	119	-8.4%
Muscle Shoals	7	9	-22.2%	12	-41.7%	53	74	-28.4%
Northwest Alabama	1	1	0.0%	0	N/A	6	8	-25.0%
Phenix City	25	25	0.0%	23	8.7%	113	168	-32.7%
South Alabama	3	5	-40.0%	3	0.0%	17	12	41.7%
St. Clair County	22	19	15.8%	21	4.8%	125	125	0.0%
Tallapoosa County	2	0	N/A	1	100.0%	2	8	-75.0%
Walker County	1	1	0.0%	0	N/A	10	5	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 June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Total New Construction Sold	351	304	15.5%	627	-44.0%	1,585	2,266	-30.1%
Number of Units on Market	1,754	1,788	-1.9%	2,415	-27.4%	N/A	N/A	N/A
Median Selling Price	$ 199,050	$ 189,630	5.0%	$ 188,025	5.9%	$ 192,864	$ 187,844	2.7%
Average Selling Price	$ 218,552	$ 206,968	5.6%	$ 209,473	4.3%	$ 211,540	$ 208,674	1.4%
Average Days on Market	135	125	8.0%	95	41.8%	137	127	8.5%

Total New Construction Sold

	Current Month June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Birmingham	95	94	1.1%	235	-59.6%	479	881	-45.6%
Huntsville	151	115	31.3%	212	-28.8%	626	717	-12.7%
Mobile	36	40	-10.0%	86	-58.1%	215	297	-27.6%
Montgomery	41	38	7.9%	54	-24.1%	171	210	-18.6%
Tuscaloosa	28	17	64.7%	40	-30.0%	94	161	-41.6%

Number of Units on Market

	Current Month June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	I/S Ratio
Birmingham	851	841	1.2%	1196	-28.8%	9.0
Huntsville	431	458	-5.9%	561	-23.2%	2.9
Mobile	153	151	1.3%	241	-36.5%	4.3
Montgomery	187	193	-3.1%	210	-11.0%	4.6
Tuscaloosa	132	145	-9.0%	207	-36.2%	4.7

Median Selling Price

	Current Month June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Birmingham	$ 189,900	$ 184,950	2.7%	$ 202,330	-6.1%	$ 184,986	$ 187,042	-1.1%
Huntsville	$ 219,400	$ 229,150	-4.3%	$ 219,194	0.1%	$ 218,058	$ 219,834	-0.8%
Mobile	$ 189,950	$ 164,349	15.6%	$ 169,400	12.1%	$ 160,217	$ 172,026	-6.9%
Montgomery	$ 229,500	$ 209,200	9.7%	$ 194,400	18.1%	$ 229,306	$ 206,233	11.2%
Tuscaloosa	$ 166,500	$ 160,500	3.7%	$ 154,800	7.6%	$ 171,754	$ 154,083	11.5%

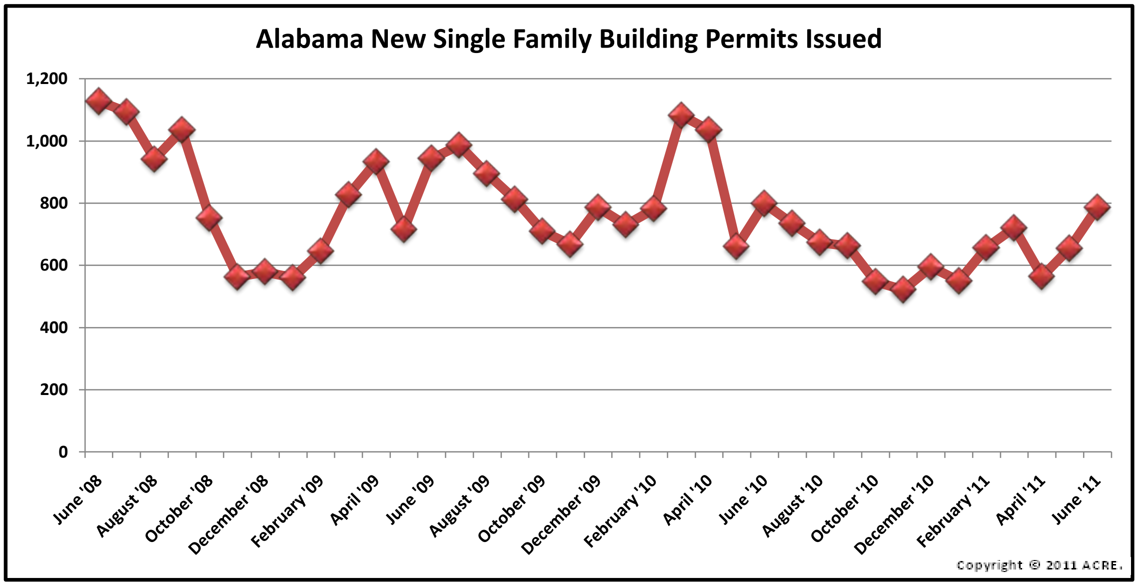
Average Selling Price

	Current Month June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Birmingham	$ 226,592	$ 217,738	4.1%	$ 220,528	2.7%	$ 212,235	$ 217,391	-2.4%
Huntsville	$ 232,791	$ 240,340	-3.1%	$ 253,248	-8.1%	$ 236,580	$ 238,437	-0.8%
Mobile	$ 190,518	$ 189,454	0.6%	$ 179,021	6.4%	$ 175,815	$ 185,437	-5.2%
Montgomery	$ 235,447	$ 214,080	10.0%	$ 210,529	11.8%	$ 239,235	$ 216,544	10.5%
Tuscaloosa	$ 207,411	$ 173,229	19.7%	$ 184,038	12.7%	$ 193,836	$ 185,563	4.5%

Average Days on Market

	Current Month June-11	Last Month May-10	% Difference	Last Year June-10	% Difference	YTD June-11	YTD June-10	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	101	91	11.0%	62	62.9%	96	110	-13.1%
Mobile	197	185	6.5%	106	85.8%	196	130	51.4%
Montgomery	98	107	-8.4%	77	27.3%	111	103	7.3%
Tuscaloosa	143	116	23.3%	135	5.9%	147	163	-10.2%

* Source: MLS


Alabama New Single Family Building Permits Issued
1,200
1,000
800
600
400
200
0
June '08
August '08
October '08
December '08
February '09
April '09
June '09
August '09
October '09
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April '10
June '10
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October '10
December '10
February '11
April '11
June '11
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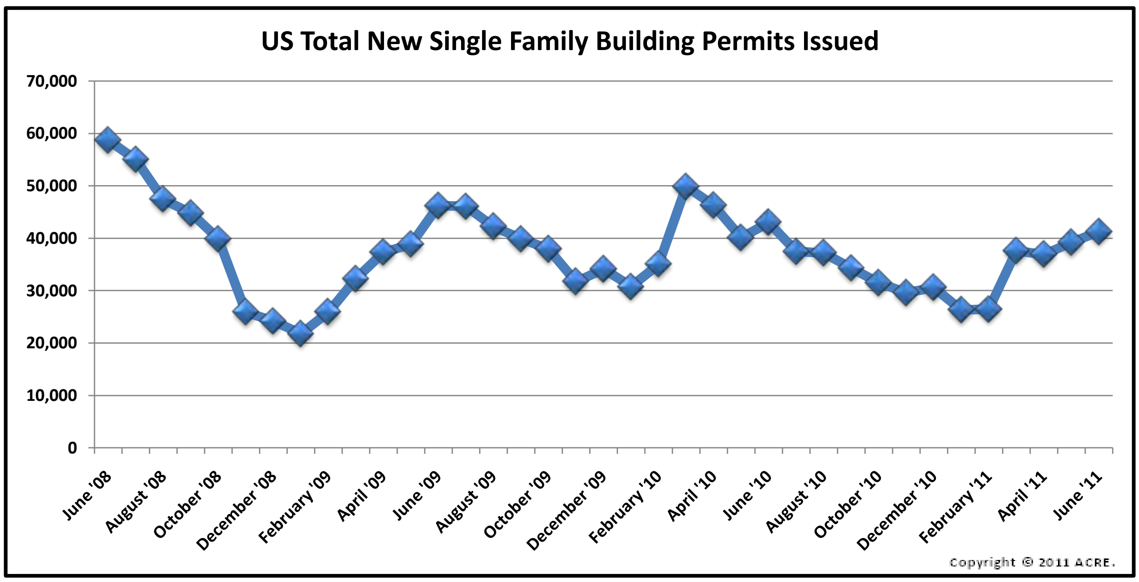
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70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
June '08
August '08
October '08
December '08
February '09
April '09
June '09
August '09
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February '11
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June '11
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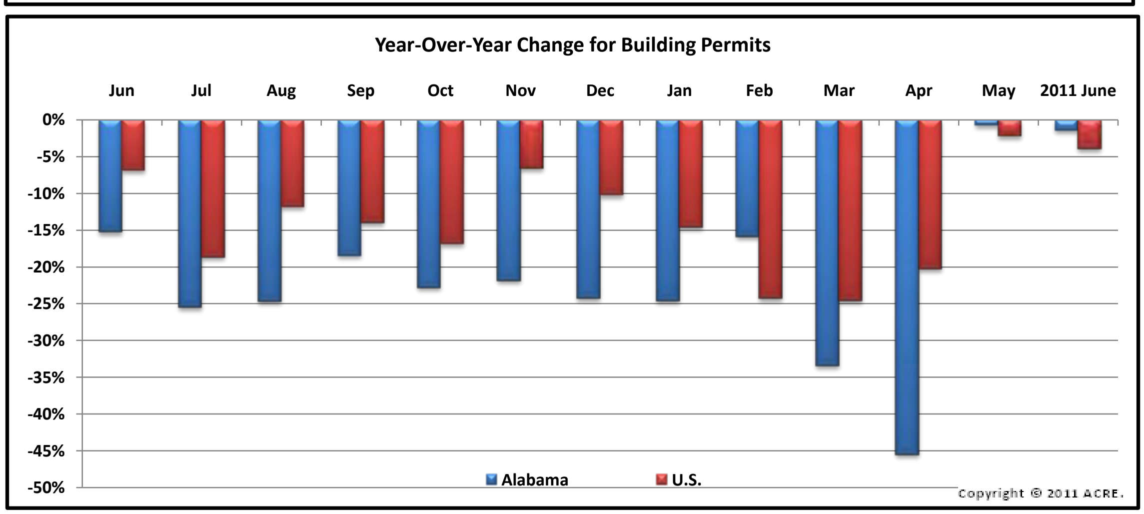
Year-Over-Year Change for Building Permits
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
2011 June
0%
-5%
-10%
-15%
-20%
-25%
-30%
-35%
-40%
-45%
-50%
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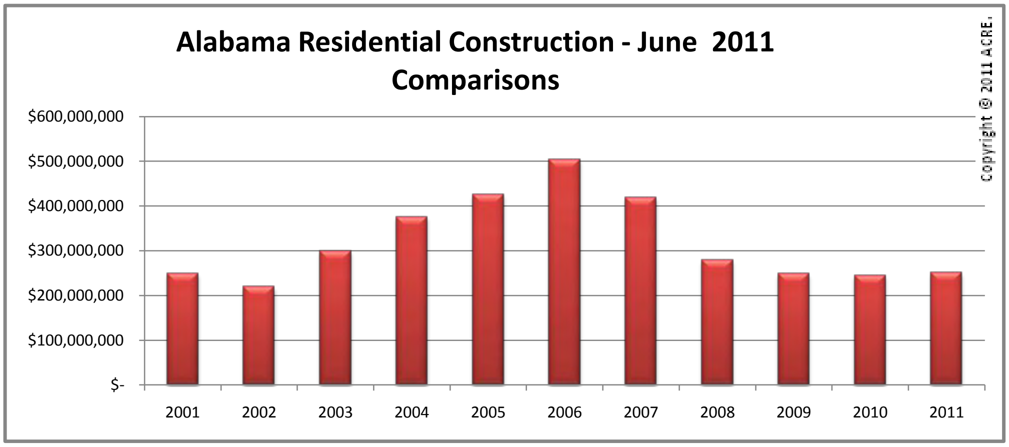
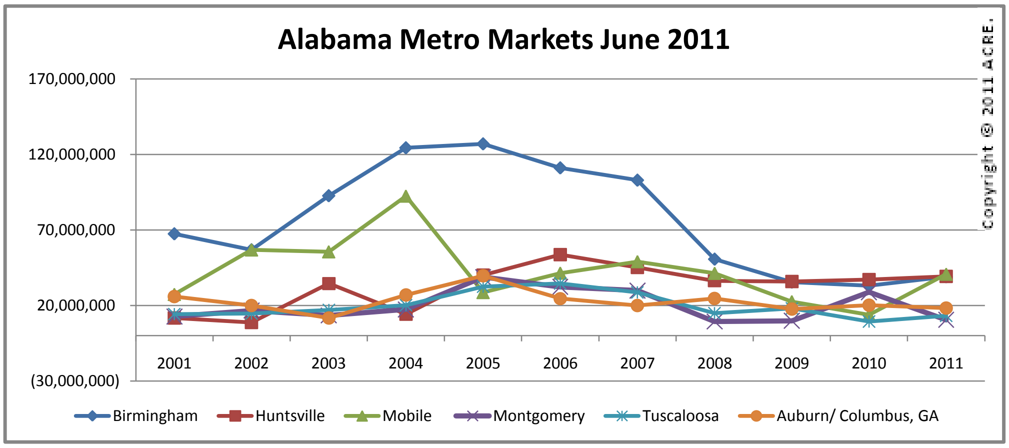
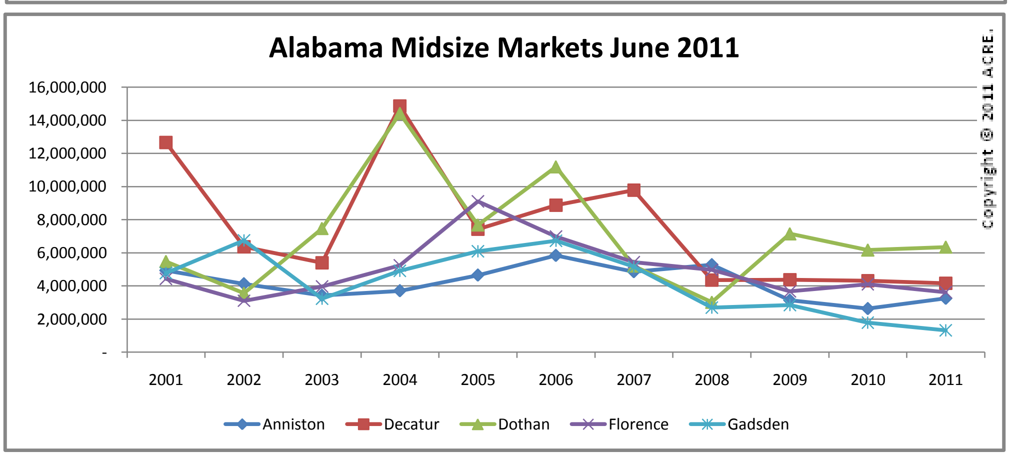
Residential Construction Building Contracts in Dollars







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