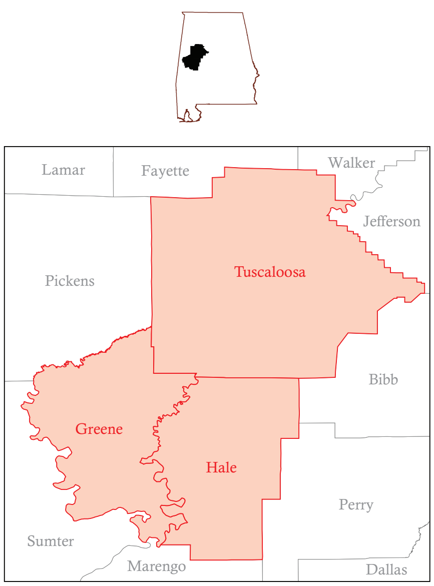
COMPREHENSIVE HOUSING MARKET ANALYSIS

Tuscaloosa, Alabama

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2014

PD&R

Housing Market Area



The Tuscaloosa Housing Market Area (HMA), which consists of Greene, Hale, and Tuscaloosa Counties in Alabama, is coterminous with the Tuscaloosa, AL Metropolitan Statistical Area. Tuscaloosa, the central city of the HMA, is home to the University of Alabama (UA) and Mercedes Benz U.S. International, Inc. (MBUSI). The economy in the HMA has recovered most of the jobs lost during the economic downturn in 2009. In 2011, an Enhanced Fujita Scale 4 tornado created a 6-mile path of destruction through the core of the city of Tuscaloosa.

Summary

Economy

The economy of the Tuscaloosa HMA has been improving since it lost 5,000 jobs, or 5.1 percent of all nonfarm payrolls, in 2009. During the 12 months ending March 2014, nonfarm payrolls increased by 1,000 jobs, or 1.0 percent, to 97,000 jobs compared with payrolls during the previous 12 months. The average unemployment rate in the HMA during the 12 months ending March 2014 was 6.2 percent, down from 6.8 percent a year earlier. Table DP-1 at the end of this report includes additional demographic, housing, and employment data for the HMA.

Sales Market

The sales housing market in the HMA is soft. During the 12 months ending March 2014, 1,925 new and existing homes (including single-family homes, townhomes, and condominiums) sold, up 10 percent from the previous 12 months, and the average home sales price was $179,600, up 2 percent from the previous year. During the 3-year forecast period, demand is expected for 1,475 new homes (Table 1). In addition to the 450 homes under construction, a portion of the estimated 6,400 other vacant units may return to the market and satisfy some demand.

Rental Market

The overall rental housing market in the HMA is soft, with an estimated vacancy rate of 7.5 percent. The apartment market is tight, however, with a first quarter 2014 vacancy rate of 3.2 percent, down from 3.9 percent in the first quarter of 2013. The effective rent was $730, up more than 1 percent from a year earlier (Axiometrics Inc.). During the forecast period, demand is expected for 1,875 new market-rate rental units (Table 1), a portion of which will be satisfied by the 450 units under construction.

Table 1. Housing Demand in the Tuscaloosa HMA During the Forecast Period

	Tuscaloosa HMA	
	Sales Units	Rental Units
Total demand	1,475	1,875
Under construction	450	450

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2014. A portion of the estimated 6,400 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2014, to April 1, 2017.

Source: Estimates by analyst

Market Details

Economic Conditions

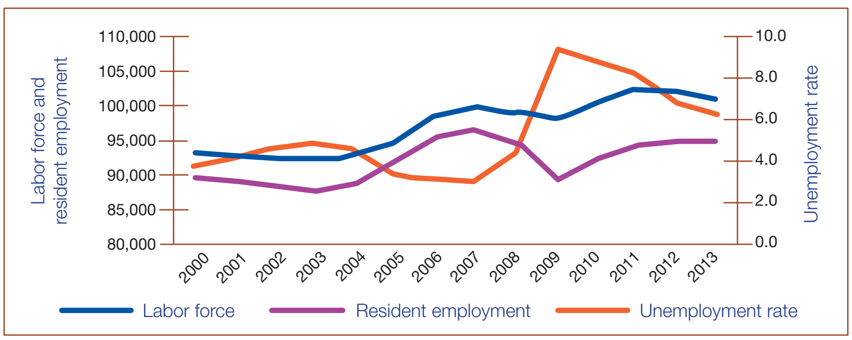
Nonfarm payrolls have nearly recovered from the 2009 economic downturn in the Tuscaloosa HMA and from the impacts of the tornado that hit the HMA during the second quarter of 2011. During the 12 months ending March 2014, nonfarm payrolls increased by 1,000 jobs, or 1.0 percent, to 97,000 jobs, or about 2 percent below the peak of 98,500 recorded in 2007. The unemployment rate in the HMA was 6.2 percent during the 12 months ending March 2014, down from 6.8 percent a year earlier. Figure 1 shows trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2013.

After nonfarm payrolls peaked in 2007, the HMA lost 100 jobs, or 0.1 percent, in 2008. In 2009, conditions worsened and payrolls declined sharply, by 5,000 jobs, or 5.1 percent. The national recession's impact on the HMA economy was widespread, leading to job losses in many sectors. The professional and business services, manufacturing, and mining, logging, and construction sectors declined by 1,700, 1,600, and 900 jobs, or 20.7, 10.6, and 10.1 percent, respectively, in 2009. The wholesale and retail trade sector lost 600 jobs, or 4.7 percent, with job losses concentrated in several grocery stores.

Nonfarm payrolls were unchanged in 2010 before they increased in 2011 and 2012 averaging 1,150 jobs, or 1.2 percent, over the 2-year period. The professional and business services and the leisure and hospitality sectors led the recovery during 2011 and 2012, increasing by averages of 750 and 300 jobs, or 11.0 and 3.3 percent, respectively. From 2004 through 2007, nonfarm payrolls increased by an average of 2,650 jobs, or 3.0 percent, annually, recovering from average nonfarm job declines of 450 jobs, or 0.5 percent, annually from 2001 through 2003.

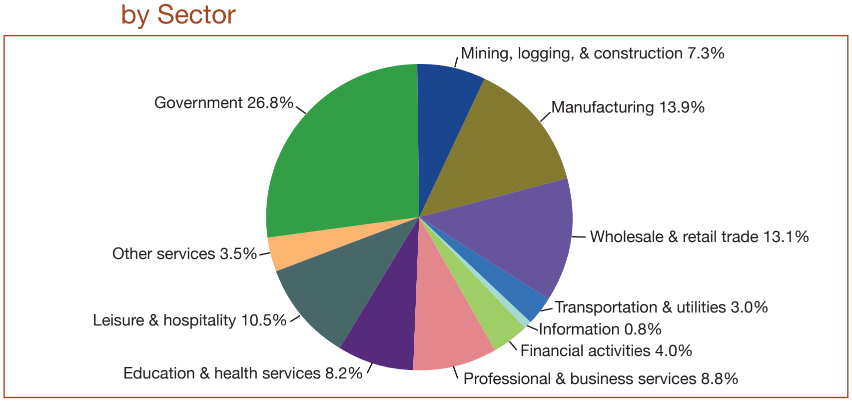
The government sector is the largest nonfarm payroll sector in the HMA, with 26,000 jobs, or nearly 27 percent of all nonfarm payroll jobs (Figure 2). During the 12 months ending March 2014, the sector increased by 400 jobs, or 1.6 percent. The largest employer in the HMA is UA, which employs 6,225 people and provides a stable source of employment (Table 2). UA has a $1.6 billion annual economic impact on the HMA, with $123 million coming from home football games. The second largest employer in the HMA and government sector is DCH Healthcare Authority, which employs

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Tuscaloosa HMA, 2000 Through 2013



Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Tuscaloosa HMA, by Sector



Note: Based on 12-month averages through March 2014.
Source: U.S. Bureau of Labor Statistics

Table 2. Major Employers in the Tuscaloosa HMA

University of Alabama	Government	6,225
DCH Healthcare Authority	Government	4,400
Mercedes-Benz U.S. International, Inc.	Manufacturing	3,200
Walter Energy, Inc.	Mining, logging, & construction	1,475
BFGoodrich	Manufacturing	1,400
Phifer Wire Products, Inc.	Manufacturing	1,200
Tuscaloosa VA Medical Center	Government	1,125

Note: Excludes local school districts.
Source: The Chamber of Commerce of West Alabama

3,450 people at DCH Regional Medical Center and 950 people at Northport Medical Center.

The manufacturing sector is the second largest sector in the HMA. During the 12 months ending March 2014, the sector increased by 300 jobs, or 2.3 percent, to 13,500 (Table 3). The largest employer in the manufacturing sector and the third largest employer in the HMA is MBUSI, with 3,200 employees. MBUSI has an economic impact of $1.5 billion annually on the HMA and is responsible for 22,000 direct and indirect jobs (MBUSI data). It is also Alabama's largest exporter, with $1 billion in exports annually to other countries (MBUSI; Alabama Department of Commerce). In 2009, MBUSI invested $290 million to expand operations to support increased production of the three vehicles produced in the HMA. From 2011 through 2013, MBUSI invested more than $614 million to add a C-Class vehicle to production beginning in 2014 and an unnamed SUV (sport-utility vehicle) to production in 2015. The expansion is expected to be complete in 2015, which will bring the total investment in the MBUSI facility to $4.4 billion since 1993. MBUSI will produce five vehicle models and annually will manufacture more than 180,000 vehicles. From 2010 through 2013, eight car parts suppliers created 800 jobs and invested $153.6 million to build new and expand existing facilities in support of MBUSI operations. MBUSI completed a $600 million expansion of the city of Tuscaloosa facility in 2004, which doubled the size of its plant and of its workforce. As a result, during 2005, the manufacturing sector increased by 1,200 jobs, or 8.9 percent.

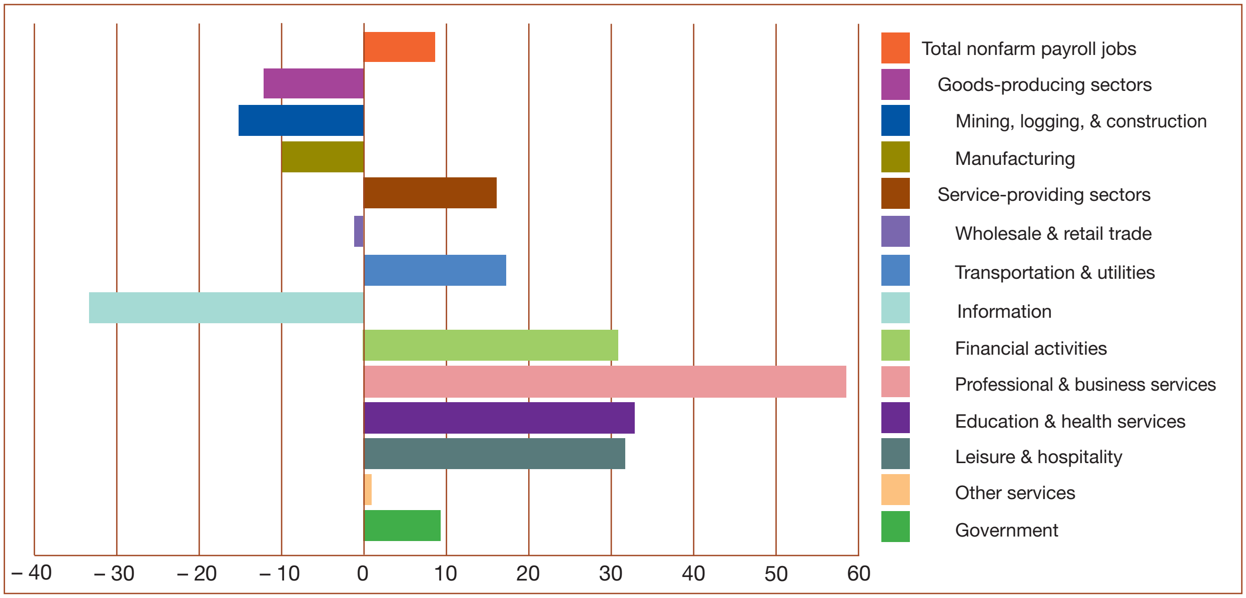
The greatest job gains since 2000 have been in the professional and business services sector, which increased by an average of 240 jobs, or 4.5 percent, annually (Figure 3). During the 12 months ending March

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Tuscaloosa HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	March 2013	March 2014		
Total nonfarm payroll jobs	96,000	97,000	1,000	1.0
Goods-producing sectors	21,000	20,600	– 400	– 1.9
Mining, logging, & construction	7,700	7,100	– 600	– 7.8
Manufacturing	13,200	13,500	300	2.3
Service-providing sectors	75,000	76,400	1,400	1.9
Wholesale & retail trade	12,600	12,700	100	0.8
Transportation & utilities	2,800	2,900	100	3.6
Information	800	800	0	0.0
Financial activities	3,800	3,900	100	2.6
Professional & business services	8,300	8,600	300	3.6
Education & health services	7,900	8,000	100	1.3
Leisure & hospitality	9,800	10,100	300	3.1
Other services	3,500	3,400	– 100	– 2.9
Government	25,600	26,000	400	1.6

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2013 and March 2014.
Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Tuscaloosa HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through March 2014.
Source: U.S. Bureau of Labor Statistics

2014, the professional and business services sector increased by 300 jobs, or 3.6 percent, to 8,600 jobs. Economic conditions in the HMA are also influenced by the education and health services sector, which has added the second most jobs since 2000, averaging gains of 150 jobs, or 2.5 percent, annually. During the 12 months ending March 2014, the education and health services sector increased by 100 jobs, or 1.3 percent, to 8,000 jobs.

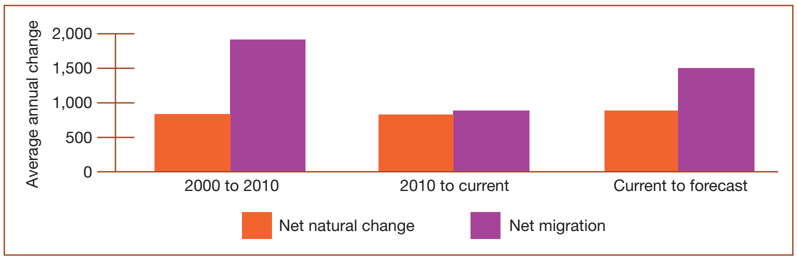
During the 3-year forecast period, nonfarm payrolls in the HMA are expected to increase by an average of 2,100 jobs, or 2.2 percent, annually. The rate of job growth is expected to increase each year during the forecast period. The manufacturing sector is expected to lead growth because three automotive parts manufacturing companies are investing $76.3 million to expand operations in 2014 and are expected to add 570 jobs in 2015.

Population and Households

As of April 1, 2014, the population of the Tuscaloosa HMA was an estimated 226,500. Approximately 89 percent of the HMA's population resides in Tuscaloosa County, which includes the cities of Tuscaloosa and Northport. Since 2010, the population has increased by an average of 1,750, or 0.8 percent, annually. By comparison, from 2000 to 2010, the population increased by 2,750, or 1.3 percent, annually, to nearly 219,500 in April 2010. The greatest population growth since 2000 occurred from 2005 to 2009, when the population increased by 3,925, or 2.0 percent, annually due to strong nonfarm payroll growth from 2004 through 2007 and because UA increased enrollment from 2005 through 2009 by

1,575 students, or 7.5 percent, annually. By comparison, from 2001 to 2004, the population increased by 1,225, or 0.6 percent, annually, because enrollment at UA increased by 150 students, or 0.8 percent, annually and nonfarm payrolls were decreasing.

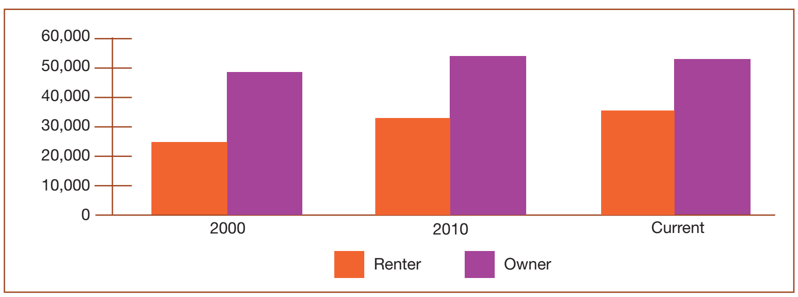
Figure 4. Components of Population Change in the Tuscaloosa HMA, 2000 to Forecast



Notes: The current date is April 1, 2014. The forecast date is April 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

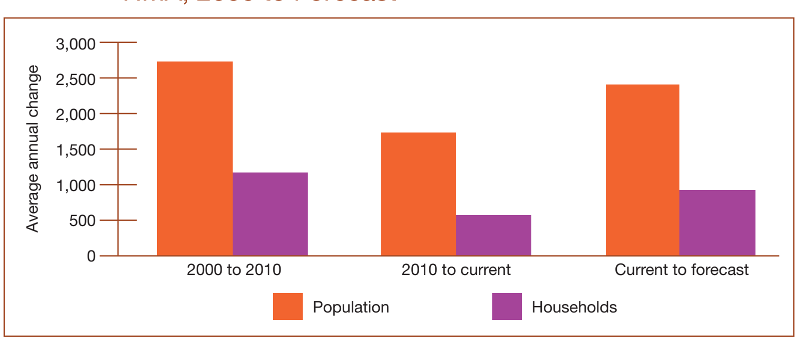
Figure 5. Number of Households by Tenure in the Tuscaloosa HMA, 2000 to Current



Note: The current date is April 1, 2014.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 6. Population and Household Growth in the Tuscaloosa HMA, 2000 to Forecast



Notes: The current date is April 1, 2014. The forecast date is April 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Net in-migration has slowed to an average of 910 people annually, or 53 percent of population growth, since 2010. By comparison, from 2000 to 2010, net in-migration averaged 1,900 people a year, or 69 percent of population growth in the HMA. From 2005 to 2009, net in-migration averaged 3,000 people annually, or 77 percent of population growth, before it began to decline in 2010. Net natural change (resident births minus resident deaths) since 2010 has averaged 840 people, unchanged from the 2000-to-2010 period, but the share of population growth resulting from net natural change increased from 31 to 47 percent. Figure 4 shows the components of population change in the HMA from 2000 to the forecast date.

An estimated 88,350 households currently reside in the Tuscaloosa HMA, which represents an increase of 540 households, or 0.6 percent, annually since 2010. The number of households in the HMA increased by 1,125, or 1.4 percent, annually, from 2000 to 2010. The homeownership rate decreased from 2000 to 2010, from 65.5 to 61.8 percent, and has declined since 2010 to 59.1 percent. Figure 5 shows the number of households by tenure for 2000, 2010, and the current date.

During the 3-year forecast period, the population and number of households are each expected to increase 1.0 percent annually. The population is estimated to increase by 2,400 annually and the number of households is estimated to grow by 900 annually. Figure 6 shows population and household growth in the HMA from 2000 to the forecast date.

Housing Market Trends

Sales Market

Sales housing market conditions in the Tuscaloosa HMA are currently soft, although home sales increased during the past 12 months. The sales vacancy rate was estimated to be 2.0 percent as of April 1, 2014, relatively unchanged from 2.1 percent in April 2010. During the 12 months ending March 2014, 1,925 new and existing homes (including single-family homes, townhomes, and condominiums) sold, an increase of 10 percent from the previous 12 months (Alabama Center for Real Estate). By comparison, from 2009 through 2011, home sales averaged 1,625 annually, significantly down from the peak years from 2006 through 2008, when sales averaged 2,475 annually.

Average home prices have improved since 2011, reaching levels higher than the previous peak in 2008. During the 12 months ending March 2014, the average sales price for new and existing homes (including single-family homes, townhomes, and condominiums) was $179,600, an increase of 2 percent compared with the average sales price during the previous 12 months. From 2009 through 2011, average prices for new and existing single-family homes declined to $167,100. By comparison, before the decline, the previous peak in prices, recorded from 2006 through 2008, averaged $173,400.

New home sales represented nearly 14 percent of the total sales in the HMA during the 12 months ending March 2014, more than the average of 12 percent from 2010 through 2012 but less than the average of 20 percent from 2008 through 2009. New home sales increased during the 12 months ending March 2014 by 40 homes, or 18 percent, to 260 compared with the number sold during the 12 months ending March 2013 (Alabama Center for Real Estate). During the 12 months ending March 2014, the average sales price for new homes was $244,800, up 5 percent from the previous 12 months. By comparison, from 2010 through 2012, the number of new homes sold averaged 210 annually, with an average price of $210,300. During the peak years from 2008 through 2009, new home sales averaged 360 annually, with an average price of $200,200.

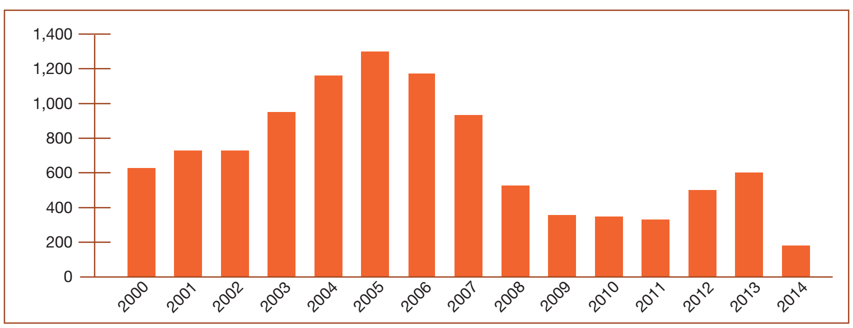
The number of new and existing condominiums sold decreased 4 percent, from 115 during the 12 months ending March 2013 to 110 during the 12 months ending March 2014. Condominium sales in the HMA remain lower than the peak average of 130 homes sold from 2008 through 2009 but are higher than the average of 95 homes sold from 2010 through 2011. During the 12 months ending March 2014, the average sales price for condominiums was $183,900, down nearly 11 percent from the 12 months ending March 2013. By comparison, during the peak years from 2008 through 2009, the average price for condominiums was $217,600.

The total number of homes for sale and the months' supply of inventory have decreased, in part because of a decline in the number of distressed home loans and REO (Real Estate Owned) properties on the market. The total number of homes listed for sale during the 12 months ending March 2014 was 1,450, down more than 3 percent from the previous 12 months. The average inventory of homes was a 9.4-month supply during the 12 months ending March 2014, down from a 10.4-month average supply during the previous 12 months and significantly improved from the 15.4-month supply in 2010. The percentage of home loans that were 90 or more days delinquent, were in foreclosure, or transitioned into REO status was 6.5 percent in March 2014, down from 7.2 percent in March 2013 (Black Knight Financial Services, Inc.). The rate of distressed mortgages in the HMA remains higher than the state and national averages of 5.5 and 5.2 percent, respectively.

Building activity, as measured by the number of single-family homes permitted, decreased by 10 homes, or less than 2 percent, to 540 homes permitted during the 12 months ending March 2014 (preliminary data). The April 2011 tornado destroyed an estimated 780 single-family homes and damaged an additional 3,900 homes. Since the tornado, single-family permits have been issued to build 410 new homes to replace destroyed homes. From 2012 through 2013, permitting increased by an average of 140 homes, or 42 percent, largely because of the increase in tornado-related permitting. Permitting activity reached a 3-year low from 2009 through 2011, when an average of 350 homes were permitted annually (Figure 7). Permitting activity declined from 2006 through 2008 by 240 homes, or 20 percent, annually and averaged 880 homes permitted. Current permitting is approximately 45 percent less than during the peak years from 2005 through 2006, when an average of 1,250 homes were permitted annually. Several single-family developments are under construction, including Maxwell Manor, which is expected to be complete during the 3-year forecast period. Maxwell Manor has sold approximately 40 new homes since 2012 at an average price of $181,200 and has 10 remaining lots to be sold out of the initial 90 (Tuscaloosa Association of REALTORS®).

During the next 3 years, demand is expected for an estimated 1,475 new homes in the Tuscaloosa HMA (Table 1), with relatively uniform demand throughout the forecast period. The 450 homes under construction and a portion of the estimated 6,400 other vacant units that may reenter the market will satisfy a portion of that demand. Demand is expected to be strongest for new homes in the $150,000-to-$199,999 price range. Table 4 illustrates the estimated demand for new market-rate sales housing in the HMA by price range.

Figure 7. Single-Family Homes Permitted in the Tuscaloosa HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through March 2014.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Tuscaloosa HMA During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	149,999	310	21.0
150,000	199,999	400	27.0
200,000	249,999	350	24.0
250,000	299,999	180	12.0
300,000	349,999	150	10.0
350,000	449,999	75	5.0
450,000	and higher	15	1.0

Notes: The 450 homes currently under construction and a portion of the estimated 6,400 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2014, to April 1, 2017.
Source: Estimates by analyst

Rental Market

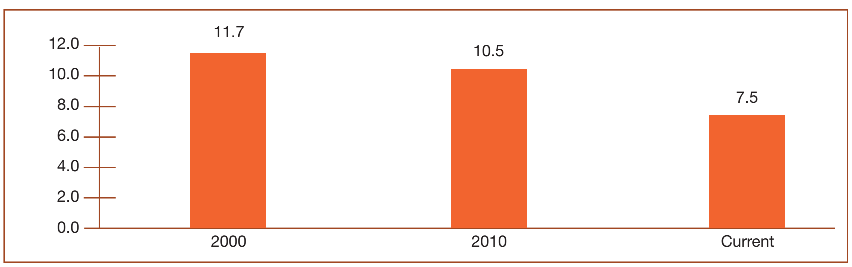
The overall rental housing market in the Tuscaloosa HMA currently is soft, although conditions have improved since 2010. The current overall rental vacancy rate, which includes single-family homes, mobile homes, and apartments, is estimated to be 7.5 percent, down from 10.5 percent in April 2010 (Figure 8). Approximately 42 percent of all renter households in the HMA live in single-family and mobile homes, down from 43 percent in 2010 (American Community Survey).

The apartment market is tight, primarily due to a 5-percent average annual increase in the student population at UA since 2005. UA enrolls 34,850 students and houses 7,900 students in on-campus housing; the remaining 26,950 students reside off campus. Students account for an estimated 8,975 households, or 24 percent of the overall renter households in the HMA, and typically reside near the campus. The apartment vacancy rate in the first quarter of 2014 was 3.2 percent, down from 3.9 percent in the first quarter of 2013 (Axiometrics Inc.). The average effective rent was $730 in the first quarter of 2014, up more than 1 percent from the same quarter a year earlier. Because of the low vacancy rates, only about 10 percent of apartment properties offer concessions, which average $50 monthly, up from nearly no concessions offered during 2012.

During the 12 months ending March 2014, construction of new multifamily units, as measured by the number of units permitted, totaled 500, up approximately 9 percent from the 12 months ending March 2013 (Figure 9). By comparison, from 2009 through 2011, the number of units permitted averaged 340 annually. The number of multifamily units permitted averaged 1,050 annually from 2006 through 2008, with the peak in 2006 at 1,425 units. From 2004 through 2009, 1,075 condominiums were permitted; however, from 2010 through 2013, only 20 condominiums were permitted.

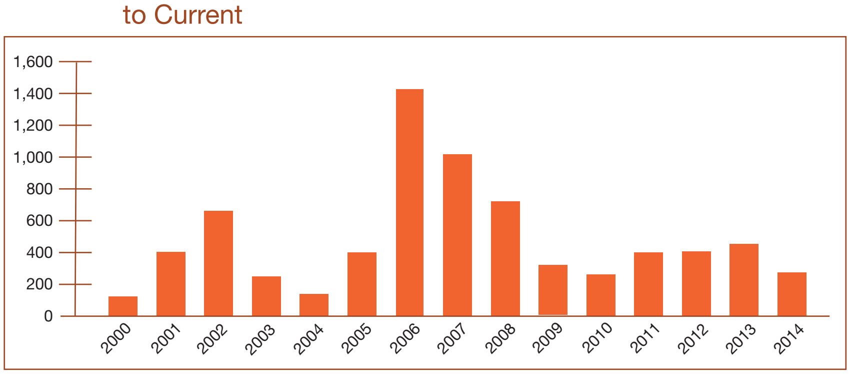
Since 2009, 2,275 apartment units have been built in the HMA, of which 1,800 units, or 79 percent, were student apartments (Tuscaloosa Multi-Family Survey). From 2006 through 2008, 2,650 apartment units were built, but only 670 units, or 26 percent, were student apartments. In addition, on-campus student housing has increased by 1,925 beds in 520 units since 2009 compared with the 1,325 beds in 390 units added from 2006 through 2008.

Figure 8. Rental Vacancy Rates in the Tuscaloosa HMA, 2000 to Current



Note: The current date is April 1, 2014.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 9. Multifamily Units Permitted in the Tuscaloosa HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through March 2014.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

The April 2011 tornado destroyed an estimated 470 multifamily units, of which 188 units were public housing units at Rosedale Court and 70 units were single-family rental units targeted to UA students. Rosedale Court has completed two phases of reconstruction, adding 174 units, and has a further 128 units under construction that are expected to be complete in 2015. The Lofts at City Center, a recently completed $100 million mixed-use student apartment development in the tornado-damaged area, is currently leasing 1,225 beds in 360 units. The Lofts at City Center, which are leased by the bed, offer starting rents from $700 per bed for two-bedroom units, $660 per bed for three-bedroom units, and $590 per bed for four-bedroom units. The Avenue at Tuscaloosa, a student apartment development, is expected to complete 120 units with 410 beds by the fall of 2014. Rents are expected to start from $620 per bed for two-bedroom units, $570 per bed for three-bedroom units, and $520 per bed for four-bedroom units. A market-rate apartment development, 2700 Capitol Park, is expected to be complete in the fall of 2014, and rents for the 166 studio, one-bedroom, and two-bedroom units will start at $850, $950, and $1,450, respectively. In addition, Presidential Village II, an on-campus residence hall, will be complete in the fall of 2014 and will add 870 beds for UA students with rents by the semester of $4,400.

During the next 3 years, demand is expected for 1,875 new market-rate rental units, including demand from students (Table 1). Table 5 shows the estimated demand by rent level and number of bedrooms. The 450 units currently under construction, which include 200 student apartment units, will satisfy some of the demand. New units should not come on line until the second year of the 3-year forecast period to allow for the absorption of the current vacancies and units under construction.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Tuscaloosa HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
700 or more	20	750 to 949	340	900 to 1,099	840	1,200 to 1,399	490
		950 or more	35	1,100 or more	95	1,400 or more	55
Total	20	Total	370	Total	930	Total	540

Notes: Numbers may not add to totals because of rounding. The 450 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2014, to April 1, 2017.

Source: Estimates by analyst

Data Profile

Table DP-1. Tuscaloosa HMA Data Profile, 2000 to Current

				Average Annual Change (%)	
	2000	2010	Current	2000 to 2010	2010 to Current
Total resident employment	89,647	91,888	94,850	0.2	1.0
Unemployment rate	3.7%	8.7%	6.2%		
Nonfarm payroll jobs	89,300	93,400	97,000	0.4	1.2
Total population	192,034	219,461	226,500	1.3	0.8
Total households	74,863	86,178	88,350	1.4	0.6
Owner households	49,066	53,237	52,250	0.8	– 0.5
Percent owner	65.5%	61.8%	59.1%		
Renter households	25,797	32,941	36,100	2.5	2.3
Percent renter	34.5%	38.2%	40.9%		
Total housing units	84,302	97,534	98,750	1.5	0.3
Owner vacancy rate	1.7%	2.1%	2.0%		
Rental vacancy rate	11.7%	10.5%	7.5%		
Median Family Income	$33,988	$51,137	$52,397	4.2	2.5

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2014. Median Family Incomes are for 1999, 2009, and 2010. The current date is April 1, 2014.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 4/1/2014—Analyst's estimates
Forecast period: 4/1/2014–4/1/2017—
Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated December 1, 2009, and does not reflect changes defined by the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.org/publications/pdf/CMARtables_TuscaloosaAL_14.pdf.

Contact Information

Gareth Amon, Economist
Atlanta HUD Regional Office
678–732–2102
gareth.d.amon@hud.gov

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/portal/ushmc/chma_archive.html.