

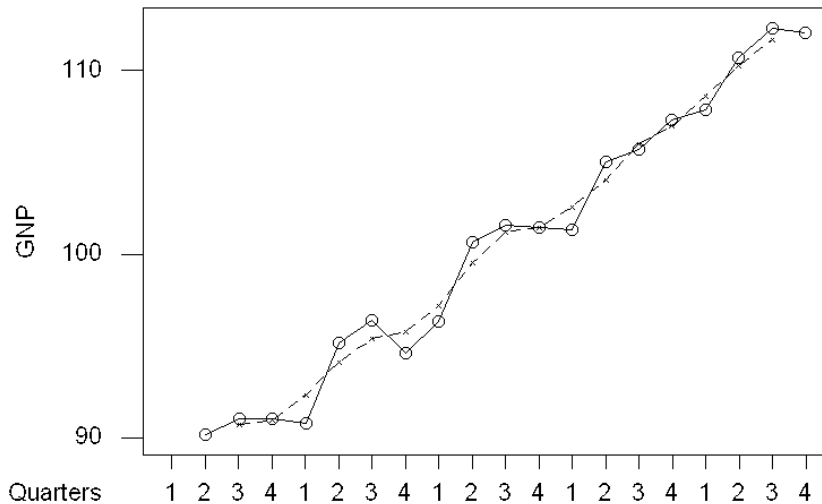
MOBILE MARKET WATCH



Mitchell College of Business
Center for Real Estate Studies



Baldwin County GNP Indicator 2003 Quarter 1 - 2007 Quarter 4



o-o GNP: x-x 3-quarter average 2005 base

High of 112.36 in 2007 Q3: 3-quarter average high of 111.73 in 2007 Q3

2007 Quarter 4 GNP Indicator = 112.13 +4.8%

2006 Quarter 4 GNP Indicator = 107.36

2007 Quarter 4 Trend = 111.7 highest level

Mitchell College of Business Center for Real Estate Studies

Spring, 2008

This report and other data appear on the Center website at <http://cres.southalabama.edu>.

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Baldwin MSA Gross National Product (GNP) Indicator

2007 Quarter 4

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Don Epley, Director, Mitchell College of Business Center for Real Estate Studies

“Data you can use.”

“Education you can use”

The *Mobile GNP Indicator* estimates movement in the local economy comparable to the Gross National Product (GNP) for the national economy. It is constructed to estimate real economic growth by following changes in real income of the local workforce.

Employment times personal income received produces family available to spend on local goods and services causing “economic activity.” Personal income estimates are a large part of the Gross National Product figures produced by the U.S. Commerce Department to measure economic growth. GNP is constructed to measure changes in the Mobile economy relative to the 2005 base year.

Baldwin Growth

Relative changes between two periods are interpreted as a percent increase (decrease) in real economic growth. The most recent actual index figures are,

	<u>GNP</u> <u>Indicator</u>	<u>% change</u> <u>1 year ago</u>	<u>% change</u> <u>4 years ago</u>	
2007Q4	112.1	+4.7%	+21.1%	base: 2005
2006Q4	107.4			
2003Q4	91.0			

The real growth in actual spending power in 2007Q4 increased 4.7% from the same quarter in the previous year, increased 21.1% over the past 4 years, in constant 2005 dollars.

While it is more meaningful to examine growth trends, monthly comparisons do give direction. The local economy decreased slightly from 112.4 in 2007Q3 to a level of 112.1 in 2007Q4, or -0.3%.

Since 2003Q2, the highest level of economic activity in the Baldwin economy occurred in the last two quarters. The trend value reached its highest level of 111.7 in the current quarter.

Reasons for the increasing levels of economic activity in the last three quarters of 2007 can be found by an examination of the employment totals. Non-Farm employment; Natural Resource, Mining, and Construction; Trade, Transportation, Warehouse, and Utilities; Information; Financial Activities' all areas of Service; and Government revealed the highest levels reported in this time period. The county has branded this area as a recreation and good place to live location, and the needed Services and support areas have expanded to satisfy the demand from expansion.

History of Economic Growth

From 2003Q4-2007Q4, total economic growth in constant 2005 dollars was +22.02% for 19 quarters, or +1.15% per quarter. At this quarterly average rate, the local economy is growing at an annual average real rate of +4.64 percent.

Projection

The 2007Q4-2008Q1 projection shows that the economy will perform at a significantly higher level driven primarily by the general growth rate of the Baldwin economy. The exact numbers are projected to be the following:

Baldwin GNP Indicator 2008Q1 113.6 +1.5%

Center for Real Estate Studies

The Center was created by the Mitchell College of Business to expand the quantity and quality of real estate studies and education as part of the USA mission to better serve its students. The goal is to offer practical real estate analysis and applied education to help the students and citizens understand local markets, and to assist the real estate professional in daily business.

Further Information

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Every effort has been made to assure the accuracy of the numbers. The results are not guaranteed or warranted. These opinions represent the author only.