Summary

The survey projects expectations for the 1st quarter of 2013. The scale ranges from 0-100 with 0 being much worse, 100 being much better, and 50 indicating no change expected.

The professional Real Estate community’s optimism improved in two important measures, sales indications improved from 52 to 55 (expansion) and price expectations improved to the 50 level (neutral) for the 1st time in the three years we have been doing the survey. Interestingly, availability of credit continues to be viewed negatively and deteriorating now at 44, down one point from last quarter.
The national score at 47, same as last quarter 49, indicates that respondents remain somewhat pessimistic about the overall economic picture. The participants remained positive on the statewide conditions at 53 same as last quarter. Inventory expectations declined to 49 from 52 indicating some increases of supply expected. Sellers are likely to be frustrated by pricing, and buyers will continue to have problems getting financing.

**Regional Results:**

The coastal region continued to remain the most optimistic in the state. On an overall basis all areas remain above 50, indicating expansion expected.

This quarter showed little change in expectations in all regions. The results are still encouraging, with overall measures in the expansion zone, at or over 50.

**Commercial market** participants (the majority of the respondents are from the Birmingham market area) remained projecting a neutral market this quarter (Total Stat) at 50 this quarter and dropping 6 points to 46 (contraction) for sales expectations. Price expectations are still soft, at 46 vs. 49 last quarter indicating pricing pressure. The score for credit availability is looking weaker, at 46 down from 49 points from last quarter.
North Region

North Alabama experienced a modest deterioration in most scores. The total score of 47, down from 49, a 2 point decline from last quarter, and slightly below prior year 1st quarter scores. The sales outlook is modestly positive at 53 but with pricing pressure expected with a score of 45.

North Central Region

The North Central Region overall score improved to 50 from 49 last quarter, The sales score improved to 54 from 51. Inventory score moved to neutral at 50 from 52 with, pricing moving to 52 from 49, and credit at 45.

South Central Region

The South Central Region participants’ outlook for sales improved from 50 to 51.

South Region

The Southern Region sales score improved the most, 6 points to 61 the highest of the region scores. Price expectations jumped 12 points to 55.

About the Alabama Real Estate Confidence Index and Survey:

More than 400 professionals responded to the 1st quarter 2013 survey which was conducted during the month of December 2012. The survey, conducted by the Alabama Center For Real Estate now has the largest participation of any real estate survey. It provides important market insights. Full history and scores for each market segment are located here on the web http://goo.gl/5lt2G

The ACRE Leadership Council determined the need for a statewide industry confidence index and this was adopted as the Council's first initiative. Tom Brander, Council Member, was selected by the Council and Grayson Glaze, ACRE Executive Director, to spearhead and work with the Center to conduct and produce its Alabama Real Estate Confidence Index (ARECI). The Council appreciates everyone who participated.

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