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Alabama New Construction Report – May 2012

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	May	2012	**779**		**Permits increasing from the prior month (April '12) is consistent with national and seasonal trends.**
May permits have increased 6.2 percent from last month. Figures also show an increase of 20.7 percent from May '11.	vs. Prior Month	April	2012	**733**	**6.2%**	
	vs. Last Year (YoY)	May	2011	**645**	**20.7%**	
	vs. 3-Yr Avg	May	'09-'11	**670**	**16.2%**	
	Year-to-Date	May	2012	**3,342**		
	vs. Last Year (YoY)	May	2011	**3,089**	**8.2%**	
Starts	**Current Month**	May	2012	**728**		**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.**
May starts have increased 9.7 percent from April '12. May '12 figures show an increase of 19.4 percent from May '11.	vs. Prior Month	April	2012	**664**	**9.7%**	
	vs. Last Year (YoY)	May	2011	**610**	**19.4%**	
	vs. 3-Yr Avg	May	'09-'11	**748**	**-2.7%**	
	Year to Date	May	2011	**3,131**		
	vs.Prior Year	May	2010	**3,028**	**3.4%**	

State — Commentary

May new home sales results were positive on two fronts: up 13.9% from last month and up 4.9% from May 2011. Statewide new construction inventory has declined by approximately 12% from last May and is up 2.8% from last month.

According to the Alabama Dept. of Industrial Relations, statewide related construction employment was up 3.6% (2,100 jobs) to 60,700 from last month but remained down 8.6% or 5,700 workers from May '11 (but the year-over-year % change is narrowing).

While improving, market challenges remain including stagnant job growth and competition from distressed existing home inventory and strict underwriting guidelines are still applicable in today's market.

On a positive note, the balance between supply & demand continues to improve as the market transitions through the 2nd quarter of 2012. Months of new home supply in May was 4.9 months. This is lower than last month (5.4 months) and last May (5.9 months).

Local

10 out of the 27 associations (37% - down from 56% in March) reported building permit gains from the prior month (April'12) while 19 associations (70% - up from 63% in March) experienced gains in housing starts. Sixteen associations (59% -up from 56% from last month) experienced an increase from their May'11 monthly housing starts including : Cullman (237%), Marshall County (206%), Northwest Alabama (148%), Jackson County (124%),Walker (102%), Muscle Shoals (101%), Gadsden (92%), Baldwin County (57%), Tuscaloosa (53%), Enterprise (47%), Montgomery (38%), Morgan County (30%), Mobile (30%), Lee County (29%), Madison County (12%), and Birmingham (5%).

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 31.5%.

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.

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New Construction Report - May 2012

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Alabama State Total	779	733	6.2%	645	20.7%	3,342	3,089	8.2%
South Total*	25,100	22,400	12.1%	20,400	23.0%	108,900	91,900	18.5%
United States Total*	48,000	44,000	9.1%	39,200	22.4%	198,300	166,500	19.1%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Athens/Limestone **	12	9	33.3%	17	-29.4%	56	80	-30.0%
Baldwin County **	92	69	33.3%	49	87.8%	378	287	31.7%
Blount County	0	0	N/A	0	N/A	0	3	-100.0%
Chilton County	1	2	-50.0%	1	0.0%	3	5	-40.0%
Cullman County	5	0	N/A	1	400.0%	16	3	433.3%
Dekalb County **	2	5	-60.0%	2	0.0%	10	7	42.9%
Enterprise	14	9	55.6%	8	75.0%	44	34	29.4%
Greater Birmingham **	122	135	-9.4%	139	-12.0%	565	589	-4.0%
Greater Calhoun County **	5	0	N/A	3	77.8%	12	21	-41.3%
Greater Gadsden **	7	8	-12.5%	5	40.0%	30	25	20.0%
Greater Montgomery	42	34	23.5%	24	75.0%	189	146	29.5%
Greater Morgan County **	18	11	63.6%	18	0.0%	64	51	25.5%
Dothan & Wiregrass Area	14	11	27.3%	6	133.3%	35	83	-57.8%
Metropolitan Mobile**	45	74	-39.2%	46	-2.2%	281	236	19.1%
Tuscaloosa**	69	55	25.5%	50	38.0%	312	202	54.5%
Huntsville/Madison **	200	168	19.0%	148	35.1%	792	789	0.4%
Jackson County **	3	4	-25.0%	2	50.0%	12	9	33.3%
Lee County	61	66	-7.6%	50	22.0%	250	218	14.7%
Macon County	0	0	N/A	0	N/A	0	2	-100.0%
Marshall County **	18	23	-21.7%	6	200.0%	68	30	126.7%
Muscle Shoals **	21	20	5.0%	8	162.5%	70	46	52.2%
Northwest Alabama	2	3	-33.3%	0	N/A	6	4	50.0%
Phenix City	1	0	N/A	37	-97.3%	38	96	-60.4%
South Alabama	3	3	0.0%	6	-50.0%	9	17	-47.1%
St. Clair County **	18	23	-21.7%	18	0.0%	91	99	-8.1%
Tallapoosa County	1	0	N/A	1	0.0%	5	1	400.0%
Walker County	2	1	100.0%	0	N/A	5	6	-16.7%

**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-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Alabama State Total	728	664	9.7%	610	19.4%	3,131	3,028	3.4%
South Total	23,244	21,743	6.9%	19,531	19.0%	102,090	87,258	17.0%
United States Total	44,301	41,024	8.0%	36,921	20.0%	184,601	160,233	15.2%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Athens/Limestone	10	9	13.7%	14	-27.1%	56	87	-35.2%
Baldwin County	80	67	19.7%	51	56.9%	345	292	18.0%
Blount County	0	0	N/A	0	-100.0%	0	4	-100.0%
Chilton County	0	0	N/A	0	N/A	0	0	N/A
Cullman County	3	2	64.1%	1	237.5%	13	3	284.6%
Dekalb County	2	3	-35.7%	2	0.0%	10	7	42.9%
Enterprise	11	9	20.2%	7	47.0%	39	31	23.9%
Greater Birmingham	123	117	5.7%	118	4.8%	527	541	-2.6%
Greater Calhoun County	3	2	30.3%	4	-32.3%	14	21	-31.5%
Greater Gadsden	7	7	1.3%	4	92.2%	31	24	30.1%
Greater Montgomery	39	36	5.7%	28	37.7%	187	144	29.6%
Greater Morgan County	14	14	3.7%	11	30.2%	59	46	30.3%
Dothan & Wiregrass Area	11	6	67.7%	12	-5.9%	30	87	-65.5%
Metropolitan Mobile	58	68	-14.8%	44	30.2%	273	256	6.5%
Tuscaloosa	62	56	11.0%	40	53.3%	295	187	57.6%
Huntsville/Madison	177	149	19.1%	159	11.8%	720	790	-8.8%
Jackson County	3	3	10.8%	1	124.1%	19	8	148.4%
Lee County	59	49	19.3%	46	29.2%	238	203	17.6%
Macon County	0	0	N/A	0	-100.0%	0	2	-100.0%
Marshall County	18	17	9.3%	6	206.3%	57	30	90.5%
Muscle Shoals	19	16	15.8%	9	100.5%	57	46	24.2%
Northwest Alabama	2	2	18.2%	1	147.6%	5	5	-1.0%
Phenix City	3	8	-63.6%	25	-88.7%	54	89	-39.0%
South Alabama	3	3	8.0%	5	-40.4%	8	14	-44.2%
St. Clair County	20	21	-4.8%	20	-3.4%	84	102	-17.9%
Tallapoosa County	1	1	-4.1%	1	-30.0%	6	1	394.6%
Walker County	1	1	52.2%	1	101.5%	4	7	-52.2%

*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.*
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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%

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-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Total New Construction Sold	319	280	13.9%	304	4.9%	1,351	1,234	9.5%
Number of Units on Market	1,567	1,524	2.8%	1,788	-12.4%	N/A	N/A	N/A
Median Selling Price	$ 209,545	$ 212,950	-1.6%	$ 189,630	10.5%	$ 210,460	$ 191,627	9.8%
Average Selling Price	$ 223,150	$ 230,721	-3.3%	$ 206,968	7.8%	$ 227,583	$ 210,138	8.3%
Average Days on Market	111	144	-23.1%	125	-11.4%	116	138	-15.6%

Total New Construction Sold

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Birmingham	118	91	29.7%	94	25.5%	461	384	20.1%
Huntsville	102	108	-5.6%	115	-11.3%	470	475	-1.1%
Mobile	30	23	30.4%	40	-25.0%	138	179	-22.9%
Montgomery	52	36	44.4%	38	36.8%	194	130	49.2%
Tuscaloosa	17	22	-22.7%	17	0.0%	88	66	33.3%

Number of Units on Market

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	I/S Ratio
Birmingham	702	683	2.8%	841	-16.5%	5.9
Huntsville	420	387	8.5%	458	-8.3%	4.1
Mobile	154	153	0.7%	151	2.0%	5.1
Montgomery	177	183	-3.3%	193	-8.3%	3.4
Tuscaloosa	114	118	-3.4%	145	-21.4%	6.7

Median Selling Price

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Birmingham	$ 217,740	$ 218,955	-0.6%	$ 184,950	17.7%	$ 218,183	$ 184,003	18.6%
Huntsville	$ 207,030	$ 239,417	-13.5%	$ 229,150	-9.7%	$ 218,941	$ 217,790	0.5%
Mobile	$ 181,625	$ 170,690	6.4%	$ 164,349	10.5%	$ 176,263	$ 154,270	14.3%
Montgomery	$ 224,320	$ 215,750	4.0%	$ 209,200	7.2%	$ 223,937	$ 229,267	-2.3%
Tuscaloosa	$ 217,010	$ 219,938	-1.3%	$ 160,500	35.2%	$ 214,976	$ 172,805	24.4%

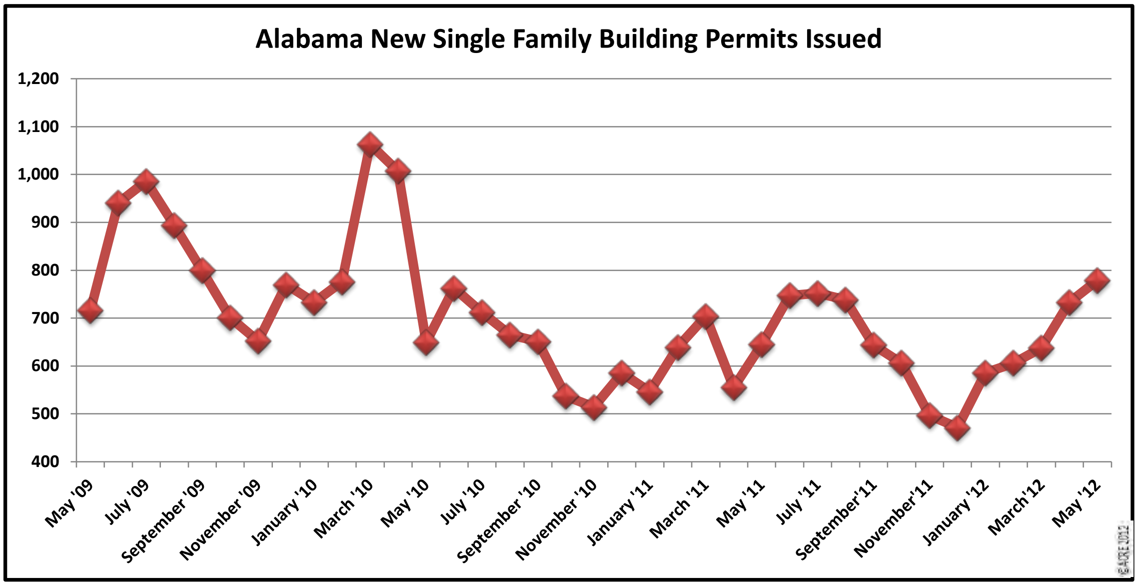
Average Selling Price

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Birmingham	$ 248,772	$ 239,927	3.7%	$ 217,738	14.3%	$ 242,742	$ 209,364	15.9%
Huntsville	$ 229,724	$ 243,583	-5.7%	$ 240,340	-4.4%	$ 232,878	$ 237,338	-1.9%
Mobile	$ 179,895	$ 174,412	3.1%	$ 189,454	-5.0%	$ 186,604	$ 172,874	7.9%
Montgomery	$ 232,333	$ 219,231	6.0%	$ 214,080	8.5%	$ 225,924	$ 239,992	-5.9%
Tuscaloosa	$ 225,026	$ 276,452	-18.6%	$ 173,229	29.9%	$ 249,767	$ 191,121	30.7%

Average Days on Market

	Current Month May-12	Last Month April-12	% Difference	Last Year May-11	% Difference	YTD May-12	YTD May-11	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	87	110	-20.9%	91	-4.4%	97	94	3.0%
Mobile	139	251	-44.6%	185	-24.9%	177	196	-10.0%
Montgomery	108	108	0.0%	107	0.9%	91	113	-19.8%
Tuscaloosa	108	106	1.9%	116	-6.9%	100	147	-31.9%

* Source: MLS



Alabama New Single Family Building Permits Issued
1,200
1,100
1,000
900
800
700
600
500
400
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
July '11
September'11
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March'12
May '12
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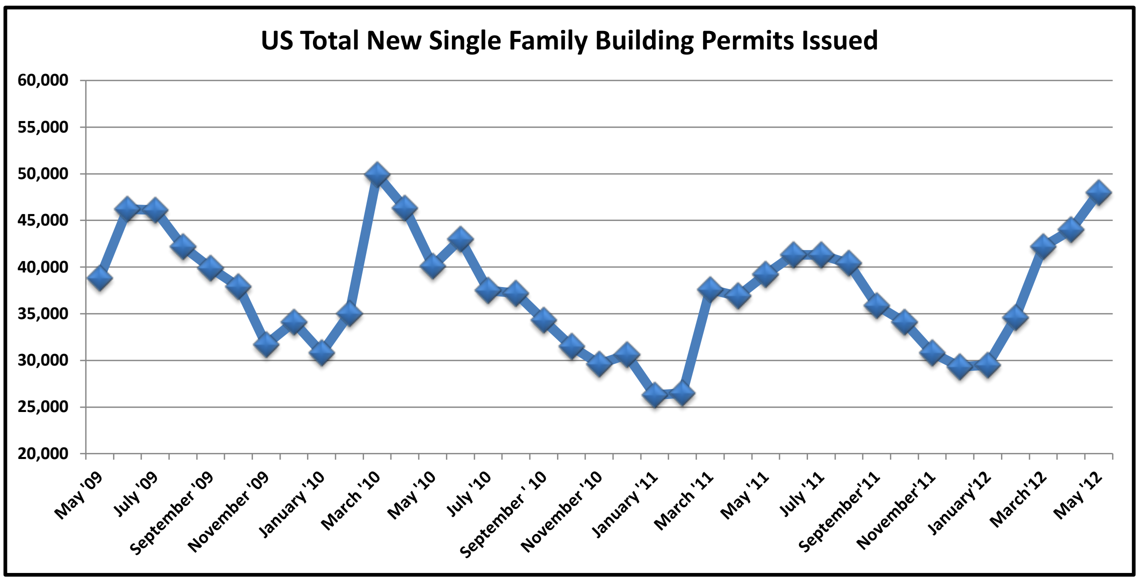

US Total New Single Family Building Permits Issued
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
May '09
July '09
September '09
November '09
January '10
March '10
May '10
July '10
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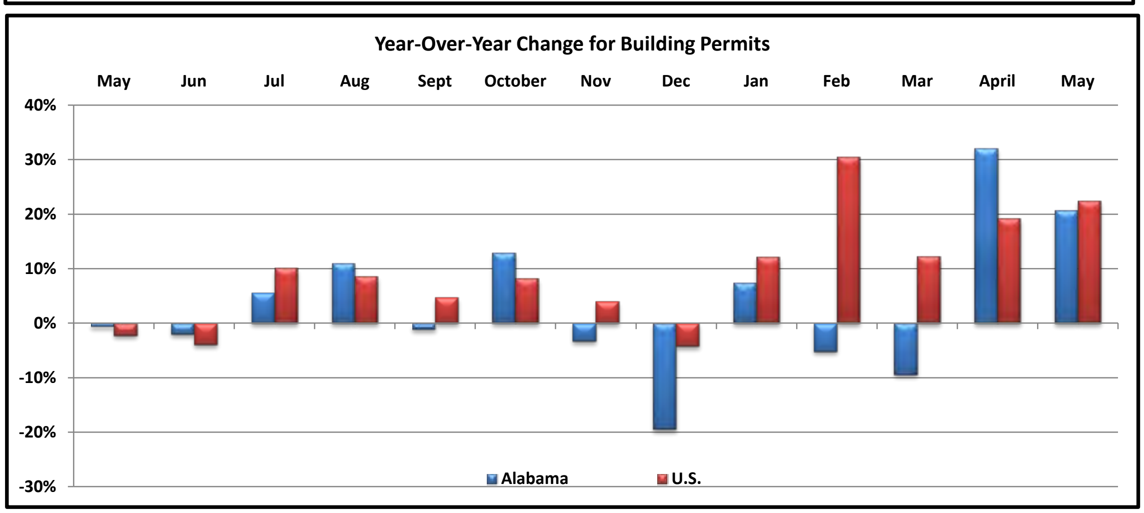
January'12
March'12
May '12



Year-Over-Year Change for Building Permits
May
Jun
Jul
Aug
Sept
October
Nov
Dec
Jan
Feb
Mar
April
May
40%
30%
20%
10%
0%
-10%
-20%
-30%
Alabama
U.S.