ACRE ALABAMA CENTER for REAL ESTATE
UNIVERSITY OF ALABAMA

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New Construction Report – November 2009

Monthly Indicator	Recent Figures				Likely Direction In Near-Term	Trends
Permits November figures show a increase of 17.8 percent from November '08 and a 6.5 percent decrease versus the prior month. As projected in last month's report, November permits represent the ***first positive percentage gain*** when compared to the same month last year. **Additionally, the YTD year-over-year percent change decline continues to narrow, which is favorable news.**	**Current Month**	**Nov.**	**2009**	**663**		**Monthly permit issuance will remain slower than normal as home builders continue to yield to current market conditions, but the market is on pace for its first yr-over-yr positive growth percentage for either 4th quarter of this year or in the 1st quarter of 2010.**
	vs. Prior Month	Oct.	2009	**709**	**<-6.5%>**	
	vs. Last Year (YoY)	Nov.	2008	**563**	**17.8%**	
	vs. Last 3 Mos. Avg.	Aug – Oct. '09		**805**	**<-17.6%>**	
Starts Building starts experienced a decline from October of 9.4 percent and were 1.7 percent below November 2008. YTD November '09 statewide housing starts are 31.7 percent below YTD November '08, which is consistent with the South & US.	**Current Month**	**Nov.**	**2009**	**710**		**Seasonal demand patterns will likely result in fewer starts during the 4th quarter.** **The extension & expansion of homebuyer tax-credit will favorably impact starts in 2010, providing the foundation for sustainable starts growth in the future.**
	vs. Prior Month	Oct.	2009	**784**	**<-9.4%>**	
	vs. Last Year (YoY)	Nov.	2008	**722**	**<-1.7%>**	
	vs. Last 3 Mos. Avg.	Aug –Oct. '09		**858**	**<-17.3%>**	

State **Commentary**

Despite current statewide economic conditions, highlighted by significant unemployment rates across the state which continue to challenge our housing market, November new construction results should be viewed favorably. To illustrate, November's new construction inventory for metro areas has decreased significantly Y-O-Y, from 14.3 months of supply to 5.6 months (61 percent). This is good news on two fronts: our metro areas account for 70 percent of market activity, and this figure continues to trend towards greater market equilibrium. Statewide ***new construction inventory*** is currently estimated at **4,350 units**. Historically, the 5-year ('04-'08) total (new & existing) statewide housing inventory average for November is **34,524** units; it now stands at **39,475** units but the gap continues to narrow. Total (new & existing) 2009 statewide sales velocity will mirror 2002 at 39,000+/- units. **In '10, Alabama housing starts & new construction sales are preliminarily projected to return to positive Y-O-Y growth of 10 to 15 percent.**

Local

During the month, 16 out of the 27 associations (59 percent) reported improvements from their 2008 November permit numbers. Nine associations had increases from their October permits, including Athens/Limestone (11.1%), Chilton County (33.3%), Calhoun County (44.4%), Gadsden (175.0%), Morgan County (20.0%), Tuscaloosa (41.7%), Huntsville (15.9%), Marshall County (40.0%), and Phenix City (6.7%). Every local home building market is unique and significant fluctuations from one area to another are anticipated in the foreseeable future.

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NOTE: *This representation is based in whole or in part on data supplied by the reporting boards/associations. The Alabama Center for Real Estate does not guarantee and is in no way responsible for its accuracy.*

*Prior data unavailable due to lack of data.

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NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Alabama State Total	663	709	-6.5%	563	17.8%	8,688	12,272	-29.2%
South Total*	16,300	18,700	-12.8%	12,900	26.4%	210,700	285,800	-26.3%
United States Total*	31,700	37,900	-16.4%	25,900	22.4%	399,900	544,200	-26.5%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY ASSOCIATION

Association	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Athens/Limestone HBA**	20	18	11.1%	11	81.8%	209	331	-36.9%
Baldwin County HBA**	60	91	-34.1%	53	13.2%	687	1,030	-33.3%
Blount County HBA	0	1	-100.0%	0	N/A	7	12	-41.7%
Chilton County HBA	4	3	33.3%	1	300.0%	16	17	-5.9%
Cullman County HBA	2	2	0.0%	1	100.0%	13	20	-35.0%
Dekalb County HBA**	1	3	-66.7%	1	0.0%	27	45	-40.0%
Enterprise HBA	5	14	-64.3%	10	-50.0%	117	211	-44.5%
Greater Birmingham HBA**	106	122	-13.1%	82	29.3%	1,426	2,176	-34.5%
Greater Calhoun County HBA**	26	18	44.4%	23	13.0%	217	351	-38.2%
Greater Gadsden HBA**	11	4	175.0%	11	0.0%	93	163	-42.9%
Greater Montgomery HBA	16	34	-52.9%	28	-42.9%	349	537	-35.0%
Greater Morgan County HBA**	6	5	20.0%	8	-25.0%	116	221	-47.5%
HBA of Dothan & Wiregrass Area	13	15	-13.3%	22	-40.9%	211	309	-31.7%
HBA of Metropolitan Mobile**	76	90	-15.6%	85	-10.6%	1,015	1,447	-29.9%
HBA of Tuscaloosa**	51	36	41.7%	43	18.6%	562	1,072	-47.6%
Huntsville/Madison HBA**	146	126	15.9%	110	32.7%	2,013	2,568	-21.6%
Jackson County HBA**	2	2	0.0%	1	100.0%	35	38	-7.9%
Lee County HBA	45	56	-19.6%	24	87.5%	641	653	-1.8%
Macon County HBA	1	1	0.0%	0	N/A	22	4	450.0%
Marshall County HBA**	21	15	40.0%	8	162.5%	104	166	-37.3%
Muscle Shoals HBA**	6	6	0.0%	11	-45.5%	82	247	-66.8%
Northwest Alabama HBA	2	3	-33.3%	1	100.0%	27	18	50.0%
Phenix City HBA	16	15	6.7%	11	45.5%	342	196	74.5%
South Alabama HBA	5	6	-16.7%	2	150.0%	51	61	-16.4%
St. Clair County HBA**	19	19	0.0%	14	35.7%	260	339	-23.3%
Tallapoosa County HBA	1	1	0.0%	1	0.0%	23	18	27.8%
Walker County HBA	2	3	-33.3%	1	100.0%	23	22	4.5%

**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.

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PROJECTED HOUSING STARTS TOTALS

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Alabama State Total	710	784	-9.4%	722	-1.7%	8,348	12,218	-31.7%
South Total	18,218	20,057	-9.2%	21,887	-16.8%	207,890	308,515	-32.6%
United States Total	36,049	39,836	-9.5%	44,166	-18.4%	393,616	585,824	-32.8%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Athens/Limestone HBA	20	18	11.1%	22	-9.1%	204	367	-44.4%
Baldwin County HBA	75	76	-1.3%	74	1.4%	672	1,050	-36.0%
Blount County HBA	0	1	-100.0%	1	-100.0%	8	13	-38.5%
Chilton County HBA	3	3	0.0%	2	50.0%	14	18	-22.2%
Cullman County HBA	2	1	100.0%	1	100.0%	14	20	-30.0%
Dekalb County HBA	2	3	-33.3%	3	-33.3%	28	46	-39.1%
Enterprise HBA	10	13	-23.1%	11	-9.1%	120	212	-43.4%
Greater Birmingham HBA	121	131	-7.6%	101	19.8%	1,396	2,255	-38.1%
Greater Calhoun County HBA	21	18	16.7%	26	-19.2%	21	7	200.0%
Greater Gadsden HBA	7	7	0.0%	11	-36.4%	91	167	-45.5%
Greater Montgomery HBA	26	34	-23.5%	30	-13.3%	353	537	-34.3%
Greater Morgan County HBA	0	7	-100.0%	12	-100.0%	113	225	-49.8%
HBA of Dothan & Wiregrass Area	15	19	-21.1%	26	-42.3%	217	305	-28.9%
HBA of Metropolitan Mobile	89	106	-16.0%	85	4.7%	1,011	1,464	-30.9%
HBA of Tuscaloosa	47	42	11.9%	63	-25.4%	552	1,119	-50.7%
Huntsville/Madison HBA	147	155	-5.2%	150	-2.0%	1,994	2,624	-24.0%
Jackson County HBA	2	4	-50.0%	2	0.0%	32	41	-22.0%
Lee County HBA	52	61	-14.8%	41	26.8%	638	677	-5.8%
Macon County HBA	1	2	-50.0%	0	N/A	21	4	425.0%
Marshall County HBA	16	15	6.7%	9	77.8%	92	188	-51.1%
Muscle Shoals HBA	6	6	0.0%	12	-50.0%	82	256	-68.0%
Northwest Alabama HBA	0	2	-100.0%	1	-100.0%	22	15	46.7%
Phenix City HBA	20	28	-28.6%	16	25.0%	339	201	68.7%
South Alabama HBA	5	5	0.0%	2	150.0%	8	8	0.0%
St. Clair County HBA	20	22	-9.1%	19	5.3%	265	356	-25.6%
Tallapoosa County HBA	1	2	-50.0%	1	0.0%	21	21	0.0%
Walker County HBA	2	3	-33.3%	1	100.0%	20	22	-9.1%

*Starts data not available due to that is it a calculated statistic from previous months data that is not available.

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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%
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 November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Total New Construction Sold	548	424	29.2%	366	49.7%	4,630	6,612	-30.0%
Number of Units on Market	3,045	3,088	-1.4%	5,238	-41.9%	N/A	N/A	N/A
Median Selling Price	$ 177,040	$ 179,565	-1.4%	$ 210,200	-15.8%	$ 194,872	$ 204,289	-4.6%
Average Selling Price	$ 201,046	$ 198,076	1.5%	$ 233,944	-14.1%	$ 214,715	$ 226,098	-5.0%
Average Days on Market	117	115	2.2%	107	9.6%	130	129	0.8%

Total New Construction Sold

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Birmingham	199	161	23.6%	175	13.7%	1,871	3,468	-46.0%
Huntsville	232	146	58.9%	105	121.0%	1,653	1,786	-7.4%
Mobile	45	53	-15.1%	31	45.2%	426	338	26.0%
Montgomery	48	44	9.1%	41	17.1%	410	622	-34.1%
Tuscaloosa	24	20	20.0%	14	71.4%	270	398	-32.2%

Number of Units on Market

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	I/S Ratio
Birmingham	1,328	1,348	-1.5%	2,747	-51.7%	6.7
Huntsville	996	997	-0.1%	1,428	-30.3%	4.3
Mobile	263	269	-2.2%	182	44.5%	5.8
Montgomery	204	210	-2.9%	463	-55.9%	4.3
Tuscaloosa	254	264	-3.8%	418	-39.2%	10.6

Median Selling Price

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Birmingham	$ 192,900	$ 165,000	16.9%	$ 210,200	-8.2%	$ 194,435	$ 204,289	-4.8%
Huntsville	$ 200,413	$ 209,332	-4.3%	$ 230,000	-12.9%	$ 235,375	$ 251,724	-6.5%
Mobile	$ 152,298	$ 159,170	-4.3%	$ 229,900	-33.8%	$ 177,002	$ 182,108	-2.8%
Montgomery	$ 198,189	$ 198,925	-0.4%	$ 209,900	-5.6%	$ 200,022	$ 208,490	-4.1%
Tuscaloosa	$ 141,400	$ 165,400	-14.5%	$ 171,000	-17.3%	$ 167,528	$ 174,835	-4.2%

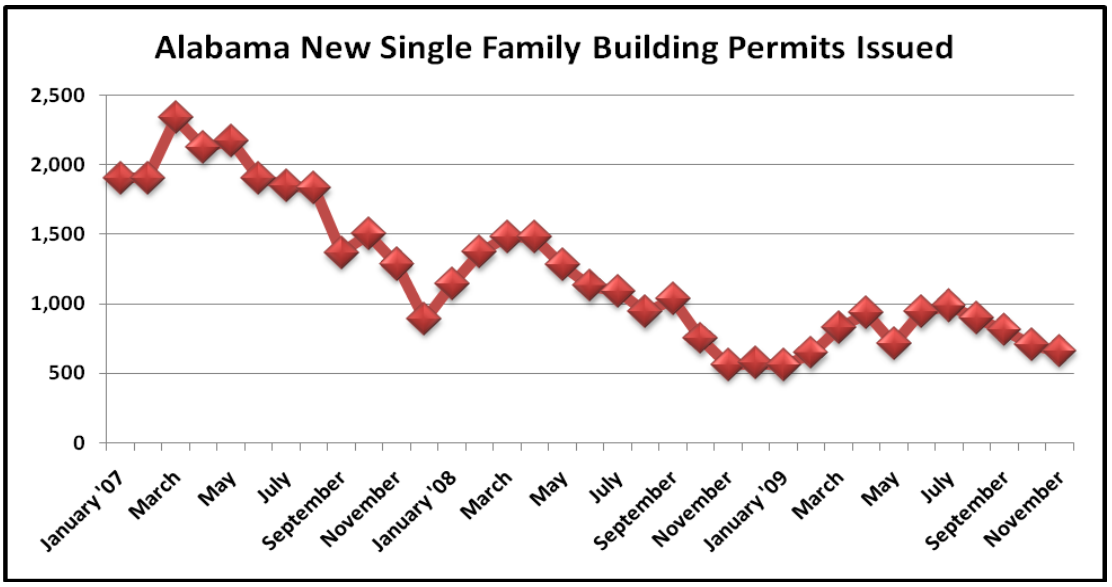
Average Selling Price

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Birmingham	$ 213,050	$ 207,156	2.8%	$ 241,551	-11.8%	$ 232,259	$ 245,149	-5.3%
Huntsville	$ 221,898	$ 228,185	-2.8%	$ 252,341	-12.1%	$ 235,375	$ 251,724	-6.5%
Mobile	$ 166,056	$ 173,571	-4.3%	$ 255,629	-35.0%	$ 188,146	$ 195,762	-3.9%
Montgomery	$ 239,139	$ 207,495	15.3%	$ 215,897	10.8%	$ 221,439	$ 235,395	-5.9%
Tuscaloosa	$ 165,089	$ 173,974	-5.1%	$ 204,300	-19.2%	$ 196,355	$ 202,462	-3.0%

Average Days on Market

	Current Month November-09	Last Month October-09	% Difference	Last Year November-08	% Difference	YTD November-09	YTD November-08	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	94	112	-16.1%	96	-2.1%	102	134	-23.9%
Mobile	113	111	1.8%	65	73.8%	122	91	34.1%
Montgomery	79	114	-30.7%	109	-27.5%	128	133	-3.8%
Tuscaloosa	182	121	50.4%	157	15.9%	169	159	6.3%

* Source: MLS


Alabama New Single Family Building Permits Issued
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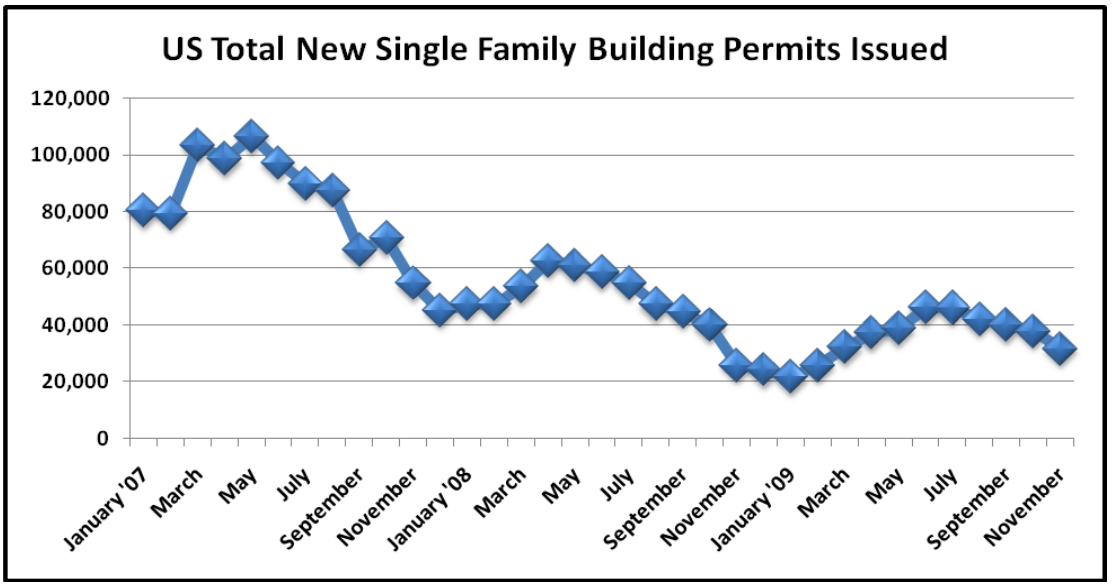
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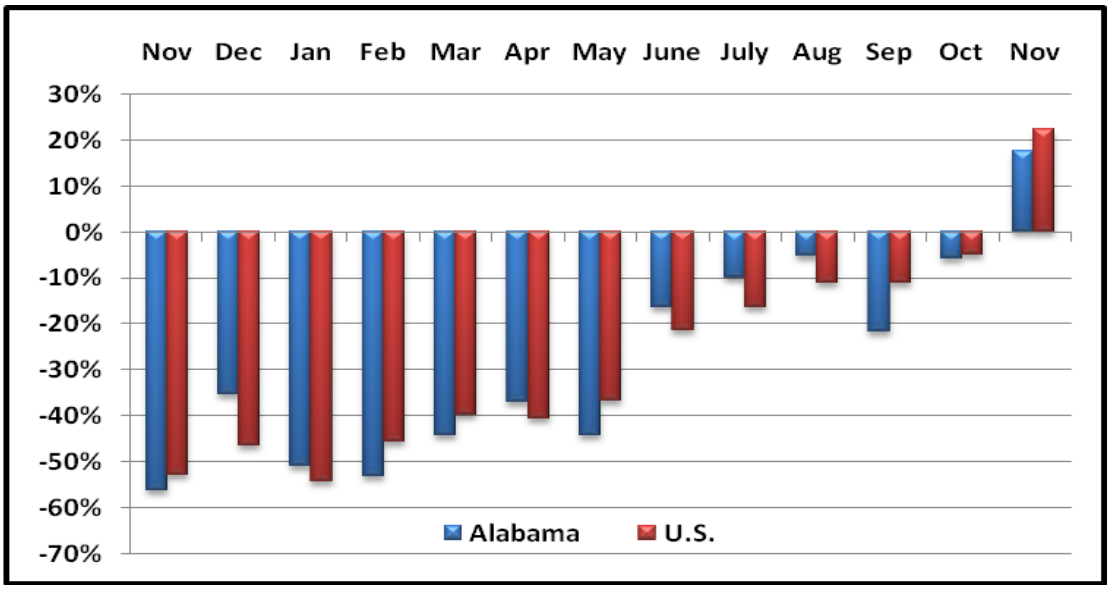
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