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Alabama New Construction Report – June 2012

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	June	2012	**730**		**Permits decreased from the prior month (May '12), consistent with national pace.**
June permits have decreased 6.2 percent from last month. Figures also show an decrease of 2.2 percent from June '11.	vs. Prior Month	May	2012	**779**	**-6.2%**	
	vs. Last Year (YoY)	June	2011	**747**	**-2.2%**	
	vs. 3-Yr Avg	June	'09-'11	**670**	**9.0%**	
	Year-to-Date	June	2012	**4,072**		
	vs. Last Year (YoY)	June	2011	**3,836**	**6.2%**	
Starts	**Current Month**	June	2012	**737**		**While improving, confidence surveys of consumers and builders alike still detect levels of uncertainty that underscores the current housing market. With that offered, the current figures do reflect an improvement from recent months and are trending in a favorable direction at this time.**
June starts have increased .6 percent from May '12. June'12 figures show an increase of 7.8 percent from June '11.	vs. Prior Month	May	2012	**732**	**0.6%**	
	vs. Last Year (YoY)	June	2011	**683**	**7.8%**	
	vs. 3-Yr Avg	June	'09-'11	**748**	**-1.5%**	
	Year to Date	June	2012	**3,870**		
	vs.Prior Year	June	2011	**3,709**	**4.3%**	

State **Commentary**

June new home sales results were favorable on two fronts: up 7.8% from June 2011 and .6% from last month. Statewide new construction inventory has declined by approximately 13% from last June and 2.7% from last month.

According to the Alabama Dept. of Industrial Relations, statewide related construction employment was up .2% (100 jobs) to 60,800 from last month but remained down 8.9% or 6,000 workers from June '11 (but the year-over-year % change is narrowing).

While improving, 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 is currently a cloud of uncertainty.

On a positive note, the balance between supply & demand continues to improve as the market ended the 2nd quarter of 2012. Months of new home supply in June was 4.1 months. This is lower than last month (4.9 months) and last June (5.0 months).

Local

8 out of the 27 associations (30% - down from 37% in May) reported building permit gains from the prior month (May'12) while 10 associations (37% - down from 70% in May) experienced gains in housing starts. Fourteen associations (52% -down from 59% last month) experienced an increase from their June'11 monthly housing starts including : Marshall County (251%), DeKalb (200%), Northwest Alabama (101%), Greater Gadsden (48%), Cullman County (43%), Baldwin County (32%), Walker County (27%), Greater Morgan County (24%), Tuscaloosa (19%), Jackson County (16%), Lee County (14%), Huntsville/Madison (14%), Enterprise (12%), and Greater Montgomery (10%).

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 20.2%.
National Assn of REALTORS (NAR): New homes sales up 29.6%.

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__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 - June 2012

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Alabama State Total	730	779	-6.2%	747	-2.2%	4,072	3,836	6.2%
South Total*	24,100	25,100	-4.0%	21,300	13.1%	133,000	113,200	17.5%
United States Total*	44,800	48,000	-6.7%	41,300	8.5%	243,100	207,800	17.0%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Athens/Limestone **	14	12	16.7%	10	40.0%	70	90	-22.2%
Baldwin County **	83	92	-9.8%	80	3.8%	461	367	25.6%
Blount County	0	0	N/A	1	-100.0%	0	4	-100.0%
Chilton County	0	1	-100.0%	2	-100.0%	3	7	-57.1%
Cullman County	1	5	N/A	3	-66.7%	17	6	183.3%
Dekalb County **	3	2	50.0%	1	200.0%	13	8	62.5%
Enterprise	9	14	-35.7%	12	-25.0%	53	46	15.2%
Greater Birmingham **	126	122	3.3%	144	-12.3%	692	733	-5.6%
Greater Calhoun County **	9	5	68.8%	13	-30.8%	21	34	-37.3%
Greater Gadsden **	5	7	-28.6%	3	66.7%	35	28	25.0%
Greater Montgomery	29	42	-31.0%	39	-25.6%	218	185	17.8%
Greater Morgan County **	12	18	-33.3%	7	71.4%	76	58	31.0%
Dothan & Wiregrass Area	14	14	0.0%	21	-33.3%	49	104	-52.9%
Metropolitan Mobile**	46	45	2.2%	65	-29.2%	327	301	8.6%
Tuscaloosa**	55	69	-20.3%	58	-5.2%	367	260	41.2%
Huntsville/Madison **	193	200	-3.5%	177	9.0%	985	966	2.0%
Jackson County **	1	3	-66.7%	2	-50.0%	13	11	18.2%
Lee County	48	61	-21.3%	47	2.1%	298	265	12.5%
Macon County	0	0	N/A	0	N/A	0	2	-100.0%
Marshall County **	26	18	44.4%	6	333.3%	94	36	161.1%
Muscle Shoals **	9	21	-57.1%	6	50.0%	79	52	51.9%
Northwest Alabama	0	2	-100.0%	2	N/A	6	6	0.0%
Phenix City	24	1	2300.0%	18	33.3%	62	114	-45.6%
South Alabama	1	3	-66.7%	1	0.0%	10	18	-44.4%
St. Clair County **	21	18	16.7%	24	-12.5%	112	123	-8.9%
Tallapoosa County	1	1	0.0%	4	-75.0%	6	5	20.0%
Walker County	0	2	-100.0%	1	-100.0%	5	7	-28.6%

**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 municpalities in previous months

PROJECTED HOUSING STARTS TOTALS

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Alabama State Total	737	732	0.6%	683	7.8%	3,870	3,709	4.3%
South Total	24,045	23,244	3.4%	20,400	17.9%	126,135	107,658	17.2%
United States Total	45,120	44,301	1.8%	38,980	15.8%	229,721	199,213	15.3%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Athens/Limestone	13	10	25.2%	14	-7.3%	69	101	-31.3%
Baldwin County	84	80	5.1%	64	31.5%	429	356	20.4%
Blount County	0	0	N/A	1	-100.0%	0	5	-100.0%
Chilton County	0	0	N/A	0	N/A	0	0	N/A
Cullman County	3	3	-14.1%	2	43.3%	16	5	201.2%
Dekalb County	3	3	0.7%	1	200.0%	13	8	62.5%
Enterprise	11	14	-23.9%	10	11.8%	49	41	21.0%
Greater Birmingham	123	123	0.0%	135	-8.8%	650	676	-3.9%
Greater Calhoun County	6	3	130.3%	8	-17.2%	21	28	-27.7%
Greater Gadsden	6	7	-16.6%	4	48.3%	37	28	32.7%
Greater Montgomery	35	39	-10.1%	32	9.5%	222	176	26.0%
Greater Morgan County	14	14	-2.3%	11	23.5%	74	57	28.9%
Dothan & Wiregrass Area	13	11	16.2%	15	-14.6%	43	102	-58.1%
Metropolitan Mobile	50	58	-13.5%	54	-7.3%	323	310	4.1%
Tuscaloosa	62	62	-0.8%	52	19.3%	356	239	49.3%
Huntsville/Madison	188	177	5.7%	165	13.6%	908	955	-5.0%
Jackson County	2	3	-29.0%	2	16.0%	23	9	145.1%
Lee County	53	59	-9.2%	47	13.9%	292	250	16.9%
Macon County	0	0	N/A	0	-100.0%	0	2	-100.0%
Marshall County	21	18	14.5%	6	250.7%	78	36	117.2%
Muscle Shoals	15	19	-21.9%	7	101.9%	71	53	34.8%
Northwest Alabama	1	2	-50.0%	1	-8.0%	6	6	-2.2%
Phenix City	12	3	332.7%	25	-51.2%	66	114	-41.6%
South Alabama	2	3	-29.3%	3	-41.9%	10	17	-43.8%
St. Clair County	20	20	1.2%	21	-7.3%	104	124	-16.1%
Tallapoosa County	1	1	30.0%	4	-77.3%	7	3	113.2%
Walker County	1	1	-32.1%	1	27.4%	4	8	-45.0%

*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.

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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 June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Total New Construction Sold	372	319	16.6%	351	6.0%	1,723	1,585	8.7%
Number of Units on Market	1,524	1,567	-2.7%	1,754	-13.1%	N/A	N/A	N/A
Median Selling Price	$ 226,766	$ 209,545	8.2%	$ 199,050	13.9%	$ 213,178	$ 192,864	10.5%
Average Selling Price	$ 233,775	$ 223,150	4.8%	$ 218,552	7.0%	$ 228,615	$ 211,540	8.1%
Average Days on Market	111	111	0.5%	135	-17.6%	115	137	-16.0%

Total New Construction Sold

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Birmingham	141	118	19.5%	95	48.4%	602	479	25.7%
Huntsville	126	102	23.5%	151	-16.6%	596	626	-4.8%
Mobile	28	30	-6.7%	36	-22.2%	166	215	-22.8%
Montgomery	55	52	5.8%	41	34.1%	249	171	45.6%
Tuscaloosa	22	17	29.4%	28	-21.4%	110	94	17.0%

Number of Units on Market

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	I/S Ratio
Birmingham	680	702	-3.1%	851	-20.1%	4.8
Huntsville	410	420	-2.4%	431	-4.9%	3.3
Mobile	138	154	-10.4%	153	-9.8%	4.9
Montgomery	176	177	-0.6%	187	-5.9%	3.2
Tuscaloosa	120	114	5.3%	132	-9.1%	5.5

Median Selling Price

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Birmingham	$ 230,700	$ 217,740	6.0%	$ 189,900	21.5%	$ 220,270	$ 184,986	19.1%
Huntsville	$ 251,395	$ 207,030	21.4%	$ 219,400	14.6%	$ 224,350	$ 218,058	2.9%
Mobile	$ 196,786	$ 181,625	8.3%	$ 189,950	3.6%	$ 179,684	$ 160,217	12.2%
Montgomery	$ 249,950	$ 224,320	11.4%	$ 229,500	8.9%	$ 228,273	$ 229,306	-0.5%
Tuscaloosa	$ 205,000	$ 217,010	-5.5%	$ 166,500	23.1%	$ 213,314	$ 171,754	24.2%

Average Selling Price

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Birmingham	$ 260,899	$ 248,772	4.9%	$ 226,592	15.1%	$ 245,768	$ 212,235	15.8%
Huntsville	$ 244,361	$ 229,724	6.4%	$ 232,791	5.0%	$ 234,792	$ 236,580	-0.8%
Mobile	$ 195,845	$ 179,895	8.9%	$ 190,518	2.8%	$ 188,144	$ 175,815	7.0%
Montgomery	$ 237,808	$ 232,333	2.4%	$ 235,447	1.0%	$ 227,905	$ 239,235	-4.7%
Tuscaloosa	$ 229,960	$ 225,026	2.2%	$ 207,411	10.9%	$ 246,466	$ 193,836	27.2%

Average Days on Market

	Current Month June-12	Last Month May-12	% Difference	Last Year June-11	% Difference	YTD June-12	YTD June-11	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	70	87	-19.5%	101	-30.7%	93	96	-3.0%
Mobile	124	139	-10.8%	197	-37.1%	168	196	-14.5%
Montgomery	176	108	63.0%	98	79.6%	105	111	-5.1%
Tuscaloosa	74	108	-31.5%	143	-48.3%	96	147	-34.6%

* Source: MLS

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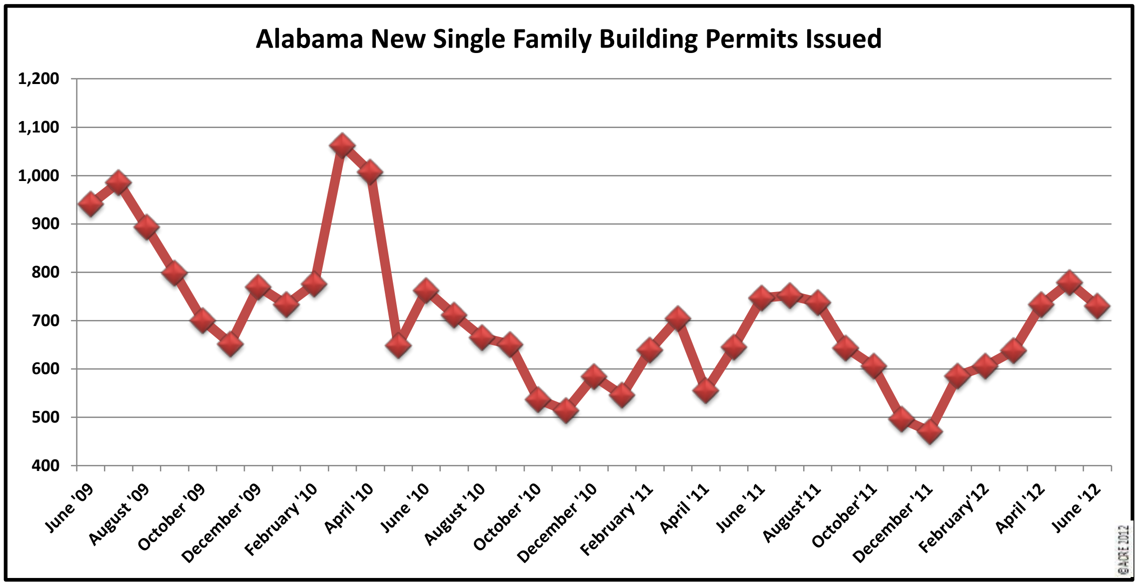

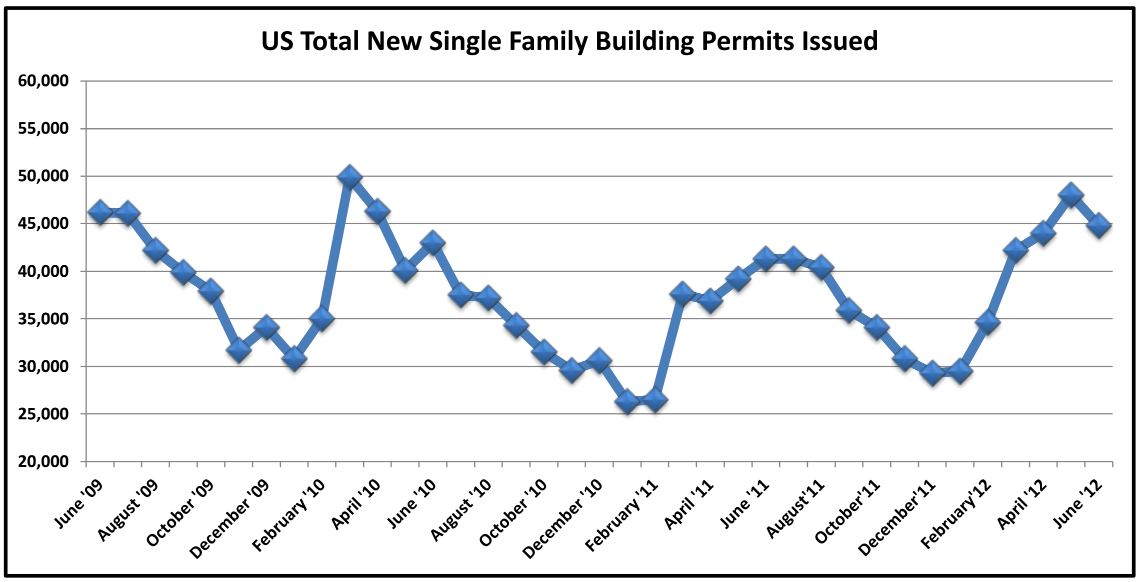

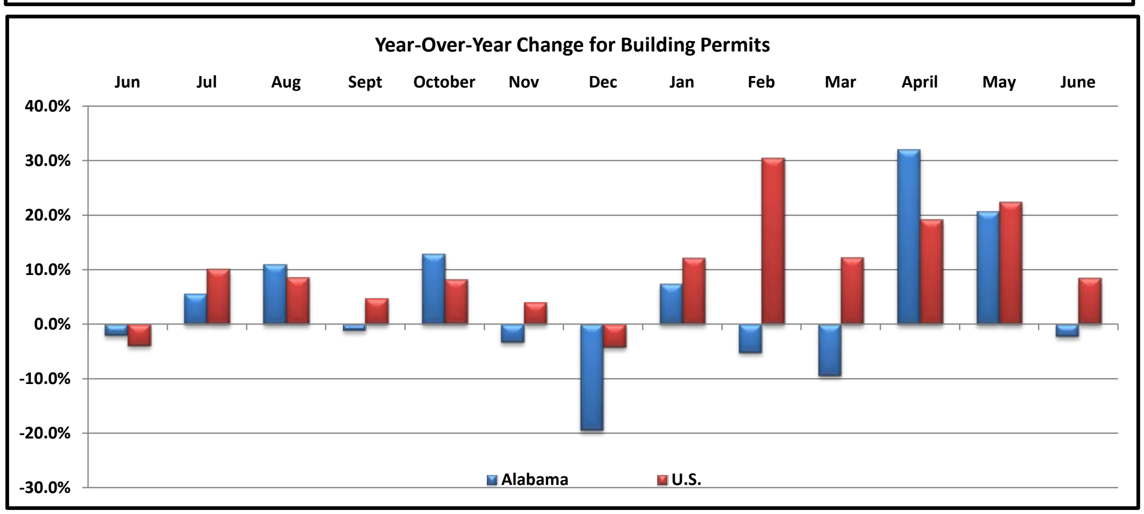

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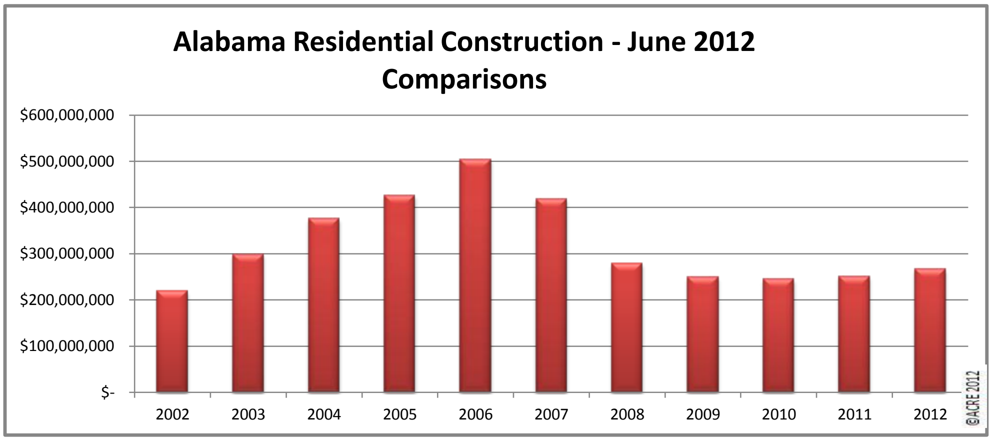
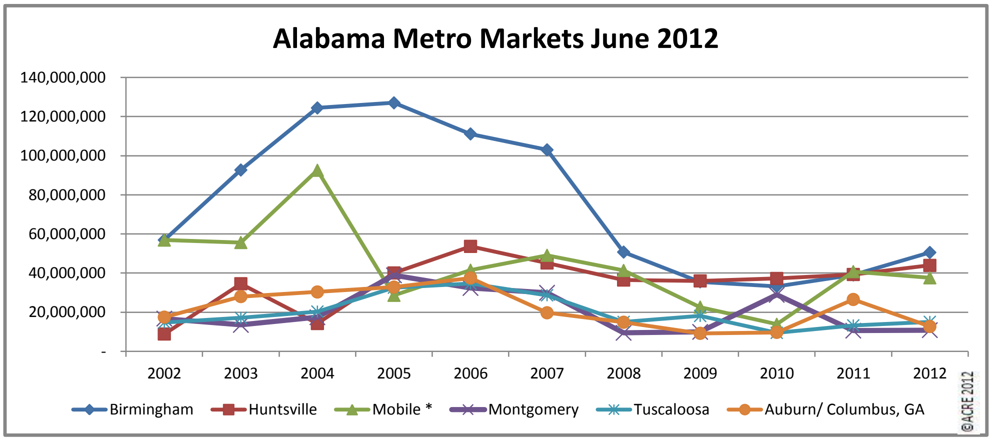
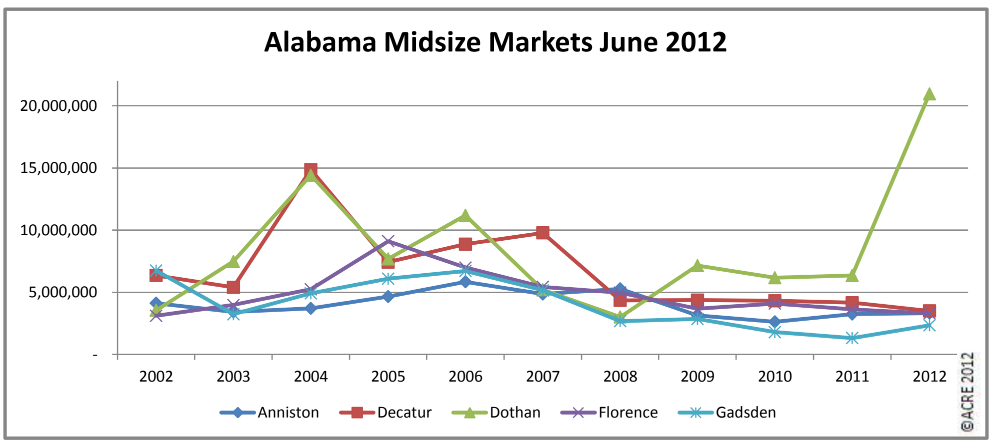
Residential Construction Building Contracts in Dollars







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

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