ACRE
ALABAMA CENTER for REAL ESTATE
THE UNIVERSITY OF ALABAMA

touching lives

THE UNIVERSITY OF ALABAMA
REAL ESTATE

www.acre.cba.ua.edu

Alabama New Construction Report – May 2011

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	May	2011	**655**		The month-over-month (MoM) increase in housing permits in May (655 from 564) marks the 3rd time in four months that percentage change when cmpared to prior month has been favorable.
May permits have increased 16.1 percent from April '11. May '11 figures reflect a slight decrease of 0.8 percent from May '10.	vs. Prior Month	Apr.	2011	**564**	**16.1%**	
	vs. Last Year (YoY)	May	2010	**660**	**-0.8%**	
	vs. 3-Yr Avg	May	'08-'10	**1,149**	**-43.0%**	
	Year-to-Date	May	2011	**3,147**		See graph on page 5 for more details.
	vs. Last Year (YoY)	May	2010	**4,289**	**-26.6%**	
Starts	**Current Month**	May	2011	**599**		Current consumer and builder uncertainty are reflected in recent starts data highlighting current fragile housing conditions.
May starts have decreased 5.7 percent from April '11. May '11 figures show a decrease of 28.5 percent from May '10.	vs. Prior Month	Apr.	2011	**635**	**-5.7%**	
	vs. Last Year (YoY)	May	2010	**838**	**-28.5%**	
	vs. 3 - Yr Avg	May	'08-'10	**1,064**	**-43.7%**	
	Year to Date	May	2011	**3,055**		
	vs.Prior Year	May	2010	**4,222**	**-27.6%**	

State — **Commentary**

May new construction sales compared favorably from the prior month. May new home sales were up 18.8% from April 2011. Statewide new construction inventory has declined by approximately 23% from last May and 6% from last month.

According to McGraw-Hill, residential contract values increased by 6.1% to $208.1 million in May'11 versus May'10 values. This figure is consistent with May '10 @ $196.1 million (May's 10-year avg = $341.8 million or 39.1% higher than May'11).

According to the Alabama Dept. of Industrial Relations, statewide residential construction employment was up 2% (1,400 jobs) to 70,700 from last month but remains down by 3.5% or 2,600 workers from May'10. Market challenges remain, including supply/demand imbalance, ele vated unemployment figures, low consumer confidence, inflation , competition from distressed existing home inventory, more strict u nderwriting 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. For now, r esidential building contract values are down a combined 33% in the hardest hit areas (Tuscaloosa, Huntsvillle & Decatur) when comparing May 2011 versus M ay 2010.

Local

13 out of the 27 associations (48% - up from19% in April) reported building permit gains from the prior month (April'11) while 7 associations or 26% experienced gains in housing starts. Only one association (4%) experienced an increase from their May'10 monthly housing starts (South Alabama - up 66%).

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%.

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 - May 2011

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Alabama State Total	655	564	16.1%	660	-0.8%	3,147	4,289	-26.6%
South Total*	20,200	19,200	5.2%	20,500	-1.5%	91,700	109,200	-16.0%
United States Total*	37,900	36,000	5.3%	40,100	-5.5%	165,000	202,100	-18.4%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Athens/Limestone **	17	10	70.0%	27	-37.0%	80	117	-31.6%
Baldwin County **	49	45	8.9%	51	-3.9%	287	319	-10.0%
Blount County	0	1	-100.0%	1	-100.0%	3	4	-25.0%
Chilton County	1	0	N/A	0	N/A	5	6	-16.7%
Cullman County	1	1	0.0%	0	N/A	3	2	50.0%
Dekalb County **	2	1	100.0%	4	-50.0%	7	10	-30.0%
Enterprise	8	7	14.3%	11	-27.3%	34	55	-38.2%
Greater Birmingham **	139	91	52.7%	98	41.8%	589	725	-18.8%
Greater Calhoun County **	3	5	-40.0%	18	-83.3%	21	81	-74.1%
Greater Gadsden **	5	1	400.0%	11	-54.5%	25	54	-53.7%
Greater Montgomery	24	31	-22.6%	45	-46.7%	146	213	-31.5%
Greater Morgan County **	18	4	350.0%	15	20.0%	51	62	-17.7%
Dothan & Wiregrass Area	6	13	-53.8%	14	-57.1%	83	127	-34.6%
Metropolitan Mobile**	46	39	17.9%	37	24.3%	236	416	-43.3%
Tuscaloosa**	50	30	66.7%	52	-3.8%	202	341	-40.8%
Huntsville/Madison **	148	172	-14.0%	161	-8.1%	789	918	-14.1%
Jackson County **	2	0	N/A	2	0.0%	9	8	12.5%
Lee County	50	41	22.0%	31	61.3%	218	370	-41.1%
Macon County	0	0	N/A	0	N/A	2	3	-33.3%
Marshall County **	16	15	6.7%	17	-5.9%	88	91	-3.3%
Muscle Shoals **	8	10	-20.0%	12	-33.3%	46	72	-36.1%
Northwest Alabama	0	2	-100.0%	0	N/A	4	5	-20.0%
Phenix City	37	16	131.3%	25	48.0%	96	153	-37.3%
South Alabama	6	4	50.0%	4	50.0%	17	14	21.4%
St. Clair County **	18	24	-25.0%	23	-21.7%	99	112	-11.6%
Tallapoosa County	1	0	N/A	1	0.0%	1	7	-85.7%
Walker County	0	1	-100.0%	0	N/A	6	4	50.0%

**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 May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Alabama State Total	599	635	-5.7%	838	-28.5%	3,055	4,222	-27.6%
South Total	19,443	19,242	1.0%	22,211	-12.5%	87,170	105,758	-17.6%
United States Total	36,079	35,299	2.2%	42,472	-15.1%	159,325	195,109	-18.3%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Athens/Limestone	0	16	-100.0%	26	-100.0%	73	109	-33.0%
Baldwin County	51	58	-12.1%	58	-12.1%	289	339	-14.7%
Blount County	0	1	-100.0%	1	-100.0%	4	4	0.0%
Chilton County	1	1	0.0%	1	0.0%	6	7	-14.3%
Cullman County	1	1	0.0%	0	N/A	4	3	33.3%
Dekalb County	2	2	0.0%	3	-33.3%	5	9	-44.4%
Enterprise	7	7	0.0%	12	-41.7%	31	54	-42.6%
Greater Birmingham	116	106	9.4%	131	-11.5%	535	719	-25.6%
Greater Calhoun County	5	4	25.0%	18	-72.2%	21	75	-72.0%
Greater Gadsden	4	5	-20.0%	13	-69.2%	26	57	-54.4%
Greater Montgomery	27	31	-12.9%	44	-38.6%	143	202	-29.2%
Greater Morgan County	8	12	-33.3%	13	-38.5%	36	44	-18.2%
Dothan & Wiregrass Area	12	16	-25.0%	20	-40.0%	85	124	-31.5%
Metropolitan Mobile	45	43	4.7%	65	-30.8%	257	450	-42.9%
Tuscaloosa	40	37	8.1%	66	-39.4%	189	321	-41.1%
Huntsville/Madison	158	173	-8.7%	185	-14.6%	789	898	-12.1%
Jackson County	1	2	-50.0%	2	-50.0%	8	9	-11.1%
Lee County	46	43	7.0%	81	-43.2%	201	365	-44.9%
Macon County	0	0	N/A	1	-100.0%	2	4	-50.0%
Marshall County	15	19	-21.1%	22	-31.8%	86	89	-3.4%
Muscle Shoals	9	11	-18.2%	15	-40.0%	46	62	-25.8%
Northwest Alabama	1	1	0.0%	0	N/A	5	8	-37.5%
Phenix City	25	18	38.9%	29	-13.8%	88	145	-39.3%
South Alabama	5	3	66.7%	3	66.7%	14	9	55.6%
St. Clair County	19	23	-17.4%	26	-26.9%	103	104	-1.0%
Tallapoosa County	0	0	N/A	2	-100.0%	0	7	-100.0%
Walker County	1	2	-50.0%	1	0.0%	9	5	80.0%

*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 May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Total New Construction Sold	304	256	18.8%	456	-33.3%	1,234	1,639	-24.7%
Number of Units on Market	1,788	1,904	-6.1%	2,351	-23.9%	N/A	N/A	N/A
Median Selling Price	$ 189,630	$ 195,912	-3.2%	$ 179,783	5.5%	$ 191,627	$ 187,807	2.0%
Average Selling Price	$ 206,968	$ 223,833	-7.5%	$ 195,908	5.6%	$ 210,138	$ 208,515	0.8%
Average Days on Market	125	138	-9.3%	110	13.7%	138	133	3.8%

Total New Construction Sold

	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Birmingham	94	82	14.6%	188	-50.0%	384	646	-40.6%
Huntsville	115	84	36.9%	135	-14.8%	475	505	-5.9%
Mobile	40	41	-2.4%	54	-25.9%	179	211	-15.2%
Montgomery	38	33	15.2%	50	-24.0%	130	156	-16.7%
Tuscaloosa	17	16	6.3%	29	-41.4%	66	121	-45.5%

Number of Units on Market

	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	I/S Ratio
Birmingham	841	870	-3.3%	1163	-27.7%	8.9
Huntsville	458	488	-6.1%	557	-17.8%	4.0
Mobile	151	173	-12.7%	233	-35.2%	3.8
Montgomery	193	217	-11.1%	188	2.7%	5.1
Tuscaloosa	145	156	-7.1%	210	-31.0%	8.5

Median Selling Price

	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Birmingham	$ 184,950	$ 171,962	7.6%	$ 169,900	8.9%	$ 184,003	$ 183,984	0.0%
Huntsville	$ 229,150	$ 247,500	-7.4%	$ 207,265	10.6%	$ 217,790	$ 219,962	-1.0%
Mobile	$ 164,349	$ 147,900	11.1%	$ 168,900	-2.7%	$ 154,270	$ 172,551	-10.6%
Montgomery	$ 209,200	$ 233,000	-10.2%	$ 195,950	6.8%	$ 229,267	$ 208,600	9.9%
Tuscaloosa	$ 160,500	$ 179,200	-10.4%	$ 156,900	2.3%	$ 172,805	$ 153,940	12.3%

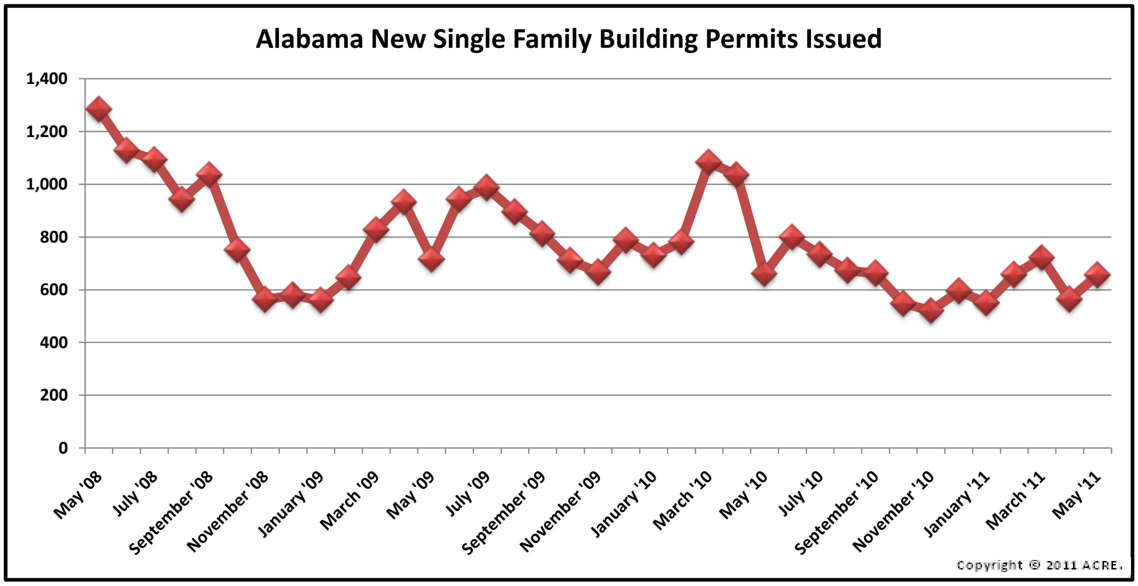
Average Selling Price

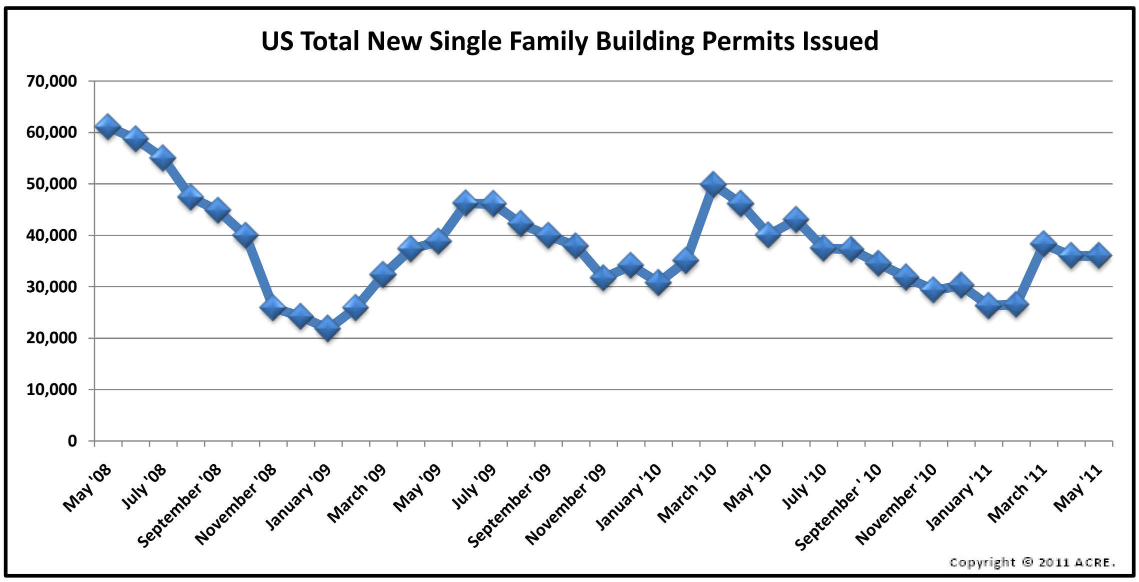
	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Birmingham	$ 217,738	$ 205,643	5.9%	$ 199,407	9.2%	$ 209,364	$ 216,764	-3.4%
Huntsville	$ 240,340	$ 251,388	-4.4%	$ 226,121	6.3%	$ 237,338	$ 235,474	0.8%
Mobile	$ 189,454	$ 167,475	13.1%	$ 173,177	9.4%	$ 172,874	$ 186,721	-7.4%
Montgomery	$ 214,080	$ 256,470	-16.5%	$ 214,207	-0.1%	$ 239,992	$ 217,746	10.2%
Tuscaloosa	$ 173,229	$ 238,189	-27.3%	$ 166,628	4.0%	$ 191,121	$ 185,868	2.8%

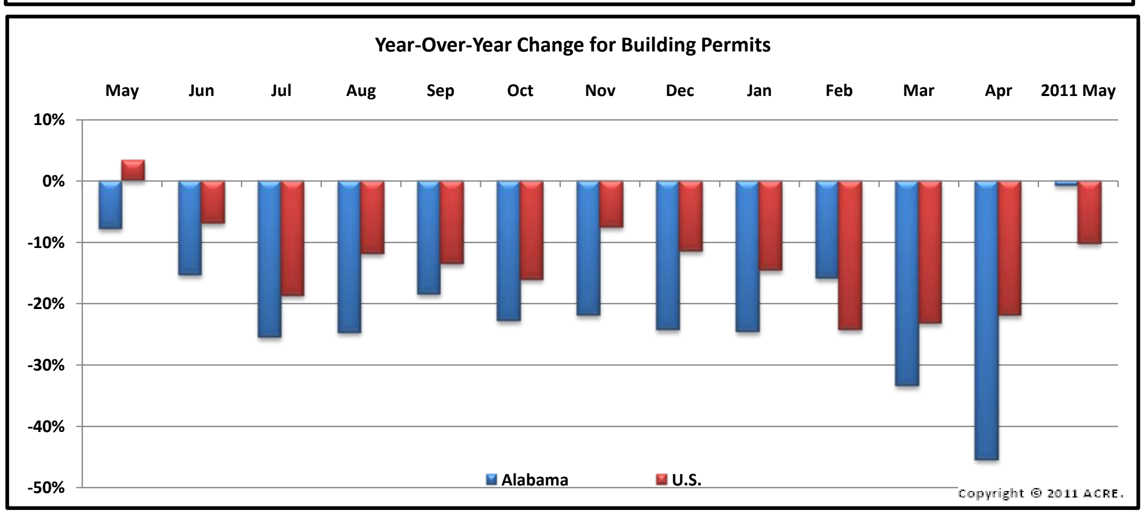
Average Days on Market

	Current Month May-11	Last Month April-11	% Difference	Last Year May-10	% Difference	YTD May-11	YTD May-10	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	91	107	-15.0%	92	-1.1%	94	119	-20.9%
Mobile	185	198	-6.6%	136	36.0%	196	134	46.0%
Montgomery	107	91	17.6%	66	62.1%	113	109	4.4%
Tuscaloosa	116	154	-24.7%	145	-20.0%	147	169	-12.8%

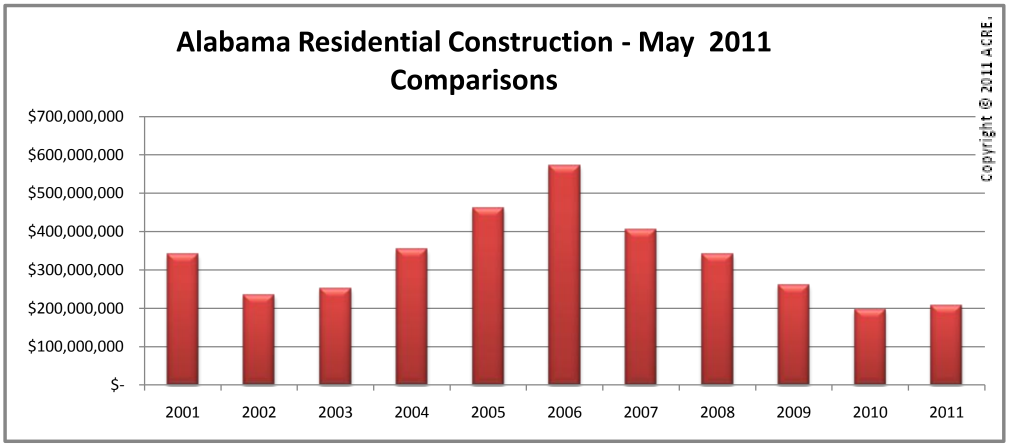
* Source: MLS

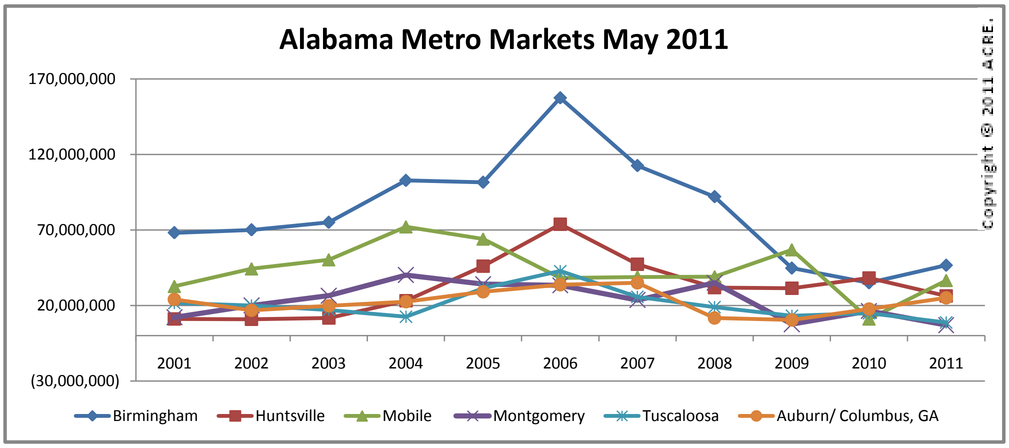

Alabama New Single Family Building Permits Issued
1,400
1,200
1,000
800
600
400
200
0
May '08
July '08
September '08
November '08
January '09
March '09
May '09
July '09
September '09
November '09
January '10
March '10
May '10
July '10
September '10
November '10
January '11
March '11
May '11
Copyright © 2011 ACRE.

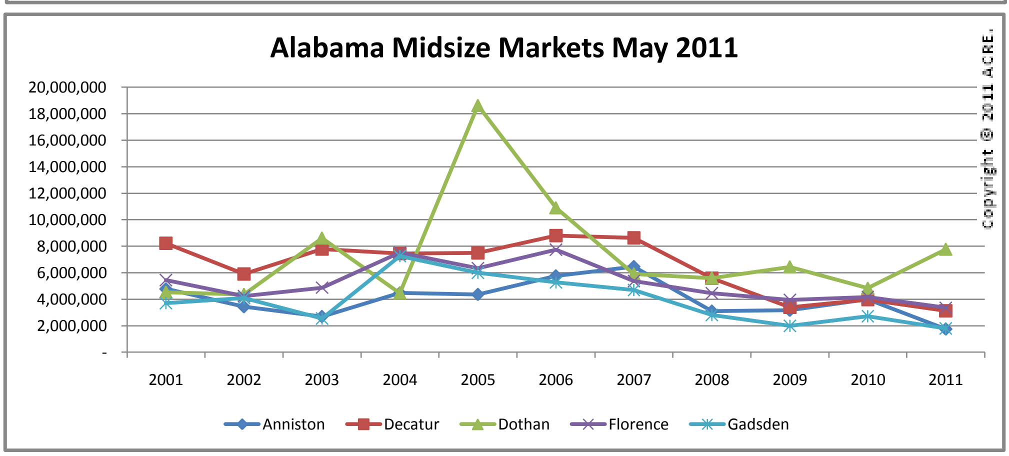

US Total New Single Family Building Permits Issued
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
May '08
July '08
September '08
November '08
January '09
March '09
May '09
July '09
September '09
November '09
January '10
March '10
May '10
July '10
September ' 10
November '10
January '11
March '11
May '11
Copyright © 2011 ACRE.


Year-Over-Year Change for Building Permits
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
2011 May
10%
0%
-10%
-20%
-30%
-40%
-50%
Alabama
U.S.
Copyright © 2011 ACRE.

Residential Construction Building Contracts in Dollars







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