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Alabama New Construction Report – November 2011

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	November	2011	**499**		**The year-over-year (YoY) decrease in housing permits this month (499 vs 521 in Nov '10) is in contrast to recent trends reflecting a more favorable projectory. The fact that permits are less than the prior month (Oct. '11) is consistent with the seasonality of the RE market.**
November permits have decreased 18.2 percent from October'11. Perhaps more of a concern is that November '11 figures show a decrease of 4.2 percent from November '10.	vs. Prior Month	October	2011	**610**	**-18.2%**	
	vs. Last Year (YoY)	November	2010	**521**	**-4.2%**	
	vs. 3-Yr Avg	November	'08-'10	**938**	**-46.8%**	
	Year-to-Date	November	2011	**7,194**		
	vs. Last Year (YoY)	November	2010	**8,227**	**-12.6%**	
Starts	**Current Month**	November	2011	**578**		**While improving, confidence surveys of consumers and builders alike still detect high levels of uncertainty that underscores the current fragile housing market. With that offered, the current figures do reflect an improvement from recent months.**
November starts have decreased 10.7 percent from October'11. In contrast, November'11 figures show a increase of 3.2 percent from November '10.	vs. Prior Month	October	2011	**647**	**-10.7%**	
	vs. Last Year (YoY)	November	2010	**560**	**3.2%**	
	vs. 3-Yr Avg	November	'08-'10	**947**	**-38.9%**	
	Year to Date	November	2011	**7,166**		
	vs.Prior Year	November	2010	**8,354**	**-14.2%**	

State **Commentary**

November new home sales results were mixed: down 6.5% from November 2010 and up 5.3% from the prior month. Statewide new construction inventory has declined by approximately 20% from last November and marginally increased by .7% from last month.

According to McGraw-Hill, residential contract values increased by 20% to $200.3 million in November '11 compared to November '10 values. This figure is consistent with November 2008 @ $235.4 million (November's 10-year average = $252.6 million or 21% higher than November '11).

According to the Alabama Dept. of Industrial Relations, statewide related construction employment was down 3.8% (2,500 jobs) to 63,000 from last month and is down by 9.6% or 6,600 workers from November '10.

While improving, market challenges remain including overall uncertainty of the direction of economy highlighted by the global financial crisis, stubbornly high unemployment figures and low consumer confidence. Competition from distressed existing home inventory, strict underwriting guidelines, and while slowly improving, the fundamental imbalance between supply & demand continues into the 4th quarter. The rebuilding efforts after the April 27th disaster continue to have a favorable impact on Alabama's construction industry but it's too early to tell whether this increase in activity acts only to offset future figures should regressive forces take a greater hold on the market. While UA's Center for Business & Economic Research has lowered its forecast associated with the growth rate of Alabama's gross state product, it is currently not predicting a double-dip recession for Alabama and their most recent projections are more favorable than figures provided in the 3rd quarter reports.

Local

2 out of the 27 associations (1% - down from 22% in October) reported building permit gains from the prior month (Oct'11) while 3 associations (1% - down from 30% in October) experienced gains in housing starts. Eight associations (30% - down from 41% last month) experienced an increase from their November'10 monthly housing starts including Enterprise (125%), South Alabama (100%), Greater Montgomery (74%), Tuscaloosa (45%), Greater Birmingham (41%) , Lee County (47%) and Baldwin County (28%)..

Year-to-date, 6 or 26% of associations have experienced year-over-year growth in housing starts: Cullman County (114%), South Alabama (69%), Tallapoosa County (33%), Walker County (33%), Northwest Alabama (6.3%), Baldwin County (4%) and St. Clair County (.5%).

2011 Current National Outlook from Industry Associations (annual % change from 2010 at the end of year)

National Assn Home Builders (NAHB): New homes sales down 4.9%; housing starts down 9.9% from 2010.

National Assn of REALTORS (NAR): New homes sales down 5.9%; housing starts up 1.7%; new home median price ($225,700) up 1.5%.

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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.

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New Construction Report - November 2011

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Alabama State Total	499	610	-18.2%	521	-4.2%	7,194	8,227	-12.6%
South Total*	16,100	17,400	-7.5%	14,500	11.0%	204,600	214,300	-4.5%
United States Total*	30,800	34,100	-9.7%	29,600	4.1%	384,300	415,200	-7.4%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Athens/Limestone **	12	24	-50.0%	29	-58.6%	183	299	-38.8%
Baldwin County **	51	58	-12.1%	39	30.8%	674	607	11.0%
Blount County	0	0	N/A	1	-100.0%	4	8	-50.0%
Chilton County	0	0	N/A	1	-100.0%	7	13	-46.2%
Cullman County	0	3	-100.0%	0	N/A	13	6	116.7%
Dekalb County **	1	3	-66.7%	1	0.0%	23	24	-4.2%
Enterprise	8	11	-27.3%	4	100.0%	83	102	-18.6%
Greater Birmingham **	78	94	-17.0%	51	52.9%	1,283	1,277	0.5%
Greater Calhoun County **	0	0	N/A	2	-100.0%	57	132	-56.8%
Greater Gadsden **	9	9	0.0%	7	28.6%	69	105	-34.3%
Greater Montgomery	37	32	15.6%	20	85.0%	331	372	-11.0%
Greater Morgan County **	3	7	-57.1%	15	-80.0%	90	144	-37.5%
Dothan & Wiregrass Area	9	18	-50.0%	17	-47.1%	175	246	-28.8%
Metropolitan Mobile**	36	49	-26.5%	77	-53.2%	631	815	-22.6%
Tuscaloosa**	42	63	-33.3%	36	16.7%	566	587	-3.6%
Huntsville/Madison **	129	131	-1.5%	132	-2.3%	1,745	1,991	-12.4%
Jackson County **	1	1	0.0%	1	0.0%	17	17	0.0%
Lee County	36	45	-20.0%	31	16.1%	485	575	-15.7%
Macon County	0	0	N/A	2	-100.0%	2	7	-71.4%
Marshall County **	11	10	10.0%	13	-15.4%	187	223	-16.1%
Muscle Shoals **	4	13	-69.2%	9	-55.6%	96	143	-32.9%
Northwest Alabama	0	2	-100.0%	0	N/A	15	16	-6.3%
Phenix City	18	18	0.0%	21	-14.3%	206	266	-22.6%
South Alabama	3	1	200.0%	1	200.0%	29	20	45.0%
St. Clair County **	10	17	-41.2%	7	42.9%	202	212	-4.7%
Tallapoosa County	1	1	0.0%	1	0.0%	13	9	44.4%
Walker County	0	0	N/A	3	-100.0%	8	11	-27.3%

**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

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PROJECTED HOUSING STARTS TOTALS

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Alabama State Total	578	647	-10.7%	560	3.2%	7,166	8,354	-14.2%
South Total	17,095	18,412	-7.2%	15,355	11.3%	202,627	217,000	-6.6%
United States Total	33,083	35,873	-7.8%	34,034	-2.8%	382,466	418,307	-8.6%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Athens/Limestone	18	23	-21.7%	26	-30.8%	191	286	-33.2%
Baldwin County	55	57	-3.5%	43	27.9%	669	640	4.5%
Blount County	0	0	N/A	1	-100.0%	5	9	-44.4%
Chilton County	0	0	N/A	1	-100.0%	8	14	-42.9%
Cullman County	1	2	-50.0%	0	N/A	15	7	114.3%
Dekalb County	1	1	0.0%	1	0.0%	11	24	-54.2%
Enterprise	9	9	0.0%	4	125.0%	79	108	-26.9%
Greater Birmingham	92	101	-8.9%	65	41.5%	1,255	1,325	-5.3%
Greater Calhoun County	1	3	-66.7%	3	-66.7%	42	136	-69.1%
Greater Gadsden	9	9	0.0%	7	28.6%	67	109	-38.5%
Greater Montgomery	33	30	10.0%	19	73.7%	320	380	-15.8%
Greater Morgan County	7	7	0.0%	10	-30.0%	99	135	-26.7%
Dothan & Wiregrass Area	14	16	-12.5%	17	-17.6%	177	244	-27.5%
Metropolitan Mobile	49	66	-25.8%	67	-26.9%	651	835	-22.0%
Tuscaloosa	55	66	-16.7%	38	44.7%	543	589	-7.8%
Huntsville/Madison	136	143	-4.9%	156	-12.8%	1,767	1,998	-11.6%
Jackson County	1	1	0.0%	1	0.0%	16	20	-20.0%
Lee County	41	47	-12.8%	31	32.3%	474	599	-20.9%
Macon County	0	0	N/A	1	-100.0%	2	6	-66.7%
Marshall County	11	12	-8.3%	15	-26.7%	189	226	-16.4%
Muscle Shoals	8	12	-33.3%	10	-20.0%	97	137	-29.2%
Northwest Alabama	1	3	-66.7%	0	N/A	17	16	6.3%
Phenix City	20	18	11.1%	21	-4.8%	208	265	-21.5%
South Alabama	2	1	100.0%	1	100.0%	27	16	68.8%
St. Clair County	13	18	-27.8%	19	-31.6%	213	212	0.5%
Tallapoosa County	1	2	-50.0%	1	0.0%	12	9	33.3%
Walker County	0	0	N/A	2	-100.0%	12	9	33.3%

*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. 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%

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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-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Total New Construction Sold	258	250	3.2%	276	-6.5%	3,144	3,687	-14.7%
Number of Units on Market	1,675	1,664	0.7%	2,084	-19.6%	N/A	N/A	N/A
Median Selling Price	$ 201,959	$ 212,301	-4.9%	$ 195,000	3.6%	$ 198,353	$ 191,266	3.7%
Average Selling Price	$ 215,004	$ 220,837	-2.6%	$ 205,977	4.4%	$ 217,488	$ 210,444	3.3%
Average Days on Market	130	113	15.1%	156	-17.0%	128	130	-1.3%

Total New Construction Sold

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Birmingham	82	76	7.9%	86	-4.7%	1,000	1,408	-29.0%
Huntsville	94	94	0.0%	126	-25.4%	1,197	1,257	-4.8%
Mobile	29	20	45.0%	35	-17.1%	357	462	-22.7%
Montgomery	41	46	-10.9%	22	86.4%	413	347	19.0%
Tuscaloosa	12	14	-14.3%	7	71.4%	177	213	-16.9%

Number of Units on Market

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	I/S Ratio
Birmingham	763	771	-1.0%	924	-17.4%	9.3
Huntsville	441	444	-0.7%	557	-20.8%	4.7
Mobile	163	153	6.5%	212	-23.1%	5.6
Montgomery	192	183	4.9%	211	-9.0%	4.7
Tuscaloosa	116	113	2.7%	180	-35.6%	9.7

Median Selling Price

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Birmingham	$ 209,047	$ 210,597	-0.7%	$ 205,700	1.6%	$ 193,214	$ 193,116	0.1%
Huntsville	$ 213,900	$ 250,120	-14.5%	$ 200,050	6.9%	$ 221,450	$ 221,247	0.1%
Mobile	$ 168,900	$ 163,388	3.4%	$ 165,000	2.4%	$ 162,485	$ 170,415	-4.7%
Montgomery	$ 225,000	$ 232,723	-3.3%	$ 194,250	15.8%	$ 232,924	$ 207,564	12.2%
Tuscaloosa	$ 192,950	$ 204,678	-5.7%	$ 210,000	-8.1%	$ 181,690	$ 163,991	10.8%

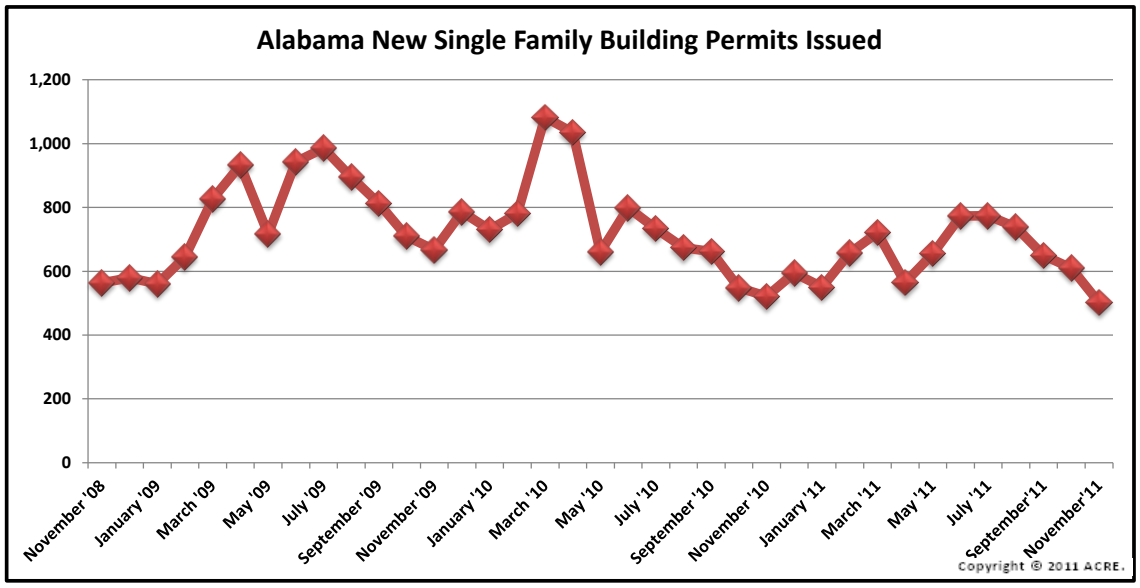
Average Selling Price

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Birmingham	$ 254,356	$ 222,346	14.4%	$ 216,859	17.3%	$ 224,577	$ 224,337	0.1%
Huntsville	$ 229,491	$ 246,021	-6.7%	$ 222,003	3.4%	$ 239,385	$ 237,392	0.8%
Mobile	$ 178,366	$ 185,393	-3.8%	$ 167,360	6.6%	$ 178,781	$ 185,422	-3.6%
Montgomery	$ 222,181	$ 235,816	-5.8%	$ 208,119	6.8%	$ 237,649	$ 217,275	9.4%
Tuscaloosa	$ 190,626	$ 214,611	-11.2%	$ 215,545	-11.6%	$ 207,047	$ 187,793	10.3%

Average Days on Market

	Current Month November-11	Last Month October-11	% Difference	Last Year November-10	% Difference	YTD November-11	YTD November-10	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	51	64	-20.3%	70	-27.1%	84	97	-13.5%
Mobile	148	212	-30.2%	186	-20.4%	190	148	28.9%
Montgomery	63	70	-10.0%	94	-33.0%	95	93	1.7%
Tuscaloosa	256	104	146.2%	274	-6.6%	144	181	-20.8%

* Source: MLS


Alabama New Single Family Building Permits Issued
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1,000
800
600
400
200
0
November '08
January '09
March '09
May '09
July '09
September '09
November '09
January '10
March '10
May '10
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November'11
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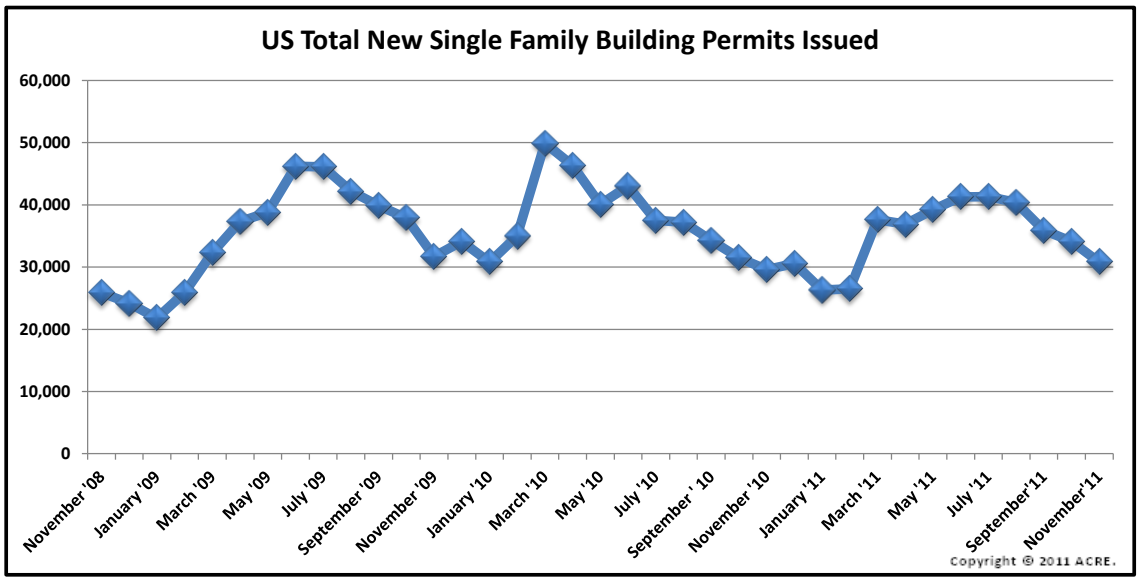
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50,000
40,000
30,000
20,000
10,000
0
November '08
January '09
March '09
May '09
July '09
September '09
November '09
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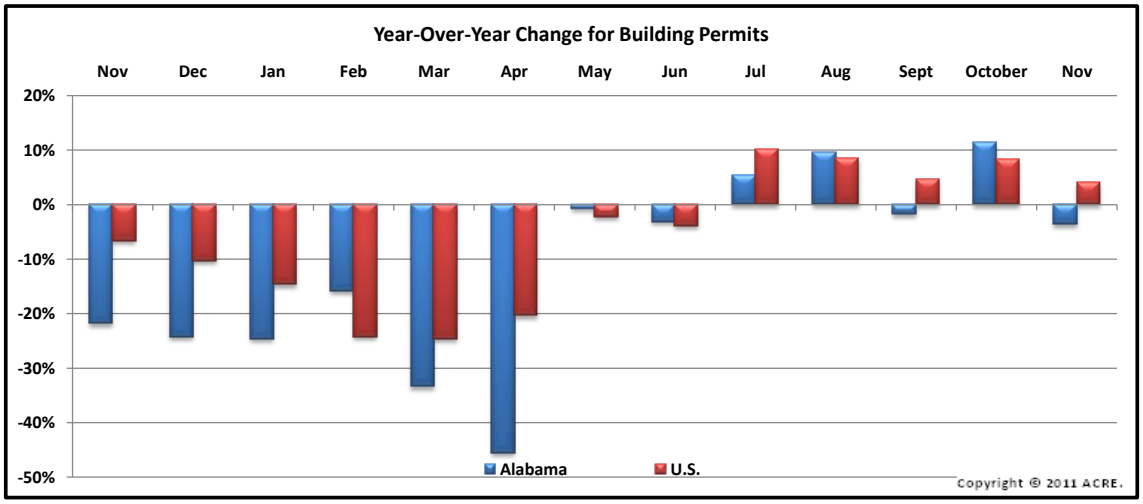
Year-Over-Year Change for Building Permits
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sept
October
Nov
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
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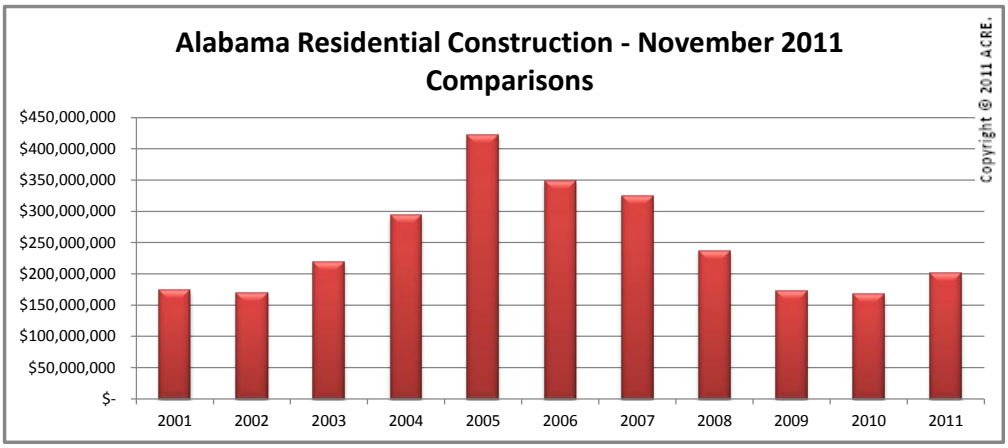
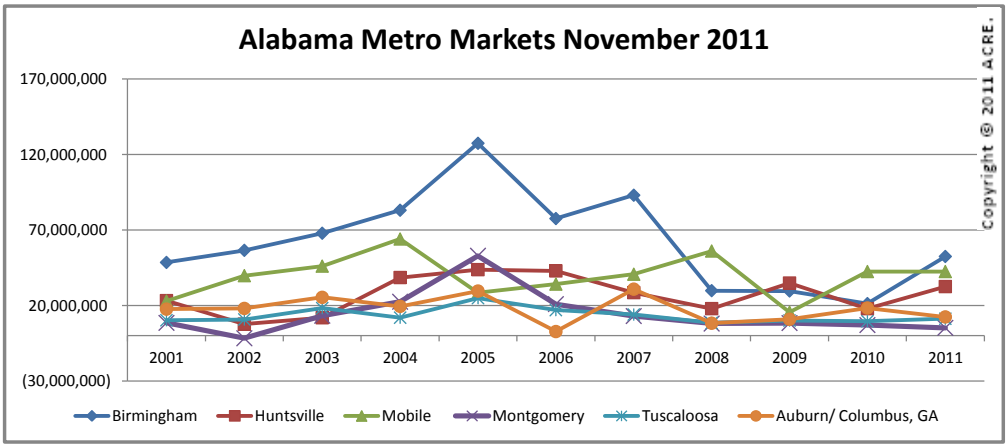
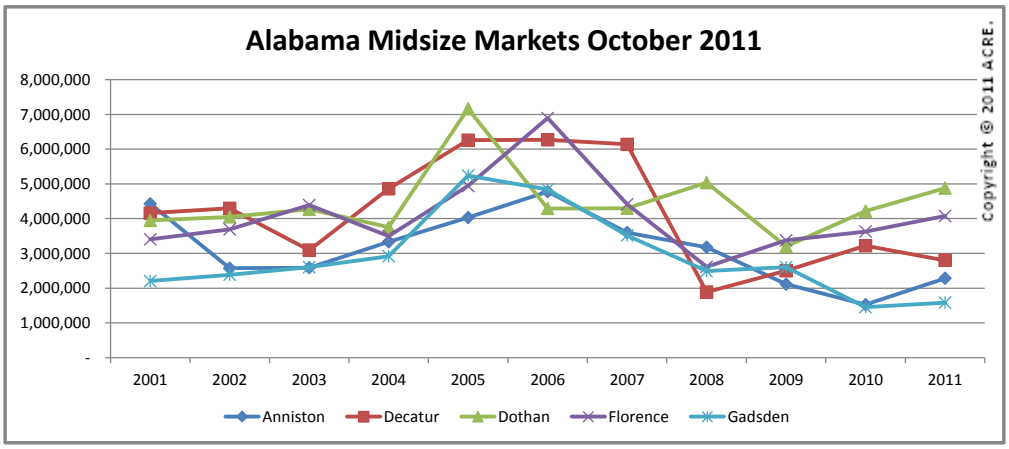
Residential Construction Building Contracts in Dollars







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