



# U.S. Housing Market Conditions

August 1995

## SUMMARY

Housing production declined again in the second quarter of 1995, as measured by housing permits, starts, and completions. However, the continued decline in mortgage interest rates had at least two salutary results: new home sales increased smartly in the last 2 months of the second quarter, and the homeownership rate in the second quarter increased more than at any time in the last 16 years.

■ Housing production has so far stubbornly refused to rebound, despite a decline of more than 100 basis points in mortgage interest rates in 6 months, just as it previously had refused to decline in the face of rising interest rates. Housing permits were down 1 percent in the second quarter after an 8-percent decline in the first quarter. Housing starts were down 3 percent after a 14-percent decline. Housing completions were down 6 percent after no change the quarter before.

■ An exception to the decline in housing production seen in conventional housing was the continued increase in manufactured (mobile) home shipments and placements. Shipments were up 5 percent in the second quarter, following a 10-percent increase in the first quarter. Placements were up 4 percent, following a 10-percent increase the previous quarter.

■ Single-family permits were down 1 percent in the second quarter, following a 9-percent decline in the previous quarter. Single-family starts were down 3 percent and 15 percent in those same quarters.

■ New home sales rose 11 percent in the second quarter (driven by a 19-percent increase from April to June), following a 10-percent decrease in the first quarter. Most of these sales appeared to be drawn from builders' completed inventory, improving the inventory overhang by 16 percent.

■ Multifamily (five-plus) permits declined 2 percent in the second quarter, after a 5-percent decline the previous quarter. Multifamily starts appeared to soften somewhat in the second quarter after a 12-percent decline the quarter before. The market absorption of newly completed rental apartments

declined in the second quarter after softening the prior quarter; declining interest rates also seem to be reducing the demand for rentals, taking some of the bloom off multifamily construction for the rental market.

■ The homeownership rate increased by half of a percent in the second quarter to 64.7 percent. The last time an increase this large or larger occurred was in 1979.

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### New in this issue

This issue contains six new Historical Data tables. Three of these new tables contain data on household formation and demographics that play key roles in housing demand: Table 24 presents the net change in number of households by age of householder, Table 25 shows net change by type of household, and Table 26 contains net change in number of households by race and ethnicity of householder. The other three new tables present new information on homeownership based on special tabulations by the Bureau of the Census: Table 30 shows homeownership rates for regions of the country and metropolitan status, Table 31 presents homeownership rates by race and ethnicity, and Table 32 contains homeownership rates by household type. With the addition of these tables, the numbering of the tables from the May 1995 issue has been altered.



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■ The recent increase in homeownership was not dependent on new production. Inventory estimates show an increase of 618,000 in owner-occupied units and a decrease of 458,000 in renter-occupied units. Clearly, the increase in homeownership occurred as the result of conversion of existing rental units to owner occupancy.

## Regional Perspective

Home sales in the second quarter have been slower than last year in almost all regions; however, sales rebounded late in the quarter, and continued improvement is expected into the Fall. Sales of moderately priced homes to first-time buyers are showing the most improvement. Homes sold to move-up buyers in the higher price ranges are moving much more slowly. Builders have cut back to clear their inventories, as reflected in the lower building permit totals. New England, New York/New Jersey, and the Southwest regions showed the smallest declines in single-family units permitted.

Multifamily housing building activity continues to show strong increases throughout much of the country. The exception is California, where rental markets are still weak. The Southeast, Rocky Mountain, and Northwest regions show the strongest gains, with the number of multifamily units permitted in the first half of 1995 up more than 30 percent from the first half of last year. In the Midwest the number of multifamily units authorized in the first half of 1995 was the highest 6-month total since 1990. In the Atlanta, Dallas-Ft. Worth, Denver-Boulder, and Phoenix areas, multifamily building activity has more than doubled.

While most rental markets are balanced and some are tight, occupancy has declined during the second quarter, as a large number of new units have entered the market. In the Southeast and Southwest regions, rental market conditions are expected to continue to soften somewhat over the remainder of the year.

# VOUCHERS AND CERTIFICATES: HOW WELL DO THEY WORK?

Both the Administration and Congress are considering proposals that would dramatically alter how the Federal Government provides housing assistance to low-income households. Beginning with public housing in 1937 and continuing with new programs in the 1960s and 1970s, the Federal Government subsidized the construction and rehabilitation of rental housing reserved exclusively for use at reduced rents by low-income persons and families. In 1974 the Federal Government began to allow low-income households to find rental units in the private market and to pay some or all of their rent and utility payments. The two approaches have come to be called "project-based" and "tenant-based" to distinguish whether the subsidy is tied to the housing unit or the household. In project-based programs, if a tenant family moves, they lose their subsidy. In tenant-based programs, if a tenant family moves, they take their subsidy with them. The proposals under consideration by the executive and legislative branches would convert some or most project-based programs to tenant-based programs. Therefore, it is important to understand how well tenant-based programs work.

HUD currently has two variants of the tenant-based approach, the Section 8 certificate program and the Section 8 voucher program. Drawing on recent studies by HUD's Office of Policy Development and Research and a forthcoming report, a great deal of information is available on how well these programs work. Because the differences between the Section 8 certificate and voucher programs are minor relative to the differences with project-based programs, this paper discusses them jointly.



## Where do they work well?

Critics of tenant-based programs have argued that they don't work well in certain areas—rural markets, metropolitan markets with low vacancy rates, or suburban markets—or for certain groups—the elderly, large families, or the handicapped. Critics also contend that many families won't use tenant-based programs because of the difficulty in finding units that meet both the rent and quality requirements and that have landlords who are willing to participate in the programs.

Data from the 1991 American Housing Survey (AHS) show that Section 8 certificate and voucher holders are found in all regions and in urban, suburban, and nonmetropolitan areas.<sup>1</sup> The distribution of program participants among the four Census Regions is very close to the distribution of the population of renters whose incomes would qualify them for these programs. Only in the Northeast is there any substantial difference.<sup>2</sup> Fourteen percent of Section 8 certificate and voucher holders live in the Northeast, compared to 19 percent of income-eligible renters.

The Section 8 certificate and voucher programs are actually more suburban and nonmetropolitan programs than central city programs. The proportion of program participants who live in suburbs—31 percent—equals the proportion of income-

eligible suburban renters. The proportion of program participants in nonmetropolitan areas is greater than the proportion of income-eligible nonmetropolitan renters, 29 percent vs. 18 percent.

The suburban share may surprise some critics. In metropolitan areas HUD sets a rent level, called the Fair Market Rent (FMR), that determines which units are available under the Section 8 certificate and voucher programs.<sup>3</sup> Because the FMR is based on rents throughout the metropolitan area, the FMR tends to be somewhat high relative to rents in the central city and somewhat low relative to rents in the suburbs. However, analysis of data from the 1990 census shows that moderately priced units, affordable under the FMR, can be found throughout metropolitan areas. In Table 1 HUD selected 12 diverse metropolitan areas and looked at rents, census tract by census tract. Eliminating a relatively small number of tracts with fewer than 10 two-bedroom rental units, HUD found that at least 70 percent of the census tracts in each metropolitan area had an adequate supply of modest-price units; that is, at least 30 percent of the two-bedroom rental units in a tract had rents lower than the FMR.

Although an early concern with the Section 8 certificate and voucher programs was the number of households that received certificates or vouchers but never used them, the success rate among program participants has improved. In 1993, 87 percent

## Housing That Rents for Less Than the FMR Is Widely Available\*

Metropolitan Area	Percentage of 2-Bedroom Rental Units Below FMR	Percentage of Residential Tracts With at Least 30% of Rental Units Below FMR
Atlanta, GA	45	71
Davenport-Moline-Rock Island, IA-IL	41	75
St. Louis, MO-IL	51	84
Buffalo-Niagara Falls, NY	52	90
Detroit, MI	52	71
Houston, TX	47	82
Seattle, WA	47	84
Nassau-Suffolk, NY	51	84
Cedar Rapids, IA	46	93
Columbus, OH	50	85
Kansas City, KS-MO	48	82
New York, NY	71	91

\* Because HUD's budget calls for changing the FMR standard from the 45th percentile to the 40th percentile in FY '96, HUD constructed a 1990 FMR at the 40th percentile for comparison with the gross rents in the 1990 census.

of enrollees in the Section 8 certificate and voucher programs, outside of New York City, successfully found a unit and received benefits. The most recent comparison point was the 1985–87 period, when a study of large urban public housing authorities found that 73 percent of program enrollees, outside of New York City, were successful. New York City is treated separately because rent control reduces moves by renters and because the New York City sample was disproportionately elderly and handicapped.<sup>4</sup> In New York City the success rate improved between the two studies from 33 percent to 62 percent. Among elderly households 86 percent of participants, outside of New York City, found units and received payments.<sup>5</sup>

Over the past 20 years, most of the operational feasibility questions about tenant-based assistance have been answered positively. The Section 8 certificate and voucher programs provide assistance to almost 1.5 million households throughout the country.

## Whom do they serve?

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The Section 8 certificate and voucher programs serve a broad cross section of low-income households. The racial and ethnic composition of Section 8 certificate and voucher holders matches almost perfectly the racial and ethnic composition of income-eligible renter households. Sixty-four percent of Section 8 certificate and voucher holders are white, compared to 66 percent of eligible renters; 31 percent are black, compared to 30 percent of eligible renters; and 11 percent are Hispanic, compared to 13 percent of eligible renters.

Program participants have very low incomes. The median household income for Section 8 certificate and voucher holders in 1991 was \$7,906, compared to \$8,180 for eligible renters and \$18,918 for all renters. In 1991, 48 percent of Section 8 certificate and voucher holders reported having wage or salary income; 45 percent received welfare or SSI payments. Among participants in the project-based programs, 36 percent reported having wage or salary income and 34 percent received welfare or SSI payments.

The Section 8 certificate and voucher programs serve families with children very well. Families with children represent 54 percent of all Section 8 certificate and voucher holders, compared to 43 percent of income-eligible renters. Single-parent households with children formed 32 percent of Section 8 certificate and voucher households, compared

to 22 percent of income-eligible renters. Among project-based households 38 percent were families with children, and 22 percent were single-parent families.

The most striking difference between how participants and administrators have used project-based and tenant-based programs is the family/elderly split. As noted the Section 8 certificate and voucher programs serve families with children to a much greater degree than project-based programs. The opposite is true with respect to elderly households. Among Section 8 certificate and voucher holders, 21 percent have members 65 years old or older, compared to 26 percent among income-eligible renters and 41 percent for the project-based programs. Greater difficulty in using certificates and vouchers cannot explain the lower elderly participation because elderly households have a success rate almost equal to that of the typical household. An important explanation is the proportion of small units in the project-based buildings. Fifty-one percent of the units are either efficiencies or one-bedroom units; this compares to 28 percent of the units in the Section 8 certificate and voucher programs.

## What housing options do they offer?

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Section 8 certificates and vouchers differ fundamentally from their project-based alternatives in that they provide households with the option of receiving assistance in the unit in which they live. A recent HUD study estimated that 5.3 million income-eligible renters had severe housing problems in 1991, of which 3.9 million lived in adequate, uncrowded housing but were burdened by having to pay more than 50 percent of their income for rent.<sup>6</sup> Solving the housing problems of these 3.9 million households does not require their moving, although many might choose to move if they had the opportunity. Actual Section 8 certificate and voucher program experience shows, outside of New York City, that 30 percent of participants rent in place. (In New York City, 61 percent rent in place.)

Outside New York City, 70 percent of Section 8 certificate and voucher holders move when they enter these programs.<sup>7</sup> As explained earlier units affordable under the Section 8 certificate and voucher programs are available throughout a metropolitan area. Unfortunately, little is known about where these households choose to move. Another recent HUD study used data from a General Accounting Office analysis of the location of Section 8 households in



four metropolitan areas: Oklahoma City, OK; Seattle, WA; Washington, DC; and Wilmington, DE.<sup>8</sup> The analysis included both movers and households who elected to rent in place. In these four sites, 45 percent of households receiving certificates and vouchers obtain housing in census tracts where the poverty rate is less than 10 percent, and 91 percent obtain housing in tracts where the poverty rate is less than 30 percent. Fifty-nine percent of the households choose units in tracts where the black population is less than 20 percent. The comparable rates for participating black households are 36 percent in tracts where the poverty rate is less than 10 percent, 87 percent in tracts where the poverty rate is less than 30 percent, and 36 percent in tracts where the black population is less than 20 percent. Recognizing the limits of having only four sites, the study observed that the neighborhoods chosen by Section 8 certificate and voucher holders are generally less poor and less segregated than the neighborhoods surrounding conventional public housing projects.

The Section 8 certificate and voucher programs provide participants with a wider range of housing types from which to choose. In particular Section 8 certificate and voucher holders tend to make greater use of single-family structures than their counterparts in project-based programs. Thirty percent of Section 8 certificate and voucher holders choose to live in single-family detached structures, compared to 25 percent of all renters and 3 percent of all project-based participants. The high utilization of single-family structures reflects both the options available and the higher percentage of Section 8 certificate and voucher holders who have children. Conversely, only 7 percent of Section 8 certificate and voucher holders live in buildings with 50 or more units, compared to 9 percent of all renters and 34 percent of all project-based participants.

Section 8 certificate and voucher units compare favorably in quality with private market rental units. The 1991 AHS contains detailed data on the physical and neighborhood characteristics of rental units, both HUD-assisted units and private market units. Across the various questions, there appears to be no meaningful differences between Section 8 certificate and voucher units and all renter units in the frequency of problems with the units or their neighborhoods. In most cases certificate and voucher units have the same or a lower frequency of occurrence of specific problems. In other cases the frequency of occurrence is only one percentage point higher for certificate and voucher units. Out of 38 unit and neighborhood condition comparisons, the only exceptions are “problems with neighbors,” with residents of certificate and voucher units

reporting this problem 3 percentage points more than all renters (18 percent vs. 15 percent); and “trash, litter, and junk on streets and nearby properties,” with residents of certificate and voucher units reporting this problem 5 percentage points more than all renters (22 percent vs. 17 percent). Only the problem with trash difference is statistically significant.

An important AHS finding is that Section 8 certificate and voucher holders who move seem to be happy with the move. Fifty-four percent say that their new unit is better than their old unit, and 47 percent say their new neighborhood is better. Only about 15 percent rate their new home or neighborhood as worse.

## Conclusions

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Based on the experience of the Section 8 certificate and voucher programs, tenant-based assistance passes all the major tests. Participant success rates are high; the programs are used effectively in many different settings, both regional and urban versus rural; and rental options are available throughout metropolitan areas. Tenant-based assistance appears to be especially effective both in serving families with children and in helping households living in adequate housing but paying an excessive portion of their income on housing. There are some unanswered questions. Little is known about how well the Section 8 certificate and voucher programs work for households with a disabled member. However, a recent analysis of HUD program data found that Section 8 certificate and voucher programs had a higher percentage of nonelderly households with disabilities (15 percent) than public housing (12 percent). More needs to be learned about how effectively participants use the option to move to improve their living environment and how to make this a more effective option. But the little that is known about mobility suggests that Section 8 certificate and voucher holders live in less poor and less segregated neighborhoods than their public housing counterparts.

## Notes

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<sup>1</sup> At HUD’s request the Bureau of the Census matched renter households from the 1991 AHS with lists of Section 8 certificate and voucher holders from Public Housing Authorities. The match identified 652 AHS households as participants in the Section 8 certificate and voucher programs. The results discussed here are contained in a forthcoming HUD report

*Characteristics of HUD-Assisted Renters and Their Units in 1991* by Connie H. Casey.

<sup>2</sup> The Northeast Census region includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania.

<sup>3</sup> Certificate holders cannot choose units with rents higher than the FMR. Voucher holders can choose units with rents higher than the FMR but must pay the full difference between the unit's rent and the FMR.

<sup>4</sup> During the study period, the New York City Public Housing Authority used 80 percent of its Section 8 certificates and vouchers for homeless individuals and families. The study sampled from the remaining recipients were predominately elderly and handicapped.

<sup>5</sup> The two studies referenced here are: Stephen D. Kennedy and Meryl Finkel, *Section 8 Rental Voucher and Rental Certificate Utilization Study, Final Report*, prepared by Abt Associates for the U.S. Department of Housing and Urban Development, Washington, DC, October 1994.

Mireille L. Leger and Stephen D. Kennedy, *Final Comprehensive Report of the Freestanding Housing Voucher Demonstration*, prepared by Abt Associates for the U.S. Department of Housing and Urban Development, Washington, DC, May 1990.

<sup>6</sup> *Worst Case Need for Housing Assistance in the United States in 1990 and 1991: A Report to Congress*, U.S. Department of Housing and Urban Development, Washington, DC, June 1994.

<sup>7</sup> The *Final Comprehensive Report of the Freestanding Housing Voucher Demonstration* found that in 1987, 12 percent of the households already receiving assistance chose to move to a new unit during the first year of the study (see Volume I, page 171).

<sup>8</sup> John Goering, Helene Stebbins, and Michael Siewert, *Promoting Housing Choice in HUD's Rental Assistance Programs: A Report to Congress*, U.S. Department of Housing and Urban Development, Washington, DC, April 1995.

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# National Data

## HOUSING PRODUCTION



### Permits\*

Permits for the construction of new housing units declined 1 percent in the second quarter of 1995 to a seasonally adjusted annual rate of 1,252,000 units and were 8 percent lower than in the second quarter of 1994. One-unit permits, at 931,000 units, were down 1 percent from the previous quarter and down 14 percent from a year earlier. Multifamily permits (5 or more units in structure), at 258,000 units, were 2 percent below the first quarter but 13 percent higher than the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,252	1,270	1,367	- 1	- 8
<b>ONE UNIT</b>	931	944	1,077	- 1	- 14
<b>TWO TO FOUR</b>	63	62	62	+ 2**	+ 2**
<b>FIVE PLUS</b>	258	264	229	- 2	+ 13

\* Components may not add to totals because of rounding. Units in thousands.

\*\* This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



## Starts\*

Construction starts of new housing units in the second quarter of 1995 totalled 1,265,000 units at a seasonally adjusted annual rate, 3 percent below the first quarter of 1995 and 12 percent lower than the second quarter last year. Single-family starts at 998,000 units were 3 percent below the previous quarter and 16 percent below the year-earlier rate. Multifamily starts totalled 234,000 units, 2 percent lower than the previous quarter but 7 percent over the same quarter last year (both of these changes are statistically insignificant).

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,265	1,308	1,441	- 3	- 12
<b>ONE UNIT</b>	998	1,030	1,193	- 3	- 16
<b>TWO TO FOUR</b>	33	38	28	- 15	+ 15
<b>FIVE PLUS</b>	234	239	219	- 2**	+ 7**

\* Components may not add to totals because of rounding. Units in thousands.

\*\* This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



## Under Construction\*

Housing units under construction at the end of the second quarter of 1995 were at a seasonally adjusted annual rate of 761,000 units, 3 percent lower than the previous quarter but 2 percent above the second quarter of 1994 (both of these changes are statistically insignificant). Single-family units under construction, at 539,000 units, were 5 percent below the previous quarter and 8 percent below the year-earlier rate. Multifamily units, at 200,000 units, were a statistically insignificant 3 percent higher than the previous quarter but 39 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	761	786	744	- 3**	+ 2**
<b>ONE UNIT</b>	539	570	583	- 5	- 8
<b>TWO TO FOUR</b>	22	22	18	—	+ 25
<b>FIVE PLUS</b>	200	194	144	+ 3**	+ 39

\* Components may not add to totals because of rounding. Units in thousands.

\*\* This change is not statistically significant.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



## Completions\*

Housing units completed in the second quarter of 1995, at a seasonally adjusted annual rate of 1,305,000 units, were 6 percent below the previous quarter and a statistically insignificant 5 percent below the same quarter last year. Single-family completions, at 1,067,000 units, were 9 percent lower than the previous quarter and 11 percent below the year-earlier rate. Multifamily completions, at 203,000 units, were a statistically insignificant 11 percent above the previous quarter and 35 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,305	1,394	1,378	- 6	- 5**
<b>ONE UNIT</b>	1,067	1,170	1,199	- 9	- 11
<b>TWO TO FOUR</b>	36	41	33	- 14**	+ 9**
<b>FIVE PLUS</b>	203	182	150	+ 11**	+ 35

\* Components may not add to totals because of rounding. Units in thousands.

\*\* This change is not statistically significant.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



## Manufactured (Mobile) Home Shipments\*

Shipments of new manufactured (mobile) homes to dealers were at a seasonally adjusted annual rate of 343,000 units in the first quarter of 1995, 5 percent higher than the previous quarter and 14 percent over the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>MANUFACTURERS' SHIPMENTS</b>	343	328	301	+ 5	+ 14

\* Components may not add to totals because of rounding. Units in thousands. These are HUD-code homes only, and do not include manufactured housing units built to meet local building codes, which are included in housing starts figures.

Source: National Conference of States on Building Codes and Standards



# HOUSING MARKETING

## Home Sales<sup>★</sup>

Sales of new single-family homes totalled 675,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 1995, 11 percent above the previous quarter and a statistically insignificant 2 percent above the second quarter of 1994. The number of new homes for sale at the end of the second quarter numbered 347,000 units, unchanged from the last quarter and 11 percent over the same quarter last year. At the end of the quarter, inventories represented a 5.8 months' supply at the current sales rates, 16 percent lower than the previous quarter and a statistically insignificant 3 percent below the second quarter of 1994.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® for the second quarter of 1995 totalled 3,570,000 (SAAR), up 1 percent from the first quarter's level but 12 percent below the second quarter of 1994. The number of units for sale at the end of the second quarter fell to 1,760,000, 3 percent below the previous quarter and 4 percent below the second quarter of 1994. At the end of the second quarter, there was a 5.6 months' supply of units, 7 percent below the previous quarter and unchanged from the second quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>NEW HOMES SOLD</b>	675	610	664	+ 11	+ 2**
<b>FOR SALE</b>	347	347	313	0	+ 11
<b>MONTHS' SUPPLY</b>	5.8	6.9	6.0	- 16	- 3**
<b>Existing Homes</b>					
<b>EXISTING HOMES SOLD</b>	3,570	3,550	4,080	+ 1	- 12
<b>FOR SALE</b>	1,760	1,820	1,840	- 3	- 4
<b>MONTHS' SUPPLY</b>	5.6	6.0	5.6	- 7	—

\* Units in thousands.

\*\* This change is not statistically significant.

Sources: New: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

Existing: NATIONAL ASSOCIATION OF REALTORS®



## Home Prices

The median price of a new home during the second quarter of 1995 was \$133,000, a statistically insignificant 2 percent above both the previous quarter and the second quarter of 1994. The average price of a new home in the second quarter was \$158,600, a statistically insignificant 3 percent above both the previous quarter and the same quarter last year. The price adjusted to represent a constant quality home, \$157,300, was up 1 percent from the previous quarter and up 4 percent from the same quarter last year (both changes are statistically insignificant).

The median price of existing single-family homes in the second quarter of 1995 was \$111,000, 3 percent above the first quarter but nearly the same as the second quarter of 1994 according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of \$137,500 was 2 percent above the first quarter value but the same as in the second quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>MEDIAN</b>	\$133,000	\$130,000	\$130,000	+ 2*	+ 2*
<b>AVERAGE</b>	\$158,600	\$153,500	\$154,200	+ 3*	+ 3*
<b>CONSTANT QUALITY HOUSE<sup>1</sup></b>	\$157,300	\$155,200	\$151,900	+ 1*	+ 4*
<b>Existing Homes</b>					
<b>MEDIAN</b>	\$111,000	\$107,700	\$110,800	+ 3	0
<b>AVERAGE</b>	\$137,500	\$134,400	\$137,900	+ 2	0

\* This change is not statistically significant.

<sup>1</sup> A constant quality house has the same physical characteristics from year to year and its price is estimated using statistical models. Sources: New: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

Existing: NATIONAL ASSOCIATION OF REALTORS®



## Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the second quarter of 1995 shows that the family earning the median income had 124.4 percent of the income needed to purchase the median-priced existing home. This is 1 percent below the first quarter of 1995 and 2 percent below the second quarter of 1994. This is the result of the increase in the median home price being offset by a slight rise in median family income and a 14-basis point decrease in the composite interest rate used in the index during the last quarter. The fixed-rate index improved from both the first quarter of 1995 and from the second quarter last year. The adjustable-rate index fell by 2 percent from the previous quarter and 7 percent from the rate 1 year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>COMPOSITE INDEX</b>	124.4	125.1	126.9	- 1	- 2
<b>FIXED-RATE INDEX</b>	119.4	113.9	118.0	+ 5	+ 1
<b>ADJUSTABLE-RATE INDEX</b>	134.7	137.4	145.2	- 2	- 7

Source: NATIONAL ASSOCIATION OF REALTORS®



## Apartment Absorptions

There were 26,100 new, unsubsidized, unfurnished, multifamily (5 or more units in structure) rental apartments completed in the first quarter of 1995, down 26 percent from the previous quarter but 83 percent above the first quarter of 1994. Of the apartments completed in the first quarter of 1995, 67 percent were rented within 3 months (the absorption rate). This absorption rate was 13 percent below the previous quarter and 21 percent below the same quarter last year. The median asking rent for apartments completed in the first quarter was \$600, 6 percent higher than the previous quarter and 4 percent higher than a year earlier (both changes are statistically insignificant).

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>APARTMENTS COMPLETED*</b>	26.1	35.2	14.3	- 26	+ 83
<b>PERCENT ABSORBED NEXT QUARTER</b>	67	77	84	- 13	- 21
<b>MEDIAN RENT</b>	\$600	\$565	\$577	+ 6**	+ 4**

\* Units in thousands.

\*\* This change is not statistically significant.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

## Manufactured (Mobile) Home Placements



Homes placed on site ready for occupancy in the first quarter of 1995 totalled 325,000 at a seasonally adjusted annual rate, up 4 percent from the previous quarter and up 19 percent from the first quarter of 1994. The number of homes for sale on dealers' lots at the end of the first quarter totalled 76,000 units, 4 percent above the previous quarter and 15 percent above the same quarter last year. The average sales price of the units sold in the first quarter was \$34,830, unchanged from the previous quarter but 8 percent higher than the year-earlier price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>PLACEMENTS*</b>	325	312	273	+ 4	+ 19
<b>ON DEALER LOTS*</b>	76	73	66	+ 4	+ 15
<b>AVERAGE SALES PRICE</b>	\$34,830	\$35,000	\$32,230	—	+ 8

\* Units in thousands. These are HUD-code homes only, and do not include manufactured housing units built to meet local building codes, which are included in housing completions figures.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



## Builders' Views of Housing Market Activity

The National Association of Home Builders conducts a monthly survey focusing on the level of sales activity experienced by builders and their expectations for the near future. At the end of the second quarter, builders viewed the level of current sales activity for single-family detached homes as better than at the end of the previous quarter. The percentage reporting "good to excellent" rose from 17 to 24 while those reporting "poor" fell from 33 to 28. These attitudes are still worse than at the end of the second quarter of 1994 when "good to excellent" was reported by 39 percent and "poor" was reported by 14 percent. The level of activity for attached single-family homes can also be viewed as improving. Builders reporting "good to excellent" rose from 7 to 13 percent while those rating sales activity as "poor" fell from 48 to 45 percent. There was little change, however, from the second quarter of 1994—no change in the "good to excellent" category and a slight increase in those giving a "poor" rating from 43 to 45 percent.

Prospective buyer traffic in the second quarter of 1995 rose from the first quarter of 1995. Builders rating traffic as "high to very high" rose from 9 to 15 percent while the percentage reporting "low to very low" fell from 58 to 48 percent. The current view shows a worsening from the second quarter of 1994 with "high to very high" falling from 21 to 15 percent and "low to very low" increasing from 36 to 48 percent.



Builders' views concerning future sales expectations for single-family detached units improved in the second quarter of 1995 with those rating expectations as "good to excellent" rising from 19 to 27 percent, offsetting the slight increase in those reporting "poor." This improvement is in contrast to the decline from the second quarter of 1994 when those reporting "good to excellent" stood at 35 percent and those reporting "poor" were only 11 percent. Future sales expectations for single-family attached homes showed improvement in the second quarter of 1995 while the change from the second quarter of 1994 was mixed.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Current Sales Activity—Single-Family Detached</b>					
GOOD TO EXCELLENT	24	17	39	+ 41	- 38
POOR	28	33	14	- 15	+ 100
<b>Current Sales Activity—Single-Family Attached</b>					
GOOD TO EXCELLENT	13	7	13	+ 86	0
POOR	45	48	43	- 6	+ 5
<b>Prospective Buyer Traffic</b>					
HIGH TO VERY HIGH	15	9	21	+ 67	- 29
LOW TO VERY LOW	48	58	36	- 17	+ 33
<b>Future Sales Expectations—Single-Family Detached</b>					
GOOD TO EXCELLENT	27	19	35	+ 42	- 23
POOR	20	18	11	+ 11	+ 82
<b>Future Sales Expectations—Single-Family Attached</b>					
GOOD TO EXCELLENT	17	6	14	+ 183	+ 21
POOR	41	43	37	- 5	+ 11

Source: National Association of Home Builders, Builders Economic Council Survey

# HOUSING FINANCE



## Mortgage Interest Rates

Mortgage interest rates for all categories of loans fell during the quarter while changes from last year were mixed. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 7.95 percent in the second quarter, 86 basis points lower than the previous quarter and 49 basis points lower than the same quarter last year. Adjustable-rate mortgages (ARMs) in the first quarter were going for 6.12 percent, 53 basis points below the previous quarter but 83 basis points above the same quarter last year. Fixed-rate, 15-year mortgages, at 7.48 percent, were down 96 basis points from last quarter and 45 basis points from the same quarter last year. The FHA rate fell 84 basis points during the quarter and 17 basis points from the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>CONVENTIONAL FIXED-RATE 30-YEAR</b>	7.95	8.81	8.44	- 10	- 6
<b>CONVENTIONAL ARMS</b>	6.12	6.65	5.29	- 8	+ 16
<b>CONVENTIONAL FIXED-RATE 15-YEAR</b>	7.48	8.44	7.93	- 11	- 6
<b>FHA FIXED-RATE 30-YEAR</b>	8.33	9.17	8.50	- 9	- 2

Sources: Federal Home Loan Mortgage Corporation; and Office of Housing, Department of Housing and Urban Development



## FHA 1-4 Family Mortgage Insurance\*

Applications for FHA mortgage insurance on 1-4 family homes were received for 228,700 (*not* seasonally adjusted) properties in the second quarter of 1995, up 41 percent from the previous quarter but down 10 percent from the second quarter of 1994. Endorsements or insurance policies issued totalled 127,000, down 4 percent from the first quarter of 1995 and down 67 percent from the second quarter of 1994. Refinancing continued to decline, posting a 36-percent decline from the first quarter of 1995 and a 96-percent drop from a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>APPLICATIONS RECEIVED</b>	228.7	161.9	254.0	+ 41	- 10
<b>TOTAL ENDORSEMENTS</b>	127.0	131.8	379.7	- 4	- 67
<b>PURCHASE ENDORSEMENTS</b>	119.3	119.9	183.6	- 1	- 35
<b>REFINANCING</b>	7.7	12.0	196.2	- 36	- 96

\* Thousands of properties.

Source: Office of Housing, Department of Housing and Urban Development



## PMI and VA Activity\*

Private mortgage insurers reported issuing 222,000 policies or certificates of insurance on conventional mortgage loans during the second quarter of 1995, up 21 percent from the first quarter but down 30 percent from the second quarter of 1994; these numbers are not seasonally adjusted. The Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 52,000 single-family properties in the second quarter of 1995, down 17 percent from the first quarter and down 67 percent from the second quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL PMI CERTIFICATES</b>	222.0	183.0	315.2	+ 21	- 30
<b>TOTAL VA GUARANTIES</b>	52.0	62.9	157.1	- 17	- 67

\* Thousands of loans.

Sources: PMI-Mortgage Insurance Companies of America; VA-Department of Veterans Affairs



## Mortgage Originations by Loan Type, 1-4 Family Units

The total value of mortgage originations for 1-4 family homes was \$125.4 billion in the first quarter of 1995, down 8 percent from the fourth quarter of 1994 and down 52 percent from the first quarter of 1994. The values for nearly all loan types fell: privately insured mortgages by 25 percent, FHA-guaranteed mortgages by 22 percent, and VA-guaranteed mortgages by 19 percent. However, mortgages without insurance increased by 1 percent. During the first quarter of 1994, all four categories decreased leading to an overall decline of 52 percent: 64 percent for FHA, 56 percent for VA, 42 percent for privately insured, and 52 percent for uninsured mortgages. The market shares for FHA, VA, and privately insured mortgages fell in the quarter to 8.6, 5.0, and 16.4 percent, respectively. Uninsured mortgages increased their dominance of the market with a share of 70.0 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Dollar Volume (\$Billions)</b>					
<b>FHA INSURED</b>	10.8	13.8	29.8	- 22	- 64
<b>VA GUARANTEED</b>	6.3	7.8	14.3	- 19	- 56
<b>PRIVATE INSURANCE</b>	20.6	27.3	35.4	- 25	- 42
<b>NOT INSURED*</b>	87.7	86.6	182.1	+ 1	- 52
<b>TOTAL</b>	125.4	135.6	261.5	- 8	- 52
<b>Percentage of Market Shares**</b>					
<b>FHA INSURED</b>	8.6	10.2	11.4	- 16	- 25
<b>VA GUARANTEED</b>	5.0	5.8	5.5	- 14	- 9
<b>PRIVATE INSURANCE</b>	16.4	20.1	13.5	- 18	+ 21
<b>NOT INSURED</b>	70.0	63.9	69.6	+ 10	0

\* Includes Farmers Home Administration Loans.

\*\* Market shares and percentages are computed from unrounded data.

Source: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity



## Residential Mortgage Originations by Building Type\*

Residential mortgage originations totalled \$133.7 billion in the first quarter of 1995, down 7 percent from the fourth quarter of 1994 and down 50 percent from the first quarter of 1994. A nearly identical pattern exists for single-family mortgages. The financing volume for multifamily units (5+) totalled \$8.3 billion in the first quarter, up 6 percent from the previous quarter and 9 percent from the first quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>ONE TO FOUR UNITS</b>	125.4	135.6	261.5	- 8	- 52
<b>FIVE PLUS</b>	8.3	7.8	7.6	+ 6	+ 9
<b>TOTAL</b>	133.7	143.4	269.1	- 7	- 50

\* Billions of dollars.

Source: HUD Survey of Mortgage Lending Activity



## Mortgage Originations by Lender Type, 1-4 Family Units

Mortgage companies increased their volumes during the first quarter to \$68.8 billion, increasing their market share to 54.9 percent. While the first quarter's results mark an increase from the last quarter, mortgage companies' volumes are still below last year's levels. All other classes of lenders experienced a declining volume of originations except those in the "other lender" group. Mutual savings banks wrote \$3.7 billion, down 41 percent from the previous quarter. Savings and loans made \$18.7 billion in loans, down 27 percent for the quarter. While mortgage companies increased their share, commercial banks' share fell to 25.7 percent and savings and loans' share fell to 14.9 percent. Mutual savings banks' share fell slightly to 3.0 percent while "other lenders," which represent less than 2 percent of the market, experienced a slight increase.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Dollar Volume (\$Billions)</b>					
<b>COMMERCIAL BANKS</b>	32.2	38.3	64.1	- 16	- 50
<b>MUTUAL SAVINGS BANKS</b>	3.7	6.3	7.9	- 41	- 53
<b>SAVINGS AND LOANS</b>	18.7	25.5	35.5	- 27	- 47
<b>MORTGAGE COMPANIES</b>	68.8	63.6	152.0	+ 8	- 55
<b>OTHER LENDERS</b>	2.0	1.9	1.9	+ 5	+ 5
<b>TOTAL</b>	125.4	135.6	261.5	- 8	- 52
<b>Percentage of Market Shares</b>					
<b>COMMERCIAL BANKS</b>	25.7	28.2	24.5	- 9	+ 5
<b>MUTUAL SAVINGS BANKS</b>	3.0	4.6	3.0	- 35	—
<b>SAVINGS AND LOANS</b>	14.9	18.8	13.6	- 21	+ 10
<b>MORTGAGE COMPANIES</b>	54.9	46.9	58.1	+ 17	- 6
<b>OTHER LENDERS</b>	1.6	1.4	0.7	+ 14	+ 129

Source: HUD Survey of Mortgage Lending Activity



## Delinquencies and Foreclosures

Total delinquencies were 3.91 percent at the end of the first quarter of 1995, down 6 percent from the fourth quarter of 1994 and down 5 percent from the first quarter of 1994. Ninety-day delinquencies were at 0.71 percent, down 3 percent from the fourth quarter of 1994 and 7 percent from the 1994 first quarter level. During the final quarter of 1994, 0.32 percent of loans entered foreclosure, down 3 percent from the previous quarter but 3 percent above the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL PAST DUE (%)</b>	3.91	4.15	4.12	- 6	- 5
<b>90 DAYS PAST DUE (%)</b>	0.71	0.73	0.76	- 3	- 7
<b>FORECLOSURES STARTED (%)</b>	0.32	0.33	0.31	- 3	+ 3

Source: National Delinquency Survey, Mortgage Bankers Association

# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product\*

Residential Fixed Investment for the second quarter of 1995 was \$276.5 billion, down 4 percent from the first quarter of 1995 and 3 percent from the second quarter of 1994. As a percent of Gross Domestic Product, Residential Fixed Investment was 3.9 percent, down from 4.1 percent last quarter and 4.2 percent in the second quarter of 1994.

 GDP %	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	7,011.8	6,977.4	6,689.9	—	+ 5
<b>RFI</b>	276.5	286.8	283.6	- 4	- 3
<b>RFI/GDP (%)</b>	3.9	4.1	4.2	- 4	- 7

\* Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce



# HOUSING INVENTORY



## Housing Stock\*

The estimate of the total housing stock as of the second quarter of 1995, 112,743,000 units, shows a 0.3-percent increase from the first quarter of 1995 and a 2.1-percent rise from last year. The number of occupied units increased by a statistically insignificant amount last quarter but is 1.7 percent above last year. The number of homeowner units increased by 1.0 percent for the last quarter and by 3.2 percent from last year, while renters declined from last quarter and last year. Vacant units increased by 1.8 percent during the last quarter and by 5.0 percent from last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>ALL HOUSING UNITS</b>	112,743	112,359	110,470	+ 0.3**	+ 2.1
<b>OCCUPIED UNITS</b>	99,932	99,772	98,270	+ 0.2**	+ 1.7
<b>OWNERS</b>	64,668	64,050	62,684	+ 1.0	+ 3.2
<b>RENTERS</b>	35,264	35,722	35,586	- 1.3	- 0.9
<b>VACANT UNITS</b>	12,811	12,587	12,200	+ 1.8	+ 5.0

\* Components may not add to totals because of rounding. Units in thousands.

\*\* This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



## Vacancy Rates

The national rental vacancy rate in the second quarter of 1995 increased slightly during the quarter to 7.7 percent, the same change as from the second quarter of 1994. The homeowner vacancy rate, at 1.6 percent, was up 7 percent from the previous quarter and up 14 percent from the year-earlier level.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>HOMEOWNER RATE<sup>1</sup></b>	1.6	1.5	1.4	+ 7*	+ 14
<b>RENTAL RATE<sup>1</sup></b>	7.7	7.4	7.4	+ 4	+ 4

\* This change is not statistically significant.

<sup>1</sup> Major changes related to the survey effective with 1994 first quarter data.

Source: Bureau of the Census, Department of Commerce



## Homeownership Rates

The national homeownership rate reached 64.7 percent in the second quarter of 1995, up 0.5 percentage points from the first quarter and 0.9 percentage points from the second quarter of 1994. It should be noted that the Census Bureau introduced 1990 census counts into the estimation of the quarterly homeownership rate series for 1993 and 1994. The new estimates of the homeownership rates are about 0.5 percentage points below estimates based on 1980 census weights. Taking this estimating change into account, 64.7 percent may be the highest figure in the last 14 years.

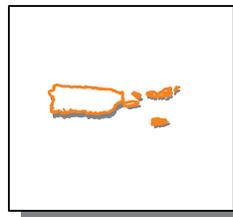
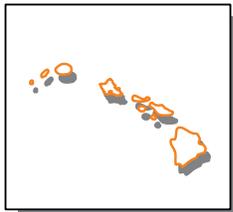
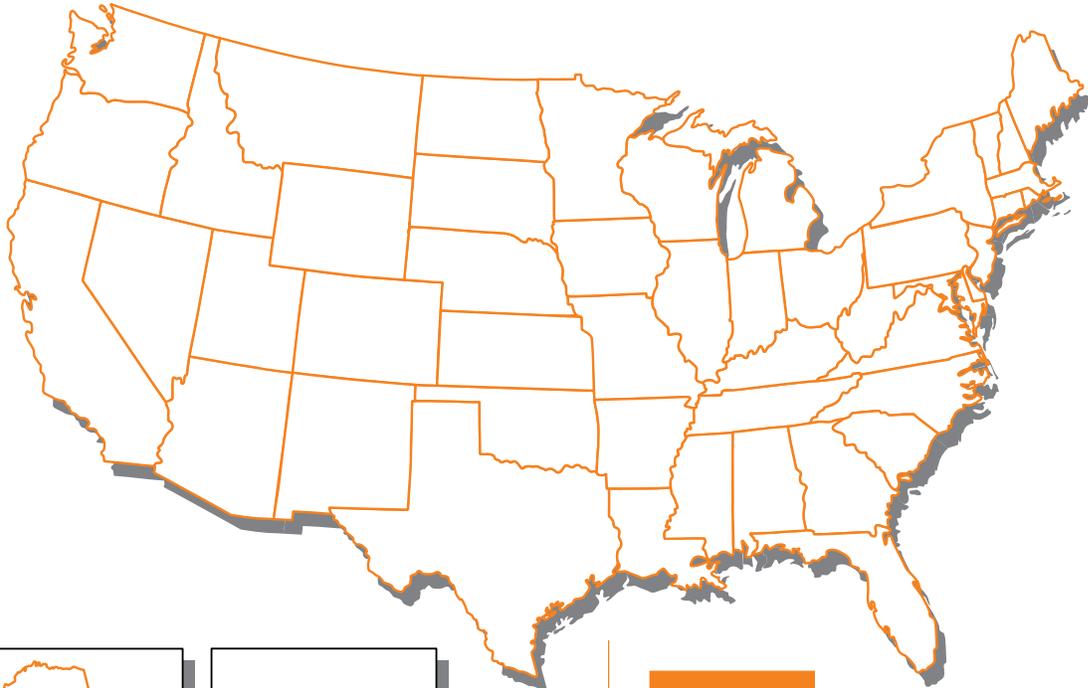
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>HOMEOWNER RATE</b>	64.7	64.2	63.8	+ 0.8	+ 1.4

Source: Bureau of the Census, Department of Commerce



# Regional Activity

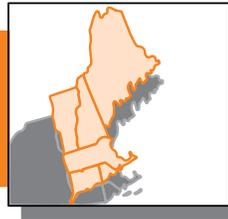
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The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends. Each regional report also includes a profile of a selected housing market that provides a perspective of current economic conditions and their impact on the local housing market. The reports are based on information obtained by HUD economists from State and local governments, housing industry sources, and from their ongoing investigations of housing market conditions carried out in connection with the review of HUD program applications.



## NEW ENGLAND



Employment growth in New England continued at a modest pace during the second quarter of 1995; however, downsizing in defense-related industries has continued to affect the region. Manufacturing has received a boost from the declining dollar and increased sales to overseas customers. Tourism has been growing throughout New England, especially in the Massachusetts Bay Area. The unusually dry Spring and Summer have been beneficial to seacoast businesses, with motels and restaurants reporting solid year-over-year gains. Some visitors to Boston and Cape Cod have come from foreign countries and are taking advantage of the cheaper dollar.

Gains in retail trade, business services, and construction continued to lead the employment growth as they did during the first quarter. From May 1994 to May 1995, employment increased by 2 percent in New Hampshire (10,900), Maine (11,000), and Massachusetts (59,000). Employment gains in the Boston area were much lower (1 percent) during the same 12 months. In Connecticut employment growth during the past 12 months was a negligible 0.3 percent, as declines in defense-related industries offset gains in other sectors. Since 1988 Connecticut has lost 30,300 private, defense-related jobs. From May 1994 to May 1995, Vermont had an increase of 3,950 jobs (1.5 percent); Rhode Island was the only State in the region that had a decline in employment, losing 1,500 jobs.

Unemployment rates continued to decline in all New England States during 1995. New Hampshire had the largest decline with the rate dropping from 4.6 percent in May 1994 to 3.6 percent in May 1995.

Residential building activity for the first 6 months of 1995, as measured by building permits, was slightly below the same period of 1994. Single-family permits (15,707) declined

about 6 percent but multifamily activity (1,797 units) increased by 4 percent. The gains in multifamily permits can be attributed to the rebounding of the rental market in the region. Maine and New Hampshire had solid 6-percent gains in total units permitted. Vermont also showed an increase of 3 percent. Connecticut, Massachusetts, and Rhode Island had declines of 8, 9, and 7 percent, respectively.

Existing home sales for the first 6 months of 1995 were down in every State with the exception of Rhode Island where sales remained flat. Sources report that traffic and sales rebounded in June. Sales volume is expected to improve into the Fall, although sales for 1995 are expected to be below 1994 levels. As a result of slower sales, median sales prices have increased only modestly in most areas.

Most New England rental markets are balanced but tightening. Vacancies are still high in Hartford, especially for low-rent units. Recent construction and rehabilitation of rental units throughout the region have been targeted toward the upper rent ranges. Strong demand for upscale units in central cities has been reported by local realtors. First-time renters are doubling up in order to afford the new, amenity-rich units.

The rental market in the Boston Primary Metropolitan Statistical Area (PMSA) tightened considerably during the second quarter of 1995. Vacancy rates have declined to 3 percent or lower in the high-rent submarkets. An increase in multifamily permit activity in and around Boston is expected during the remainder of the year.

### Spotlight on

#### New London-Norwich, Connecticut

The New London-Norwich metropolitan area, located in the southeastern corner of Connecticut, is continuing its transition from a defense-dominated economy to a more diversified one. Wage and salary employment was 129,600 as

of May 1995. The unemployment rate as of May was 4.9 percent. The recovery has been led by the development of the Foxwoods Casino on the Mashantucket Pequot Indian Reservation. Since the opening of the casino in 1992, employment has been on an upward trend and unemployment has declined.

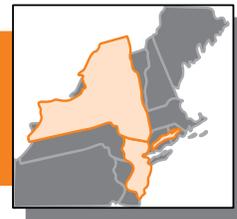
Job growth in casino employment, tourism, and trade has more than offset jobs lost as a result of cutbacks in defense manufacturing and the U.S. Navy. However, the new jobs are lower paying than those they replaced. The impact is reflected in only modest growth of the sales market, but a surge in the rental market. Defense-related employment is expected to continue to decline further, and there will be continued growth in the service economy led by the expansion of gaming facilities.

Building permit activity in the New London-Norwich area has been increasing slowly since 1992, as the market has absorbed the surplus of rental housing built in the late 1980s. Through May 1995 the number of housing units permitted was 28 percent higher than the same period in 1994.

Sales market activity has been very stable over the past 2 years, averaging around 300 homes monthly. The median sales price has stayed around the \$110,000 level.

On the other hand, the rental market has improved significantly. The rental vacancy rate climbed to 10 percent as a result of overbuilding and employment declines in the early 1990s. Since 1990 multifamily construction has accounted for only 13 percent of all new housing units. The cutback in supply and the increased demand from the new workers has caused the vacancy rate to fall to 5 percent or less in most projects. Because of the recent large rent increases, the local community and the Navy are becoming concerned about the dwindling availability of affordable rental housing.

## NEW YORK/ NEW JERSEY



Job growth in New Jersey improved considerably in the past 12 months, with employment at 4,140,000 as of June 1995, 4 percent higher than a year ago. The New Jersey unemployment rate has declined from 7.0 percent to 6.7 percent in the past year. Employment in New York State declined about 1.5 percent to 8,434,000 from June 1994 to June 1995. New York State's labor force is essentially unchanged over the last 2 years.

New York City's employment, at 2,865,000 in June 1995, has declined 2.4 percent over the past 12 months. The city's unemployment rate is currently at 8.1 percent. The city's economy has recently been adversely affected by layoffs on Wall Street and in local government. According to a recent report from the New York State Department of Labor, local government layoffs between April 1994 and April 1995 amounted to nearly 30,000. In addition, 5,000 jobs were eliminated on Wall Street in the first half of 1995. It is expected that the substantial growth in health, education, and social services in the last few years is likely to cease due to Federal and State cutbacks in welfare and other social programs.

It was recently announced that the Coffee, Sugar, and Cocoa Exchange and the Cotton Exchange, two of the oldest commodity exchanges, have signed letters of intent to negotiate with the State of New Jersey on moving to Jersey City. The move will cost New York City approximately 5,000 jobs. The city has not matched the rich incentives offered by New Jersey, including \$17 million in Economic Development Authority grants and loans.

The Manhattan rental housing market has become extremely tight. Owners are no longer offering brokers a fee to rent out apartments, thereby increasing the pressure on brokers to collect a full fee from tenants, which is normally



15 percent of a year's rent. One of the city's most active rental agencies reports that two-thirds of the apartments it finds for renters belong to individual owners in cooperative or condominium buildings. The tight conditions of the Manhattan rental market are attributable to the very low levels of citywide rental housing construction since 1990. From 1992 through 1994, multifamily building permits for structures with 5 or more units averaged only 1,166 units annually. In the first 5 months of 1995, permits have been issued for only 287 multifamily units.

In Manhattan the 1,000-unit development known as West End Towers, the first FHA-insured market-rate rental project since 1989, has been renting up at a considerably faster rate than originally projected. After 7 months occupancy in the 850 units completed to date is currently 85 percent. Because of tax abatements and tax-exempt financing, 200 of the units are set aside for low-income families at affordable rents. The market-rate rents range from \$1,225 for a studio apartment to \$2,825 for a two-bedroom apartment.

According to the New York State Association of Realtors, single-family home sales for the State in the first quarter of 1995 were down 9.1 percent from the same period a year ago. The median sales price in the first quarter of 1995 was \$139,482, a decline of 2.6 percent from the same period a year ago.

The Long Island sales market has softened the past 12 months, reflecting slow job growth and the loss of high-paying jobs in the defense industry. Data from the Multiple Listing Service (MLS) of Long Island show that as of April the median sales price of \$176,000 in Nassau County was essentially unchanged from a year ago. In Suffolk County the median sales price fell 5 percent to \$134,900. The lower priced homes attractive to first-time buyers are doing better than the higher priced homes aimed at move-up buyers.

In New Jersey the Board of Realtors reports that single-family home sales in the first quarter of 1995 declined 9 percent from the same period a year ago. The median sales price for the first quarter of 1995 was \$145,900, the same as a year ago.

In New York State, single-family building permit activity in the first 6 months of 1995 amounted to 9,868 units. This total is essentially unchanged from the same period in 1994. Multifamily permit activity increased 28 percent to 3,411 units in the first half of 1995. In New Jersey single-family permits for the first 6 months of 1995 totalled 8,082 units, a 13-percent decline from the same period in 1994. Multifamily units permitted, however, increased 77 percent to 1,820 units.

## Spotlight on

### Glens Falls, New York

The Glens Falls metropolitan area is located north of the Albany-Schenectady-Troy area. The economy of the Glens Falls area is dependent upon manufacturing (particularly paper products), the medical/health care industry, seasonal tourism, and Canadian cross-border trade.

Major employers in the area include Glens Falls Hospital; Finch, Pruyn and Company (pulp and paper products); International Paper Company; Continental Insurance Company; and the General Electric Company. Unemployment rates tend to be high during the Winter and relatively low in the Summer. In May 1995 the unemployment rate for Glens Falls was 6.3 percent, about the same as the New York State rate. On an annual basis, however, Glens Falls tends to exhibit a higher unemployment rate than the State and other Upstate areas.

In the 12 months ending May 1995, total non-agricultural employment in the Glens Falls area increased by 1,100 jobs (2.2 percent) to 50,200. There have been significant gains in construction (300), services (700), wholesale and retail trade (400), and government (500). These gains were partially offset by reductions in manufacturing.

According to recent Census Bureau estimates, the population of the Glens Falls, New York, metropolitan area increased by 3 percent, from 118,539 to 122,121 between April 1990 and July 1994. The population growth in the area is due in great part to workers employed in Saratoga County (one of the primary growth areas of the adjacent Albany-Schenectady-Troy metropolitan area) moving to the less expensive Glens Falls area.

The Warren County Association of Realtors reported that from 1990 to 1993 existing sales averaged about 700 homes annually. In 1994 sales increased to 772. A total of 190 existing homes were sold in the area during the first quarter of 1995, a 35-percent increase over first quarter of 1994 sales.

FHA insurance activity has been an increasing part of the market in recent years. The number of homes with FHA-insured mortgages increased each year from 131 in 1991 to 445 in 1994. Existing sales prices have remained relatively stable in the Glens Falls area. Between 1990 and 1994, the average sales price for existing homes in the metropolitan area increased from \$82,720 to \$87,610, or 6 percent.

Residential construction is concentrated in the towns surrounding Glens Falls, especially the town of Queensbury to the north. Building permit data indicate that residential construction activity averaged about 540 units per year between 1990 and 1994. Approximately 90 percent of the activity was single-family houses. In the first 6 months of 1995, single-family construction has declined compared to the same period in 1994. The new housing is priced below \$100,000.

The rental market in the area is balanced, despite the fact that there has been virtually no large-scale multifamily rental housing constructed in the metropolitan area since the early 1980s. Rents in apartment complexes average approximately \$500 for one-bedroom units and \$600 or more for two-bedroom units. Only minimal rent appreciation has occurred in the area recently.

## MID-ATLANTIC



The Mid-Atlantic economy has slowed this year and is now growing at about half the national rate. As a result of Defense, Federal, and local government cutbacks, growth in the Washington metropolitan area has slowed substantially, while growth in Pennsylvania has been sluggish for some time. West Virginia and Virginia are exhibiting a much stronger pace, benefitting from Federal agency relocations and gains in banking and services.

Unemployment was uniformly down in both rural and urban centers. The unemployment rate in Virginia (4.4 percent) was the lowest in 5 years. The most significant decline has been in West Virginia, where the May 1995 rate of 7.5 percent represented a 16-year low. In Pennsylvania, with the fifth highest rate nationally, the reduction to 5.9 percent was entirely the result of a decline in the labor force.

Single-family building permit activity (47,202 units) in the region was down almost 17 percent in the first 6 months of 1995 compared with the same period in 1994. Activity in Virginia was off the most, 20 percent below the first half of 1994 levels. However, multifamily activity continued to increase in the three largest States. In Pennsylvania the number of multifamily units permitted was up 27 percent and in Maryland by 18 percent. Virginia, with 4,456 multifamily units, was up 24 percent and constituted over half of the multifamily units for the region.

The sales market remained sluggish throughout the region, both in existing and new homes. However, sales have begun to improve in June. Homeownership programs for first-time homebuyers are bolstering the market in Virginia and Maryland (including one Baltimore program that pays closing costs for city workers who buy homes in the city). In the Pittsburgh area, home sales were down by 3 percent in the first 6



months, but June sales were up 11 percent over June 1994. The same pattern holds in Virginia, where home sales were down 7 percent in the first 6 months of this year, but June figures were nearly 12 percent higher. Recent gains were widespread throughout the State, including the close-in, overbuilt suburbs of northern Virginia where sales were up 6 percent over last June. The Washington metropolitan area remains one of the Nation's largest areas of homebuilding activity, following Atlanta and Phoenix. However, as a result of the oversupply of new units and much slower sales pace, the area is a buyers' market and many builders have begun to offer concessions or absorb price increases in materials.

Major metropolitan rental markets are showing a mixed picture this Summer. Significant improvement in occupancy is noted in the Richmond and Baltimore areas where the use of concessions has declined. In the Washington metropolitan area, the number of multifamily units permitted (2,900) in the first half of 1995 was up 84 percent over the same period in 1994. Builder interest is evident in the Baltimore, Richmond, and Hampton Roads markets, although production has not rebounded yet. In the Philadelphia area, vacancy rates are in the 3-percent range, but a surplus of rental housing continues in the city. Concessions are especially prevalent in the northeast sector of the city. Long-term stability and balanced market conditions tend to characterize the industrial areas of Pittsburgh and western Pennsylvania. Apartment vacancies in the Pittsburgh area are holding steady at less than 5 percent. The rental market has tightened considerably in central West Virginia (Fairmont/Morgantown/Clarksburg area) due to the recent opening of the FBI center that added 2,000 employees.

## Spotlight on

### Richmond-Petersburg, Virginia

The economy of Richmond-Petersburg metropolitan area has become much more diversified in the

past 20 years. The three largest industries historically (State government, tobacco, and chemical production) that once accounted for 1 of every 5 jobs now comprise 1 in 10. Reflecting the continuing transition from a manufacturing job base to a service economy, the fastest growing sectors in the area are currently trade, services, and finance. Included in the latter are several large banks and mortgage centers that have expanded in the last several years.

The city of Richmond and the surrounding counties of Henrico and Chesterfield account for three-fourths of the metropolitan area's population. All three are about the same size (200,000 persons). However, Richmond has been losing population, while Henrico and Chesterfield continue to grow, accounting for virtually all of the recent population and household growth.

Despite population decline, the city is still the major employment center of the region with nearly half of all private-sector jobs and a substantial share of the growth in employment. Ongoing losses in tobacco and other blue-collar industries have been more than offset by the addition of higher paying jobs in medical, legal, and finance sectors. City efforts to retain and expand its job base with the use of tax abatements and other development incentives have been successful, including the recent move of Crestar Bank into south Richmond. Crestar is committed to a \$60 million investment in a 400,000-square-foot building that will consolidate regional mortgage and banking operations and bring 1,600 workers into the area.

Office, retail, and warehouse vacancies are at the lowest levels in the last 5 years, and rents are starting to increase. Of the half-million square feet of preleased office space under construction, the 335,000-square-foot Signet Bank operations center is the largest. Retail space demand is strong, especially along the West Broad corridor and major arterials in Chesterfield County. Vacant industrial space is at an all-time low level.

Further development will be stimulated by the addition of a major Motorola computer chip manufacturing plant in the northwest region. Starting with 1,000 employees and scheduled

to employ 5,000, Motorola could easily surpass Philip Morris as the area's largest private employer. Completion of the plant is several years away. About 1,000 of the employees are expected move from other plants in the country.

Builders are already landbanking lots in anticipation of the increased housing demand related to Motorola. With average production worker wages of about \$35,000 per year, increased housing demand is likely for a variety of housing/tenure types. Future residential development will likely follow the Route 288 corridor as it is completed. Chesterfield County has 15,000 lots ready for residential development.

The sales market has remained relatively stable, with sales down only 3 percent in the first 6 months of 1995 compared with a 7-percent drop for the State as a whole. Sales in June were up 18 percent over June 1994 levels in both the Richmond and Petersburg areas and are indicative of a strong Summer rebound that is expected to continue. Average home prices are holding steady at about \$122,000 in the Richmond area and in the low \$90,000 range in the Petersburg area. While there is some townhouse development in the \$60,000–80,000 range (mostly in the western suburbs) appealing to first-time buyers, single-family detached homes above \$150,000 constitute the major portion of new home demand.

New custom and speculative homebuilding in the active subdivisions is oriented to the move-up buyers and generally starts in the low \$200,000 range, increasing to \$400,000 north of the James River and \$300,000 south of the river. Planned communities built around golf courses, lakes, and other amenities are also popular. Production of single-family housing (2,688 units), as measured by building permits, was down 19.5 percent in the first 6 months of this year. However, activity is expected to pick up this Summer and end the year about 10 percent below 1994 levels.

The rental market has returned to balanced conditions, with rental vacancies now about 5 percent, about half the level of 5 years ago. After peak building periods in the mid- and late 1980s, apartment construction has been nominal. In the first half of 1995, permits have been issued for

only 269 multifamily units. Rents are starting to increase in the face of greater demand and three luxury projects are planned or under construction in the fast-growing northwest and southwest quadrants.

## SOUTHEAST



Growth in employment in the Southeast has continued at a moderate pace. South Carolina led the Southeast with an increase of 3.9 percent during the May 1994 to May 1995 period, followed by Georgia (3.1 percent), Kentucky (2.7 percent), and Florida and Puerto Rico (both with 2.0 percent). Only Mississippi and North Carolina had growth rates less than the national rate. The unemployment rate for May was below the national rate of 5.7 percent in all areas except Alabama, Mississippi, and Puerto Rico. North Carolina had the lowest unemployment rate at 4.3 percent. Georgia, South Carolina, and Tennessee had unemployment rates below 5 percent. The short-term outlook for the region remains optimistic.

In the 12 months ending May 1995, wage and salary employment in the region grew by 621,800 jobs. The services, construction, and trade sectors provided the biggest job growth. Construction employment increased 10 percent in both Mississippi and Georgia for a total gain of 18,300 jobs. Construction employment also provided the biggest percentage increase in Alabama, North Carolina, and Tennessee. In Florida and South Carolina, increases in service employment were greatest, and in Kentucky wholesale and retail trade provided the biggest increase.

Georgia-Pacific will be moving 550 employees to Atlanta, and Vanity Fair Mills is moving 160 employees from Alabama and 140 employees from New York to Atlanta. Plans have been announced for the largest casino so far in the State of Mississippi. Diamond Lakes will be located on 2,000



acres in Desoto County near the Tennessee State line, making it the closest casino to Memphis. With completion scheduled for late 1997, the plans include a hotel, golf course, retail shops, a residential area, and possibly a theme park. In South Carolina AMP, Inc., a manufacturer of electronic connectors, will build a manufacturing plant in Rock Hill that will initially employ 500 people within 2 years and eventually as many as 1,000. Wal-Mart Stores, Inc., will build a \$30 million regional distribution center in Greene County, Tennessee, that will add 600 jobs to the area starting in the Summer of 1996. In Greenwood, South Carolina, Fuji Film wants to add 250 workers to its current workforce of 700, but has been unable to hire locally because of the extremely low unemployment rate. The firm is advertising as far away as Atlanta for employees. Douglas, Georgia, was chosen by the Tecumseh Products Company for the location of a new \$40 million engine and carburetor plant that will add 500 jobs.

The total number of single-family units permitted (134,550) in the 8 States in the first 6 months represented a decline of 10 percent over the same period in 1994. Activity in Georgia (28,922 units) and Alabama (6,395 units) increased 9 and 8 percent, respectively. All the other States reported declines in activity, with Florida having the largest drop, 23 percent.

Data on sales of existing homes indicate the sales volume for the first quarter of 1995 was down in all southeastern States compared with the first quarter of 1994. However, as interest rates began dropping in April and May, sales of existing homes began to rebound. Generally, there are no concessions or incentives being offered to attract buyers. In the 32 metropolitan areas for which information is available, sales prices have generally been increasing at a slower rate or declining only slightly.

In most areas of the Southeast, condominium sales are not well established, with developments generally limited to the lower-priced starter homes and high-priced units for empty nesters. However, in Dade County, Florida, sales of existing condominiums increased dramatically in the first quarter of 1995, from 370 a year earlier to 1,031 this year. The largest volume of sales was

in the \$100,000 to \$150,000 range. Activity was concentrated in the North Miami Beach area, the Miami Springs area west of the airport, and the Surfside-Miami Beach area.

Multifamily permit activity continued to show strong growth throughout the region with the number of units permitted (45,196) 35 percent above the first half of the 1994 level. Georgia, with 8,750 units, continued to lead the region with the largest percentage gain of 222 percent. Activity in Florida (17,815 units) was up 24 percent. In North Carolina activity continued strong at 5,600 units, about equal to the comparable 1994 period. The number of multifamily units permitted was up by 55 percent in Tennessee, 33 percent in Mississippi, 40 percent in Alabama, and 35 percent in South Carolina.

In the Orlando area, occupancy in apartment units has fallen in response to new units coming on the market. In the Fort Lauderdale area, rents have increased only 2.5 percent in the last 12 months. In the Jacksonville area, occupancy continues to improve, but a new wave of rental construction (1,300 units) has yet to come on the market. In the Raleigh-Durham area, rents continue their upward spiral, increasing nearly 4 percent in the last 6 months. Local analysts expect, however, that the trend will abate somewhat in response to competitive pressures as a large number of new units comes on the market in the next few months. There are currently some 8,200 units under construction in the area. The Charlotte Apartment Association reported an overall apartment vacancy rate of 4.2 percent in their latest survey, but expects the rate to increase to about 7 percent within 2 years as some 2,900 units currently under construction and another 5,300 now in development enter the market. There are also possible oversupplies of rental housing under construction in the Birmingham and Montgomery market areas in Alabama. While occupancy remains high, the number of units under construction points to a possible excess within 2 years.

Market conditions for rental housing in the Atlanta MSA have continued to tighten, with some developments in desirable neighborhoods reporting waiting lists for the first time in years. Tighter market conditions have encouraged a

strong increase in production, with the number of multifamily units authorized by building permits (6,689) in the first 6 months of 1995 almost triple the number in the same period of 1994. In Mississippi most rental markets are in equilibrium, but the Gulf Coast market is moving toward softer market conditions. In Nashville it is estimated that some 3,500 apartment units are planned or under construction for the area. While market conditions warrant the present level of activity, a continued pace could lead to overbuilding.

## Spotlight on

### Knoxville, Tennessee

The Knoxville metropolitan area is known as the gateway to the Great Smoky Mountains National Park, the Nation's most visited national park. The six-county metropolitan area has experienced moderate population and employment growth over the past 4 years. Between 1990 and 1994, the population increased 7.7 percent to 631,097. Total employment in the area increased 7.5 percent between 1990 and 1994 to 331,100. The unemployment rate was a low 3.3 percent for 1994.

The Knoxville metropolitan area has a well-diversified economy, with government, education, manufacturing, and tourism playing leading roles. The University of Tennessee, with 28,000 undergraduate and graduate students, currently employs over 4,000 faculty and staff, and the university's medical center employs another 4,100. Martin Marietta Energy Systems, Inc., a producer of nuclear fuel for power plants and weapon systems, with 15,900 employees, is the largest manufacturing employer. Levi Strauss & Company, with 3,550 employees, is the second largest manufacturing employer. Other leading manufacturers are Alcoa with 2,400 employees; Phillips Electronics with 1,350 employees; and DeRoyal Industries, a manufacturer of medical supplies, with 1,550 employees. Other leading

employers are Fort Sanders Alliance with 4,000 employees and the State of Tennessee with 2,600 employees.

Several new plants are planned for the Knoxville area. Alliance Engines, a jet turbine overhauler, has leased a 48,600-square-foot building in Blount County and plans on hiring 350 employees within 5 years. Matsuo Industries USA, Inc., a Japanese automotive parts manufacturer, will locate a 20,000-square-foot plant in the Jefferson City Industrial Park that will employ 200 workers. Daikwain Corporation, a producer of automatic drive trains, will build a plant in the East-bridge Industrial Park that will employ 240 workers.

In the first 6 months of 1995, almost 1,369 single-family housing units were permitted in the Knoxville metropolitan area, a 7.3-percent increase over the same period in 1994. Single-family activity is highest in Anderson, Blount, and Sevier Counties.

The decline in interest rates has helped to expand sales of new single-family homes in the second quarter of 1995. New homes in the \$125,000 to \$175,000 price range are selling best. Homes over \$200,000 are selling more slowly. The inventory of unsold new homes is declining with the increase in sales. Condominiums below \$125,000 are selling briskly to buyers priced out of the new single-family homes sales market.

Sales of existing homes have remained relatively healthy during the first 6 months of 1995, only about 5 percent below the same period last year. According to the Knoxville Association of Realtors, the median sales price for existing homes in June was \$85,000, up 5.2 percent over the median price in June 1994.

The Knoxville rental market experienced very soft market conditions beginning in the late 1980s. As a result multifamily construction declined to an average of about 400 units annually between 1990 and 1994. With the substantial cut-back in production, the rental market has shown improvement the past 2 years. Currently, rental vacancies are in the 2- to 3-percent range. Apartment managers have been raising rents about 5 percent.



Knoxville is expected to continue its moderate population and economic growth. Both the sales and rental housing markets should remain in balance.

## MIDWEST



The economy in the Midwest remains relatively strong. Employment growth in the second quarter of 1995 slowed to 2.1 percent annually, down from 2.8 percent in the previous quarter. Private surveys of business conditions as of May and June in the local economies in Chicago, Cleveland, Milwaukee, Detroit, and Cincinnati show a continuation of the slowdown that began in the first quarter. Unemployment rates in the region were up slightly in May in all States but remain below the national average. The rates ranged from a low of 3.9 percent in Minnesota and Wisconsin to 5.7 percent in Michigan. Manufacturing gains, which have led the region's recovery, were mixed, with strong gains in capital goods manufacturing offsetting the weaknesses in the automobile industry.

Michigan, the region's leading job producer, reported a healthy 3.2-percent annual employment gain for the 12 months ending May 1995. However, automobile sales and production in the State in the first 5 months of 1995 were down 10.2 and 7.4 percent, respectively, from a year earlier.

Employment growth in Wisconsin in the second quarter slowed to just under 3 percent annually as manufacturing activity weakened. In Milwaukee manufacturers reported production and new orders in May were at their lowest level in over a year.

In 1994 Ohio, for the second year in a row, out-ranked all other States in new business facilities

and expansions. The majority of new projects in Ohio (64 percent) were in manufacturing. There were 911 new facilities and expansions in Ohio in 1994 compared with number two North Carolina with 539 new projects. The Toledo metropolitan area is currently experiencing the highest level of employment in its history. Expansions of existing firms and the addition of new firms accounted for some 4,400 jobs in the past year. Chrysler Corporation will spend \$110 million to upgrade a Jeep production plant and will build a truck maintenance facility, resulting in the retention of some 5,300 jobs.

Minnesota's economy continues to perform well. As of May nonagricultural employment had increased by 56,000 from the previous year. Eighteen percent of that growth occurred in nonmetropolitan labor markets. Economic conditions are particularly strong in the Minneapolis-St. Paul area, which has experienced strong growth in business services and construction employment and has an extremely low unemployment rate (2.7 percent).

Single-family home construction and sales of new homes began to strengthen in some Midwest markets in the second quarter, but overall activity in the first 5 months of 1995 was well below last year's strong performance. Building permits in the region were issued for 81,840 single-family units in the first 6 months of 1995 compared with 93,001 units for the same period of the previous year, a 12-percent decrease.

Builders in the Minneapolis-St. Paul area reported that single-family sales activity has improved. To increase affordability and sales, builders have begun to shift from single-family detached units toward duplexes and townhouses. Currently, the median sales price for new single-family detached homes in the Twin Cities area is \$134,900. Sales prices for the most popular single-family townhouse units range from \$80,000 to \$120,000.

In Illinois the slowdown in home sales continued in April and May, with sales down 15 and 10 percent, respectively, from year-earlier figures. However, sales picked up significantly in June. Chicago area builders reported increased sales as mortgage rates fell below 8 percent. Contracts

were signed for 3,180 new homes in the Chicago area, a 12-percent increase over the second quarter 1994 level. Existing sales were also up substantially in June.

Buyer traffic in the Cleveland area increased in the second quarter of 1995, but home sales did not. The city of Columbus and an eight-bank consortium recently announced an \$8 million Downtown Housing Loan Fund to turn vacant buildings into prime living space. Each bank will contribute \$1 million to provide loans to builders and developers for rehabilitation or construction of housing in the downtown area.

In the first 6 months of 1995, FHA insured 41,400 homes in the Midwest region for a total mortgage amount of \$3 billion.

Multifamily housing construction activity in the Midwest region for the first 6 months of 1995 continued to increase. Through June building permits were issued for 24,361 units, a 14-percent increase over the comparable 1994 period and the highest 6-month total since 1990. Michigan, with 3,657 units, showed the largest percentage increase of 50 percent. Illinois (4,858 units) and Indiana (3,182 units) reported gains of 20 and 25 percent, respectively. Activity in Ohio was strong at 5,642 units, up 4 percent from the first half of 1994. Wisconsin (4,734 units) and Minnesota (2,288 units) also reported modest gains of 2 and 4 percent, respectively. As of the second quarter of 1995, the region's rental markets are strong, with occupancy rates around 95 percent.

In Chicago's suburban Lake and Dupage Counties, absorption continues to be good for new, high-rent apartments. Rents average \$840 for a one-bedroom apartment and \$1,150 for a two-bedroom unit. Young professionals are the typical tenants attracted to these large, amenity-rich units.

Multifamily housing activity is picking up in downtown Cleveland. Recent developer interest is due to Cleveland's strong local government support, including property tax abatements for 15 years. The substantial development of cultural, recreational, and entertainment facilities has made the area attractive. There have been several renovations of older commercial space

into new luxury apartments, which have been absorbed quickly.

Absorption has been outstanding at new projects in downtown Minneapolis and in suburban locations. The rental market continues to tighten, and the latest data for the Twin Cities show an apartment vacancy rate of 3 percent.

## Spotlight on

### Madison, Wisconsin

The Madison area has one of the strongest economies in the region due in great part to the University of Wisconsin and the State government.

The university has a significant impact on the local economy. The largest local employer, with 28,800 State workers, the university generates a \$600 million annual payroll and accounts for 11 percent of the area's nonagricultural employment. In 1990 expenditures by the university totalled \$1.1 billion in the metropolitan area, including \$226 million by its 42,000 students. More than 50 startup companies in the State employing over 8,000 persons trace their origin to university research in health care, computer science, and engineering. The university's Biotechnology Center has become increasingly important in the local economy for stimulating growth in new biotechnology firms.

The unemployment rate in the Madison area for May was 1.8 percent. Labor shortages are widespread and have prompted the State of Wisconsin to step up recruiting throughout the country. Population in the Madison area, currently estimated to be around 400,000, has increased by over 6 percent since the 1990 census.

Prospects for future employment growth in the metropolitan area are favorable. The State expects record employment of 258,000 for the Madison area by November 1995, an anticipated 4.1-percent gain over 1994. All sectors are expected to grow, led by manufacturing, high technology, and construction. Boosting construction employment is the \$67 million convention center being built in downtown Madison, a



300,000-square-foot shopping mall under development in west Madison, and four office buildings. Madison's tight labor market may constrain employment growth, particularly for skilled workers where the shortage is most acute.

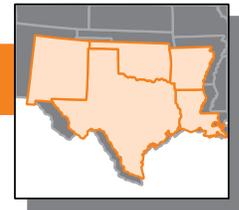
From 1992 through 1994, an average of 2,100 single-family building permits were authorized annually in the Madison metropolitan area, well above the average of 1,100 a year in the 1980s. Especially active areas are Fitchburg, Sun Prairie, and Cottage Grove Village. Home construction started to slow in late 1994 and continued to slow into the first 5 months of 1995, with single-family permits (559 units) off 31 percent from a year earlier.

Sales of low and moderately priced homes have remained relatively healthy through the first half of 1995. Softer conditions and declining sales have been noted in the upper end of the market (\$175,000 to \$300,000) during the second quarter. However, builders report brisk sales of modest-priced new homes (\$125,000 to \$160,000) throughout the metropolitan area.

Multifamily housing construction in the Madison area is strong and accounts for a high percentage of residential building activity. In 1994 building permits were issued for 1,950 multifamily units, up 15 percent from 1993 and the highest level in more than 15 years. In the past 10 years, multifamily units have represented half of the 27,950 units permitted in the area, well above multifamily housing's share in other Midwest markets.

Madison's rental market remains strong, despite a temporary increase in vacancies in late 1994. Rental housing vacancies increased in 1994 due to the large number of units that entered the market. In east and west Madison, where most apartment construction is occurring, the rental vacancy rates in December 1994 were 7.6 and 8.5 percent, respectively, up sharply from 4.4 and 2.1 percent in December 1992. The rental vacancy rate for the Madison area is estimated to be around 5 percent currently and is declining. In response to the softer market in late 1994, builders cut back significantly. Multifamily permits for the first 5 months of 1995 are 28 percent below the same period last year.

## SOUTHWEST



Employment growth in the Southwest in the second quarter of 1995 continued its steady improvement, with a growth rate of 3.9 percent annually. Trade and services represented over 61 percent of total jobs added in the past 6 months. Employment in New Mexico, spearheaded by Albuquerque's growth, was up 5 percent. Despite Mexico's devaluation of the peso and the impact on trade, employment growth in Texas remains ahead of previous projections, at 3.7 percent annually.

Higher interest rates reduced homebuyer traffic and sales in the latter half of 1994 and the first quarter of 1995. However, the second quarter of 1995 saw a resurgence. New home prices appear to be holding steady with no concessions being offered. Single-family building permits (51,544) were down only 4 percent for the first 6 months of 1995 in the region compared with the same period in 1994.

While sales of existing homes in Texas continue to be down from last year's torrid pace, the sales of waterfront property along the Texas coast continue to climb despite the peso devaluation and higher mortgage rates.

Louisiana has very few new speculatively built homes and no significant price concessions. The average new home price ranges from \$80,000 to \$130,000. In May flooding in the New Orleans area damaged more than 34,000 homes, forcing a number of households to rent temporarily. Most of these units have already been repaired and the owners have moved back.

In many Southwest markets, manufactured housing is increasing in popularity. The new generation of manufactured homes is more expensive,

but is a competitively priced alternative to traditional site-built housing. Shipments of manufactured housing rose by 16.4 percent in New Mexico in 1994. The 5,861 manufactured homes shipped into New Mexico last year represented 39.3 percent of all new homes in the State. In addition to first-time homebuyers, retirees are also a big part of the market for manufactured housing.

The condominium market remains relatively weak in the Southwest region. Some renewed interest has been seen in the New Orleans, Houston, Galveston, and Dallas markets. New units are generally over \$100,000. Small infill townhouse and zero-lot-line developments, some in gate communities, are also beginning to appear in these markets.

Multifamily building activity in 1995 has continued to increase but at a more modest pace than between 1993 and 1994. The number of units permitted (21,606) in the first 6 months of 1995 was up 18 percent over the same period in 1994. In the first half of 1995, permits were issued for 7,509 multifamily units in the Dallas-Fort Worth area, a 234-percent increase over the comparable period in 1994.

To date the rental market has not shown signs of the soft market conditions and overbuilding that occurred in the mid-1980s. However, occupancy rates have declined in the Albuquerque and Santa Fe areas due to the large number of new apartments entering the market. It is expected that occupancy rates also will decline slightly in the Dallas-Fort Worth and Austin areas over the next 12 months as new projects continue to be completed. The scheduled closing over the next 5 years of Kelley Air Force Base in San Antonio will cause some decline in occupancy rates, particularly in the southwestern part of that market. The rental markets in Louisiana are balanced with occupancy rates above 93 percent, except in the city of New Orleans, which has an overall 90-percent occupancy rate. The east New Orleans submarket still is very soft, with occupancy percentages only in the upper 80s.

## Spotlight on

### Fayetteville-Springdale-Rogers, Arkansas

The Fayetteville-Springdale-Rogers metropolitan area (Benton and Washington Counties) in northwest Arkansas is the fastest growing area in the State and among the fastest growing areas in the country. The population as of 1994 was estimated to be 242,464 compared with 210,908 in 1990, a 15-percent increase.

More than half of all the jobs added in Arkansas from 1990 through 1994 were in the Fayetteville-Springdale-Rogers area. Total employment in 1994 averaged 127,300, a 20.4-percent increase in employment in 5 years. The unemployment rate as of May was estimated to be a very low 2.4 percent. All industries in the area are reporting labor shortages, particularly for entry-level jobs at \$7 an hour.

Poultry processing, centered around the Springdale and Rogers areas, is the major industry in the metropolitan area, employing over 15,000 workers. The larger processors include Tyson Foods, Cargill, Hudson Foods, and Georges Inc. The Hudson Foods plant is going through an expansion that will raise employment to about 900 by January 1996. The shortage of local labor has forced the industry to recruit immigrant labor from the Texas-Mexico border. In the last several years, an estimated 10,000 Hispanics have relocated to the Springdale-Rogers area.

The largest private-sector employer in Arkansas is Wal-Mart Stores, Inc., headquartered in Bentonville and employing an estimated 10,000 persons in the metropolitan area. The second largest employer is Tyson Foods, Incorporated, which is headquartered in Springdale. Springdale is also the region's ground transportation hub, with Federal Express, United Parcel Service, and Airborne Express all located within a block of each other. Other major employers in the area include Campbell's Soup, Levi Strauss, Washington County Regional Medical Center, and the Veterans' Hospital.



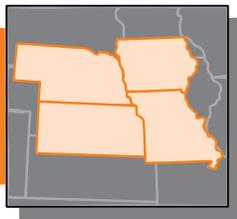
Fayetteville is home to the University of Arkansas, with a student body of 14,000 and a faculty and staff of over 4,000. To attract new industry, particularly higher wage, higher skilled jobs, the city of Fayetteville and the university created the Genesis Technology Incubator, which has spawned industries ranging from computer technology to biotechnology-engineering.

From 1990 through 1994, building permits were issued for 7,052 single-family units and for 6,168 multifamily units in the metropolitan area. In the first 5 months of 1995, permits have been issued for 1,129 single-family homes and 844 multifamily units.

Current levels of single-family construction are meeting the additional demand for sales housing, and sales of both new and existing homes have remained strong through the first 6 months of 1995. Most homes are sold within 30 days of listing. Local sources indicate that the price range of most of the new homes in the area is \$80,000 to \$100,000 in the Fayetteville area and \$70,000 to \$80,000 in the Springdale-Rogers submarket.

The rental market in the Fayetteville-Springdale area is extremely tight, despite the large number of units built since 1990. The main housing problem is the shortage of affordable rental housing for the rapidly growing population of minimum-wage and low-wage job holders. The shortage of affordable housing has led to overcrowding in some rental projects. In response to the shortage, one poultry processor has begun constructing apartments for its employees.

## GREAT PLAINS



Employment gains have continued in the Great Plains region into 1995. Unemployment remains low in all four States. Nebraska's 2.4-percent

unemployment rate as of May 1995 was one of the lowest in the Nation. Iowa was next with 3.0 percent, followed by Kansas with 4.4 percent, and Missouri with 4.8 percent.

For the 12 months ending May 1995, employment in the Great Plains increased by 201,000 jobs. Missouri led the region with nearly 86,700 new jobs. Riverboat gambling has become a major growth industry in the State, adding over 6,500 jobs. The gambling inauguration was on May 27, 1994, with two boats opening for business in the St. Louis area. One riverboat, the Admiral, with 1,200 employees, represents the largest new employer in the city of St. Louis in recent years. In June 1994 boats began operations in the Kansas City and St. Joseph areas. Through June 30, 1995, State and local tax revenues received directly from the gaming industry have totalled slightly over \$87 million.

Iowa, with 42,900 new jobs, was the second leading job producer in the region. In eastern Iowa near Muscatine, IPSCO Steel is building a \$375 million rolled steel and mill plate manufacturing facility. Hiring is now taking place for trainee positions. Major production will begin in the second quarter of 1996 with estimated employment of 375 persons. IPSCO Steel qualified for the State of Iowa's New Jobs and Income Program, which doubles job training dollars and increases tax credits. To receive these incentives, IPSCO must pay hourly employees a median hourly wage of at least \$16.13. Additionally, IPSCO must offer full benefits to 80 percent of the employees at the facility.

Nebraska, which added 33,200 jobs, had the highest percentage increase in jobs, 4.3 percent. This compares to 3.6 percent for the Great Plains region as a whole.

Kansas added 38,400 jobs during the 12 months ending May 1995. Alcoa recently announced it would begin construction of a \$9 million facility in Hutchinson for polishing aluminum fuselage sheet metal for aerospace use. The facility will employ up to 90 persons.

During the first half of 1995, permits for new residential construction in the Great Plains

region totalled 24,320 units, down 15 percent from the same period last year. Single-family permit activity was off 19 percent. The higher interest rates and slower sales were largely responsible for the lower activity. However, heavy single-family production in 1993 (40,071 units) and 1994 (42,960 units), which exceeded any production since 1978, partially satiated some of the pent-up demand for sales housing. All four States showed declines in single-family activity, ranging from 15 percent in Kansas to 24 percent in Nebraska.

Over the first 6 months of 1995, multifamily permit activity was almost unchanged, increasing slightly from 5,816 units in 1994 to 5,896 in 1995. Generally, rental housing vacancy rates have been declining and concessions have disappeared, except in weak submarkets. In the Kansas City area, the vacancy rate for garden apartments has declined to about 5.5 percent. Omaha's rate is reportedly below 5 percent; Des Moines has a balanced market; and Iowa City, the home of the University of Iowa, has a tight rental market.

Parts of the cities of Kansas City, Kansas, and Kansas City, Missouri, have been designated as one of the four HUD Enhanced Enterprise Communities that were approved nationally. The 19.6-square-mile area was awarded a \$22 million HUD Economic Initiative Grant, along with \$3 million in Social Services Block Grants. In addition, the State of Missouri has set aside tax credits and funds for loans for the area. The Enhanced Enterprise Community will provide incentive investment funds to create business expansion and jobs in the area, a fund to aid residents of the area to obtain needed job skills, and a neighborhood empowerment fund available to residents. Included in the plan elements are completion of construction of the Westside Business Park, construction of the first phase of the 18th Street East Industrial Park, and renovation of the historic Union Station for reuse as a science museum.

## Spotlight on

### Wichita, Kansas

The Wichita economy is dominated by the aircraft manufacturing industry, made up of Cessna, Raytheon/Beech, Learjet, Boeing, and numerous aircraft parts supply companies. Boeing, the largest with 15,500 employees (half the industry total), has reduced its workforce by 8,400 employees since 1989. These layoffs were caused by slower sales of commercial aircraft and cost cutting. The other three aircraft manufacturers produce planes for both general aviation and the military.

Recently, employment levels have been fairly stable. However, a major expansion of production over the next 20 years is widely anticipated throughout the industry. Raytheon/Beech just signed a \$9 billion, 700-plane contract with the U.S. Department of Defense (DoD) that will run for 20 years. As a result of recent changes in aircraft liability law, Cessna is re-entering the single-engine market. The company is adding 1,000 jobs in Wichita in the near future and 1,000 more at a new assembly plant that will be completed in Independence, Kansas, within the next 12 months.

With employment in the aircraft industry stabilizing, wage and salary employment increased approximately 4,200 in the 12 months ending May 1995. As the market improves for commercial aircraft manufacturing, the economic base should continue to expand for the next few years. The strengthening of the economy over the past year has pushed down the unemployment rate to 5.1 percent.

Wichita is in the midst of a downtown revitalization that includes an expansion of the convention center, a commitment from a major hotel chain to build a 300-bed convention hotel, efforts to refurbish a vacant 30-year old downtown high-rise hotel, the rehabilitation of a vacant building for State offices, renovation of the historic county courthouse, and infrastructure improvements. Old Town, an area several blocks east of downtown, has undergone renovation of old warehouse

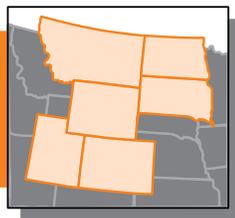


and manufacturing buildings for use as restaurants, bars, and shops. Its success has helped to spur the efforts to renovate the downtown area.

With declining interest rates and a moderately expanding economic base, production of single-family housing increased steadily from 1,450 units in 1990 to 2,235 in 1994. The 1994 total was the highest for at least the past 16 years. However, permit activity fell 36 percent in the first half of 1995 from the same period of 1994. Home sales rose to 7,999 in 1994, 10 percent above the 1993 total and 74 percent more than in 1990. The median sales price rose 3.2 percent to \$73,700. Rising interest rates caused sales to decline by 25 percent in the first 5 months of 1995 from the year-earlier period, while the median sales price dipped to \$72,600. Inventories of new houses, particularly those priced over \$120,000, are rising and some builders are offering to pay all or part of the closing costs for buyers. Sales and construction activity over the next 2 years are not expected to increase significantly.

The rental market started to soften in 1993 because of layoffs in the aircraft industry and continued to soften as low mortgage interest rates attracted tenants to homeownership. The overall rental vacancy rate is currently around 11 percent and the apartment vacancy rate is 9.5 percent, double the rates in 1992. Rent increases have slowed, turnover is high, and concessions are commonplace. In response to the soft market, multifamily construction since 1990 has been negligible except for several tax credit-financed projects. Only 112 multifamily units were permitted in 1994 and there have been only 10 units permitted so far this year.

## ROCKY MOUNTAIN



Employment growth slowed in the second quarter of 1995, but most States in the region

continued to post moderately strong annual gains of 3 to 4 percent. Utah continues to lead the region with a gain of almost 6 percent, while Wyoming's growth rate of under 2 percent persistently lags behind both the region and the United States.

Construction job gains slowed in all States but Utah; the good news is that no State saw an actual loss due to the poor Spring weather. Manufacturing employment continues to expand. Continued growth in computer equipment production has made South Dakota's manufacturing sector the fastest growing among Rocky Mountain States. The Summer tourist season got off to a slow start because of the poor weather, but trade and services continue to post impressive job gains. Unemployment rates moved up in April, but most were unchanged in May. The unemployment rate remains under 4 percent in Colorado, Utah, and the Dakotas.

The surge of in-migration of the early 1990s has peaked. The labor markets have stayed generally balanced throughout the period of high in-migration. However, spot shortages continue in some construction trades and some difficulties persist in finding entry-level workers.

Total building activity in the first 6 months of 1995 was down 7 percent from the first 6 months of 1994. A 20-percent decline in single-family permits, to 23,590 units, has been partially offset by a continued surge in multifamily activity that began last Fall. Permits were issued for 9,846 multifamily units in the first half of 1995, a 55-percent increase over the comparable 1994 period. In the Denver-Boulder area, the number of multifamily units permitted in the first half of 1995 (2,757) was more than double the activity in the first half of 1994. Apartment construction in the region should continue to increase throughout 1995. While single-family building in 1995 will almost certainly be below the 1994 level and about equal to the 1993 level, this will still make 1995 the second or third most active year in the past 10 years.

With some notable exceptions like Douglas County (a fast-developing suburban county in the Denver area), most metropolitan areas at the beginning of 1995 were slightly overbuilt. After

some concessions and a cutback in production, most of the surplus of unsold new homes has been cleared. Builders have also begun to shift from the higher to the more moderate-price range. Some softness remains in the higher price ranges.

The shortages of lots reported during the first half of 1994 had eased by the beginning of 1995. In some areas lot sales picked up by midyear after a lull in the first quarter. Condominium conversions have begun to appear in the Denver and Boulder markets in response to the strong sales markets and high prices in selected submarkets. Only a few new condominium developments are under construction. There has been an increase in townhouse development.

Rental markets in the region are balanced to tight. Vacancy rates remain low in the major markets, but conditions have eased because of the recent new construction. The high rents have given tenants an incentive to purchase homes, double up, or commute from less expensive outlying areas. New projects have rented up relatively fast, although concessions are appearing for some of the larger, more expensive rental units.

Existing home sales in the first quarter of 1995 were down from 1 year ago in all States. The rate of decline for the region was about 11 percent, a less precipitous decline than the 18-percent drop in the fourth quarter of 1994. First quarter sales in Wyoming picked up considerably from the fourth quarter of 1994; the net result was a decline of less than 1 percent from 1 year ago. Colorado and Utah sales were also up in the first quarter, but the declines from 1 year ago were still in double digits in these States. Price increases have begun to slow with the easing of sales. The median sales price was up 11 percent from 1 year ago in Salt Lake City. Smaller increases were reported in the major markets in Colorado and the Dakotas.

## Spotlight on

### Colorado Springs, Colorado

The Colorado Springs economy boomed in 1994, growing at its fastest pace in 10 years. The high growth rate is related to the impact of the location of Apple Computer, Inc., and MCI Communications Corporation in Colorado Springs beginning in 1992. Apple, MCI, and related spinoff companies continued to expand in 1994. All employment sectors grew, with the largest gains in the construction, trade, and services sectors, which accounted for nearly 70 percent of the growth. The recent employment gains largely reflect the secondary impact from the surge of high-paying positions that were created in 1992 and 1993. By the end of 1994, the seasonally adjusted unemployment rate had dropped to 3.7 percent, the lowest level in the past 20 years.

Employment growth has slowed in the second quarter of 1995. This trend will continue over the next few years as the secondary employment effects taper off and corporate relocations slow because of the diminishing supply of bargain-rate space available since the late 1980s. In addition, troop shifts at Fort Carson will result in the net loss of 2,500 military personnel by the Fall of 1996. None of the area's other military installations were significantly affected by the recent base closure recommendations.

The sales market has softened in the past 6 months from the extremely tight conditions of the past few years. High-end speculative sales housing (\$300,000 and over) is overbuilt as builders had expected more sales of expensive homes to high-income in-migrants. In addition, potential buyers have been cautious because of the uncertainty of the future of Fort Carson. Builders have cut construction in response; during the first half of 1995 permits were issued for 1,518 units, a 33-percent decline from the first 6 months of 1994. This drop should help bring the supply of single-family homes more in line with demand.



Following the favorable news from DoD that there would be no further cuts at the local military installations, both the existing and new sales markets have begun to recover. Sales activity in 1995, however, will remain below the frantic pace of 1993 and the first half of 1994. Despite the more balanced market conditions, the average price of an existing single-family home increased 8 percent in the past 12 months to nearly \$125,000. Future demand will be less than the high levels experienced during the past few years and will focus primarily on moderately priced single-family homes, townhouses, and condominiums.

The rental market has begun to ease slightly in the past 6 months from the extremely tight conditions of the past few years. The vacancy rate in the first quarter of 1995 was up slightly to 3 percent, and recent rent increases are averaging about 6 percent annually compared with the double-digit increases in prior years. The rental market will continue to move from a tight to balanced condition during the remainder of the year because of the decline in in-migration, the personnel reductions at Fort Carson, and the increased supply of new units entering the market. An increase in vacancies is expected in the submarket near Fort Carson; however, because of the pent-up demand for affordable rentals, the vacancy problems should be of short duration.

There are nearly 800 rental units currently under construction, 200 of which are financed with tax credits. Another 600 units are in the pipeline. Most of the new projects will start coming on the market late this year.

## PACIFIC



The performance of the Pacific States economies thus far in 1995 has been varied. California is continuing its slow recovery as June 1995

nonfarm employment rose above its year-earlier level by 118,000 jobs, or 1 percent. Arizona's growth is slowing a bit. The year-over-year percentage gains in nonfarm employment have fallen steadily during 1995, declining to 4.3 percent in May, still a very hardy growth rate. Nevada's economy, due mainly to Las Vegas, is doing well. Statewide nonfarm employment was up by 5.8 percent from May 1994 to May 1995. Hawaii has the softest economy, as employment dipped slightly below the year-earlier level.

Facing sluggish markets, California's residential builders cut back during the first 6 months of 1995. Permits issued for single-family units (32,299) were 23 percent below the year-earlier level. The number of multifamily units authorized (7,307) also declined 22 percent.

California home sales through April were weak, with sales of both new and resale units off about one-fourth over last year. The declines were widespread geographically for both categories. Home prices were down from last year in many areas. Resales showed some improvement in May over April levels, attributable to lower interest rates. Lackluster sales have produced an inventory buildup. As of May the listings of existing single-family homes equalled an 11 months' supply at current sales rates compared with an 8 months' supply in May 1994. The supply of condominiums also increased from 10 months to 15 months.

Southern California rental markets vary substantially by area, but are in general quite weak. Northern Los Angeles County is probably the weakest, with a 20-percent vacancy rate. Orange County has about a 10-percent vacancy rate. San Diego, however, has a balanced rental market. The rental market in San Francisco also is balanced, with a vacancy rate in the 5- to 6-percent range. East Bay rental markets are softer.

In Arizona single-family building permits through June (19,362) were down from the first half of 1994, but home construction is still relatively strong. In Phoenix single-family permits in the first half of 1995 (13,900) were off only about 10 percent from the first half of 1994. Multifamily activity in Arizona continued to increase, with the number of units permitted in the first 6

months of 1995 (6,809) up 89 percent. Phoenix accounted for about three-fourths of the State's multifamily activity for the first half of the year, with the number of units permitted more than double the same period of last year.

Total home sales in both Phoenix and Tucson fell sharply during the first 5 months of 1995. The Phoenix slowdown this year was substantially less than that of Tucson. In both areas percentage declines in resales greatly exceeded those for new homes.

The first quarter apartment vacancy rate in Phoenix was about 5 percent. During the same period, rents in some of the larger projects rose by 10 percent. The comparable 1995 Tucson vacancy rate was also about 5 percent, but this represented an increase from last year. Vacancies in both areas are expected to rise because of the impact of new construction hitting the market and slower overall absorption.

In Nevada single-family permits for the first 6 months of 1995 were off 11 percent from the same period last year, but the market is still relatively strong. In Las Vegas single-family authorizations (9,590 units) fell by 11 percent through June, but multifamily units permitted (4,341 units) were up by 7 percent. The Las Vegas apartment vacancy rate has not changed over the last 6 months, holding at a low 4.5 percent despite greatly increased apartment construction.

In Hawaii single-family building permit activity was down 8 percent, but multifamily units were up 25 percent compared with the first 6 months of 1994. In Honolulu resales of both single-family homes and condominiums through May were down about 40 percent compared with sales in the first 5 months of 1994.

## Spotlight on

### Fresno, California

The Fresno MSA, which includes Fresno and Madera Counties, serves as the agricultural,

financial, commercial, and educational center of the San Joaquin Valley in central California.

Fresno County is the number one agricultural-producing county in the United States, surpassing second-ranked Tulare County, California, by 23 percent. The 1994 total gross production value was \$3.1 billion, the second year the county topped the \$3 billion mark. Cotton, grapes, tomatoes, milk, and cattle were the key products in 1994.

By May 1995 employment in the Fresno MSA totalled 318,200, virtually unchanged from May 1994. The farm sector constituted 18.5 percent of the jobs and posted a 3-percent decline from May 1994. The nonfarm sector increased slightly from the previous year to reach 259,200. All industries, except business services and government, declined or had only nominal gains. Employment in business services increased by 1,300, a 12-percent increase over May 1994. Government employment increased by 2,000 jobs, 3.2 percent.

The sales housing market in the Fresno MSA has been weak. The volume of FHA-insured single-family homes dropped 55 percent, from 12,530 in the first half of 1994 to 5,687 in the comparable 1995 period. MLS data show sales declined 22 percent, from 1,357 in the second quarter of 1994 to 1,063 a year later. The average time on the market for a home increased from 126 days to 135 days during the same period. Developers have confirmed that new home sales have been off by 25 percent from the previous year, continuing a downward trend that began in the last half of 1992. The entry-level market, homes ranging from \$89,000 to \$120,000, has performed the best. The move-up market, especially those priced above \$150,000, has eroded.

Builders' responses to diminished demand have included financing incentives, such as buydowns and discounted or free amenities. Some new home prices have been reduced by 10 percent. Permits for single-family units have declined 22 percent from 1,827 to 1,428 from 1994 to 1995.

The rental market also has softened this year. A local consultant places the 1995 vacancy rate at 8 percent, which is almost 1 percent higher than in 1994. Households are doubling up, and



vacancies among lower rent units have climbed to 10 percent. At the upper end of the rental market, two-bedroom units renting for more than \$600, vacancy levels are in the 5- percent range, though tenants are being siphoned off by ownership opportunities or by single-family home rentals.

There has been some activity in the seniors housing market. A 148-unit, independent-living facility in Clovis is currently in the second phase of construction. Lease-up experience has been favorable. Administrators of Alzheimers residential care facilities are currently contemplating expansion. Several skilled nursing facilities have recently converted wings dedicated entirely to patients with symptoms of dementia. A multi-level skilled nursing facility is also planned for Clovis.

## NORTHWEST



The strong expansion in the Northwest economy appears to have stalled during the second quarter of 1995. While wage and salary employment increased 3.3 percent in the past 12 months, employment in the second quarter was virtually unchanged from first quarter 1995 levels. Despite the slowdown, the unemployment rate continued to decline to 5.7 percent as of the second quarter of 1995.

Oregon is the only State in the region expected to outperform the national economy this year. The development of high-technology manufacturing facilities will continue to boost the State's economy. Intel, Integrated Device Technologies, Komatsu Electronic Metals, Hyundai Electronics America, Wacker Sitronic Corporation, and Fujitsu have all recently announced plans to expand or build new plants in Oregon. These expansions represent approximately 4,700 additional jobs. According to Oregon State economists, total employment is projected to grow by

about 2 percent a year (31,000 jobs) annually over the next 10 years. The service industry will account for nearly half of the new jobs, with the high-technology machinery and electronics industries also being major factors. The Portland-Vancouver-Salem and the Eugene-Springfield metropolitan areas are expected to experience a large part of this job growth.

The employment outlook in Washington improved during the second quarter when an early retirement program offered by Boeing reduced the need for a previously announced layoff of some 6,500 employees during 1995. Airplane orders have increased, and the downturn at Boeing appears to be nearing the end. However, downsizing at the Hanford Reservation in the Tri-Cities area (Richland-Kennewick-Pasco) is well underway. The area has already lost over half of the 4,700 jobs targeted for elimination this year. The Tri-Cities unemployment rate as of May was 6.6 percent and total employment was down 2.8 percent over the past 12 months to 73,300.

Alaska's prospects in 1995 are for little if any growth. Employment is expected to decline in both the oil and timber industries. However, the tourism industry is booming, and the Fairbanks area is experiencing a modern day gold rush at the Fort Knox gold mine. Mining companies have staked more than 80 square miles of claims since October.

Population continues to grow faster than the national average in all four States in this region. However, the rate of growth has slowed from the rapid pace of 1988-1993, which was stimulated by in-migrants from California. With the economy improving in California, there has been a decline of in-migrants. During the first half of this year, migration to Oregon was down nearly 33 percent compared to the same period a year ago. Idaho continues to show strong growth but at a much slower pace than in 1994 when the State had the second highest population growth rate in the Nation.

Single-family building activity in the region showed some improvement this quarter but remained behind last year's levels. The number of single-family building permits issued (26,292) during the first 6 months of the year was 15

percent below the same period a year ago. The biggest drops were in Idaho (3,624) and Washington (13,963) at 22 and 20 percent, respectively. Single-family activity in Oregon (7,835 units) was down only 5 percent from first half of 1994 levels.

Builders are concerned about the supply of developed lots in Oregon, Idaho, and Washington. In Oregon there is a definite shortage of easy-to-develop lots and current land-use regulations are expected to limit the available supply during the next couple of years. The single-family lot inventory is especially tight in the Puget Sound markets and serious shortages are expected as early as next year. Environmental and growth management will continue to keep a tight rein on development in this area. Inadequate financing for infrastructure could become a serious constraint to development in Idaho next year.

New and existing home sales throughout the Northwest were still well below the number recorded during the second quarter of 1994. Both new and existing home sales were down in every metropolitan area in the region except Anchorage. The slowdown is primarily the result of higher interest rates and slower in-migration.

In Washington sales were down 20 to 30 percent; in Oregon sales dropped 10 percent. Sales in Boise were also down by 20 percent. Sales prices in most areas have increased only modestly or have remained unchanged.

Rental market conditions are balanced in most of the market areas in the Northwest. The Seattle rental market continues to improve. The overall rental vacancy rate is around 5 percent. There is still some softness in the south King County submarket where the vacancy rate is around 8 percent. In Portland the vacancy rate is around 5 percent and the market is balanced. Apartment vacancy rates remain extremely low in Eugene (2.5 percent) and Salem (3.5 percent). Market conditions in Boise, Anchorage, and Tacoma are moving from balanced to soft. The rental market in the Tri-Cities exhibited the most dramatic quarterly change as vacancies rose 2 percentage points to 7 percent, reflecting the job declines at the Hanford Reservation.

Multifamily permit activity continues to be strong in most of the Northwest. The number

of units permitted in the first 6 months of 1995 (12,239) represents a 31-percent increase compared with the same period in 1994. Activity increased 78 percent in Oregon (to 5,000 units) and 25 percent (to 6,047 units) in Washington. The level of activity in Idaho was down 35 percent. As a result of the large number of units in the pipeline for Boise, developers have cut back until the new supply can be absorbed. To date, new units are renting well.

## Spotlight on

### Eugene-Springfield, Oregon

The mid-1990s have been a very prosperous period for the Eugene-Springfield metropolitan area. As of July 1, 1994, the population was estimated to be 300,000, an increase of 17,100 (6 percent) since the 1990 census. Nonfarm employment increased by 3 percent between the second quarters of 1994 and 1995, as nearly 4,000 jobs were added. At 5 percent the unemployment rate is near a record low.

The 1990s have been a period of transition for both the goods- and services-producing sector. The early 1990s were a weak labor market as nonfarm employment contracted from 118,600 jobs in the second quarter of 1990 to 116,800 by the second quarter of 1992. The goods-producing sector experienced a loss of 2,400 jobs, 2,000 of which were concentrated in the lumber and wood sector. Job losses in the lumber and wood products industry were due both to efficiency gains in production and the dwindling supply of logs from federally owned land.

Since mid-1992 employment in the Eugene-Springfield area has grown by 12,100 jobs, 8.1 percent. Despite continued contraction in the lumber and wood products industry, the goods-producing sector added 3,000 jobs during this period and the services-producing sector another 9,100 jobs. Goods-producing employment growth over the period was almost evenly split between durable goods and construction. Employment growth in durable goods industries, such as primary and fabricated metals and transportation



equipment, is especially significant for the Eugene-Springfield area because it signals the end of a long era of dependence on the lumber and wood products industry. There is concern that, on average, wages paid in these expanding industries will be inferior to those paid in the timber and wood products industry.

The goods-producing sector should see significant job growth in the immediate future with the opening of Sony Corporation's compact disc manufacturing facility this year. The Sony facility will employ 340 initially and will increase employment to 1,000 over the next 5 years.

Hyundai Electronics of South Korea is currently constructing a \$1.3 billion memory chip manufacturing facility in west Eugene. The plant is scheduled to start production in early 1997 and eventually employ up to 1,000 people. Hyundai's arrival is especially significant since it is the first time one of South Korea's three large chip manufacturing companies has built a factory in the United States.

The Oregon Employment Department recently forecast employment growth of 22 percent between 1995 and 2005 for the Eugene-Springfield metropolitan area. Leading growth industries are expected to be business and professional services, durable goods, and health services.

The area is also the location of the University of Oregon, with an enrollment of close to 17,000 and 3,100 faculty and staff. The university generates approximately \$287 million in spending in the Eugene-Springfield area annually.

Sales of single-family homes have been robust during the 1990s, with an average of 1,250 homes sold annually from 1990 to 1994. Sales began to slow in the first quarter of 1995 and in the second

quarter of 1995 were down by 17.4 percent compared with the same period in 1994. As a result, permits for the construction of new single-family homes fell dramatically from year-earlier levels, as just 483 permits were issued. A growing inventory of new houses at the outset of 1995 and higher mortgage rates combined to rein in the pace of new construction. However, sales picked up substantially in June. Moderately priced homes in the \$140,000 to \$150,000 range are selling rapidly, but sales remain slow for homes above \$200,000 where there is still an overhang in the inventory.

Owner-occupied housing affordability is becoming a pressing issue in the Eugene-Springfield area. In 1990 the median price of a home sold was 2.1 times the median family income; by 1995 this figure had risen to 2.8. During the second quarter of 1995, only 18 percent of sales were for homes less than \$75,000. Among the most controversial housing issues in the Eugene-Springfield area is the proposed 1 percent tax on electricity use in the city of Eugene, the revenue to be used for the construction of 150 new rental units, 50 rehabilitated rental units, and 20 houses targeted for low-income persons.

The rental market is tight, and the vacancy rate at the end of the second quarter of 1995 is estimated to be 2.5 percent, down 1.5 percentage points from the same quarter 1 year ago. The decline in rental vacancies can be attributed to the slow pace of new construction activity; only about 250 units arrived on the market during this period. The rental vacancy rate has, in all likelihood, bottomed out as approximately 600 units are expected to come on the market during the last half of 1995. Over the past 6 months, rents have increased by about 2 percent.

# Historical Data

Table 1. New Privately Owned Housing Units Authorized\*: 1959–Present \*\*



Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
<b>Annual Data</b>											
1959	1,208.3	938.3	77.1	NA	192.9	NA	NA	222.4	285.8	355.8	344.3
1960	998.0	746.1	64.6	NA	187.4	NA	NA	199.0	228.3	283.0	287.7
1961	1,064.2	722.8	67.6	NA	273.8	NA	NA	229.4	226.1	299.4	309.4
1962	1,186.6	716.2	87.1	NA	383.3	NA	NA	242.5	238.3	342.8	363.0
1963	1,334.7	750.2	51.0	67.9	465.6	1,080.8	253.8	239.4	268.8	403.2	423.3
1964	1,285.8	720.1	49.1	51.7	464.9	1,034.4	251.4	243.4	286.9	401.4	354.2
1965	1,239.8	709.9	47.3	37.5	445.1	992.3	247.5	252.7	310.5	407.5	269.1
1966	971.9	563.2	36.3	24.7	347.7	775.2	196.8	209.8	250.9	331.1	180.2
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>											
<b>1994</b>											
April	1,375	1,067	61		247	NA		136	301	594	344
May	1,377	1,101	65		211	NA		142	307	583	345
June	1,350	1,062	60		228	NA		146	299	560	345
July	1,347	1,049	61		237	NA		160	303	572	312
August	1,386	1,063	59		264	NA		143	306	590	347
September	1,426	1,066	61		299	NA		136	297	616	377
October	1,401	1,046	69		286	NA		131	324	592	354
November	1,358	1,025	68		265	NA		138	304	599	317
December	1,420	1,105	61		254	NA		168	325	616	311
<b>1995</b>											
January	1,293	990	66		237	NA		128	285	578	302
February	1,282	931	54		297	NA		115	280	547	340
March	1,235	911	67		257	NA		125	275	564	271
April	1,243	905	61		277	NA		128	269	540	306
May	1,243	930	63		250	NA		115	266	539	323
June	1,271	959	66		246	NA		114	280	553	374

\* Authorized in Permit-Issuing Places.

\*\* Components may not add to totals because of rounding.

Units in thousands.

Source: Bureau of the Census, Department of Commerce



**Table 2. New Privately Owned Housing Units Started: 1959–Present \***

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
<b>Annual Data</b>											
1959	1,517.0	1,234.0	55.9	227.0	NA	1,054.9	462.1	268.7	367.4	511.4	369.5
1960	1,252.2	994.7	44.0	213.5	NA	864.5	387.7	221.4	292.0	429.4	309.4
1961	1,313.0	974.3	43.9	294.8	NA	913.6	399.4	246.3	277.7	472.7	316.3
1962	1,462.9	991.4	49.2	422.3	NA	1,034.1	428.8	263.8	289.6	531.2	378.3
1963	1,603.2	1,012.4	52.9	537.8	NA	1,125.4	477.8	261.0	329.2	586.2	426.8
1964	1,528.8	970.5	53.9	54.5	450.0	1,079.8	449.0	254.5	339.7	577.8	356.9
1965	1,472.8	963.7	50.8	35.8	422.5	1,011.9	460.9	270.2	361.5	574.7	266.3
1966	1,164.9	778.6	34.6	26.5	325.1	787.7	377.1	206.5	288.3	472.5	197.6
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>											
<b>1994</b>											
April	1,463	1,209	31	223	NA	NA	150	355	615	343	
May	1,489	1,197	36	256	NA	NA	135	323	684	347	
June	1,370	1,174	18	178	NA	NA	137	306	602	325	
July	1,440	1,219	32	189	NA	NA	131	340	600	369	
August	1,463	1,174	40	249	NA	NA	148	319	681	315	
September	1,511	1,235	42	234	NA	NA	136	337	659	379	
October	1,451	1,164	39	248	NA	NA	130	313	648	360	
November	1,536	1,186	62	288	NA	NA	159	380	661	336	
December	1,545	1,250	33	262	NA	NA	139	341	714	351	
<b>1995</b>											
January	1,366	1,055	38	273	NA	NA	117	288	621	340	
February	1,319	1,048	42	229	NA	NA	131	280	562	346	
March	1,238	987	35	216	NA	NA	140	271	550	277	
April	1,269	1,009	26	234	NA	NA	109	273	571	316	
May	1,264	974	37	253	NA	NA	128	250	553	333	
June	1,263	1,012	35	216	NA	NA	118	274	548	323	

\* Components may not add to totals because of rounding. Units in thousands.  
Source: Bureau of the Census, Department of Commerce



**Table 3. New Privately Owned Housing Units Under Construction: 1969–Present\***

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
<b>Annual Data</b>											
1969	884.8	349.6	23.0	26.2	486.0	NA	NA	158.7	210.5	335.2	180.3
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>											
<b>1994</b>											
April	736	582	18	136	NA	92	168	294	182		
May	746	581	18	147	NA	93	170	302	181		
June	751	585	17	149	NA	95	169	305	182		
July	757	585	17	155	NA	93	171	310	183		
August	770	589	18	163	NA	94	173	320	183		
September	773	590	19	164	NA	91	172	324	186		
October	779	587	21	171	NA	93	174	325	187		
November	787	587	23	177	NA	96	179	325	187		
December	791	584	23	184	NA	98	179	328	186		
<b>1995</b>											
January	792	578	22	192	NA	94	179	329	190		
February	797	579	22	196	NA	96	178	327	196		
March	769	552	22	195	NA	95	171	319	184		
April	763	544	22	197	NA	95	165	318	185		
May	757	536	22	199	NA	95	156	316	190		
June	762	536	22	204	NA	96	158	316	192		

\* Components may not add to totals because of rounding. Units in thousands.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



**Table 4. New Privately Owned Housing Units Completed: 1968–Present\***

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
<b>Annual Data</b>											
1968	1,319.8	858.6	44.2	33.4	383.6	920.4	399.5	198.8	347.5	527.4	246.1
1969	1,399.0	807.5	44.0	35.4	512.1	1,009.4	389.6	219.8	344.7	553.1	281.4
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>											
<b>1994</b>											
April	1,363	1,200	32		131	NA		124	300	610	329
May	1,438	1,245	39		154	NA		145	326	582	385
June	1,333	1,151	27		165	NA		122	317	572	322
July	1,280	1,157	24		99	NA		124	285	538	333
August	1,337	1,144	27		166	NA		146	307	546	338
September	1,400	1,158	36		206	NA		131	319	619	331
October	1,376	1,169	24		183	NA		127	307	622	320
November	1,371	1,136	34		201	NA		111	301	628	331
December	1,388	1,173	35		180	NA		120	326	612	330
<b>1995</b>											
January	1,436	1,209	45		182	NA		152	346	639	299
February	1,302	1,080	44		178	NA		132	314	558	298
March	1,443	1,222	35		186	NA		144	323	600	376
April	1,334	1,089	39		206	NA		100	344	586	304
May	1,330	1,076	35		219	NA		133	327	564	306
June	1,251	1,035	33		183	NA		127	275	551	298

\* Components may not add to totals because of rounding. Units in thousands.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

**Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1974–Present**



Period	Shipments*	Placed for Residential Use*				Average Price	For Sale*	
	U.S.	U.S.	Northeast	Midwest	South	West		
<b>Annual Data</b>								
1974	329	332	23	68	171	70	\$9,300	92
1975	213	229	15	49	111	55	\$10,600	64
1976	246	250	17	52	115	67	\$12,300	67
1977	277	258	17	51	113	78	\$14,200	70
1978	276	280	17	50	135	78	\$15,900	74
1979	277	280	17	47	145	71	\$17,600	76
1980	222	234	12	32	140	49	\$19,800	56
1981	241	229	12	30	144	44	\$19,900	58
1982	240	234	12	26	161	35	\$19,700	58
1983	296	278	16	34	186	41	\$21,000	73
1984	295	288	20	35	193	39	\$21,500	82
1985	284	283	20	39	188	37	\$21,800	78
1986	244	256	21	37	162	35	\$22,400	67
1987	233	239	24	40	146	30	\$23,700	61
1988	218	224	23	39	131	32	\$25,100	58
1989	198	203	20	39	113	31	\$27,200	56
1990	188	195	19	38	108	31	\$27,800	49
1991	171	174	14	35	98	27	\$27,700	49
1992	211	212	15	42	124	30	\$28,400	51
1993	254	243	15	45	147	36	\$30,500	61
1994	304	286	16	53	174	43	\$33,500	72
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>								
<b>1994</b>								
March	304	277	11	59	164	42	\$32,100	66
April	292	282	15	51	174	42	\$31,900	68
May	296	299	16	49	191	42	\$32,100	69
June	295	276	12	48	171	45	\$34,300	69
July	289	299	20	54	184	41	\$32,600	71
August	295	262	17	48	157	39	\$33,500	73
September	307	280	18	48	170	45	\$34,800	73
October	314	305	20	53	186	45	\$34,700	73
November	322	313	17	59	196	42	\$34,600	71
December	347	319	16	64	191	47	\$35,700	73
<b>1995</b>								
January	361	357	22	65	230	40	\$35,600	72
February	335	314	20	67	186	41	\$34,800	74
March	333	304	14	60	192	38	\$34,100	76
April	318	283	10	48	183	41	\$34,000	79
May	329	NA	NA	NA	NA	NA	NA	NA

\* Components may not add to totals because of rounding. Units in thousands.

Sources: Shipments—National Conference of States on Building Codes and Standards Placements—Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



**Table 6. New Single-Family Home Sales: 1963–Present\***

Period	Sold During Period					For Sale at End of Period					Month's Supply at Current U.S. Sales Rate	
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West		U.S.
<b>Annual Data</b>												
1963	560	87	134	199	141	265	48	57	85	73	NA	NA
1964	565	90	146	200	129	250	41	49	87	71	NA	NA
1965	575	94	142	210	129	228	47	50	75	55	NA	NA
1966	461	84	113	166	99	196	40	45	61	49	NA	NA
1967	487	77	112	179	119	190	36	48	65	40	NA	NA
1968	490	73	119	177	121	218	38	53	82	45	NA	NA
1969	448	62	97	175	114	228	39	52	85	53	NA	NA
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	413	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	294	191	340	55	63	140	82	NA	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>						<b>(Not Seasonally Adjusted)</b>					<b>(Seasonally Adjusted)</b>	
<b>1994</b>												
April	672	60	129	292	190	296	50	49	122	74	298	5.3
May	689	61	121	314	194	301	51	51	123	76	302	5.3
June	632	56	119	268	189	316	52	55	129	79	313	6.0
July	630	51	110	280	190	318	54	55	129	80	317	6.2
August	672	75	115	276	205	323	54	57	134	79	322	6.0
September	691	90	110	299	192	332	53	61	139	80	328	5.9
October	707	64	134	305	204	331	52	62	137	80	330	5.7
November	642	61	130	274	177	335	53	62	139	81	335	6.5
December	627	50	121	299	157	340	55	63	140	82	338	6.6
<b>1995</b>												
January	643	65	116	286	176	340	55	62	142	81	342	6.7
February	575	66	108	274	127	341	54	63	142	82	347	7.2
March	612	56	121	269	165	343	55	62	146	80	347	6.9
April	610	53	125	260	172	344	56	60	148	79	348	6.8
May	686	55	131	298	202	346	58	61	148	79	347	6.1
June	728	68	136	305	219	349	58	61	151	79	347	5.8

\* Components may not add to totals because of rounding. Units in thousands.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



**Table 7. Existing Single-Family Home Sales: 1968–Present\***

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
<b>Annual Data</b>							
1968	1,569	243	490	529	308	NA	NA
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>							
<b>1994</b>							
April	4,110	570	1,070	1,530	930	1,930	5.6
May	4,110	640	1,060	1,540	870	1,950	5.7
June	4,010	630	1,060	1,470	850	1,840	5.6
July	3,940	620	1,030	1,450	840	1,810	5.6
August	3,910	600	1,000	1,450	870	1,860	5.8
September	3,870	560	1,050	1,430	820	1,690	5.2
October	3,820	560	1,010	1,420	820	1,790	5.5
November	3,690	550	990	1,340	810	1,670	5.3
December	3,760	540	1,010	1,400	810	1,380	4.3
<b>1995</b>							
January	3,610	560	910	1,380	750	1,530	5.1
February	3,420	540	840	1,310	740	1,770	6.2
March	3,620	550	960	1,350	760	1,820	6.0
April	3,390	550	900	1,250	700	1,900	6.7
May	3,550	520	950	1,370	710	1,800	6.1
June	3,780	570	1,000	1,450	760	1,760	5.6

\* Components may not add to totals because of rounding. Units in thousands.

Source: NATIONAL ASSOCIATION OF REALTORS®



**Table 8A. New Single-Family Home Prices: 1963–Present**

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant Quality House <sup>1</sup>
<b>Annual Data</b>							
1963	18,000	20,300	17,900	16,100	18,800	19,300	NA
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	65,500
1978	55,700	58,100	59,200	50,300	61,300	62,500	74,800
1979	62,900	65,500	63,900	57,300	69,600	71,800	86,000
1980	64,600	69,500	63,400	59,600	72,300	76,400	94,900
1981	68,900	76,000	65,900	64,400	77,800	83,000	102,500
1982	69,300	78,200	68,900	66,100	75,000	83,900	105,000
1983	75,300	82,200	79,500	70,900	80,100	89,800	107,600
1984	79,900	88,600	85,400	72,000	87,300	97,600	112,300
1985	84,300	103,300	80,300	75,000	92,600	100,800	114,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	120,100
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,200
1988	112,500	149,000	101,600	92,000	126,500	138,300	131,800
1989	120,000	159,600	108,800	96,400	139,000	148,800	136,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	138,700
1991	120,000	155,900	110,000	100,000	141,100	147,200	140,000
1992	121,500	169,000	115,600	105,500	130,400	144,100	142,600
1993	126,500	162,600	125,000	115,000	135,000	147,700	146,800
1994	130,000	169,000	132,900	116,900	140,400	154,500	152,900
<b>Quarterly Data</b>							
<b>1994</b>							
2nd Quarter	130,000	172,000	131,800	118,500	137,000	154,200	151,900
3rd Quarter	129,700	165,000	133,300	113,700	140,000	152,800	153,600
4th Quarter	132,000	169,000	130,000	117,900	148,000	156,100	155,700
<b>1995</b>							
1st Quarter	130,000	179,900	130,000	118,000	139,400	153,500	155,200
2nd Quarter	133,000	180,000	133,900	124,000	142,000	158,600	157,300

<sup>1</sup> The average price for a constant quality unit is derived from a set of statistical models relating sales price to selected standard physical characteristics of housing units.

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



**Table 8B. Existing Single-Family Home Prices: 1968–Present**

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
<b>Annual Data</b>						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,800	139,100	87,900	96,000	146,700	136,700
<b>Monthly Data</b>						
<b>1994</b>						
April	109,100	139,400	87,700	95,600	146,000	135,700
May	109,900	138,300	87,500	96,300	148,700	136,700
June	113,300	142,200	89,900	100,300	150,200	141,300
July	112,400	142,100	89,700	97,400	150,200	139,700
August	113,000	145,000	89,700	98,100	149,100	141,200
September	108,900	137,800	87,500	94,500	146,600	135,800
October	107,500	135,100	87,300	94,200	140,300	133,000
November	108,700	135,500	87,000	94,500	146,700	133,200
December	109,100	134,600	89,100	94,200	144,800	135,600
<b>1995</b>						
January	108,100	135,200	88,700	93,200	143,300	135,300
February	107,000	137,000	86,900	92,300	144,400	133,400
March	107,900	136,700	88,000	92,600	141,900	134,500
April	108,100	134,100	88,600	93,400	143,900	134,200
May	109,000	134,900	91,100	93,600	144,100	135,400
June	115,900	140,600	95,000	101,500	148,100	142,900

Source: NATIONAL ASSOCIATION OF REALTORS®



**Table 9. Housing Affordability Index: 1970–Present**

Period	U.S.				Affordability Indexes*		
	Median Existing Price	Mortgage Rate <sup>1</sup>	Median Family Income	Income To Qualify	Composite	Fixed	ARM
<b>Annual Data</b>							
1970	\$23,000	8.35	\$9,867	\$6,697	147.3	147.3	147.3
1971	\$24,800	7.67	\$10,285	\$6,770	151.9	151.9	151.9
1972	\$26,700	7.52	\$11,116	\$7,183	154.8	154.8	154.8
1973	\$28,900	8.01	\$12,051	\$8,151	147.9	147.9	147.9
1974	\$32,000	9.02	\$12,902	\$9,905	130.3	130.3	130.3
1975	\$35,300	9.21	\$13,719	\$11,112	123.5	123.5	123.5
1976	\$38,100	9.11	\$14,958	\$11,888	125.8	125.8	125.8
1977	\$42,900	9.02	\$16,010	\$13,279	120.6	120.6	120.6
1978	\$48,700	9.58	\$17,640	\$15,834	111.4	111.4	111.4
1979	\$55,700	10.92	\$19,680	\$20,240	97.2	97.2	97.2
1980	\$62,200	12.95	\$21,023	\$26,328	79.9	79.9	79.9
1981	\$66,400	15.12	\$22,388	\$32,485	68.9	68.9	68.9
1982	\$67,800	15.38	\$23,433	\$33,713	69.5	69.4	69.7
1983	\$70,300	12.85	\$24,580	\$29,546	83.2	81.7	85.2
1984	\$72,400	12.49	\$26,433	\$29,650	89.1	84.6	92.1
1985	\$75,500	11.74	\$27,735	\$29,243	94.8	89.6	100.6
1986	\$80,300	10.25	\$29,458	\$27,047	108.9	105.7	116.3
1987	\$85,600	9.28	\$30,970	\$27,113	114.2	107.6	122.4
1988	\$89,300	9.31	\$32,191	\$28,360	113.5	103.6	122.0
1989	\$93,100	10.11	\$34,213	\$31,662	108.1	103.6	114.3
1990	\$95,500	10.04	\$35,353	\$32,286	109.5	106.5	118.3
1991	\$100,300	9.30	\$35,939	\$31,825	112.9	109.9	124.2
1992	\$103,700	8.11	\$36,812	\$29,523	124.7	120.1	145.0
1993	\$106,800	7.16	\$36,959	\$27,727	133.3	128.4	154.9
1994	\$109,800	7.47	\$38,105	\$29,392	129.6	120.1	147.0
<b>Monthly Data</b>							
<b>1994</b>							
April	\$109,100	7.21	\$37,341	\$28,466	131.2	123.8	150.3
May	\$109,900	7.52	\$37,437	\$29,566	126.6	117.4	146.4
June	\$113,300	7.54	\$37,532	\$30,540	122.9	112.7	138.8
July	\$112,400	7.68	\$37,628	\$30,713	122.5	112.8	138.4
August	\$113,000	7.76	\$37,723	\$31,117	121.2	111.8	136.7
September	\$108,900	7.74	\$37,819	\$29,930	126.4	116.0	141.0
October	\$107,500	7.76	\$37,914	\$29,602	128.1	116.4	142.9
November	\$108,700	7.72	\$38,010	\$29,817	127.5	113.6	141.3
December	\$109,100	7.97	\$38,105	\$30,653	124.3	112.4	136.7
<b>1995</b>							
January	\$108,100	7.94	\$38,246	\$30,285	126.3	112.0	138.2
February	\$107,000	8.19	\$38,387	\$30,695	125.1	113.9	137.0
March	\$107,900	8.24	\$38,528	\$31,099	123.9	115.7	136.9
April	\$108,100	8.14	\$38,669	\$30,865	125.3	118.3	137.1
May	\$109,000	8.04	\$38,810	\$30,829	125.9	120.8	135.5
June	\$115,900	7.77	\$38,951	\$31,946	121.9	119.2	131.4

\* The composite affordability index is the ratio of median family income to qualifying income. Values over one indicate that the typical (median) family has more than sufficient income to purchase the median priced home.

<sup>1</sup> The Federal Housing Finance Board's monthly effective rate (points are amortized over 10 years) combines fixed-rate and adjustable-rate loans. Entries under Annual Data are averages of the monthly rates.

Source: NATIONAL ASSOCIATION OF REALTORS®

**Table 10.** Market Absorption of New Rental Units and Median Asking Rent: 1970–Present



Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
<b>Annual Data</b>			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
<b>Quarterly Data</b>			
<b>1994</b>			
1st Quarter	14,300	84	\$577
2nd Quarter	24,700	82	\$575
3rd Quarter	29,500	82	\$594
4th Quarter	35,200	77	\$565
<b>1995</b>			
1st Quarter	26,100	67	\$600

Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development



**Table 11. Builders' Views of Housing Market Activity: 1978 to Present**

Period	Current Sales Activity				Prospective Buyer Traffic		Future Sales Expectations			
	Single-Family Detached		Single-Family Attached				Single-Family Detached		Single-Family Attached	
	Good to Excellent	Poor	Good to Excellent	Poor	High to Very High	Low to Very Low	Good to Excellent	Poor	Good to Excellent	Poor
<b>Annual Data (%)</b>										
1978	59	10	32	27	31	18	40	9	24	30
1979	30	34	29	36	15	51	17	43	17	52
1980	5	67	8	61	7	73	9	57	13	53
1981	2	86	2	74	4	77	2	71	4	66
1982	5	76	5	70	9	73	8	52	8	52
1983	31	27	23	36	30	35	38	19	27	31
1984	30	27	19	42	21	39	29	25	18	42
1985	39	24	20	47	27	34	41	17	21	44
1986	47	23	18	53	36	31	50	17	18	52
1987	42	22	19	49	25	35	39	19	17	49
1988	37	24	15	53	24	38	37	19	13	51
1989	29	29	10	61	20	46	33	18	10	56
1990	16	44	6	70	11	58	18	34	6	65
1991	16	44	3	73	13	55	23	26	6	63
1992	27	27	7	63	22	44	34	16	8	53
1993	41	18	12	49	30	33	47	11	14	41
1994	38	16	14	39	22	35	36	12	14	37
<b>Monthly Data—Seasonally Adjusted</b>										
<b>1994</b>										
April	44	11	14	36	23	22	40	6	16	34
May	42	12	15	34	23	29	39	8	15	34
June	39	14	13	43	21	36	35	11	14	37
July	33	16	10	38	20	35	36	9	12	33
August	36	18	12	39	23	40	34	12	13	38
September	32	19	10	38	16	41	27	13	10	36
October	29	20	14	42	18	43	30	15	13	39
November	28	22	12	43	15	44	26	19	12	40
December	24	27	13	48	11	50	18	24	7	46
<b>1995</b>										
January	18	31	8	51	7	63	19	26	4	44
February	20	27	8	49	9	54	15	26	6	48
March	17	33	7	48	9	58	19	18	6	43
April	20	40	12	48	11	55	21	24	10	39
May	20	30	8	53	10	53	26	18	8	45
June	24	28	13	45	15	48	27	20	17	41

Source: National Association of Home Builders, Builders Economic Council Survey

**Table 12. Mortgage Interest Rates, Average Commitment Rates, and Points: 1972–Present**



Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		One-Year ARMs	
	Rate	Points <sup>1</sup>	Rate	Points	Rate	Points	Rate	Points
<b>Annual Data</b>								
1972	7.00	4.3	7.38	0.9	NA	NA	NA	NA
1973	7.41	5.4	8.04	1.0	NA	NA	NA	NA
1974	8.85	4.6	9.19	1.2	NA	NA	NA	NA
1975	8.64	4.4	9.04	1.1	NA	NA	NA	NA
1976	8.50	3.2	8.88	1.2	NA	NA	NA	NA
1977	8.27	2.7	8.84	1.1	NA	NA	NA	NA
1978	9.10	3.6	9.63	1.3	NA	NA	NA	NA
1979	10.00	4.5	11.19	1.6	NA	NA	NA	NA
1980	12.36	5.7	13.77	1.8	NA	NA	NA	NA
1981	15.17	5.1	16.63	2.1	NA	NA	NA	NA
1982	14.83	4.1	16.09	2.2	NA	NA	NA	NA
1983	12.24	4.4	13.23	2.1	NA	NA	NA	NA
1984	13.21	3.8	13.87	2.5	NA	NA	11.49	2.5
1985	11.96	2.8	12.42	2.5	NA	NA	10.04	2.5
1986	9.75	2.2	10.18	2.2	NA	NA	8.42	2.3
1987	9.67	2.8	10.20	2.2	NA	NA	7.82	2.2
1988	10.25	1.5	10.33	2.1	NA	NA	7.90	2.3
1989	10.08	1.6	10.32	2.1	NA	NA	8.80	2.3
1990	9.92	1.8	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	0.9	9.25	2.0	NA	NA	7.10	1.9
1992	8.29	1.2	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.46	0.4	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.42	0.6	8.35	1.8	7.86	1.8	5.33	1.5
<b>Monthly Data</b>								
<b>1994</b>								
April	8.50	0.5	8.32	1.8	7.80	1.7	4.96	1.5
May	8.50	0.4	8.60	1.8	8.08	1.7	5.46	1.5
June	8.50	0.4	8.40	1.8	7.91	1.8	5.45	1.5
July	9.00	0.2	8.61	1.8	8.10	1.8	5.52	1.5
August	8.50	1.1	8.51	1.8	8.02	1.8	5.53	1.5
September	8.50	1.1	8.64	1.8	8.13	1.8	5.54	1.5
October	9.00	0.7	8.93	1.8	8.39	1.8	5.79	1.5
November	9.00	1.6	9.17	1.8	8.64	1.9	6.10	1.5
December	9.50	0.2	9.20	1.8	8.80	1.8	6.66	1.5
<b>1995</b>								
January	9.50	0.3	9.15	1.8	8.80	1.8	6.82	1.5
February	9.00	0.7	8.83	1.9	8.46	1.8	6.68	1.5
March	9.00	0.4	8.46	1.8	8.06	1.8	6.45	1.5
April	8.50	0.7	8.32	1.9	7.88	1.8	6.35	1.5
May	8.50	0.4	7.96	1.8	7.51	1.7	6.14	1.5
June	8.00	0.2	7.57	1.8	7.06	1.7	5.87	1.4

<sup>1</sup> Excludes origination fee.

Source: Federal Home Loan Mortgage Corporation (Conventional), and Office of Housing, Department of Housing and Urban Development (FHA)



**Table 13.** Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982–Present



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
<b>Annual Data</b>								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
<b>Monthly Data</b>								
<b>1994</b>								
April	7.61	1.08	7.80	25.7	5.79	1.04	5.95	29.2
May	8.06	1.28	8.28	25.2	5.95	1.03	6.10	29.2
June	8.24	1.14	8.43	25.9	6.22	1.06	6.38	29.2
July	8.31	1.24	8.53	25.8	6.33	1.03	6.49	29.5
August	8.41	1.07	8.60	26.5	6.44	1.04	6.59	29.3
September	8.44	1.14	8.64	25.9	6.51	1.02	6.66	29.5
October	8.57	1.09	8.76	26.1	6.58	1.00	6.73	29.3
November	8.74	1.15	8.94	26.0	6.61	0.97	6.76	29.3
December	8.82	1.36	9.06	25.6	6.83	1.33	7.03	29.6
<b>1995</b>								
January	9.02	1.33	9.25	25.9	6.95	0.94	7.09	29.6
February	8.96	1.34	9.19	26.5	7.18	0.97	7.33	29.3
March	8.79	1.03	8.96	27.0	7.18	0.88	7.32	29.4
April	8.57	1.05	8.75	26.8	7.14	0.82	7.26	29.4
May	8.28	1.15	8.47	26.5	7.16	0.92	7.30	29.4
June	7.85	0.96	8.02	26.4	6.89	0.96	7.03	29.4

Source: Federal Housing Finance Board

**Table 14.** FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1968–Present



Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
<b>Annual Data</b>					
1968	751,982	425,339	NA	211,025	NA
1969	788,874	450,079	NA	213,940	NA
1970	941,566	475,176	NA	167,734	NA
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,931	1,148,696
<b>Monthly Data</b>					
<b>1994</b>					
April	94,642	129,819	56,857	50,512	105,507
May	82,139	127,225	59,711	51,064	107,949
June	77,223	122,697	66,992	55,533	101,786
July	63,984	96,606	61,209	44,445	99,263
August	69,382	98,072	69,674	50,346	101,784
September	57,421	77,760	58,370	45,805	86,457
October	52,999	64,091	50,565	30,278	87,062
November	47,338	57,134	47,735	27,919	77,874
December	39,260	47,681	41,735	24,281	77,804
<b>1995</b>					
January	41,390	49,288	44,218	23,630	68,884
February	49,733	40,230	36,771	19,318	51,103
March	70,797	42,307	38,868	19,947	63,013
April	65,303	36,216	33,479	16,638	62,819
May	76,163	45,818	43,312	17,326	75,138
June	87,283	45,012	42,526	18,064	84,022

\* These operational numbers differ slightly from adjusted accounting numbers.

Sources: Office of Housing, Department of Housing and Urban Development; Department of Veterans Affairs, and Mortgage Insurance Companies of America



**Table 15. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present\***

Period	Construction of New Rental Units <sup>1</sup>			Purchase or Refinance of Existing Rental Units <sup>2</sup>			Congregate Housing, Nursing Homes, Assisted Living, and Board and Care Facilities <sup>3</sup>		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
<b>Annual Data</b>									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995 (6 mos.)	30	4,831	225.0	94	15,686	401.8	44	5,238	292.1

\* Mortgage insurance written—Initial endorsements. Mortgage amounts are in millions of dollars.

<sup>1</sup> Includes both new construction and substantial rehabilitation under Sections 207, 220, and 221(d).

<sup>2</sup> Includes purchase or refinance of existing rental housing under Section 223.

<sup>3</sup> Includes congregate rental housing for the elderly under Section 231, and nursing homes, board and care homes, assisted-living facilities, and intermediate-care facilities under Section 232. Includes both new construction or substantial rehabilitation, and purchase or refinance of existing projects. Number of units shown includes beds and housing units.

Source: Office of Housing—FHA Comptroller, Department of Housing and Urban Development

**Table 16. Mortgage Originations, 1–4 Family Units  
by Loan Type: 1970–Present**



Period	FHA Insured	VA Guaranteed	Private Insurance	Not Insured*	Totals
<b>Annual Data (Current Dollars in Billions)</b>					
1970	8.769	3.846	0.116	22.856	35.587
1971	10.994	6.830	3.526	36.438	57.788
1972	8.456	7.749	9.158	50.501	75.864
1973	5.185	7.577	12.627	53.737	79.126
1974	4.532	7.889	9.220	45.867	67.508
1975	6.265	8.836	10.024	52.788	77.913
1976	6.998	10.426	14.600	80.761	112.785
1977	10.469	14.882	21.595	115.027	161.973
1978	14.581	16.026	27.327	127.102	185.036
1979	20.710	18.876	25.327	122.178	187.091
1980	14.955	12.102	19.035	87.670	133.762
1981	10.538	7.534	18.079	62.061	98.212
1982	11.482	7.687	18.953	58.829	96.951
1983	28.753	18.880	42.363	111.867	201.863
1984	16.600	12.024	63.403	111.678	203.705
1985	28.767	15.246	50.475	195.296	289.784
1986	64.770	23.149	46.138	365.355	499.412
1987	77.822	30.176	44.475	354.758	507.231
1988	46.655	15.875	39.664	344.069	446.263
1989	45.108	13.681	37.117	357.001	452.907
1990	59.803	21.901	38.956	337.744	458.404
1991	46.914	15.285	53.997	445.878	562.074
1992	50.275	24.543	101.047	717.817	893.681
1993	83.457	41.023	136.767	758.615	1,019.861
1994	94.893	48.190	131.402	494.243	768.728
<b>Quarterly Data</b>					
<b>1994</b>					
1st Quarter	29.782	14.296	35.374	182.069	261.521
2nd Quarter	29.220	13.558	36.197	135.336	214.311
3rd Quarter	22.047	12.582	32.518	90.195	157.342
4th Quarter	13.844	7.754	27.313	86.643	135.554
<b>1995</b>					
1st Quarter	10.762	6.341	20.644	87.684	125.431

\* Includes Farmers Home Administration backed loans.

Sources: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity



**Table 17. Residential Mortgage Originations by Building Type: 1970–Present**

Period	One-to Four-Unit Buildings	Five-Unit Buildings and Greater	Totals
<b>Annual Data (Current Dollars in Billions)</b>			
1970	35.6	8.8	44.4
1971	57.8	12.5	70.2
1972	75.9	15.4	91.3
1973	79.1	14.0	93.1
1974	67.5	12.3	79.8
1975	77.9	10.6	88.6
1976	112.8	12.3	125.1
1977	162.0	15.8	177.8
1978	185.0	16.4	201.4
1979	187.1	15.2	202.3
1980	133.8	12.5	146.2
1981	98.2	12.0	110.2
1982	97.0	11.6	108.6
1983	201.9	21.4	223.3
1984	203.7	27.6	231.3
1985	289.8	31.9	321.7
1986	499.4	49.9	549.3
1987	507.2	45.1	552.3
1988	446.3	38.2	484.4
1989	452.9	31.1	484.1
1990	458.4	32.6	491.0
1991	562.1	25.5	587.6
1992	893.7	25.7	919.4
1993	1,019.9	31.7	1,051.6
1994	773.1	31.3	804.4
<b>Quarterly Data</b>			
<b>1994</b>			
1st Quarter	261.5	7.6	269.1
2nd Quarter	214.3	9.6	223.9
3rd Quarter	159.3	7.7	165.0
4th Quarter	135.6	7.8	143.4
<b>1995</b>			
1st Quarter	125.4	8.3	133.7

Source: HUD Survey of Mortgage Lending Activity

**Table 18. Mortgage Originations, 1–4 Family Units by Lender Type: 1970–Present**



Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Other Lenders	Totals
<b>Annual Data (Current Dollars in Billions)</b>						
1970	7.8	2.1	14.8	8.9	1.9	35.6
1971	12.6	3.5	26.6	12.5	2.6	57.8
1972	17.7	5.1	36.7	13.3	3.0	75.9
1973	18.8	5.9	38.4	12.7	3.3	79.1
1974	16.1	3.9	30.9	13.0	3.5	67.5
1975	14.5	4.3	41.2	14.0	3.9	77.9
1976	24.5	6.4	61.9	15.7	4.2	112.8
1977	36.7	8.7	86.3	25.7	4.7	162.0
1978	43.9	9.4	90.0	34.4	7.3	185.0
1979	41.4	9.0	82.8	45.3	8.6	187.1
1980	28.8	5.4	61.1	29.4	9.0	133.8
1981	21.7	4.0	42.0	24.0	6.5	98.2
1982	25.2	4.0	34.8	28.0	5.0	97.0
1983	44.8	10.8	81.5	59.8	5.0	201.9
1984	41.9	12.7	96.2	47.6	5.3	203.7
1985	57.0	7.5	109.3	110.0	6.0	289.8
1986	108.6	31.1	176.1	176.0	7.6	499.4
1987	124.6	34.2	174.5	167.1	6.8	507.2
1988	101.9	28.4	160.4	148.0	7.5	446.3
1989	121.2	23.2	134.5	166.5	7.5	452.9
1990	153.3	18.0	121.0	161.2	5.0	458.4
1991	153.3	18.5	121.9	263.9	4.4	562.1
1992	232.1	34.2	184.5	437.6	5.2	893.7
1993	269.0	39.4	179.3	526.5	5.6	1,019.9
1994	200.0	29.3	123.1	408.1	8.2	773.1
<b>Quarterly Data</b>						
<b>1994</b>						
1st Quarter	64.1	7.9	35.5	152.0	1.9	261.5
2nd Quarter	55.8	7.8	34.4	114.4	1.9	214.3
3rd Quarter	41.8	7.3	27.8	78.1	2.5	157.3
4th Quarter	38.3	6.3	25.5	63.6	1.9	135.6
<b>1995</b>						
1st Quarter	32.2	3.7	18.7	68.8	2.0	125.4

Source: HUD Survey of Mortgage Lending Activity



**Table 19. Net Acquisitions, 1–4 Family Units by Lender Type: 1970–Present**

Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Private Mortgage-Backed Conduits	Federal Credit Agencies	Mortgage Pools	Other Lenders	Totals
<b>Annual Data (Current Dollars in Billions)</b>									
1970	6.6	3.3	17.4	-0.6	0.1	5.1	1.7	1.1	34.8
1971	11.8	5.2	31.6	0.5	0.1	3.7	3.8	0.9	57.5
1972	16.5	7.6	43.4	0.4	0.2	3.2	4.6	0.9	76.8
1973	17.7	7.7	41.5	-0.9	0.0	5.4	3.7	1.7	76.8
1974	14.9	4.7	32.7	-1.0	0.0	8.7	5.6	1.8	67.4
1975	11.8	5.2	43.7	0.3	0.0	6.9	10.7	1.6	80.1
1976	21.3	8.1	65.3	0.6	0.1	1.4	15.8	2.0	114.7
1977	32.6	11.4	86.5	2.4	0.1	4.8	22.1	2.4	162.3
1978	38.8	11.9	85.2	3.2	0.1	14.5	21.8	4.7	180.2
1979	37.0	11.1	76.3	6.5	0.0	14.4	27.2	7.8	180.3
1980	25.6	5.7	58.0	1.3	0.0	11.5	23.5	12.2	137.9
1981	20.3	3.8	39.6	1.7	0.0	9.8	18.3	7.4	101.0
1982	19.2	3.2	4.2	3.3	3.0	13.9	54.2	4.6	105.7
1983	33.5	10.6	64.3	2.8	5.5	18.9	81.4	6.8	223.6
1984	34.4	13.1	86.7	3.2	7.7	19.2	59.9	7.1	231.3
1985	41.6	0.3	64.4	2.8	7.9	25.6	107.4	7.8	257.8
1986	80.4	21.8	81.2	11.0	16.2	24.8	252.5	10.0	497.9
1987	95.5	25.0	115.2	-11.8	21.2	20.4	225.0	9.2	499.7
1988	86.7	22.1	112.1	5.0	23.4	25.7	142.5	9.8	427.2
1989	103.6	12.2	72.0	20.2	16.4	25.8	192.1	11.1	453.3
1990	117.8	9.4	49.9	-0.9	20.1	39.0	229.7	7.5	472.5
1991	112.6	12.0	51.6	11.3	38.8	45.0	271.7	6.4	549.3
1992	172.4	21.9	71.9	-0.4	78.2	76.2	463.2	6.2	889.5
1993	192.1	23.7	90.1	-0.5	90.6	107.4	561.8	4.4	1,069.6
1994	164.0	19.0	79.1	-24.0	61.9	84.1	353.3	8.1	745.4
<b>Quarterly Data</b>									
<b>1994</b>									
1st Quarter	37.6	3.3	15.2	-11.9	30.4	23.0	145.3	1.3	244.3
2nd Quarter	43.2	4.6	23.3	-9.1	14.3	22.9	96.7	1.8	197.8
3rd Quarter	40.6	6.0	21.6	-3.5	9.1	20.1	62.1	2.6	158.5
4th Quarter	42.6	5.1	19.0	0.5	8.0	18.1	49.2	2.3	144.9
<b>1995</b>									
1st Quarter	35.7	2.8	15.6	4.1	4.3	11.5	35.3	2.9	112.3

Source: HUD Survey of Mortgage Lending Activity

**Table 20. Mortgage Delinquencies and Foreclosures Started: 1984–Present \***



Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due				All	Conv.	FHA	VA
	All	Conv.	FHA	VA	All	Conv.	FHA	VA				
<b>Annual Data</b>												
<b>1985</b>												
1st Quarter	6.08	4.08	7.89	6.96	0.95	0.59	1.23	1.17	0.24	0.17	0.30	0.27
2nd Quarter	5.81	4.02	7.52	6.58	0.90	0.56	1.19	1.10	0.23	0.17	0.28	0.26
3rd Quarter	5.76	4.06	7.25	6.47	0.94	0.62	1.18	1.12	0.23	0.17	0.28	0.26
4th Quarter	5.69	4.01	7.19	6.52	0.96	0.65	1.21	1.15	0.22	0.17	0.27	0.25
<b>1986</b>												
1st Quarter	5.74	4.05	7.44	6.68	0.98	0.67	1.26	1.18	0.24	0.18	0.30	0.27
2nd Quarter	5.69	3.92	7.29	6.63	1.04	0.71	1.32	1.25	0.25	0.18	0.31	0.29
3rd Quarter	5.51	3.72	7.08	6.63	1.02	0.67	1.30	1.29	0.27	0.20	0.32	0.31
4th Quarter	5.31	3.49	6.83	6.36	0.99	0.61	1.29	1.24	0.26	0.19	0.33	0.31
<b>1987</b>												
1st Quarter	5.23	3.40	6.73	6.31	1.01	0.65	1.28	1.27	0.26	0.19	0.31	0.31
2nd Quarter	5.06	3.34	6.53	6.20	0.95	0.65	1.19	1.17	0.25	0.18	0.32	0.29
3rd Quarter	4.69	2.85	6.35	6.04	0.85	0.57	1.11	1.07	0.26	0.15	0.35	0.32
4th Quarter	4.89	3.01	6.62	6.27	0.89	0.55	1.18	1.16	0.27	0.18	0.36	0.35
<b>1988</b>												
1st Quarter	4.88	2.93	6.66	6.26	0.87	0.54	1.17	1.13	0.27	0.17	0.36	0.33
2nd Quarter	4.90	2.95	6.71	6.36	0.88	0.53	1.21	1.19	0.27	0.16	0.36	0.32
3rd Quarter	4.70	2.87	6.39	6.00	0.83	0.53	1.10	1.09	0.27	0.17	0.36	0.31
4th Quarter	4.69	2.99	6.47	6.27	0.83	0.55	1.09	1.14	0.27	0.19	0.38	0.31
<b>1989</b>												
1st Quarter	4.74	2.97	6.61	6.43	0.82	0.52	1.12	1.13	0.29	0.18	0.41	0.37
2nd Quarter	4.56	2.90	6.28	6.17	0.79	0.51	1.07	1.11	0.30	0.19	0.43	0.40
3rd Quarter	4.91	3.14	6.94	6.47	0.78	0.50	1.08	1.06	0.28	0.18	0.39	0.35
4th Quarter	5.03	3.11	7.12	6.74	0.76	0.46	1.07	1.04	0.28	0.18	0.40	0.35
<b>1990</b>												
1st Quarter	4.54	2.84	6.48	6.17	0.70	0.38	1.04	1.03	0.31	0.21	0.44	0.39
2nd Quarter	4.52	2.87	6.54	6.19	0.70	0.37	1.10	1.04	0.31	0.21	0.41	0.38
3rd Quarter	4.83	3.13	6.84	6.58	0.71	0.41	1.10	1.03	0.33	0.21	0.47	0.44
4th Quarter	4.75	3.12	6.85	6.46	0.73	0.41	1.16	1.06	0.29	0.21	0.41	0.40
<b>1991</b>												
1st Quarter	5.13	3.42	7.29	6.69	0.78	0.47	1.17	1.05	0.31	0.24	0.42	0.38
2nd Quarter	5.26	3.44	7.55	7.04	0.79	0.46	1.21	1.09	0.34	0.26	0.43	0.40
3rd Quarter	4.87	3.02	7.22	6.73	0.82	0.44	1.31	1.16	0.35	0.28	0.44	0.45
4th Quarter	4.85	3.16	7.17	6.62	0.81	0.46	1.29	1.13	0.35	0.31	0.43	0.44
<b>1992</b>												
1st Quarter	4.69	3.08	7.05	6.54	0.80	0.47	1.32	1.13	0.33	0.26	0.42	0.41
2nd Quarter	4.69	3.06	7.12	6.51	0.83	0.49	1.38	1.17	0.33	0.25	0.43	0.40
3rd Quarter	4.60	2.90	7.19	6.53	0.83	0.48	1.39	1.20	0.33	0.25	0.45	0.38
4th Quarter	4.29	2.76	8.91	6.25	0.76	0.45	1.31	1.09	0.34	0.26	0.48	0.41
<b>1993</b>												
1st Quarter	4.31	2.74	6.99	6.30	0.78	0.46	1.35	1.14	0.32	0.23	0.47	0.43
2nd Quarter	4.26	2.66	7.21	6.37	0.78	0.45	1.41	1.15	0.32	0.25	0.48	0.42
3rd Quarter	4.22	2.71	7.13	6.27	0.77	0.46	1.40	1.17	0.31	0.24	0.46	0.38
4th Quarter	4.09	2.52	7.22	6.25	0.76	0.42	1.45	1.17	0.31	0.22	0.49	0.43
<b>1994</b>												
1st Quarter	4.13	2.62	7.29	6.30	0.76	0.44	1.45	1.19	0.31	0.22	0.51	0.44
2nd Quarter	4.17	2.67	7.29	6.34	0.81	0.50	1.46	1.22	0.34	0.24	0.56	0.49
3rd Quarter	3.93	2.49	7.04	6.04	0.74	0.43	1.43	1.16	0.34	0.22	0.61	0.53
4th Quarter	4.15	2.63	7.40	6.35	0.73	0.42	1.43	1.18	0.33	0.22	0.54	0.47
<b>1995</b>												
1st Quarter	3.91	2.45	7.09	6.05	0.71	0.41	1.36	1.13	0.32	0.21	0.56	0.50

\* All data are seasonally adjusted.

Source: National Delinquency Survey, Mortgage Bankers Association



**Table 21. Expenditures for Existing Residential Properties: 1968–Present**

Period	Total Expenditures	Maintenance and Repairs	Improvements					Major Replacements
			Total	Additions and Alterations			To Property Outside Structure	
				Total	To Structures	To Property Outside Structure		
Annual Data (Millions of Dollars)								
1968	12,703	5,186	7,517	5,314	1,261	3,077	976	2,202
1969	13,535	5,479	8,055	5,885	1,094	3,409	1,382	2,170
1970	14,770	5,895	8,875	6,246	1,411	3,539	1,296	2,629
1971	16,299	6,361	9,939	6,818	1,685	3,699	1,433	3,120
1972	17,498	6,717	10,781	7,526	1,378	4,447	1,701	3,255
1973	18,512	7,924	10,588	7,386	1,360	4,694	1,332	3,202
1974	21,114	8,491	12,622	8,060	1,529	4,836	1,695	4,563
1975	25,239	9,758	15,481	10,997	1,971	6,844	2,182	4,484
1976	29,034	11,379	17,665	12,314	3,493	6,367	2,454	5,341
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	69,894	28,894	40,890	27,822	6,007	14,486	7,329	13,067
1985	80,267	35,358	44,909	28,775	3,966	17,599	7,211	16,134
1986	91,274	35,941	55,303	38,608	7,377	21,192	10,040	16,695
1987	94,082	38,229	55,853	39,978	9,557	21,641	8,779	15,875
1988	101,117	40,885	60,232	43,339	11,333	22,703	9,303	16,893
1989	100,891	42,689	58,202	39,786	6,828	23,129	9,828	18,415
1990	106,773	51,305	55,468	37,253	8,561	21,920	6,771	18,215
1991	97,528	49,840	47,688	30,944	7,914	16,076	6,954	16,744
1992	103,734	45,154	58,580	40,186	6,783	22,700	10,704	18,393
1993	108,304	41,699	66,606	45,797	12,757	24,782	8,259	20,809
1994	115,030	42,953	72,077	48,828	9,647	28,673	10,509	23,248
Quarterly Data (Seasonally Adjusted Annual Rates)								
<b>1993</b>								
4th Quarter	113,000	42,700	70,300	50,700	NA	NA	NA	19,600
<b>1994</b>								
1st Quarter	108,500	40,300	68,300	51,500	NA	NA	NA	16,800
2nd Quarter	115,500	43,800	71,700	50,300	NA	NA	NA	21,400
3rd Quarter	113,800	43,000	70,800	47,000	NA	NA	NA	23,900
4th Quarter	119,500	44,300	75,100	46,900	NA	NA	NA	28,200

Maintenance and repairs are incidental costs that keep a property in ordinary working condition.

Additions refer to actual enlargements of the structure.

Alterations refer to changes or improvements made within or on the structure.

Alterations and additions to property outside the structure include walks, driveways, walls, fences, pools, garages, sheds, etc.

Major replacements are relatively expensive and are not considered repairs and include furnaces, boilers, roof replacement, central air conditioning, etc.

Source: Bureau of the Census, Department of Commerce

**Table 22.** Value of New Construction Put in Place, Private Residential Buildings: 1974–Present



Period	Total	New Housing Units			Improvements
		Total	1 Unit Structures	2 or More Unit Structures	
<b>Annual Data (Current Dollars–Millions)</b>					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,521	94,649	72,203	22,447	30,872
1984	153,849	113,826	85,605	28,221	40,023
1985	158,474	114,662	86,123	28,539	43,812
1986	187,148	133,192	102,154	31,038	53,956
1987	194,656	139,915	114,463	25,452	54,741
1988	198,101	138,947	116,649	22,298	59,154
1989	196,551	139,202	116,898	22,304	57,349
1990	182,856	127,987	108,737	19,250	54,869
1991	157,835	110,592	95,444	15,148	47,243
1992	187,869	129,600	116,505	13,094	58,269
1993	210,454	144,070	133,282	10,788	66,384
1994	237,766	167,452	153,690	13,762	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>					
<b>1994</b>					
April	238,000	168,400	156,800	12,600	NA
May	241,100	170,100	156,800	13,300	NA
June	239,800	169,100	155,700	13,400	NA
July	237,800	168,800	155,500	13,300	NA
August	236,900	167,900	154,200	13,800	NA
September	238,500	168,900	153,500	15,500	NA
October	239,100	168,200	153,200	15,000	NA
November	241,300	169,400	153,100	16,300	NA
December	243,800	171,100	154,000	17,000	NA
<b>1995</b>					
January	244,600	169,900	152,800	17,100	NA
February	240,200	167,200	150,000	17,200	NA
March	237,900	163,900	145,500	18,400	NA
April	235,100	160,100	141,800	18,300	NA
May	232,100	156,200	137,700	18,600	NA
June	230,200	154,200	135,800	18,500	NA

Source: Bureau of the Census, Department of Commerce



**Table 23.** Gross Domestic Product and Residential Fixed Investment: 1959–Present

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
<b>Annual Data (Current Dollars in Billions)</b>			
1959	494.2	28.1	5.7
1960	513.3	26.3	5.1
1961	531.8	26.4	5.0
1962	571.6	29.0	5.1
1963	603.1	32.1	5.3
1964	648.0	34.3	5.3
1965	702.7	34.2	4.9
1966	769.8	32.3	4.2
1967	814.3	32.4	4.0
1968	889.3	38.7	4.4
1969	959.5	42.6	4.4
1970	1,010.7	41.4	4.1
1971	1,097.2	55.8	5.1
1972	1,207.0	69.7	5.8
1973	1,349.6	75.3	5.6
1974	1,458.6	66.0	4.5
1975	1,585.9	62.7	4.0
1976	1,768.4	82.5	4.7
1977	1,974.1	110.3	5.6
1978	2,232.7	131.6	5.9
1979	2,488.6	141.0	5.7
1980	2,708.0	123.3	4.6
1981	3,030.6	122.5	4.0
1982	3,149.6	105.7	3.4
1983	3,405.0	152.0	4.5
1984	3,777.2	178.9	4.7
1985	4,038.7	185.9	4.6
1986	4,268.6	216.6	5.1
1987	4,539.9	225.2	5.0
1988	4,900.4	232.0	4.7
1989	5,250.8	230.9	4.4
1990	5,546.1	215.3	3.9
1991	5,724.8	189.6	3.3
1992	6,020.2	223.8	3.7
1993	6,343.3	250.6	4.0
1994	6,738.4	283.0	4.2
<b>Quarterly Data (Seasonally Adjusted Annual Rates)</b>			
<b>1994</b>			
1st Quarter	6,574.7	277.1	4.2
2nd Quarter	6,689.9	283.6	4.2
3rd Quarter	6,791.7	283.4	4.2
4th Quarter	6,897.2	288.0	4.2
<b>1995</b>			
1st Quarter	6,977.4	286.8	4.1
2nd Quarter	7,011.8	276.5	3.9

Source: Bureau of Economic Analysis, Department of Commerce



**Table 24.** Net Change in Number of Households by Age of Householder: 1971–Present

Period	Total	Less than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
<b>Annual Data</b>								
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 <sup>r</sup>	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 <sup>2</sup>	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 <sup>r</sup>	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 <sup>r</sup>	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 <sup>3</sup>	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
<b>Quarterly Data</b>								
<b>1994</b>								
2nd Quarter	280	85	(15)	(137)	283	115	(131)	82
3rd Quarter	665	(94)	10	21	181	227	167	152
4th Quarter	665	199	85	45	63	233	(60)	102
<b>1995</b>								
1st Quarter	180	49	(85)	(53)	51	76	(19)	158
2nd Quarter	161	22	(14)	71	70	181	(33)	(136)

Note: For the annual data from 1971 to 1994, the source of the data is the Current Population Survey March Supplement. For the quarterly 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

NA - Data files for 1971, 1972, 1973, and 1975 are not yet available.

<sup>r</sup> Implementation of new March CPS processing system.

<sup>1</sup> Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>2</sup> Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>3</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Units in thousands.

Source: Current Population Survey, Bureau of the Census.



**Table 25. Net Change in Number of Households by Type of Household: 1971–Present**

Period	Total	Families <sup>4</sup>				Non-Family Households		One-Person Households	
		Husband-wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
<b>Annual Data</b>									
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 <sup>2</sup>	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	3,062	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 <sup>2</sup>	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 <sup>2</sup>	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 <sup>2</sup>	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 <sup>3</sup>	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
<b>Quarterly Data</b>									
<b>1994</b>									
2nd Quarter	280	232	(359)	47	(2)	122	24	137	72
3rd Quarter	665	(378)	541	115	(46)	40	0	464	(65)
4th Quarter	665	208	1	145	6	57	(43)	63	235
<b>1995</b>									
1st Quarter	180	323	16	(46)	(17)	(87)	(27)	(50)	52
2nd Quarter	161	63	66	(7)	8	(21)	(21)	3	76

Note: For the annual data from 1971 to 1994, the source is the Current Population Survey March Supplement. For the quarterly 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

NA - Data files for 1971, 1972, 1973, and 1975 are not yet available.

<sup>1</sup> Implementation of new March CPS processing system.

<sup>2</sup> Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>3</sup> Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>4</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

<sup>5</sup> Primary families only.

Units in thousands.

Source: Current Population Survey, Bureau of the Census.

**Table 26.** Net Change in Number of Households by Race and Ethnicity of Householder: 1971–Present



Period	Total	White, Non-Hispanic	Black, Non-Hispanic	Other Races Non-Hispanic	Hispanics
<b>Annual Data</b>					
1971 <sup>1</sup>	848	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA
1974 <sup>†</sup>	1,554	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA
1977	1,275	832	288	22	133
1978	1,888	1,356	190	119	223
1979	1,300	1,115	96	102	(13)
1980 <sup>2</sup>	3,446	2,367	488	198	393
1981	1,592	903	244	223	222
1982	1,159	890	129	66	74
1983	391	218	(37)	105	105
1984 <sup>†</sup>	1,372	434	299	58	581
1985	1,499	938	250	94	217
1986	1,669	954	283	102	330
1987	1,021	527	116	173	205
1988 <sup>†</sup>	1,645	1,053	255	113	224
1989	1,706	947	382	109	268
1990	517	428	(49)	115	23
1991	965	540	156	(18)	287
1992	1,364	590	397	218	159
1993 <sup>3</sup>	750	(518)	183	312	774
1994	681	590	(6)	(114)	209
<b>Quarterly Data</b>					
<b>1994</b>					
2nd Quarter	281	173	46	(49)	110
3rd Quarter	664	535	73	(72)	129
4th Quarter	666	257	192	41	175
<b>1995</b>					
1st Quarter	180	163	91	(61)	(13)
2nd Quarter	159	152	47	(34)	(4)

Note: For the annual data from 1971 to 1994, the source of the data is the Current Population Survey March Supplement. For the quarterly 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

NA - Data not available prior to 1974.

<sup>†</sup> Implementation of new March CPS processing system.

<sup>1</sup> Data from 1971 to 1979 weighted based on the 1980 decennial census.

<sup>2</sup> Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>3</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Bureau of the Census.



**Table 27. Total U.S. Housing Stock: 1970–Present\***

Period	Total <sup>4</sup>	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
<b>Annual Data</b>										
1970 <sup>1</sup>	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 <sup>2</sup>	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1982	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1984	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1986	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1988	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 <sup>3</sup>	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1994	110,952	3,028	107,924	9,229	2,858	953	5,418	98,695	63,136	35,558
<b>Quarterly Data</b>										
<b>1994</b>										
2nd Quarter	110,470	3,161	107,309	9,039	2,859	909	5,271	98,270	62,684	35,586
3rd Quarter	111,266	3,065	108,201	9,274	2,798	933	5,543	98,927	63,391	35,536
4th Quarter	111,806	2,845	108,961	9,368	2,864	1,076	5,428	99,593	63,947	35,646
<b>1995</b>										
1st Quarter	112,359	3,186	109,173	9,401	2,882	1,003	5,516	99,772	64,050	35,722
2nd Quarter	112,743	3,017	109,726	9,794	2,969	1,046	5,779	99,932	64,668	35,264

\* Components may not add to totals because of rounding. Units in thousands.

<sup>1</sup> Census of Housing 1970

<sup>2</sup> Census of Housing 1980

<sup>3</sup> Census of Housing 1990

<sup>4</sup> Annual Housing Survey estimates through 1981 based on 1970 Census weights; 1983 to 1989 estimates based on 1980 Census weights; 1991 estimates based on 1990 Census weights. No reduction in Nation's housing inventory has ever occurred; apparent reductions are due to changes in bases used for weighting sample data.

<sup>5</sup> The 1994 First Quarter estimate represents the introduction of estimation weights derived from 1990 adjusted Census counts rather than 1980 unadjusted Census counts for the quarterly series, resulting in a lower estimate.

Sources: Annual Data—Annual or American Housing Surveys; Quarterly Data—Current Population Series/Housing Vacancy Survey in *Current Housing Reports: Housing Vacancies and Homeownership*, Bureau of the Census, Department of Commerce



**Table 28. Rental Vacancy Rates: 1979–Present**

Period						Regions				Units in Structure		
	All Rental Units	Inside MSAs	In Central Cities	Suburbs	Outside MSAs	North-east	Mid-west	South	West	One	Two or More	Five or More
<b>Annual Data</b>												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.4	7.6	8.3	6.7	6.5	7.1	6.6	8.0	7.5	3.8	9.5	10.3
1994	7.4	NA	NA	NA	NA	7.1	6.9	8.0	7.1	5.2	9.0	9.8
<b>Quarterly Data</b>												
<b>1994</b>												
2nd Quarter	7.4	NA	NA	NA	NA	7.1	7.1	7.7	7.3	4.2	9.2	10.0
3rd Quarter	7.2	NA	NA	NA	NA	7.0	6.5	7.8	7.2	4.3	8.9	9.7
4th Quarter	7.4	7.2	7.7	6.5	8.2	7.1	6.8	8.3	6.8	4.7	9.2	9.9
<b>1995</b>												
1st Quarter	7.4	7.4	8.3	6.4	7.4	7.3	6.7	8.3	6.8	5.0	8.8	9.4
2nd Quarter	7.7	NA	NA	NA	NA	7.5	7.1	8.2	7.7	5.5	9.0	9.5

Source: Bureau of the Census, Department of Commerce



**Table 29. Homeownership Rates by Age of Householder: 1982–Present**

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
<b>Annual Data</b>								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.7	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993*	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
<b>Quarterly Data</b>								
<b>1994</b>								
2nd Quarter	63.8	14.9	33.9	49.6	64.6	75.2	79.1	77.2
3rd Quarter	64.1	15.0	33.4	51.2	64.3	75.5	79.4	77.2
4th Quarter	64.2	15.2	35.1	51.5	64.7	74.9	79.2	77.7
<b>1995</b>								
1st Quarter	64.2	13.8	34.3	52.1	64.9	74.9	79.4	77.5
2nd Quarter	64.7	16.5	33.9	53.2	65.1	75.2	79.9	78.1

\* Revised based on adjusted 1990 Census weights rather than 1980 Census weights, resulting in lower estimates.

Source: Bureau of the Census, Department of Commerce

**Table 30. Homeownership Rates by Region and Metropolitan Status: 1983–Present**



Period	Total	Region				Metropolitan Status <sup>3</sup>		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
<b>Annual Data</b>								
1983 <sup>1</sup>	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984 <sup>1</sup>	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988 <sup>1</sup>	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 <sup>2</sup>	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
1994	64.2	62.2	67.1	65.7	60.4	49.3	70.3	72.5
<b>Quarterly Data</b>								
<b>1994</b>								
1st Quarter	63.8	61.7	66.8	65.5	59.5	48.8	69.9	72.3
2nd Quarter	63.8	61.3	67.5	65.2	59.7	48.8	70.1	71.7
3rd Quarter	64.1	61.4	67.9	66.0	59.0	48.4	70.4	72.6
4th Quarter	64.2	61.4	68.6	65.7	59.6	48.5	71.1	72.1
<b>1995</b>								
1st Quarter	64.2	61.9	67.9	66.1	58.9	49.3	70.2	72.3
2nd Quarter	64.7	62.3	68.5	66.5	59.8	49.4	71.5	71.7

Note: For the annual data from 1983 to 1994, the source of the data is the Current Population Survey March Supplement. For the quarterly 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

NA - Not Available.

<sup>1</sup> Implementation of new March CPS processing system.

<sup>1</sup> From 1983 to 1992 data are weighted based on the 1980 decennial census.

<sup>2</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

<sup>3</sup> From 1983 and 1984, the metropolitan data reflect 1970 definitions.

From 1985 to 1994, the metropolitan data reflect 1980 definitions.

Beginning in 1995, the metropolitan data reflect 1990 definitions.

Source: Current Population Survey, Bureau of the Census.



**Table 31. Homeownership Rates by Race and Ethnicity: 1983–Present**

Period	Total	Non-Hispanic			Hispanic
		White	Black	Other	
<b>Annual Data</b>					
1983 <sup>1</sup>	64.9	69.1	45.6	53.3	41.2
1984 <sup>1</sup>	64.5	69.0	46.0	50.9	40.1
1985	64.3	69.0	44.4	50.7	41.1
1986	63.8	68.4	44.8	49.7	40.6
1987	64.0	68.7	45.8	48.7	40.6
1988 <sup>1</sup>	64.0	69.1	42.9	49.7	40.6
1989	64.0	69.3	42.1	50.6	41.6
1990	64.1	69.4	42.6	49.2	41.2
1991	64.0	69.5	42.7	51.3	39.0
1992	64.1	69.6	42.6	52.5	39.9
1993 <sup>2</sup>	64.1	70.2	42.0	50.6	39.4
1994	64.2	70.1	42.8	51.7	41.6
<b>Quarterly Data</b>					
<b>1994</b>					
1st Quarter	63.8	69.8	42.4	52.5	40.3
2nd Quarter	63.8	69.9	42.0	48.5	41.1
3rd Quarter	64.1	70.0	42.9	51.0	41.4
4th Quarter	64.2	70.2	42.9	51.2	42.2
<b>1995</b>					
1st Quarter	64.2	70.4	41.5	51.5	41.8
2nd Quarter	64.7	70.9	42.3	50.6	42.8

Note: For the annual data from 1983 to 1994, the source of the data is the Current Population Survey March Supplement. For the quarterly 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

<sup>1</sup> Implementation of new March CPS processing system.

<sup>1</sup> CPS data from 1983 to 1992 are weighted based on the 1980 decennial census.

<sup>2</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Bureau of the Census.

**Table 32. Homeownership Rates by Household Type: 1983–Present**



Period	Total	Married Couples		Other Families		Other
		With Children	Without Children	With Children	Without Children	
<b>Annual Data</b>						
1983 <sup>1</sup>	64.9	75.0	80.8	38.3	67.5	44.5
1984 <sup>†</sup>	64.5	74.2	80.9	39.1	66.4	44.6
1985	64.3	74.0	81.1	38.6	65.4	45.0
1986	63.8	73.4	81.4	38.0	65.7	43.9
1987	64.0	73.8	81.6	37.6	66.3	43.9
1988 <sup>†</sup>	64.0	73.9	81.7	38.0	64.9	44.6
1989	64.0	74.3	82.0	35.8	64.4	45.6
1990	64.1	73.5	82.2	36.0	64.3	46.6
1991	64.0	73.0	83.0	35.6	65.6	46.8
1992	64.1	73.4	83.0	35.1	64.9	47.3
1993 <sup>2</sup>	64.1	73.7	82.9	35.5	63.9	47.1
1994	64.2	73.8	83.2	35.6	65.7	47.7
<b>Quarterly Data</b>						
<b>1994</b>						
1st Quarter	63.8	73.6	83.3	35.8	64.7	46.8
2nd Quarter	63.8	73.6	83.1	36.1	65.7	47.1
3rd Quarter	64.1	74.6	83.1	36.2	65.5	47.2
4th Quarter	64.2	75.2	83.4	36.5	65.4	46.9
<b>1995</b>						
1st Quarter	64.2	74.5	83.9	36.9	65.8	46.7
2nd Quarter	64.7	75.0	83.7	37.3	66.7	47.9

Note: For the annual data from 1983 to 1994, the source of the data is the CPS March Supplement. For the 1994 and 1995 data, the source is the monthly Current Population Survey/Housing Vacancy Survey.

<sup>†</sup> Implementation of new March CPS processing system.

<sup>1</sup> CPS data from 1983 to 1992 are weighted based on the 1980 decennial census.

<sup>2</sup> Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Bureau of the Census.

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