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Alabama New Construction Report – November 2012

Monthly Indicators	Recent Figures					Trends
Permits	**Current Month**	November	2012	585		The decrease in Alabama permits from last month is consistent with from seasonal trends and declines in the south region & broader US market. YTD permits in Alabama are up 7.7% compared to 2011. In comparison, YTD South Permits are up 19% & YTD US Permits are up 17%.
November permits have decreased 24.3 percent from last month. Figures also show an increase of 17.7 percent from November '11.	vs. Prior Month	October	2012	773	-24.3%	
	vs. Last Year (YoY)	November	2011	497	17.7%	
	vs. 3-Yr Avg	November	'09-'11	670	-12.7%	
	Year-to-Date	November	2012	7,617		
	vs. Last Year (YoY)	November	2011	7,073	7.7%	
Starts	**Current Month**	November	2012	680		YTD Housing Starts in Alabama remain positive at 5.7% above 2011. In comparison, YTD South Starts are up 18% & YTD US Starts are up 16%. While improving, confidence surveys of consumers & builders still detect levels of apprehension that underscore the current housing market.
November starts have decreased 9.6 percent from October '12. November '12 figures also show an increase of 18.4 percent from November '11.	vs. Prior Month	October	2012	752	-9.6%	
	vs. Last Year (YoY)	November	2011	574	18.4%	
	vs. 3-Yr Avg	November	'09-'11	748	-9.2%	
	Year to Date	November	2012	7,488		
	vs.Prior Year	November	2011	7,082	5.7%	

State — **Commentary**

Consistent with seasonal sales patterns, November new home sales slipped 11.0% from last month. More importantly, sales were up 16.3% from November 2011. **YTD new home sales have improved by 7.9% compared to 2011.** Statewide new construction inventory is approximately .8% higher than last November and up 4.0% from last month as home builder's continue to bring more product to the market in response to uptick in demand.

According to the Alabama Dept. of Industrial Relations, statewide related construction employment in November down .2% (100 jobs) to 61,100 from last month and down 3.3% (2,100) with the number of jobs from the same month a year ago.

While gradually improving this year, market challenges remain including weak economic growth, stagnant job growth and to a smaller degree, competition from distressed existing home inventory. Challenging appraisals and other underwriting guidelines are still applicable in today's market. US fiscal policy and related tax policy continue to represent a current cloud over the market.

An important note, the balance between supply & demand continued to inprove as the market transitioned through the 4th quarter of 2012. Months of new home supply in November was 5.6 months. This is lower than last November (6.5 months) but slightly higher than last month (4.8 months) due to seasonal selling trends.

Local

6 out of the 27 associations (22% - down from 48% in October) reported building permit gains from the prior month while 10 associations (37% - down from 52% in October) experienced gains in housing starts. **Sixteen associations (59% - up from 56% last month) experienced an increase from their November'11 monthly housing starts.** The top five markets by positive percentage change in year-to-date housing starts: Marshall County (169%), Jackson County (113%), Cullman County (100%), Greater Morgan County (68%), and Muscle Shoals (35%). Here is a look at YTD Starts from selected markets from across the state: Birmingham (-2.4%), Greater Montgomery (26%), Tuscaloosa (26%), Lee County (19%), Mobile (-8%), Baldwin County (33%), and Dothan/Wiregrass (-36%) .

2012 National Projections from Industry Associations (annual % change compared to 2011 at the end of this year)

National Assn Home Builders (NAHB): New homes sales up 19%.
National Assn of REALTORS (NAR): New homes sales up 26%.

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 2012

NEW SINGLE FAMILY BUILDING PERMIT STATISTIC TOTALS

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Alabama State Total	585	773	-24.3%	497	17.7%	7,617	7,073	7.7%
South Total*	21,100	24,400	-13.5%	16,100	31.1%	249,300	204,600	21.8%
United States Total*	42,800	42,200	1.4%	30,800	39.0%	459,200	384,300	19.5%

*Source Data: U.S. Census Bureau

NEW SINGLE FAMILY BUILDING PERMITS BY AREA

Association	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Athens/Limestone **	17	30	-43.3%	12	41.7%	160	183	-12.6%
Baldwin County **	105	133	-21.1%	51	105.9%	960	674	42.4%
Blount County	0	0	N/A	0	N/A	0	4	-100.0%
Chilton County	1	0	N/A	0	N/A	9	7	28.6%
Cullman County	2	4	-50.0%	0	N/A	29	13	123.1%
Dekalb County **	4	0	N/A	1	300.0%	22	23	-4.3%
Enterprise	7	6	16.7%	8	-12.5%	87	83	4.8%
Greater Birmingham **	90	123	-26.8%	78	15.4%	1,258	1,283	-2.0%
Greater Calhoun County **	0	5	-100.0%	0	N/A	42	57	-25.7%
Greater Gadsden **	5	5	0.0%	9	-44.4%	69	69	0.0%
Greater Montgomery	46	35	31.4%	37	24.3%	411	331	24.2%
Greater Morgan County **	13	13	0.0%	3	333.3%	160	90	77.8%
Dothan & Wiregrass Area	13	1	1200.0%	9	44.4%	118	175	-32.6%
Metropolitan Mobile**	45	72	-37.5%	36	25.0%	604	631	-4.3%
Tuscaloosa**	39	55	-29.1%	42	-7.1%	691	566	22.1%
Huntsville/Madison **	111	165	-32.7%	129	-14.0%	1,724	1,745	-1.2%
Jackson County **	1	1	0.0%	1	0.0%	18	17	5.9%
Lee County	31	44	-29.5%	36	-13.9%	559	485	15.3%
Macon County	0	0	N/A	0	N/A	0	2	-100.0%
Marshall County **	13	23	-43.5%	6	116.7%	187	66	183.3%
Muscle Shoals **	6	16	-62.5%	4	50.0%	136	96	41.7%
Northwest Alabama	3	7	-57.1%	0	N/A	20	15	33.3%
Phenix City	7	16	-56.3%	21	-66.7%	122	206	-40.8%
South Alabama	6	4	50.0%	3	100.0%	24	29	-17.2%
St. Clair County **	17	13	30.8%	10	70.0%	184	202	-8.9%
Tallapoosa County	1	1	0.0%	1	0.0%	14	13	7.7%
Walker County	2	1	100.0%	0	N/A	9	8	12.5%

**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.

*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-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Alabama State Total	680	752	-9.6%	574	18.4%	7,488	7,082	5.7%
South Total	23,510	24,560	-4.3%	19,654	19.6%	198,100	167,120	18.5%
United States Total	44,181	44,672	-1.1%	37,904	16.6%	362,576	313,510	15.7%

PROJECTED HOUSING STARTS BY LOCAL MARKETS

Association	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Athens/Limestone	21	22	-1.4%	18	17.9%	153	191	-19.6%
Baldwin County	112	109	2.4%	56	100.1%	903	677	33.4%
Blount County	0	0	N/A	0	N/A	1	5	-81.8%
Chilton County	0	0	N/A	0	N/A	0	0	N/A
Cullman County	3	3	6.3%	1	95.0%	27	14	99.6%
Dekalb County	4	1	640.7%	1	300.0%	22	23	-4.3%
Enterprise	6	6	8.2%	9	-25.7%	86	79	8.7%
Greater Birmingham	107	115	-7.0%	91	17.0%	1,239	1,270	-2.4%
Greater Calhoun County	3	5	-38.9%	2	80.3%	46	59	-21.9%
Greater Gadsden	5	6	-2.5%	9	-39.3%	71	64	11.6%
Greater Montgomery	40	36	12.3%	33	22.0%	406	322	26.0%
Greater Morgan County	14	15	-8.8%	5	160.7%	157	94	67.9%
Dothan & Wiregrass Area	10	10	-8.6%	13	-28.2%	113	178	-36.5%
Metropolitan Mobile	56	65	-13.1%	49	14.3%	597	648	-7.9%
Tuscaloosa	53	74	-28.4%	55	-3.6%	686	545	25.8%
Huntsville/Madison	140	165	-15.2%	137	2.0%	1,700	1,768	-3.9%
Jackson County	1	1	48.5%	1	-3.0%	35	16	113.4%
Lee County	41	48	-14.1%	41	-0.2%	565	476	18.6%
Macon County	0	0	N/A	0	N/A	0	2	-100.0%
Marshall County	18	22	-18.4%	6	200.3%	178	66	169.0%
Muscle Shoals	11	14	-20.3%	9	26.1%	132	98	35.3%
Northwest Alabama	4	4	12.8%	1	241.3%	18	16	11.7%
Phenix City	8	14	-39.7%	19	-57.3%	129	208	-37.8%
South Alabama	4	3	63.6%	2	101.8%	21	28	-26.2%
St. Clair County	15	15	3.1%	14	8.5%	180	212	-14.8%
Tallapoosa County	1	2	-31.1%	1	11.0%	15	13	16.6%
Walker County	1	1	65.4%	0	N/A	8	10	-23.3%

*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.

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%

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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-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Total New Construction Sold	300	337	-11.0%	258	16.3%	3,391	3,144	7.9%
Number of Units on Market	1,688	1,623	4.0%	1,675	0.8%	N/A	N/A	N/A
Median Selling Price	$ 217,379	$ 205,741	5.7%	$ 201,959	7.6%	$ 213,343	$ 198,353	7.6%
Average Selling Price	$ 229,648	$ 225,600	1.8%	$ 215,004	6.8%	$ 230,341	$ 217,488	5.9%
Average Days on Market	93	93	0.0%	130	-28.0%	107	128	-16.2%

Total New Construction Sold

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Birmingham	108	108	0.0%	82	31.7%	1,165	1,000	16.5%
Huntsville	116	140	-17.1%	94	23.4%	1,234	1,197	3.1%
Mobile	27	26	3.8%	29	-6.9%	318	357	-10.9%
Montgomery	32	49	-34.7%	41	-22.0%	472	413	14.3%
Tuscaloosa	17	14	21.4%	12	41.7%	202	177	14.1%

Number of Units on Market

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	I/S Ratio
Birmingham	724	671	7.9%	763	-5.1%	6.7
Huntsville	471	470	0.2%	441	6.8%	4.1
Mobile	178	170	4.7%	163	9.2%	6.6
Montgomery	185	188	-1.6%	192	-3.6%	5.8
Tuscaloosa	130	124	4.8%	116	12.1%	7.6

Median Selling Price

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Birmingham	$ 218,471	$ 233,025	-6.2%	$ 209,047	4.5%	$ 225,447	$ 193,214	16.7%
Huntsville	$ 258,700	$ 219,250	18.0%	$ 213,900	20.9%	$ 230,266	$ 221,450	4.0%
Mobile	$ 179,841	$ 172,529	4.2%	$ 168,900	6.5%	$ 176,618	$ 162,485	8.7%
Montgomery	$ 264,983	$ 224,000	18.3%	$ 225,000	17.8%	$ 231,273	$ 232,924	-0.7%
Tuscaloosa	$ 164,900	$ 179,900	-8.3%	$ 192,950	-14.5%	$ 203,110	$ 181,690	11.8%

Average Selling Price

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Birmingham	$ 240,275	$ 251,444	-4.4%	$ 254,356	-5.5%	$ 252,050	$ 224,577	12.2%
Huntsville	$ 255,258	$ 251,365	1.5%	$ 229,491	11.2%	$ 243,171	$ 239,385	1.6%
Mobile	$ 181,380	$ 183,384	-1.1%	$ 178,366	1.7%	$ 185,773	$ 178,781	3.9%
Montgomery	$ 269,570	$ 233,706	15.3%	$ 222,181	21.3%	$ 234,355	$ 237,649	-1.4%
Tuscaloosa	$ 201,757	$ 208,099	-3.0%	$ 190,626	5.8%	$ 236,355	$ 207,047	14.2%

Average Days on Market

	Current Month November-12	Last Month October-12	% Difference	Last Year November-11	% Difference	YTD November-12	YTD November-11	% Difference
Birmingham	Unavailable	Unavailable	N/A	Unavailable	N/A	Unavailable	Unavailable	N/A
Huntsville	89	59	50.8%	51	74.5%	87	84	3.9%
Mobile	137	152	-9.9%	148	-7.4%	158	190	-16.8%
Montgomery	76	89	-14.6%	63	20.6%	94	95	-0.6%
Tuscaloosa	71	73	-2.7%	256	-72.3%	90	144	-37.3%

* Source: MLS

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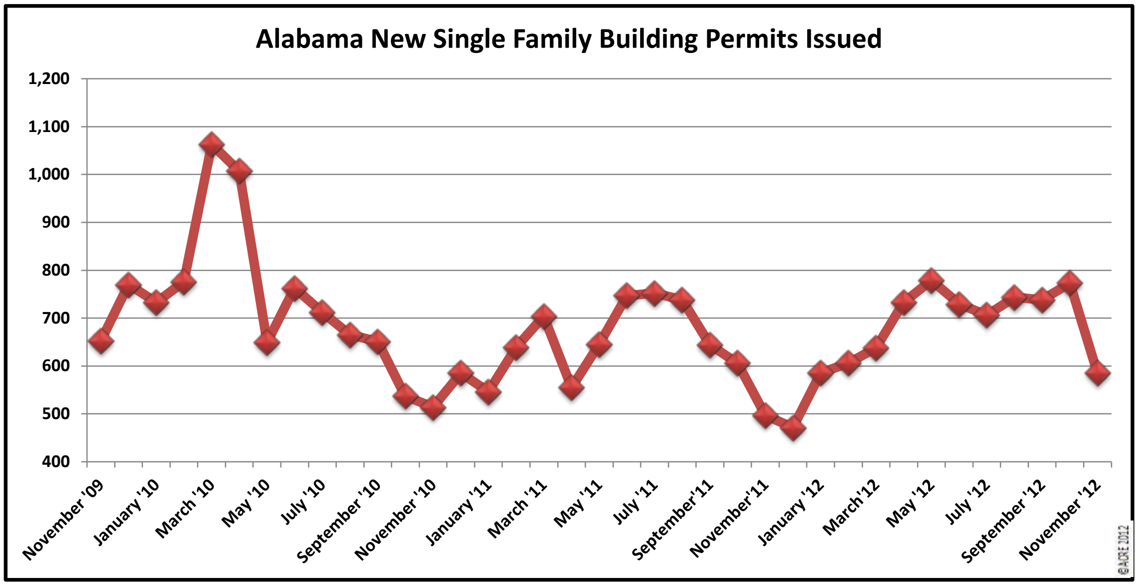

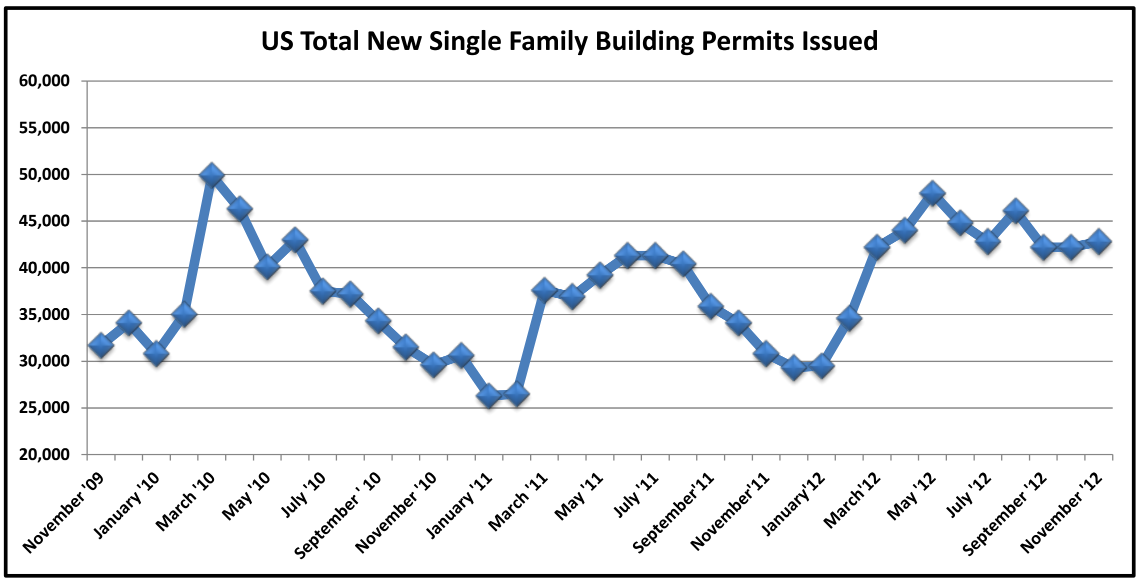

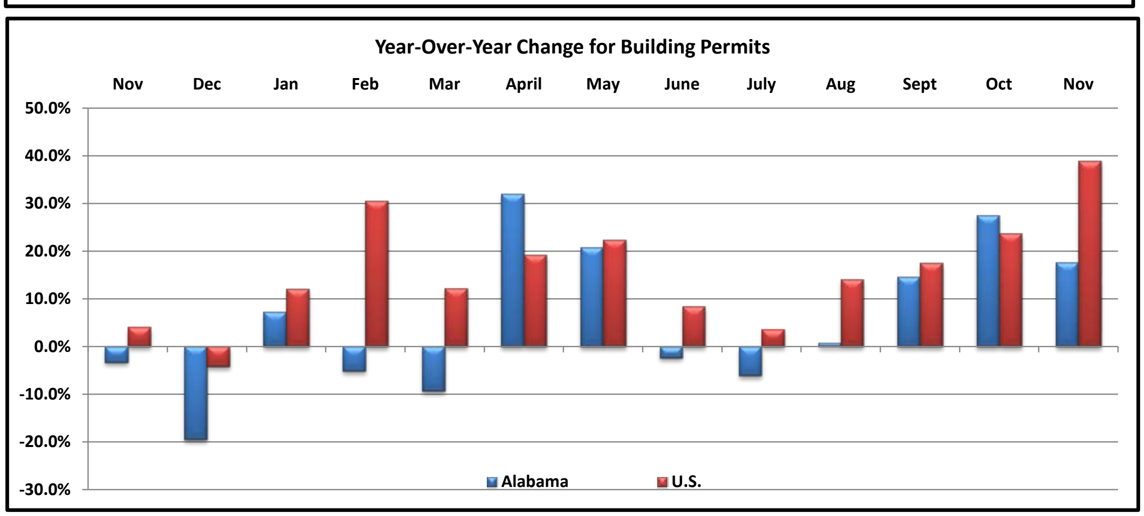

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