Summary

The survey projects expectations for the 2nd 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 soared this quarter. All of the overall indicators are at the highest levels we have seen since beginning the survey in 2010. Sales expectations are at 65 up 10 points from last quarter. Only availability of credit continues to be viewed somewhat negatively, now at 49, up five points from last quarter.
The national score at 57, up 10 points from last quarter, indicates that respondents are more optimistic about the overall economic picture. The participants are more positive on the statewide conditions at 62 up nine points from last quarter. Inventory expectations improved to 55 up 6 points indicating continued reduction of supply expected. Sellers may see some improvement for the first time in several years with a score of 56 up six points from last quarter. Financing continues to be viewed negatively at 49 indicating that buyers may face tight financing conditions.

**Regional Results:**

The coastal region continued to remain the most optimistic in the state at 69. On an overall basis all areas sales expectations gained at least 8 points with the lowest being the Huntsville North Alabama area at 61 still, indicating expansion expected.

This quarter showed substantial change in expectations in all regions. The results are encouraging, with overall measures in the expansion zone.

**Commercial market** participants (the majority of the respondents are from the Birmingham market area) turned positive this quarter (Total Stat) at 55 this quarter a five point improvement and climbing 14 points to 60 for sales expectations. Price expectations improved 6 points 52
indicating improved pricing conditions. The score for credit availability is looking stronger, up 7 points to 53, the first over 50 reading for this segment.

**North Region**

All areas except North Alabama had the highest levels we have yet seen. It is likely that anxiety over the sequester cuts effect on the defense oriented industry, served to dampen expectations. Nonetheless scores were positive and improved over the prior quarter. The total score of 53, up by 6. The sales outlook is positive at 61 up by 8 but with pricing pressure neutral at 51 (up by 6).

**North Central Region**

The North Central Region overall score improved to 58 up 8 from last quarter. The sales score improved to 65 from 54. Inventory score improved to 55 from 50 with, pricing moving to 56 from 52, and credit at 52.

**South Central Region**

The South Central Region participants’ outlook for sales improved from 65 from 51. The only sub-segment declining and in negative territory is the Montgomery, Central Alabama Rural segment with sales expectations at 42, our sample size here was quite small however. The Suburban areas show sales expectations of 69 up from 52.

**South Region**

The Southern Region sales score are at the highest regional level, 69, up 8. Price expectations jumped 7 points to 62.

**About the Alabama Real Estate Confidence Index and Survey:**

More than 400 professionals responded to the 2nd quarter 2013 survey which was conducted during the month of March 2013. 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/1ByP7](http://goo.gl/1ByP7)

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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