




# National Data

## HOUSING PRODUCTION



### Permits<sup>★</sup>

Permits for construction of new housing units were down 6 percent in the second quarter of 2007, at a seasonally adjusted annual rate (SAAR) of 1,463,000 units, and were down 24 percent from the second quarter of 2006. One-unit permits, at 1,052,000 units, were down 6 percent from the level of the previous quarter and down 28 percent from a year earlier. Multifamily permits (5 or more units in structure), at 353,000 units, were 4 percent below the first quarter of 2007 and 12 percent below the second quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,463	1,559	1,928	- 6	- 24
<b>One Unit</b>	1,052	1,119	1,452	- 6	- 28
<b>Two to Four</b>	58	73	76	- 21	- 23
<b>Five Plus</b>	353	366	400	- 4	- 12

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



## Starts\*

Construction starts of new housing units in the second quarter of 2007 totaled 1,462,000 units at a seasonally adjusted annual rate, unchanged from the first quarter of 2007 but 21 percent below the second quarter of 2006. Single-family starts, at 1,166,000 units, were unchanged from the previous quarter but 23 percent lower than the second-quarter level of the previous year. Multifamily starts totaled 261,000 units, a statistically insignificant 1 percent above the previous quarter but a statistically insignificant 10 percent below the same quarter in 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,462	1,460	1,861	—	- 21
<b>One Unit</b>	1,166	1,172	1,520	—	- 23
<b>Five Plus</b>	261	259	291	+ 1**	- 10**

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


\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



## Under Construction\*

Housing units under construction at the end of the second quarter of 2007 were at a seasonally adjusted annual rate of 1,165,000 units, a statistically insignificant 2 percent below the previous quarter and 16 percent below the second quarter of 2006. Single-family units stood at 724,000, a statistically insignificant 4 percent below the previous quarter and 23 percent below the second quarter of 2006. Multifamily units were at 410,000, up a statistically insignificant 2 percent from the previous quarter but down a statistically insignificant 1 percent from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,165	1,190	1,385	- 2**	- 16
<b>One Unit</b>	724	756	936	- 4**	- 23
<b>Five Plus</b>	410	402	415	+ 2**	- 1**

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


\*\*This change is not statistically significant.

Sources: Census Bureau, 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 2007, at a seasonally adjusted annual rate of 1,519,000 units, were down 10 percent from the previous quarter and down 24 percent from the same quarter of 2006. Single-family completions, at 1,265,000 units, were down a statistically insignificant 7 percent from the previous quarter and down 25 percent from the rate of a year earlier. Multifamily completions, at 217,000 units, were 24 percent below the previous quarter and 21 percent below the same quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,519	1,689	2,002	- 10	- 24
<b>One Unit</b>	1,265	1,367	1,695	- 7**	- 25
<b>Five Plus</b>	217	286	275	- 24	- 21

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


\*\*This change is not statistically significant.

Sources: Census Bureau, 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 were at a seasonally adjusted annual rate of 100,000 units in the second quarter of 2007, which is 6 percent above the previous quarter but 18 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Manufacturers' Shipments</b>	100	94	122	+ 6	- 18

\*Units in thousands. These shipments are for 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\*

Sales of new single-family homes totaled 880,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 2007, up a statistically insignificant 3 percent from the previous quarter but down 19 percent from the second quarter of 2006. The number of new homes for sale at the end of the second quarter of 2007 was 537,000 units, a statistically insignificant 2 percent below the previous quarter and a statistically insignificant 5 percent lower than a year ago. At the end of June 2007, inventories represented a 7.8 months' supply at the current sales rate, denoting a statistically insignificant decrease of 6 percent from the previous quarter but an increase of 22 percent over the second quarter of 2007.

Sales of existing homes for the second quarter of 2007 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 5,913,000 (SAAR), down 8 percent from the previous quarter and down 11 percent from the second quarter of 2006. The number of units for sale at the end of this year's first quarter was 4,196,000, 10 percent higher than the previous quarter and 12 percent higher than the same quarter a year ago. At the end of June 2007, an 8.8 months' supply of units remained, which is 19 percent higher than the previous quarter and 28 percent higher than a year ago.

	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>	880	853	1,086	+ 3**	- 19
<b>For Sale</b>	537	548	565	- 2**	- 5**
<b>Months' Supply</b>	7.8	8.3	6.4	- 6**	+ 22
<b>Existing Homes</b>					
<b>Existing Homes Sold</b>	5,913	6,423	6,627	- 8	- 11
<b>For Sale</b>	4,196	3,806	3,738	+ 10	+ 12
<b>Months' Supply</b>	8.8	7.4	6.9	+ 19	+ 28

\*Units in thousands.

\*\*This change is not statistically significant.


Sources: New Homes—Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development; Existing Homes—NATIONAL ASSOCIATION OF REALTORS®



## Home Prices

The median price of new homes sold during the second quarter of 2007 was \$240,500, down 7 percent from the previous quarter and down a statistically insignificant 2 percent from the second quarter of 2006. The average price of new homes sold during the second quarter of 2007 was \$310,000, a statistically insignificant 4 percent lower than the previous quarter and a statistically insignificant 2 percent lower than the same quarter a year ago. The price adjusted to represent a constant-quality house, was \$267,200, a statistically insignificant 2 percent lower than the previous quarter but a statistically insignificant 1 percent higher than the second quarter of 2006. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing homes sold in the second quarter of 2007 was \$224,200, up 5 percent from the previous quarter but down 1 percent from the second quarter of 2006, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$271,800, was 4 percent higher than the previous quarter but nearly the same as that recorded during the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>Median</b>	\$240,500	\$257,400	\$246,300	- 7	- 2**
<b>Average</b>	\$310,000	\$322,100	\$302,600	- 4**	+ 2**
<b>Constant-Quality House<sup>1</sup></b>	\$267,200	\$273,700	\$265,600	- 2**	+ 1**
<b>Existing Homes</b>					
<b>Median</b>	\$224,200	\$214,000	\$226,800	+ 5	- 1
<b>Average</b>	\$271,800	\$260,900	\$272,900	+ 4	—

\*\*This change is not statistically significant.

<sup>1</sup>Effective with the release of the first quarter 2001 New Home Sales Price Index in April 2001, the Census Bureau began publishing the Fixed-Weighted Laspeyres Price Index on a 1996 base year. (The previous base year was 1992.) "Constant-quality house" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.




## 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 of housing affordability for the second quarter of 2007 shows that families earning the median income have 109.1 percent of the income needed to purchase the median-priced existing single-family home. This figure is 5 percent lower than the previous quarter but 6 percent higher than the second quarter of 2006.

The increase in the second quarter 2007 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate of 6.47 is 5 basis points above the previous quarter. The median sales price of existing single-family homes increased to \$223,833, 5 percent higher than the previous quarter but 1 percent below the second quarter of 2006. Median family income increased 0.7 percent from the previous quarter to \$59,021, a 2.9-percent gain over the previous year's second quarter.

The second quarter 2007 fixed-rate index of housing affordability decreased 5 percent from the previous quarter but rose 6 percent from the second quarter of 2006. The adjustable-rate index was 4 percent below the previous quarter but 7 percent above the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Composite Index</b>	109.1	114.5	102.7	- 5	+ 6
<b>Fixed-Rate Index</b>	108.8	114.3	102.2	- 5	+ 6
<b>Adjustable-Rate Index</b>	111.2	116.0	104.4	- 4	+ 7


Source: NATIONAL ASSOCIATION OF REALTORS®



## Apartment Absorptions

In the first quarter of 2007, 28,000 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down 16 percent from the previous quarter but up 30 percent from the first quarter of 2006. Of the apartments completed in the first quarter of 2007, 54 percent were rented within 3 months. This absorption rate is 7 percent lower than last quarter and 13 percent lower than the same quarter last year. The median asking rent for apartments completed in the first quarter was \$934, a drop of 10 percent from the previous quarter and a decline of 8 percent from the first quarter of 2006.

For all of 2006, 117,300 rental apartments were completed, an increase of 4 percent increase over 2005. Of these rental apartments, 58 percent were rented within 3 months, reflecting an absorption rate that is 8 percent lower than the previous year. The median asking rent in 2006 was \$1,035, an increase of 10 percent over 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Apartments Completed*</b>	28.0	33.4	21.6	- 16	+ 30
<b>Percent Absorbed Next Quarter</b>	54	58	62	- 7	- 13
<b>Median Asking Rent</b>	\$934	\$1,036	\$1,013	- 10	- 8


\*Units in thousands.

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



## Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the first quarter of 2007 totaled 90,700 units at a seasonally adjusted annual rate, a statistically insignificant 10 percent below the level of the previous quarter and 27 percent below the first quarter of 2006. The number of homes for sale on dealers' lots at the end of the first quarter totaled 39,000 units, a statistically insignificant 3 percent below the previous quarter and 5 percent below the same quarter of 2006. The average sales price of the units sold in the first quarter was \$64,400, a statistically insignificant 1 percent below the previous quarter and a statistically insignificant 1 percent below the price in the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Placements*</b>	90.7	100.3	124.0	- 10**	- 27
<b>On Dealers' Lots*</b>	39.0	40.0	41.0	- 3**	- 5
<b>Average Sales Price</b>	\$64,400	\$65,000	\$64,800	- 1**	- 1**

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


\*\*This change is not statistically significant.

Note: Percentage changes are based on unrounded numbers.  
Sources: Census Bureau, 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 (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the second quarter of 2007, the current market activity index for single-family detached houses stood at 31, down 6 points from the previous quarter and down 20 points from the second quarter of 2006. The index for future sales expectations, at 41, declined 9 points from the first quarter of 2006 and fell 14 points from the second quarter of 2006. Prospective buyer traffic had an index value of 24, which is down 4 points from the previous quarter and down 10 points from the second quarter of the past year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the second quarter of 2007, this index stood at 30, which is 7 points lower than the first quarter of 2006 and 16 points lower than the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Housing Market Index</b>	30	37	46	- 19	- 35
<b>Current Sales Activity—Single-Family Detached</b>	31	37	51	- 16	- 39
<b>Future Sales Expectations—Single-Family Detached</b>	41	50	55	- 18	- 25
<b>Prospective Buyer Traffic</b>	24	28	34	- 14	- 30

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




# HOUSING FINANCE



## Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac increased to 6.37 percent in the second quarter of 2007, 15 basis points higher than the previous quarter but 23 basis points lower than the second quarter of 2006. Adjustable-rate mortgages (ARMS) in the second quarter of 2007 were going for 5.55 percent, 8 basis points above the previous quarter but 10 basis points below the second quarter of 2006. Fixed-rate, 15-year mortgages, at 6.06 percent, were up 10 basis points from the first quarter of this year but down 17 basis points from the second quarter of 2006.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Conventional, Fixed-Rate, 30-Year</b>	6.37	6.22	6.60	+ 2	- 3
<b>Conventional ARMs</b>	5.55	5.47	5.65	+ 1	- 2
<b>Conventional, Fixed-Rate, 15-Year</b>	6.06	5.96	6.23	+ 2	- 3

Source: Federal Mac



## FHA 1-4 Family Mortgage Insurance\*

Applications for FHA mortgage insurance on 1-4 family homes were received for 213,700 (not seasonally adjusted) properties in the second quarter of 2007, up 30 percent from the previous quarter and up 20 percent from the second quarter of 2006. Total endorsements or insurance policies issued totaled 138,000, up 14 percent from the first quarter of 2007 and up 38 percent from the second quarter of 2006. Purchase endorsements, at 71,500, were up 23 percent from the previous quarter and up 58 percent from the second quarter of 2006. Endorsements for refinancing increased to 66,500, a 6-percent increase from the first quarter of 2007 and a 21-percent increase from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Applications Received</b>	213.7	164.5	178.0	+ 30	+ 20
<b>Total Endorsements</b>	138.0	120.7	100.3	+ 14	+ 38
<b>Purchase Endorsements</b>	71.5	58.1	45.2	+ 23	+ 58
<b>Refinancing Endorsements</b>	66.5	62.6	55.1	+ 6	+ 21


\*Units in thousands of properties.

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



## PMI and VA Activity\*

Private mortgage insurers issued 558,300 policies or certificates of insurance on conventional mortgage loans during the second quarter of 2007, up 36 percent from the first quarter of 2007 and up 55 percent from the second quarter of 2006; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 34,000 single-family properties in the second quarter of 2007, up 10 percent from the previous quarter but down 3 percent from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total PMI Certificates</b>	558.3	411.1	360.1	+ 42	+ 63
<b>Total VA Guaranties</b>	34.0	30.9	35.2	+ 10	- 3


\*Units in thousands of properties.

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



## Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 4.84 percent in the first quarter of 2007, down 2 percent from the fourth quarter of 2006 but up 10 percent from the first quarter of 2006. Delinquencies for subprime loans past due were at 13.77 percent, up 3 percent from the fourth quarter of 2006 and up 20 percent from the first quarter of the previous year. For the first quarter of 2007, 90-day delinquencies for all loans were at 0.98 percent, up 2 percent from the fourth quarter of 2006 but down 3 percent from the first quarter a year ago. Subprime loans that were 90 days past due stood at 3.35 percent at the end of the first quarter of 2007, up 7 percent from the fourth quarter of 2006 and up 19 from the first quarter of 2006. During the first quarter of 2007, 0.58 percent of all loans entered foreclosure, a increase from the fourth quarter of 2006 and an increase of 41 percent from the fourth quarter of the previous year. In the subprime loan category, 2.43 percent began foreclosure in the first quarter of 2007, an increase of 22 percent over the fourth quarter of 2006 and 50 percent over the first quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total Past Due (%)</b>					
<b>All Loans</b>	4.84	4.95	4.41	- 2	+ 10
<b>Subprime Loans</b>	13.77	13.33	11.50	+ 3	+ 20
<b>90 Days Past Due (%)</b>					
<b>All Loans</b>	0.98	0.96	1.01	+ 2	- 3
<b>Subprime Loans</b>	3.35	3.13	2.82	+ 7	+ 19
<b>Foreclosures Started (%)</b>					
<b>All Loans</b>	0.58	0.54	0.41	+ 7	+ 41
<b>Subprime Loans</b>	2.43	2.00	1.62	+ 22	+ 50

Source: National Delinquency Survey, Mortgage Bankers Association




# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product\*

Residential Fixed Investment (RFI) for the second quarter of 2007 was at a seasonally adjusted annual rate of \$671.9 billion, 2 percent below the value from the first quarter of 2007 and 15 percent below the second quarter of 2006. As a percentage of the Gross Domestic Product (GDP), RFI for the second quarter of 2007 was 4.9 percent, 0.2 percentage point below the previous quarter and 1.1 percentage point below the same quarter a year ago.

 GDP %	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	13,755.9	13,551.9	13,155.0	+ 2	+ 5
<b>RFI</b>	671.9	687.5	788.2	- 2	- 15
<b>RFI/GDP (%)</b>	4.9	5.1	6.0	- 4	- 18

\*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

# HOUSING INVENTORY



## Housing Stock\*

At the end of the second quarter of 2007, the estimate of the total housing stock, 127,728,000 units, was up a statistically insignificant 0.4 percent from the first quarter of 2007 and up a statistically insignificant 1.5 percent above the second quarter of 2006. The number of occupied units increased a statistically insignificant 0.6 percent from the first quarter of 2007 and increased a statistically insignificant 0.8 percent from the second quarter of 2006. Owner-occupied units increased a statistically insignificant 0.4 percent from the first quarter of 2007 and were up a statistically insignificant 0.1 percent above the previous year's second quarter. Rentals increased a statistically insignificant 1.0 percent from the previous quarter and increased a statistically insignificant 2.4 percent from the second quarter of 2006. Vacant units were down 1.0 percent from the previous quarter but increased 6.3 percent from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Housing Units</b>	127,728	127,266	125,800	+ 0.4**	+ 1.5**
<b>Occupied Units</b>	110,341	109,704	109,450	+ 0.6**	+ 0.8**
<b>Owner Occupied</b>	75,283	75,006	75,227	+ 0.4**	+ 0.1**
<b>Renter Occupied</b>	35,058	34,698	34,223	+ 1.0**	+ 2.4**
<b>Vacant Units</b>	17,387	17,562	16,350	- 1.0**	+ 6.3

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Vacancy Rates

The national homeowner vacancy rate for the second quarter of 2007, at 2.6 percent was down 0.2 percentage point from the first quarter of 2007 but up 0.4 percentage point from the second quarter of 2006.

The 2007 second quarter national rental vacancy rate, at 9.5 percent, was down a statistically insignificant 0.6 percentage point from the previous quarter and was down a statistically insignificant 0.1 percentage point from the same quarter of the past year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Homeowner Rate</b>	2.6	2.8	2.2	- 7	+ 18
<b>Rental Rate</b>	9.5	10.1	9.6	- 6**	- 1**


\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



## Homeownership Rates

The national homeownership rate for all households was 68.2 percent in the second quarter of 2007, down a statistically insignificant 0.2 percentage point from previous quarter and down 0.5 percentage point from the second quarter of 2006. The homeownership rate for minority households, at 50.8 percent, decreased 0.5 percentage point from the first quarter of 2007 and decreased a statistically insignificant 0.2 percentage point from the second quarter of 2006. The 62.5-percent homeownership rate for young married-couple households was up 0.7 percentage point from the first quarter of 2007 but decreased 1.0 percentage point from the second quarter of 2006.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Households</b>	68.2	68.4	68.7	- 0.3**	- 0.7
<b>Minority Households</b>	50.8	51.3	51.0	- 1.0	- 0.4**
<b>Young Married-Couple Households</b>	62.5	61.8	63.5	+ 1.1	- 1.6

\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce