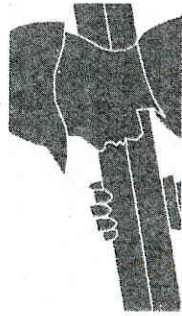


## BUSINESS TRENDS STATE EMPLOYMENT

Total nonagricultural employment  
in Alabama



January 2008	1,998,600
December 2007	2,025,100
January 2007	1,974,900
Change from a year ago	▲ 23,700
Change from previous month	▼ 26,500

Source: Alabama Department of Industrial Relations

NEWS STAFF

## REAL ESTATE MARKET

# New-home sales show hope

## February figures slow 7-month slide

By **WILLIAM THORNTON**  
*News staff writer*

The Birmingham area's new-home market may be showing flickers of recovery.

While not all signs are positive, a closely followed industry report shows

that sales of new homes rose in February and the number of new homes on the market declined.

One analyst said the news may not signal an end of the slowdown in area new-home construction, but it could represent the beginnings of a rebound.

"We may be at this low level for a while, but it's better than a free fall, which is where we have been," said Tom Brander, author of the Rudolph-Brander Monthly Birmingham Area Real Estate Report, which tracks new home construction.

The numbers reversed a seven-month trend of steadily declining sales

## NEW HOME SALES

- ▶ **Sales:** Up 12 percent from previous month
- ▶ **Prices:** Value of new homes sold rose 5 percent
- ▶ **Listings:** 3,135 in February, down from 3,672 the previous month.

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## HOMES: Modest gains in bleak times

From Page 1D

numbers and bad news for homebuilders. Area permit activity has fallen sharply, indicating there are fewer new homes being planned, and some builders have ceased operations altogether in recent months.

But the gains were modest. According to the Rudolph-Brander report, the number of new homes sold in February improved to 282 from 240 in January. The value of those homes was \$62.7 million, an increase from \$61.6 million in the previous month, Brander said.

A comparison with last year

shows how far the area new-home market has fallen, with sales last February totaling 408. The average sales price for new homes sold in February also took a steep drop, to \$222,464 from \$256,560 in January.

Still, Bart Fletcher, executive vice president for the Greater Birmingham Association of Home Builders, said February's results represent an improvement at a time when there have been lots of new homes on the market. Fletcher said he believes homebuyers think the market is "stable."

Last month, the number of new homes on the market declined, which analysts point to as a positive sign. The absorption rate — measuring the time it would take to sell all new homes on the market at the average selling price —

improved to 7.3 months from 8.4 in January.

Glenn Siddle, president of Newcastle Construction, said he saw improved sales in February and is expecting more improvement this month.

"February ranks as our best month in six months," he said. "Around October or November of last year was when we saw a pretty definite decline in traffic that continued until this year."

Most of the sales action in February came in the \$100,000 to \$200,000 price range, Brander said, where there is now about 5.9 months of inventory left.

"We still may have a lot more adjustment left to do, but before we were wondering where the bottom was," he said. "Now we're starting to see signs of rationality."

Birmingham wasn't the

only market seeing some signs of life. Brander said the report also spotted slight sales increases in the two other Alabama markets it monitors, Baldwin County and the Huntsville area.

"The rot really started on the coast, where there was greater speculation and appreciation, because it was the hotter market," he said. "Huntsville was much more conservative in pricing. Birmingham was right in the middle."

The U.S. Commerce Department is set to release national statistics for new home sales later this month.

In January, new, single-family home sales were down 2.8 percent from the previous month, and 34 percent below the previous year's mark.

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