

U.S. Housing Market Conditions

March 1996

SUMMARY

The year 1995 was a good year for housing that followed a great year. Except for 1994 more housing units were authorized (1,333,000) and started (1,350,500) than in any other year since 1989. Again, except for 1994, more existing homes (3,812,000) were sold than in any year since 1979. Data for the first 11 months suggest that new home sales in 1995 will fall short of the totals in 1993 and 1994, but still exceed other years since 1989.

In some important areas, 1995 surpassed 1994. More multifamily units (243,500) were started than in any year since 1990. In current dollars residential fixed investment reached an all-time high of \$295.2 billion. Most significantly, the homeownership rate rose to 64.7 percent, the highest rate since 1982. In fact, in the past two quarters, the homeownership rate exceeded 65 percent, a rate not achieved in any quarter since the fourth quarter of 1981.

The influence of interest rates on housing activity was clearly demonstrated in 1995, a year that started slowly but finished strong. Permits, starts, new home sales, and existing home sales were all substantially higher in the last 6 months of the year than in the first 6 months. Interest rates fell throughout the year; by the fourth quarter, rates for 30-year, fixed-rate mortgages were 176 basis points lower than a year earlier.

Specific highlights for the fourth quarter are as follows:

- Permits rose 4 percent in the fourth quarter compared with the third quarter, while starts fell 1 percent. However, in both cases, the fourth quarter level was significantly higher than the second quarter.
- The absorption rate for multifamily units completed in the previous quarter fell from 75 to 72 percent. However, 48,200 units were brought onto the market in the third quarter, substantially more than in any quarter in the past 2 years.
- The National Association of Realtors® Affordability Index improved by 5 percent, as interest

rates fell, the median income increased slightly, and the median existing home price decreased slightly.

As *U.S. Housing Market Conditions* went to press, the Census Bureau released data on permits and starts for January 1996. Starts increased over December, suggesting that the momentum from the last half of 1995 carried over into 1996. While permits fell, they remained above the 1995 annual level. However, large month-to-month swings in these numbers are not unusual, so monthly results should be read with caution. Further discretion is suggested by the decline in new home sales from July through November. Unfortunately, data on new home sales for December and January will not be available until the middle of March. These numbers bear watching because the inventory of unsold homes now exceeds 7 months.

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About the March Issue

This issue would normally have been published in February and would have contained data for the fourth quarter; however, the two Federal furloughs have caused delays in the release of many data series. We have timed our publication date to allow for as many complete data tables as possible without delaying too long. As a result we were able to include fourth quarter or December data for all but four series—housing units under construction, housing units completed, prices for new homes, and new home sales. The next edition scheduled for release in May 1996 will contain the missing fourth quarter or December data for these four series.



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Regional Perspective

HUD's field economists report that housing-market conditions in the fourth quarter of 1995 continued to show the improvement that started in the previous quarter.

Sales of new and existing homes in many areas during the fourth quarter exceeded the fourth quarter of 1994. However, sales levels in most parts of the country finished the year slightly below 1994.

Single-family building permits for 1995 declined in every region. The reductions ranged from 14 percent in New York/New Jersey to 1.5 percent in the Rocky Mountains. Residential construction and sales activity remained strong in Georgia, Texas, Arizona, Nevada, and Oregon. In the Mid-Atlantic region, the drop in single-family activity reflected a much lower sales volume in 1995 and increased inventories of new homes in the middle and upper price ranges, particularly in the Philadelphia and Washington-Baltimore areas. The sales markets in the Southeast and Southwest continued to be very active.

Home sales in the Midwest ended the year only 4 percent below a very strong 1994. Median sales prices increased by nearly 10 percent in the Rocky Mountain markets of Salt Lake City, Denver, and Colorado Springs. The slight drop in existing home sales in Arizona was caused by a shortage of listings, as demand remains strong. Home sales activity in Oregon continued strong, especially in Portland and Eugene.

Apartment construction remained on the upswing in much of the Nation, with 31 States reporting an increase in the number of multifamily units permitted in 1995. Nearly 8,800 apartment units are in the planning stages in the Washington, D.C., metropolitan area. Activity continued strong in the Rocky Mountain, Southeast, and Southwest regions where the number of multifamily units permitted was up 27, 21, and 5 percent, respectively. When the large inventory under construction comes on the market, more competitive conditions are expected in a number of markets in these two regions. Midwest rental markets remain solid. Multifamily units permitted in the region were up 8 percent over 1994, to the highest level in the past 6 years.

The initial surge of apartment construction in the Rocky Mountain region that began in late 1994 is now coming on the market. While absorption remains strong, preleasing has slowed and rent concessions are beginning to appear. Multifamily units permitted were up substantially over 1994 in both

Arizona and Nevada. Las Vegas and Phoenix have absorbed high levels of apartment construction with little problem to date. In the Northwest multifamily permit activity was slightly over 1994, and rental markets remain very tight in much of Oregon.

MEASURING THE PERFORMANCE OF OUR CITIES¹

For the past 35 years, large American cities have decentralized, losing both population and employment, while their surrounding metropolitan areas have gained people and jobs. The country has become increasingly urban in character while, at the same time, the proportion of people and jobs in large cities has declined. For example, the 94 largest central cities in the United States in 1990 contained about 20 percent of the total U.S. population. In 1960 these 94 cities comprised more than 26 percent of the total U.S. population. More than 16 percent of the U.S. population lived in the 25 largest cities in 1960, while only about 12 percent lived in these same cities in 1990. From 1960 to 1990, the United States experienced a 65-percent growth in jobs, while the top 25 cities saw only a 14-percent growth in employment.

Although the trend is clear, fluctuations around it are often both substantial and difficult to explain. Some cities have flourished, doing much better than the trend, while others have grappled with shrinking population and employment and increasing crime, poverty, and racial polarization. At one time a city may be doing well compared with other large cities. At a different time, that same city may be losing population and employment at a rate that is faster than the trend for large cities. Where and why have some cities performed well and others languished? This article will attempt to answer this question by examining the performance of various cities in different regions of the United States.

The article draws upon a new data set prepared for the U.S. Department of Housing and Urban Development (HUD) by the Center for Urban Policy Research (CUPR). CUPR amassed approximately 1,400 variables to depict the economic and social conditions in America's cities in 1980 and 1990,



documenting fluctuations around the long-run urban trend. The comprehensive array of variables is divided into six categories: employment and economic development; demographic factors; housing and land use; poverty and income distribution; fiscal conditions and the public sector; and social, environmental, health, and other factors. The exhaustive list of variables helps to measure cities' performance along any number of dimensions, such as health, poverty, crime, unemployment, education, and racial integration.

One innovative feature of the data set is that for most variables it provides measures for central cities and for either their surrounding suburbs or the entire metropolitan area. This feature will help researchers at HUD, CUPR, and elsewhere to compare the performance of central cities with that of their surrounding areas. Important insights can be gleaned from such comparisons. For example, one can begin to infer reasons for the disparities between a city and its suburbs by comparing a suburb that is doing well with a neighboring central city that is deteriorating. A second innovation of the database is an index of dissimilarity—a barometer of racial segregation—that measures the proportion of a metropolitan area's residents that must move to achieve perfect racial integration.

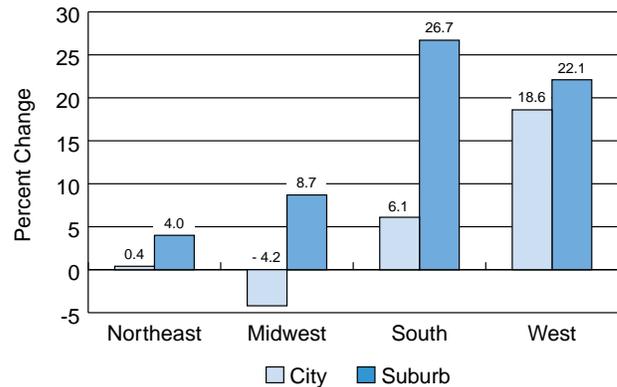
This article is divided into five sections. The first section describes cities within their regional context. The second section focuses on decentralization patterns, including the "Edge City." The third, fourth, and fifth sections discuss urban trends, the distributional effects of these trends among cities, and the recent performance of cities in general.

Cities within their regional context

From 1980 to 1990, the Northeast and Midwest regions—the Frostbelt—were population and employment losers relative to the rest of the country. Figures 1 and 2 show that Midwestern cities lost 4.2 percent of their population during the decade, while the population in Northeastern cities grew by only 0.4 percent. In both regions suburban employment growth was more than 50 percent greater than in the cities.

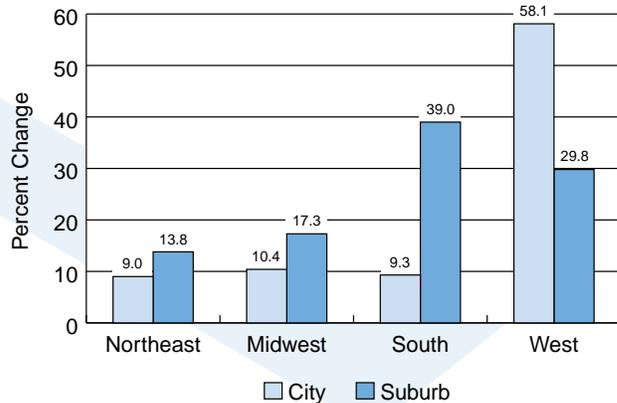
Cities in the Northeast and Midwest also suffered severe population and employment losses. According to Table 1, Pittsburgh lost 12.8 percent of its population and 9.7 percent of central-city jobs. Detroit's population and central-city employment

Figure 1. City and Suburban Population Growth by Region, 1980–1990 (percent)



Source: *The State of the Nation's Cities: America's Changing Urban Life*, Norman J. Glickman et al., Center for Urban Policy Research, Spring 1996.

Figure 2. City and Suburban Employment Growth by Region, 1980–1990 (percent)



Source: *The State of the Nation's Cities: America's Changing Urban Life*, Norman J. Glickman et al., Center for Urban Policy Research, Spring 1996.

shrank by 14.6 percent and 15 percent, respectively. Other Frostbelt cities, such as Buffalo; Newark, New Jersey; Chicago; Cincinnati; Kansas City, Missouri; and St. Louis, suffered significant losses in population and/or central-city employment.

On the other hand, the South and West regions—the Sunbelt—performed very well. The population of the average city in the South and West grew by 6.1 percent and 18.6 percent, respectively. Average city

Table 1. Change in Population, Employment, and Median Household Income, 1980–1990

City	Central City						Suburbs					
	Population		Employment		Median Income		Population		Employment		Median Income	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Northeast	0.4		9.0				4.0		13.8			
Boston, MA	2.0	45	12.8	37	46.8	1	6.2	59	14.9	56	34.6	2
Buffalo, NY	-8.3	66	-0.2	55	0.5	59	-2.7	69	6.9	68	2.6	58
Burlington, VT	3.8	38	19.5	25	23.3	13	17.7	30	38.6	22	31.4	5
Hartford, CT	2.5	43	0.0	53	21.2	16	7.5	51	15.0	55	28.7	10
Manchester, NH	9.5	29	16.2	28	28.8	8	27.4	17	41.2	20	36.3	1
New York, NY	3.5	39	11.6	39	35.7	4	1.7	65	10.2	65	33.7	3
Newark, NJ	-16.4	74	-4.1	64	34.8	5	0.4	67	10.0	66	31.4	6
Philadelphia, PA	-6.1	60	4.3	49	17.7	24	7.9	50	21.2	42	24.1	17
Pittsburgh, PA	-12.8	72	-9.7	70	-2.5	63	-5.7	70	0.8	71	-5.8	72
Portland, ME	4.5	36	18.6	26	37.2	3	15.9	33	32.8	23	32.5	4
Providence, RI	2.5	42	5.2	48	22.0	14	6.6	58	15.1	54	25.5	15
Midwest	-4.2		10.4				8.7		17.3			
Chicago, IL	-7.4	65	-2.3	60	8.3	37	9.1	46	16.2	50	10.4	33
Cincinnati, OH	-5.6	58	-0.3	57	4.4	47	7.4	53	20.3	43	7.5	43
Cleveland, OH	-11.9	70	-14.8	72	-8.5	72	-0.5	68	4.7	69	-0.2	66
Columbus, OH	12.1	24	24.1	21	13.2	27	9.7	45	19.2	46	11.2	31
Des Moines, IA	1.1	48	6.9	46	0.7	58	13.1	37	25.1	34	3.8	55
Detroit, MI	-14.6	73	-15.0	74	-15.5	74	1.7	66	13.7	59	2.2	59
Fargo, ND	20.7	17	28.8	15	-6.5	69	3.9	63	13.6	60	-3.0	69
Indianapolis, IN	4.4	37	13.6	34	5.8	44	7.3	54	22.0	39	6.2	50
Kansas City, MO	-4.0	55	10.6	40	6.2	42	18.8	28	27.0	32	5.8	51
Milwaukee, WI	-1.3	51	-3.9	62	-7.1	71	5.7	60	14.0	58	1.3	64
Minneapolis, MN	-0.1	50	12.5	38	11.2	29	21.9	25	31.6	24	11.6	30
Omaha, NE	6.9	32	15.4	30	3.6	49	4.3	62	16.5	49	6.3	49
Sioux Falls, SD	23.9	12	35.1	10	2.8	51	-8.6	72	4.2	70	5.2	52
St. Louis, MO	-12.4	71	-6.7	69	6.5	41	6.9	56	16.8	48	8.3	40
Toledo, OH	-6.1	61	-0.3	56	-3.4	66	7.2	55	21.3	41	2.0	60
Wichita, KS	8.9	30	7.4	44	2.6	52	11.5	41	14.7	57	4.8	53
South	6.1		9.3				26.7		39.0			
Atlanta, GA	-7.3	64	0.2	52	24.3	10	41.9	8	57.8	7	25.4	16
Austin, TX	34.7	5	39.9	8	8.9	33	58.9	2	80.6	1	12.3	28
Baltimore, MD	-6.5	62	2.8	50	18.3	21	16.5	32	29.6	30	21.6	20
Birmingham, AL	-6.5	63	-3.9	61	1.2	56	8.2	49	19.8	45	7.3	45
Charleston, NC	-10.4	68	-13.8	71	-6.9	70	-6.1	71	-2.7	72	-11.0	74
Charlotte, WV	25.9	9	34.5	11	18.7	20	16.6	31	24.5	36	17.2	25
Columbia, SC	-3.1	54	7.5	43	18.1	22	15.0	35	26.4	33	15.8	26
Dallas, TX	11.4	25	10.0	41	6.8	40	45.0	7	53.2	10	9.9	34
El Paso, TX	21.2	16	26.8	17	3.9	48	39.6	10	62.0	5	1.9	61
Fort Worth, TX	16.2	22	15.2	31	9.3	31	50.8	4	58.5	6	9.1	35
Houston, TX	2.2	44	-4.7	67	-10.4	73	45.9	6	49.8	11	-5.4	71
Jackson, MS	-3.1	53	-4.2	65	-0.9	61	24.9	20	41.9	18	8.7	38
Jacksonville, FL	17.4	21	38.2	9	19.5	18	49.7	5	47.9	13	22.0	19
Little Rock, AR	10.9	26	17.1	27	7.3	39	6.7	57	17.6	47	7.7	42
Louisville, KY	-9.8	67	-4.0	63	3.4	50	3.7	64	15.2	52	2.7	57
Memphis, TN	-5.6	59	-0.7	58	1.8	55	35.8	12	67.4	4	12.2	29
Miami, FL	3.4	40	-4.9	68	-3.7	67	23.4	21	28.6	31	8.9	37
Nashville- Davidson, TN	7.2	31	15.5	29	8.8	35	25.7	19	40.9	21	13.7	27
New Orleans, LA	-10.9	69	-14.9	73	-1.4	62	5.6	61	8.3	67	-4.7	70
Oklahoma City, OK	10.3	27	9.2	42	2.0	54	12.3	38	15.1	53	1.7	62
San Antonio, TX	19.1	19	27.4	16	4.6	46	28.4	16	43.7	14	8.5	39
Tampa, FL	3.1	41	14.6	32	16.5	25	33.2	13	54.4	9	21.2	22

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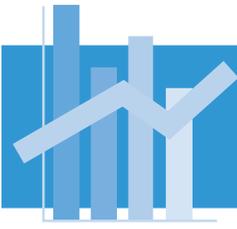


Table 1. Change in Population, Employment, and Median Household Income, 1980–1990

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City	Central City						Suburbs					
	Population		Employment		Median Income		Population		Employment		Median Income	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Tulsa, OK	1.7	47	-0.8	59	-4.0	68	15.4	34	22.9	38	-1.1	67
Virginia Beach, VA	49.9	3	64.9	1	13.1	28	11.9	39	23.3	37	18.2	24
Washington, DC	-4.9	56	2.0	51	19.5	19	27.4	18	43.5	15	27.1	12
Wilmington, DE	1.9	46	23.2	23	42.2	2	13.8	36	29.8	29	23.8	18
West	18.6		58.1				22.1		29.8			
Albuquerque, NM	16.0	23	23.8	22	5.2	45	11.2	43	24.7	35	6.8	46
Anchorage, AK	29.8	7	43.1	6	1.2	57	NA	NA	NA	NA	1.2	65
Billings, MT	21.5	15	24.6	20	-2.6	64	-21.7	73	-14.0	73	-6.4	73
Boise City, ID	22.7	13	29.5	14	8.7	36	10.2	44	21.6	40	7.5	44
Cheyenne, WY	5.8	34	7.1	45	0.1	60	8.3	48	12.2	63	-1.4	68
Denver, CO	-5.0	57	-4.6	66	2.0	53	23.4	22	30.2	27	3.4	56
Fresno, CA	62.3	1	49.0	3	8.9	34	11.6	40	13.3	61	6.4	48
Honolulu, HI	0.1	49	6.7	47	17.8	23	18.5	29	41.3	19	21.3	21
Las Vegas, NV	56.9	2	63.0	2	10.4	30	63.6	1	68.2	3	7.8	41
Los Angeles, CA	17.6	20	19.9	24	23.9	12	19.3	27	16.0	51	25.5	14
Oakland, CA	9.7	28	13.9	33	23.9	11	20.3	26	29.9	28	26.3	13
Phoenix, AZ	24.5	10	31.0	13	6.0	43	54.9	3	72.7	2	9.1	36
Portland, OR	19.4	18	25.9	18	9.1	32	11.5	42	20.3	44	6.5	47
Sacramento, CA	34.0	6	42.8	7	21.6	15	36.6	11	48.6	12	19.3	23
Salt Lake City, UT	-1.9	52	-0.1	54	8.3	38	22.1	24	30.9	26	4.6	54
San Diego, CA	26.8	8	46.4	5	29.4	7	40.7	9	55.9	8	29.0	9
San Francisco, CA	6.6	33	12.9	36	32.7	6	8.6	47	11.3	64	29.5	8
San Jose, CA	24.3	11	32.4	12	27.2	9	7.5	52	13.1	62	29.8	7
Santa Ana, CA	44.2	4	46.7	4	20.7	17	22.4	23	31.0	25	28.3	11
Seattle, WA	4.5	35	13.6	35	13.8	26	31.0	14	42.8	16	10.6	32
Tucson, AZ	22.6	14	25.8	19	-2.7	65	30.2	15	42.6	17	1.3	63

Note: Median household income figures for cities are for the named city only. Those for the suburbs are those for the metropolitan areas, including the cities themselves. Median household income data for 1979 were adjusted to 1989 dollars.

Sources: U.S. Bureau of the Census (1982). Census of Population and Housing, 1980: Summary Tape File 3, Washington, D.C.: U.S.G.P.O.; U.S. Bureau of the Census (1991). Census of Population and Housing, 1990: Summary Tape File 3, Washington, D.C.: U.S.G.P.O.

employment rose by even more: 9.3 percent for the South and 58.1 percent for the West (see Figures 1 and 2).

The Sunbelt cities also fared far better than their frozen counterparts. Five Texas cities saw their population and central-city employment increase by 10 percent or more: Austin (34.7- percent increase in population, 39.9-percent increase in central-city employment); Dallas (11.4 percent, 10.0 percent); El Paso (21.2 percent, 26.8 percent); Fort Worth (16.2 percent, 15.2 percent); and San Antonio (19.1 percent, 27.4 percent). Other cities with double-digit growth in both categories include: Charlotte, Jacksonville, Virginia Beach,

Anchorage, Boise, Fresno, Sacramento, San Diego, Las Vegas, Phoenix, and Tucson.

Regional characteristics, such as cheap labor in the South, inexpensive energy in the Southwest, and desirable climates in both the South and West, have contributed to the recent prosperity of cities in these areas.

Certain cities have flourished in declining regions, just as others have declined in prosperous regions. Despite being in the Northeast, Boston's population and central-city employment grew by 2 percent and 12.8 percent, respectively, from 1980 to 1990. New Orleans lost nearly 11 percent of its population and 15 percent of its central-city jobs, notwithstanding

its southern location. Boston was certainly helped by the development of high-technology industries in and around the city, particularly along Route 128. New Orleans, on the other hand, never recovered from the oil-based recession of the 1970s. It failed to develop a replacement engine to drive economic growth and encourage people to remain in or relocate to the area.

Patterns of urban decentralization

Prior to World War II, and for nearly three decades thereafter, U.S. industry enjoyed an insular domestic market and dominance abroad. However, foreign industrial competition grew increasingly stiff during the 1970s. The automobile industry is a perfect illustration. Abetted by the OPEC oil shocks, foreign automakers were able to sell their cheaper, more reliable, and more fuel-efficient vehicles to American consumers. By the 1990s, one of every four vehicles in the United States was produced abroad. Foreign manufacturers made similar inroads in the steel, textiles, and consumer electronics industries. To meet the decreased demand for domestic products, American firms downsized their domestic operations, displacing hundreds of thousands of workers.

Many of the losses in American manufacturing are attributable to the cost advantage of foreign producers by the ready supply of cheaper, nonunionized, low- or semiskilled labor. In their efforts to be more cost competitive, domestic producers have begun to build plants or subcontract manufacturing overseas, exacerbating the loss of less skilled jobs in the United States, particularly in its cities.

Manufacturing jobs have decentralized, moving out of central cities. Services, which by their nature cannot be imported, and high-skilled professional jobs, in which the United States has a comparative advantage, have moved in. Services and high-skilled, high-technology jobs have also grown in the suburbs, far removed from the cities that experienced the greatest manufacturing job losses.

As jobs and population left the central city, retailers followed, filling shopping malls and creating “Edge Cities”—highly developed retailing centers located far from traditional downtown areas. With merchandise and other urban amenities now closer to where they live, suburban shoppers abandoned many centrally located stores. Inevitably, urban

retailers either curtailed their operations or went out of business, further depleting the withering urban job base.

Reasons for observed structural changes

Residential suburbanization has been an ongoing process in the United States since World War II. Indeed, there is a “natural evolution theory” of suburbanization, which postulates: As incomes grow, people will be willing to spend more on spacious homes, larger yards, and the concomitant higher commuting costs. So, over time, one would expect to observe larger numbers of people residing in suburbia, independent of other socioeconomic phenomena. There is presently a debate in the literature as to whether urban problems (such as crime and poverty) have accelerated the rate of suburbanization, but the evidence is far from conclusive. The only certainty is that the United States is becoming increasingly suburban and has been moving in that direction for decades.

Manufacturing and service jobs have also been moving to the suburbs over the past 25 years. As discussed above, a major reason is the availability of skilled labor: As well-trained workers increasingly reside in the suburbs, businesses have located their operations there. In addition, suburban land is often cheaper, regulations are less strict, and transportation is less costly and time consuming. Another advantage is that firms that locate in the suburbs risk no potential environmental liability left by a previous polluter.

Global factor-price equalization is the cause of many of the job losses in Northern and Midwestern cities. In other words, American manufacturers cannot pay real wages substantially greater than those being paid by foreign firms and remain price competitive. One wage-reducing response to foreign competition is to relocate production to lower wage/less unionized areas. Domestically, this has been accomplished by the movement of manufacturing facilities, particularly to the sparsely unionized South. Internationally, producers have moved their production to low-wage countries. Both Ford and General Motors, for example, now have plants in Mexico.

Labor-saving technological change is yet another way that firms can reduce labor demand and labor costs. Both increases in worker productivity and



automation—the outright replacement of human workers with machines—have been successfully introduced. For its most routine tasks, such as spot-welding chassis assemblies, the auto industry now uses robots. In banking the automated teller machine has assumed the most routine tasks that bank tellers used to perform. In short, low- and semiskilled labor is increasingly being replaced by lower cost machinery in both manufacturing and services.

Distributional effects of structural changes

Foreign competition and labor-saving technological change have combined to slow the demand for labor and with it, the growth in real wages. Real average hourly earnings exhibited no significant growth from 1966 to 1994. In fact, measured in constant 1982 dollars, the \$7.52 average hourly wage of 1966 is slightly higher than its \$7.42 counterpart of 1995.² For urban workers who depend on hourly wage jobs for a living, they have not increased their earning power. Measured in 1994 dollars, real median family income, which now incorporates more two-earner families, has shown little increase, growing only slightly from \$37,319 in 1976 to \$38,782 in 1994.³

These figures conceal a stunning redistribution of income between skill categories and income classes. As unskilled labor saw its earnings decline, skilled workers reaped large increases. From 1975 to 1992, nominal average earnings doubled for high school dropouts, rose 2.5 times for high school graduates, nearly tripled for holders of bachelor's degrees, and tripled for holders of advanced degrees. During the same period, the consumer price index increased 2.5 times, meaning only those with college degrees and beyond increased their real earnings. In 1992 the holder of a bachelor's degree earned an average annual wage of \$32,269, 72 percent more than a high school graduate. Over a worklife the annual difference translates to \$600,000 more for a college graduate (for example, \$1.421 million vs. \$821,000).

According to income categories, between 1979 and 1989, the average real incomes of families in the lowest quintile fell by 2.1 percent, while the incomes of families in the top quintile rose by 13.9 percent.

The redistribution of income away from those with less education and wealth has exacerbated urban poverty. American cities harbor a disproportionate share of the Nation's poor and poorly educated citizens. Therefore, when earnings of the poor and undereducated slip, cities bear the brunt. A comparison of the proportions of city and suburban populations in poverty confirms this fact. In 1990 in the Northeast, 19.9 percent of the average city's population lived in poverty. The average city in the Midwest, South, and West had 20.8 percent, 19.7 percent, and 15.6 percent, respectively, of its population living in poverty. The corresponding numbers for each region's suburbs were: 6.8 percent for the Northeast, 6.3 percent for the Midwest, 9.3 percent for the South, and 9.3 percent for the West.

While well-paying manufacturing jobs have disappeared from cities, affordable housing remains concentrated in older urban cores. The location of affordable housing away from centers of suburban job growth has trapped the poor and minorities in central cities, removed from economic opportunity. These trends have also fostered income and racial polarization: Middle and upper income Americans work and reside in suburbia, while a predominantly African-American and Hispanic underclass crowds the inner city. According to the 1990 Index of Dissimilarity calculated in HUD's new data set, for the average large metropolis of the Northeast and the Midwest, two-thirds of the population would have to be moved to achieve perfect racial integration, 73.4 percent and 69 percent, respectively. For the South 64.4 percent and for the West 50.3 percent of the population would have to move to achieve racial integration. More importantly, for the Northeast and the Midwest, the percentages for 1990 exceeded their 1970 counterparts, confirming an increase in racial polarization.

Summary

Large cities as a group continue a longrun trend of relative population and employment loss. As population and employment centers, large cities are less dominant than they were in the 1950s and 1960s. While decentralization is the overall trend, the performance of individual cities fluctuates around the trend line. The CUPR data set highlights the movements for individual large cities. As the data suggest, poverty, unemployment, and isolation are huge problems for many American cities, particularly those in the Northeast and Midwest. At the same time, some cities are much healthier, both economically and socially; the majority of these cities are in the South and West.

Notes

¹ This article is based on research done for HUD by the Center for Urban Policy Research, Rutgers University. The full report, entitled *The State of the Nation's Cities: America's Changing Urban Life*, by Norman J. Glickman, Michael L. Lahr, and Elvin K. Wyly, will be available from HUD in Spring 1996.

² See *1995 Economic Report of the President*, Table B-43.

³ See *1995 Economic Report of the President*, Table B-29.



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National Data

HOUSING PRODUCTION



Permits*

Permits for the construction of new housing units rose 4 percent in the fourth quarter of 1995 to a seasonally adjusted annual rate (SAAR) of 1,437,000 units, 3 percent lower than in the fourth quarter of 1994. The January 1996 level is 1,373,000 (SAAR) and the annual estimate for 1995 is 1,333,000 units, 3 percent below the 1994 annual estimate. One-unit permits, at 1,077,000 units, were up 3 percent from the previous quarter and up 2 percent from a year earlier. The January 1996 estimate is 1,045,000 units (SAAR) and the annual estimate for 1995 is 999,100 units, 6 percent below the 1994 annual estimate. Multifamily permits (5 or more units in structure), at 292,000 units, were 9 percent above both the third quarter and the same quarter the previous year. The 1995 annual estimate is 268,600 units, 11 percent above the 1994 annual estimate. The January 1996 estimate is 259,000 (SAAR), 15 percent below the December 1995 estimate.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,437	1,376	1,393	+ 4	- 3
ONE UNIT	1,077	1,043	1,059	+ 3	+ 2
TWO TO FOUR	68	65	66	+ 5**	+ 4**
FIVE PLUS	292	268	268	+ 9	+ 9

*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 fourth quarter of 1995 totalled 1,398,000 units at a seasonally adjusted annual rate (SAAR), a statistically insignificant 1 percent below the third quarter of 1995 and 7 percent lower than the fourth quarter last year. The January 1996 estimate is 1,446,000 units (SAAR) and the 1995 annual estimate is 1,350,500, 7 percent below the 1994 annual estimate. Single-family starts, at 1,118,000 units, were a statistically insignificant 1 percent lower than the previous quarter and 7 percent below the year-earlier rate. The January 1996 estimate is 1,132,000 units (SAAR) and the 1995 annual estimate is 1,073,200 units, 10 percent below the 1994 annual estimate. Multifamily starts totalled 249,000 units, a statistically insignificant 1 percent below the previous quarter and 6 percent below the same quarter last year. The January 1996 estimate is 283,000 units (SAAR) and the 1995 annual estimate is 243,500 units, 9 percent above the 1994 annual estimate.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,398	1,417	1,511	- 1**	- 7
ONE UNIT	1,118	1,130	1,200	- 1**	- 7
TWO TO FOUR	31	35	45	- 12**	- 31
FIVE PLUS	249	252	266	- 1**	- 6**

*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 November 1995 stood at 795,000 units on a seasonally adjusted annual basis, 2 percent higher than at the end of the previous quarter and 1 percent above the final quarter of 1994. (Both of these changes are statistically insignificant.) Single-family units under construction, at 566,000, were a statistically insignificant 2 percent above the end of the previous quarter and 3 percent below the 1994 year-end level. Multifamily units, at 207,000, were nearly the same as the previous quarter and 13 percent above the fourth quarter last year.

	Latest Quarter [†]	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	795	783	791	+ 2**	+ 1**
ONE UNIT	566	553	584	+ 2**	- 3
TWO TO FOUR	22	22	23	—	- 4**
FIVE PLUS	207	206	184	—	+ 13

*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

[†]Entries for "Latest Quarter" are based on October and November data only. December data were unavailable due to the partial shutdown of the Federal Government.



Completions*

Housing units completed in the fourth quarter of 1995, at a seasonally adjusted annual rate of 1,325,000 units, were 3 percent above the previous quarter, but 4 percent below the same quarter last year. (*Note:* The quarterly value is based on data for October and November *only*.) (Both changes are statistically insignificant.) Single-family completions, at 1,038,000 units, were 2 percent above the previous quarter and 11 percent below the year-earlier rate. Multifamily completions, at 252,000 units, were 8 percent above the previous quarter and 34 percent above the same quarter last year.

	Latest Quarter [†]	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,325	1,282	1,378	+ 3**	- 4**
ONE UNIT	1,038	1,016	1,159	+ 2**	- 11
TWO TO FOUR	36	34	31	+ 4**	+ 15
FIVE PLUS	252	232	188	+ 8**	+ 34

*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

[†]Entries for "Latest Quarter" are based on October and November data *only*. December data were unavailable due to the partial shutdown of the Federal Government.



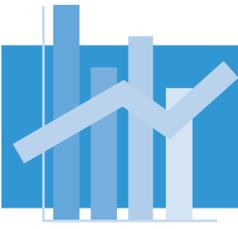
Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes to dealers were at a seasonally adjusted annual rate of 334,000 units in the third quarter of 1995, 3 percent above the previous quarter and 12 percent over the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
MANUFACTURERS' SHIPMENTS	334	325	277	+ 3	+ 12

*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*

Sales of new single-family homes totalled 666,000 units at a seasonally adjusted annual rate (SAAR) in October and November of 1995, 9 percent below the previous quarter and about the same as in the fourth quarter of 1994. The number of new homes for sale at the end of November 1995 numbered 375,000 units, up 7 percent from the last quarter and 11 percent over the final quarter last year. At the end of November, inventories represented a 7.2 months' supply at the current sales rates, 12 percent above the end of the previous quarter and 9 percent above the final quarter of the previous year.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® for the fourth quarter of 1995 totalled 4,020,000 (SAAR), down 2 percent from the third quarter's level, but 7 percent above the fourth quarter of 1994. The number of units for sale at the end of the fourth quarter fell to 1,450,000, 19 percent below the previous quarter, but 5 percent above the fourth quarter of 1994. At the end of the fourth quarter, there was a 4.5 months' supply of units, 13 percent below the previous quarter and 5 percent above the fourth quarter of 1994.

	Latest Quarter†	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
NEW HOMES SOLD	666	722	659	- 9	—
FOR SALE	375	352	338	+ 7	+ 11
MONTHS' SUPPLY	7.2	6.4	6.6	+ 12	+ 9
Existing Homes					
EXISTING HOMES SOLD	4,020	4,090	3,760	- 2	+ 7
FOR SALE	1,450	1,800	1,380	- 19	+ 5
MONTHS' SUPPLY	4.5	5.2	4.3	- 13	+ 5

*Units in thousands.

†New home entries for "Latest Quarter" are based on October and November data only. December data were unavailable due to the partial shutdown of the Federal Government.

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

Release of data on prices of new homes sold during the fourth quarter of 1995 is delayed until mid-March due to the partial shutdown of the Federal Government.

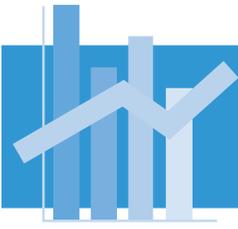
The median price of existing single-family homes in the fourth quarter of 1995 was \$113,800, 2 percent below the third quarter and 5 percent above the fourth quarter of 1994, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of \$139,000 was 2 percent below the third quarter and 4 percent above the fourth quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
MEDIAN	NA	\$132,000	\$132,000	NA	NA
AVERAGE	NA	\$158,100	\$156,100	NA	NA
CONSTANT-QUALITY HOUSE¹	NA	\$157,900	\$155,700	NA	NA
Existing Homes					
MEDIAN	\$113,800	\$116,200	\$108,400	- 2	+ 5
AVERAGE	\$139,000	\$142,400	\$133,900	- 2	+ 4

¹A 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 fourth quarter of 1995 showed that the family earning the median income had 129.3 percent of the income needed to purchase the median-priced existing home. This figure is 5 percent above the third quarter of 1995 and 2 percent above the fourth quarter of 1994. This increase is the result of a 2-percent decrease in the median home price used in the series, a 20-basis-point interest rate drop, and a 1-percent rise in median family income during the last quarter. The fixed-rate index improved from both the third quarter of 1995 and the fourth quarter of 1994. The adjustable-rate index rose by 6 percent from the previous quarter, but fell by 1 percent from the rate a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
COMPOSITE INDEX	129.3	122.9	126.6	+ 5	+ 2
FIXED-RATE INDEX	126.6	120.5	114.1	+ 5	+ 11
ADJUSTABLE-RATE INDEX	139.4	131.5	140.3	+ 6	- 1

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

There were 48,200 new, unsubsidized, unfurnished, multifamily (5 or more units in structure) rental apartments completed in the third quarter of 1995, up 34 percent from the previous quarter and up 63 percent from the third quarter of 1994. Of the apartments completed in the third quarter of 1995, 72 percent were rented within 3 months (the absorption rate). This absorption rate was a statistically insignificant 4 percent below the previous quarter and 12 percent below the same quarter last year. The median asking rent for apartments completed in the third quarter was \$665, about the same as the previous quarter and 12 percent higher than a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	48.2	36.0	29.5	+ 34	+ 63
PERCENT ABSORBED NEXT QUARTER	72	75	82	- 4**	- 12
MEDIAN RENT	\$665	\$662	\$595	—	+ 12

*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

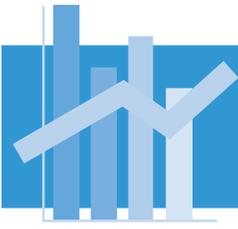
Homes placed on site ready for occupancy in the third quarter of 1995 totalled 294,000 at a seasonally adjusted annual rate, up 1 percent from the previous quarter and up 5 percent from the third quarter of 1994. The number of homes for sale on dealers' lots at the end of the third quarter totalled 95,000 units, 13 percent above the previous quarter and 30 percent above the same quarter the previous year. The average sales price of the units sold in the third quarter was \$36,570, up 4 percent from the previous quarter and 9 percent higher than the year-earlier price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	294	292	280	+ 1 **	+ 5
ON DEALER LOTS*	95	84	73	+ 13	+ 30
AVERAGE SALES PRICE	\$36,570	\$35,070	\$33,630	+ 4	+ 9

*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.

**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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB) 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.) The fourth-quarter value for the index of current market activity for single-family detached houses stood at 56, up 2 points from the third-quarter level of 54 and up 4 points from last year's fourth quarter. The index for future sales expectations, 62, was the same as the third-quarter value and up 9 points from last year's level. Prospective buyer traffic had an index value of 42, the same as the third-quarter value, but 7 points above last year's level. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely; in the fourth quarter, this index stood at 53, nearly identical to the third-quarter level, but up 7 points from last year.

 HOUSING MARKET INDEX	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOUSING MARKET INDEX	53	52	47	+ 1	+ 13
CURRENT SALES ACTIVITY—SINGLE-FAMILY DETACHED	56	54	52	+ 3	+ 7
FUTURE SALES EXPECTATIONS—SINGLE-FAMILY DETACHED	62	62	53	—	+ 17
PROSPECTIVE BUYER TRAFFIC	42	42	35	—	+ 21

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

HOUSING FINANCE

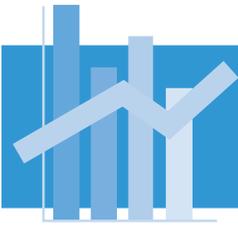


Mortgage Interest Rates

Mortgage interest rates for all categories of loans fell from the last quarter, as they did from last year. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 7.34 percent in the fourth quarter, 34 basis points lower than the previous quarter and 76 basis points lower than the same quarter last year. Adjustable-rate mortgages in the fourth quarter were going for 5.65 percent, 20 basis points below the previous quarter and 53 basis points below the same quarter last year. Fixed-rate, 15-year mortgages, at 6.87 percent, were down 32 basis points from last quarter and 174 basis points from the same quarter last year. The FHA rate fell 33 basis points during the quarter and 150 basis points from the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
CONVENTIONAL FIXED-RATE 30-YEAR	7.34	7.68	9.10	- 5	- 19
CONVENTIONAL ARMS	5.65	5.85	6.18	- 3	- 9
CONVENTIONAL FIXED-RATE 15-YEAR	6.87	7.19	8.61	- 5	- 20
FHA FIXED-RATE 30-YEAR	7.67	8.00	9.17	- 4	- 16

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 215,000 (*not* seasonally adjusted) properties in the fourth quarter of 1995, down 15 percent from the previous quarter, but up 54 percent from the fourth quarter of 1994. Endorsements or insurance policies issued totalled 150,500, down 5 percent from the third quarter of 1995 and down 11 percent from the fourth quarter of 1994. Endorsements for refinancing moved up to 18,600, up 36 percent from the third quarter of 1995, but down 36 percent from a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APPLICATIONS RECEIVED	215.0	251.7	139.6	- 15	+ 54
TOTAL ENDORSEMENTS	150.5	159.0	168.9	- 5	- 11
PURCHASE ENDORSEMENTS	131.9	145.3	140.0	- 9	- 6
REFINANCING	18.6	13.7	28.9	+ 36	- 36

*Thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 268,800 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 1995, down 6 percent from the third quarter, but up 11 percent from the fourth quarter of 1994; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 63,100 single-family properties in the fourth quarter of 1995, down 4 percent from the previous quarter and down 23 percent from the final quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PMI CERTIFICATES	268.8	287.0	242.7	- 6	+ 11
TOTAL VA GUARANTIES	63.1	65.8	82.4	- 4	- 23

*Thousands of loans.

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



Mortgage Originations by Loan Type, 1-4 Family Units

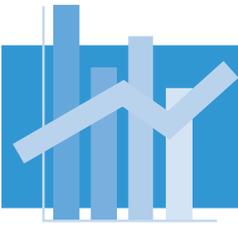
The total value of mortgage originations for 1-4 family homes was \$187 billion in the third quarter of 1995, up 33 percent from the second quarter of 1995. This 33-percent increase was shared by all four types of loans: Privately insured mortgages increased by 34 percent over the previous quarter, while uninsured mortgages rose by 33 percent. FHA-insured mortgages expanded in volume by 30 percent, while VA-guarantied mortgages rose by 34 percent. The changes from the third quarter of 1994 are mixed. Although the overall increase was 19 percent, both FHA and VA mortgages fell by about 40 percent. Uninsured mortgages increased by 47 percent, while privately insured mortgages rose by a modest 2 percent. Market shares changed very little during the third quarter of 1995, although the market share of uninsured mortgages increased by 24 percent from the previous year, mainly at the expense of FHA and VA mortgages.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
FHA INSURED	13.6	10.5	22.0	+ 30	- 38
VA GUARANTIED	7.4	5.5	12.6	+ 34	- 41
PRIVATE INSURANCE	33.1	24.7	32.5	+ 34	+ 2
NOT INSURED*	132.9	99.9	90.2	+ 33	+ 47
TOTAL	187.0	140.6	157.3	+ 33	+ 19
Percentage of Market Shares**					
FHA INSURED	7.3	7.5	14.0	- 3	- 48
VA GUARANTIED	4.0	3.9	8.0	+ 1	- 51
PRIVATE INSURANCE	17.7	17.6	20.7	+ 1	- 14
NOT INSURED	71.1	71.0	57.3	—	+ 24

*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 \$196.6 billion in the third quarter of 1995, up 32 percent from the second quarter and up 19 percent from the third quarter of 1994. A nearly identical pattern exists for single-family mortgages. The financing volume for multifamily units (5+) totalled \$9.6 billion in the third quarter, up 13 percent from the previous quarter and up 25 percent from the third quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ONE TO FOUR UNITS	187.0	40.6	157.3	+ 33	+ 19
FIVE PLUS	9.6	8.5	7.7	+ 13	+ 25
TOTAL	196.6	149.1	165.0	+ 32	+ 19

*Billions of dollars.

Source: HUD Survey of Mortgage Lending Activity

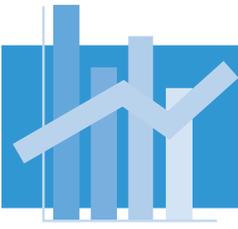


Mortgage Originations by Lender Type, 1-4 Family Units

Mortgage companies increased their volume during the third quarter to \$105.3 billion, a 31-percent increase from the second quarter of 1995 and a 35-percent gain from the third quarter of 1994. Even with this increased volume, their market share fell slightly, although they continue to dominate the market with a 56.3-percent share. Commercial banks increased their volume to \$45.0 billion in the third quarter, 42 percent ahead of the second quarter of 1995 and 8 percent ahead of the third quarter of 1994, thus expanding their share to 24.1 percent of the market. Savings and loan institutions made \$27.4 billion in loans, up 23 percent for the quarter. Mutual savings banks wrote \$7.7 billion in loans, a 67-percent increase from the previous quarter, although their market share was only 4.1 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
COMMERCIAL BANKS	45.0	31.6	41.8	+ 42	+ 8
MUTUAL SAVINGS BANKS	7.7	4.6	7.3	+ 67	+ 5
SAVINGS AND LOANS	27.4	22.3	27.8	+ 23	- 1
MORTGAGE COMPANIES	105.3	80.3	78.1	+ 31	+ 35
OTHER LENDERS	1.6	1.8	2.5	- 11	- 36
TOTAL	187.0	140.6	157.3	+ 33	+ 19
Percentage of Market Shares					
COMMERCIAL BANKS	24.1	22.5	26.6	+ 7	- 9
MUTUAL SAVINGS BANKS	4.1	3.3	4.6	+ 26	- 11
SAVINGS AND LOANS	14.7	15.9	17.7	- 8	- 17
MORTGAGE COMPANIES	56.3	57.1	49.7	- 1	+ 13
OTHER LENDERS	0.9	1.3	1.6	- 33	- 46

Source: HUD Survey of Mortgage Lending Activity



Delinquencies and Foreclosures

Total delinquencies were at 4.24 percent at the end of the third quarter of 1995, up 2 percent from the second quarter and up 8 percent from the third quarter of 1994. Ninety-day delinquencies were at 0.74 percent, down 4 percent from the second quarter, but unchanged from the 1994 third-quarter level. During the third quarter of 1995, 0.29 percent of loans entered foreclosure, down 12 percent from the previous quarter and down 15 percent from the third quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PAST DUE (%)	4.24	4.15	3.93	+ 2	+ 8
90 DAYS PAST DUE (%)	0.74	0.77	0.74	- 4	—
FORECLOSURES STARTED (%)	0.29	0.33	0.34	- 12	- 15

Source: National Delinquency Survey, Mortgage Bankers Association

HOUSING INVESTMENT



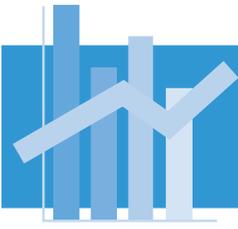
Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the fourth quarter of 1995 was \$295.2 billion, up 2 percent from both the third quarter of 1995 and the fourth quarter of 1994. As a percent of the Gross Domestic Product, RFI was 4.0 percent, the same as last quarter, but down from 4.2 percent in the fourth quarter of 1994.

 GDP %	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	7,348.1	7,298.5	6,897.2	+ 1	+ 7
RFI	295.2	290.3	288.0	+ 2	+ 2
RFI/GDP (%)	4.0	4.0	4.2	—	- 5

*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 fourth quarter of 1995, 112,987,000 units, was 0.4 percent above the third quarter of 1995 and 1.1 percent above last year. The number of occupied units followed a similar pattern. Owners showed a 0.7-percent increase over the third quarter and a 2.2-percent increase from the fourth quarter of 1994. Renters showed a slight increase from last quarter, but a 1.8-percent decline from last year. Vacant units fell slightly during the last quarter but were 3.4 percent above the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSING UNITS	112,987	112,530	111,806	+ 0.4	+ 1.1
OCCUPIED UNITS	100,363	99,874	99,593	+ 0.5	+ 0.8
OWNERS	65,355	64,885	63,947	+ 0.7	+ 2.2
RENTERS	35,008	34,989	35,646	+ 0.1**	- 1.8
VACANT UNITS	12,624	12,656	12,213	- 0.3**	+ 3.4

*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 fourth quarter of 1995, at 7.7 percent, was unchanged from the third quarter, but was up a statistically insignificant 4 percent from last year. The homeowner vacancy rate, at 1.6 percent, was up 7 percent from the previous quarter and unchanged from last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE¹	1.6	1.5	1.6	+ 7*	—
RENTAL RATE¹	7.7	7.7	7.4	—	+ 4*

*This change is not statistically significant.

¹Major 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 was 65.1 percent in the fourth quarter of 1995, up 0.1 percentage points from the third quarter and 0.9 percentage points from the fourth quarter of 1994. This is the highest quarterly homeownership rate since the last quarter of 1981, 14 years ago. The homeownership rate for minority households increased to 44.3 percent and the rate for young households remained at 57.9 percent.

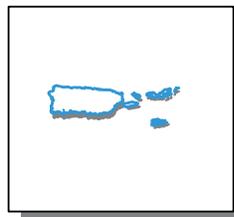
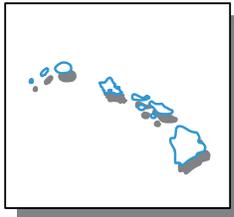
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSEHOLDS	65.1	65.0	64.2	+ 0.2*	+ 1.4
MINORITIES	44.3	44.0	43.7	+ 0.7	+ 1.4
YOUNG MARRIED-COUPLE HOUSEHOLDS	57.9	57.9	57.1	—	+ 1.4

*This change is not statistically significant.

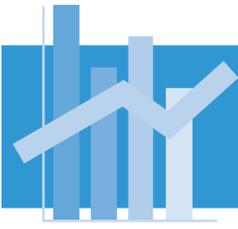
Source: Bureau of the Census, Department of Commerce



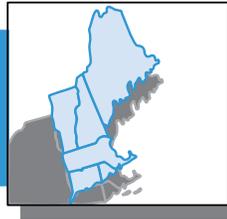
Regional Activity



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 gains in New England were mixed in 1995. Through November compared with the same period of the previous year, the change in employment ranged from a substantial increase in Maine to a decline in Rhode Island. Maine's growth is attributed to gains in business and health services. The unemployment rate for New England in November was below the national average of 5.6 percent in four of the six New England States. New Hampshire's unemployment rate in November (3.2 percent) was the lowest in New England, as gains in construction and services employment continued.

In Massachusetts the biotechnology industry began to show signs of recovery during the fourth quarter of 1995. There are 160 biotech companies in Massachusetts, most of which employ 75 or fewer persons. Statewide, the industry employs about 16,000 workers and is expected to add 2,000 jobs during 1996. Recent experiments in new product development and key pharmaceutical partnership formations are generating jobs in biotechnology manufacturing and marketing.

Boston-area hotels reached record occupancy levels during 1995. Occupancy approached 78 percent, up from 76 percent in 1994, and industry analysts are projecting a further 1-percent increase in 1996. Employment in the services sector increased 2.3 percent during the past year, due to the increases in the hotel and tourism industries. The commercial real estate market, however, has remained flat throughout New England. Declines are still being felt in Hartford because of mergers and downsizing in the insurance sector.

Residential building activity declined in 1995. Permits were issued for a total of 38,430 units, down from 41,735 units in 1994. In Massachusetts 14,443 single-family units were permitted

in 1995 compared with 16,533 units in 1994. In Connecticut single-family permits were issued for 7,579 units, a decrease of 6.5 percent from a year ago. Regionwide, multifamily permits were issued for 4,119 units in 1995, down 3.6 percent from 1994. Multifamily permits increased in Maine, Massachusetts, and Rhode Island. Declines were registered in Connecticut, New Hampshire, and Vermont.

As of the end of 1995, the volume of existing home sales in the Northeast was down slightly (2.5 percent) from 1994 levels. One bright spot was Connecticut where sales for the year were up almost 4 percent over 1994. Sales prices in the Boston, Hartford, and Providence areas remained relatively unchanged in 1995 compared with 1994.

Rental housing markets in New England are in good condition in most areas. Boston continues to experience a strong rental market due to the increased demand from an improving economy and pressure from growing student enrollments at local universities. Rental vacancies in and around the city of Boston are in the 1- to 3-percent range. The Worcester area is showing improvement, with vacancy rates in the 6- to 8-percent range, down from 10 percent in the early 1990s. Rental vacancy rates also are declining in the major markets in Maine, New Hampshire, and Vermont, where there has been almost a total lack of rental housing production.

Spotlight on

Danbury, Connecticut

The Danbury metropolitan area, adjacent to Westchester County, New York, is one of the few Connecticut market areas that has produced new jobs, higher wages, and lower unemployment over the past year. Average manufacturing weekly earnings and hours worked were the highest in the State, increasing 7 percent and 3 percent, respectively, from a year ago. As of November

1995, the unemployment rate was 3.1 percent, the lowest in the State.

Sales housing market activity has been relatively stable in recent years. With about 3,200 single-family sales in the Fairfield County part of the metropolitan area in 1995, sales were down only about 4 percent from 1994 levels. The median sales prices for single-family and condominium properties in 1995 were \$209,000 and \$111,000, respectively. Single-family home prices did not change, but prices of condominiums declined about 6 percent from the previous year.

Since bottoming out in 1991 at about 500 units (from a peak of almost 2,300 units in 1985), residential construction activity increased about 20 percent annually to 900 units in 1994. In 1995 about 800 units were authorized, an 11-percent decline. Single-family homes account for more than 93 percent of residential construction, half of which is in the suburban communities of Ridgfield and Newtown.

The rental market in the Danbury area is stable. According to local sources, the rental vacancy rate is below 5 percent. Vacancy rates in the older inventory are somewhat higher; however, well-managed developments in good locations have vacancy rates that amount to no more than normal turnover. The stability of the rental market is due to the fact that Danbury did not become as overbuilt as other Connecticut market areas during the 1980s. Rents in the Danbury area are high, typically more than \$1,000 for a two-bedroom unit, and the past couple of years have seen modest rent increases.

Population growth (especially in-migration), the strong employment base, and the prime location relative to the New York City and Stamford-Norwalk areas will continue to support Danbury's real estate market.

NEW YORK/ NEW JERSEY



Job growth in New York and New Jersey continues to lag behind the Nation as a whole. New Jersey experienced a significant setback in the last quarter of 1995. As of December 1995, the unemployment rate had risen to 7.3 percent, due to the loss of 73,000 jobs in November. The losses are primarily the impact of continued corporate downsizing. In New York State, seasonally adjusted employment as of December was 7.9 million, virtually unchanged from December 1994.

Wage and salary employment in New York City in November 1995 also was little changed, at 3.4 million. The unemployment rate, however, was up to 8.1 percent from 6.6 percent a year earlier. One business that had a good year in 1995 was the hotel industry. Data from PKF Consulting indicate that hotel occupancy in Manhattan during the first half of 1995 was up 2.5 percentage points to 74.8 percent.

A gradual recovery continues in commercial real estate in the New York City metropolitan area. Over the past year, office vacancy rates have declined by 1 to 2 percent and rents have stabilized. In midtown Manhattan asking rents are approximately \$35 a square foot in a market with a 12.5-percent vacancy rate. In downtown Manhattan the vacancy rate is 15.6 percent and asking rents are 10 percent lower than in midtown. Several conversions of older office buildings to residential or mixed use have been announced recently. In Westchester County the vacancy rate is 17.5 percent, with asking rents of close to \$24 a square foot. In Northern New Jersey and Long Island, asking rents are about \$18 a square foot, and both areas have had favorable absorptions in 1995.



In New Jersey building permits were issued for 21,549 units in 1995 (18,374 single-family and 3,175 multifamily). This figure represents a 15-percent reduction from the 25,388 units permitted in 1994. New York State had 28,033 total units permitted for 1995, a 10-percent decrease from 1994.

Sales of existing homes in 1995 in New York State were down about 3 percent compared with 1994. In upstate New York, sales were down substantially. The largest declines occurred in the Albany, Buffalo, and Syracuse areas. In New Jersey home sales were down 5 percent compared with 1994 levels.

Spotlight on

Elmira-Corning, New York

The Elmira-Corning metropolitan area includes Chemung and Steuben Counties, which are located just north of the Pennsylvania border. Corning, Inc., is a major employer in the area.

The July 1994 population of the Elmira-Corning area was 195,000, down slightly from the 1990 population of 195,600. Annual average 1995 nonagricultural employment in the area was 80,600, an increase of about 1 percent from the previous year. The local economy is highly dependent on manufacturing. Major employers in the Elmira area include Toshiba, makers of television cathode-ray tubes; Hardinge Brothers, producers of precision machine tools; Arnot-Ogden and St. Joseph's hospitals; and Elmira College. The largest employers in the Corning area are Corning, Inc.; Dresser-Rand Corporation, manufacturers of air compressors; Phillips Lighting; Gunlocke; and the Veterans Administration Hospital in Bath, New York.

Corning, Inc., is the biggest employer, with almost 6,000 employees. Corning is involved in a corporate restructuring, but so far there have been no significant employment reductions. The company remains a major influence in the area in terms of employment and tourism due to its Corning Museum of Glass.

The Elmira-Corning area remains one of the most affordable housing markets in upstate New York. The median sales price of an existing single-family home in 1995 was \$65,000, virtually the same as the median price in 1994. According to data from the New York State Association of Realtors, sales of existing homes in the Elmira-Corning market averaged approximately 1,000 annually from 1990 to 1993. Slowed employment growth in the past 2 years, however, has led to a lower volume of sales and longer periods of time required to sell houses.

Single-family home construction in the market area averages 200 to 300 units annually. Construction is concentrated in the suburban towns of Big Flats and Horseheads near Elmira and the towns of Corning, Erwin, and Painted Post Village in Steuben County. The more expensive new homes are located in several small subdivisions in a corridor that extends west along Route 17 from Elmira to Corning. Homes in these subdivisions range in price from \$130,000 to more than \$200,000.

Rental housing consists primarily of older, large homes that have been converted to rental use and small multifamily apartment projects that are 10 to 20 years old. In the city of Elmira, the rental housing market is soft and owners are offering incentives. The rental market in the remainder of the area is relatively balanced.

MID-ATLANTIC



The Mid-Atlantic continued to lag behind the national economy at the end of 1995 due to bad weather conditions, Federal worker furloughs, manufacturing job losses, and military base closures. By the end of the year, the Maryland economy was stalled at 1994 levels, and Pennsylvania reported only nominal employment gains. Both West Virginia and Virginia posted more substantial growth in 1995, but Virginia's rate of job expansion slowed considerably. November unemployment rates were below the national average in Virginia (4.2 percent) and Maryland (4.9 percent), but were above the national rate in Pennsylvania (6.3 percent) and West Virginia (7.7 percent).

In Virginia employment grew by 78,000 (2.6 percent) in the first 11 months of 1995. Three of every four jobs added were in services, with more than half of these in higher paying business, engineering, and management services. The expansion of the services sector throughout the region has been a major factor in the absorption of excess office space in the Washington, D.C.; Pittsburgh; Baltimore; Richmond; Hampton Roads; and Philadelphia areas. All areas reported the lowest office vacancies in the past 6 years in both downtown and suburban submarkets. Rents in some suburban office parks are now equal to the highest downtown rents. Office construction has not accelerated to any appreciable volume, but in downtown Baltimore, Sylvan Learning Systems has broken ground on a \$12 million, seven-story building in the new \$350 million Inner Harbor East development, the first major downtown development in 5 years. In both the Pittsburgh and Richmond markets, some small-scale suburban speculative office construction is underway in response to strong demand.

In Northern Virginia office absorption was among the highest in the Nation in 1995 due to expansion by America Online, Internet, and other

high-technology companies. In the first three quarters of 1995, 5.6 million square feet of office space was absorbed, bringing vacancy rates down to 7 percent.

Existing home sales rebounded in the second half of 1995 as interest rates dropped, but those gains were not enough to offset sluggishness early in the year, so, overall, 1995 ended up about 4 percent below 1994's volume. Pennsylvania was the only State with an increase in sales, slightly less than 1 percent. In Virginia year-end figures were down 6 percent from 1994. Federal job uncertainties and defense-related cutbacks dampened home sales throughout the Baltimore-Washington corridor. In Northern Virginia higher sales volumes in 1995 were reported in the Dulles area and along the Interstate-95 corridor near Fredericksburg, but were 8 percent below 1994 in the more populated areas of Fairfax, Arlington, and Alexandria. In the Baltimore area, home sales through November were 7 percent below the same 1994 period, despite a rebound after midyear. In the Pittsburgh market, sales were 1.3 percent above 1994 levels due to a strong recovery in the second half of the year.

Single-family home construction declined in 1995 throughout much of the region due to overly optimistic production by builders the previous year. A slight excess in inventories in the middle and upper price ranges remain in both the Maryland and Virginia suburbs of the Washington, D.C., area, where sales incentives, such as free options and special financing terms, are available. In Pennsylvania single-family home production dropped 16 percent. The cutbacks were due to declining sales of both high-end and moderately priced houses in the Pittsburgh area and the weakening demand for high-priced houses in the Philadelphia suburbs.

Apartment construction was up in West Virginia by nearly 50 percent, spurred by job gains in the north-central part of the State. Another 900 households are expected to arrive this year with the addition of FBI functions, creating further strong housing demand.

The number of multifamily units permitted in the region in 1995 (17,664) increased 14 percent. There were significant gains in Pennsylvania



and Virginia, 27 percent and 23 percent, respectively. In the Washington, D.C., area, there are 30 projects (8,800 units) in planning/development stages that are scheduled to be built over the next 18 to 36 months. The overall rental vacancy rate is below 5 percent, according to local sources, and rental housing demand is particularly strong in suburban locations near Metro subway stations. Most of the planned projects will be upscale apartments. Multifamily construction remains at low levels in the Pittsburgh, Baltimore, Richmond, and Hampton Roads markets.

Spotlight on

Philadelphia, Pennsylvania

The economy of the Philadelphia metropolitan area has been relatively flat for several years, due to continuing job losses in manufacturing that are being offset by gains in nonmanufacturing, primarily in services industries. In 1995 the number of manufacturing jobs declined by 3,700 (1.2 percent) based on unadjusted December data. This decrease was due largely to the closing of Scott Paper Company. The area has also been hit by defense downsizing. About 2,600 jobs were lost at the Naval Air Development Center at Warminster in Bucks County last year, and nearly 20,000 direct and indirect jobs were phased out in the past 3 years with the closing of the Philadelphia Naval Yard.

As of October 1995, the metropolitan unemployment rate was 4.8 percent, below the Pennsylvania rate of 5.1 percent. Within the metropolitan area, the unemployment rate ranged from less than 3 percent in suburban Chester County to 6.5 percent in Philadelphia.

The area's shift to a services-based economy has bolstered demand for offices in both suburban and downtown locations. Occupancy in Class AA and A office space in downtown Philadelphia is

at historically high levels of 85 to 99 percent as of the end of 1995. There is also renewed interest in some older Class B buildings in the center city area, which are converting upper floors to residential use, with apartments renting for \$650 a month for an efficiency unit to \$1,200 a month for a two-bedroom apartment. In the Pennsylvania suburbs, office vacancies are at the lowest level in recent years. Health, pharmaceutical, and chemical firms are creating strong demand for office and commercial space, particularly along the Route 202 corridor. Major office parks in close-in Bala Cynwyd are commanding rents of \$24 per square foot, comparable with the highest rents in downtown Philadelphia. Radnor and Fort Washington are also prominent centers of activity. Further office rent increases are likely in 1996 due to strong demand and the absence of construction.

Home sales and prices were flat in 1995, despite stronger sales in the last half of 1995. In south Philadelphia the sales market has been depressed for several years due to the closing of the Philadelphia Naval Yard. First-time buyers in the suburbs are showing greater preference for new townhouses, which are selling well. In central Bucks County, new townhouse sales have increased their market share to 40 percent of all sales, up from 20 to 30 percent in previous years. In Plumstead Township a 300-unit townhouse development was sold out in 18 months, at sales prices starting at \$96,000 for a two-bedroom townhouse and \$118,000 for a three-bedroom unit. Another 600 units are planned at the site. On the New Jersey side, sales of moderately priced single-family, detached units priced under \$200,000 were strong in Burlington Township where 495 sales were recorded in the first 9 months of 1995 compared with 160 in the comparable 1994 period.

In Bucks and Montgomery Counties, which account for the greatest volume of single-family production in the metropolitan area, activity in 1995 was 15 and 20 percent, respectively, below 1994 record levels of 3,000 units permitted in each county. In Chester County single-family permits in 1995 were approximately equal to the 2,000 units authorized in 1994.

SOUTHEAST



The economy in the Southeast continues to grow at a slightly faster rate than the Nation as a whole, but at a slower pace than in 1994. Between November 1994 and November 1995, nonagricultural employment growth in the eight States was 1.8 percent compared with 1.5 percent nationally. The change in nonagricultural employment ranged from a loss of 1 percent in Mississippi to a gain of 3.3 percent in Georgia. The strongest growth was in the services sector, with an increase of 4 percent. Florida's increase of 5.6 percent in services employment was the best in the region. Construction employment in the region rose 3.4 percent, led by Georgia, with an increase of 11 percent. Construction related to the 1996 Olympics in Atlanta was responsible for much of the increase. Georgia also led the region in the trade employment sector, with a 6-percent increase. The unemployment rate as of November 1995 was less than the national rate of 5.6 percent in all areas except Florida and Puerto Rico. The lowest rate of unemployment was in North Carolina, at 4.2 percent.

Prospects for future employment growth remain favorable. During the fourth quarter, there were several significant new job announcements. In South Carolina Michelin is planning a \$500 million expansion of four plants in Anderson, Greenville, Lexington, and Spartanburg Counties that will create 1,600 additional jobs. In North Carolina 900 jobs will be added with the location of MCI's headquarters in Cary.

In 1995 single-family building permit activity for the eight States, at 273,440 units, was down only 2.8 percent from 1994 levels. Tennessee and Georgia were the only States where single-family permits increased, up 8.9 and 12.6 percent, respectively. The number of multifamily units permitted in the region (96,931) was up 21 percent over 1994 and accounted for 29 percent of

the national total. Only North Carolina reported a drop in activity, about 5 percent. Alabama, Georgia, and Tennessee all had increases of more than 36 percent.

The sales market in the region remained very active in 1995. Existing home sales were off only about 2 percent from 1994's volume. South Carolina, Mississippi, and Tennessee showed modest increases in sales for the year. The median sales price of existing homes has increased in virtually every major market in the Southeast. Overall, the increase has been about 5 percent. The largest increase was in the Raleigh-Durham area where the median sales price rose 9 percent to \$125,900.

For the third straight year, home sales in Birmingham exceeded \$1 billion. While sales in the first 6 months were down, a substantial recovery during the last half of the year made 1995 the second highest year ever for Birmingham. In Greensboro-Winston Salem-High Point, new home prices in 1995 averaged \$160,000, up 5 percent from 1994, while the median sales price for existing homes increased 6 percent to \$102,500. In Macon, Georgia, sales in 1995 totalled \$167 million and exceeded sales for each of the past 5 years. In Memphis 11,373 homes were sold in 1995, up 13 percent over 1994.

Rental housing market conditions remain balanced throughout the Southeast. In Jacksonville, Florida, vacancy rates are near 5 percent, which is attracting some developers of higher rent projects. The number of multifamily units authorized through November was up about 300 units over the 1,346 units permitted for the same period in 1994. A September 1995 apartment survey of 12,000 units in Durham, North Carolina, conducted by the Triangle Apartment Association, revealed a 1.6-percent vacancy rate, the second lowest rate since 1987. In Columbia, South Carolina, the vacancy rate is less than 4 percent. In Memphis occupancy in the larger apartment complexes is averaging 95 percent.

With the substantial increase in apartment construction in the past 2 to 3 years, softer rental market conditions may begin to appear during 1996. The *Nashville Business Journal* reports that the area could see a glut of apartments in



the coming year. Local sources estimate that the area can absorb about 2,000 units annually. However, a local management company estimates that almost 3,500 apartment units are under construction or planned to start construction during the first quarter of 1996. In Charleston, South Carolina, the rental vacancy rate is more than 10 percent. In the South Jefferson County area of Birmingham, the rental vacancy rate has increased to 8 percent, and there are at least 800 to 1,000 additional units planned or under construction. Some projects are already offering 1 or 2 months' free rent. The Augusta, Georgia, market remains weak, with apartment occupancy in 1995 down to 89 percent compared with 91 percent in 1994.

Spotlight on

Huntsville, Alabama

With the advent of NASA's Apollo Space Program, the Huntsville area's population grew rapidly in the 1960s. As the space programs were cut back, population gains were more moderate, about 2 percent annually in the 1970s, and about 1 percent a year during the 1980s.

While the economies of most metropolitan areas in the Southeast have expanded rapidly in recent years, Huntsville remains somewhat stagnant. As a result of changes at NASA, 1,100 jobs have been eliminated in the past 3 years at the Marshall Space Center, reducing total employment to 3,000. Still, nonagricultural employment grew by 7,600 (5.7 percent) between 1990 and 1994, and unemployment remains low, at 3.7 percent as of October 1995. The median family income in the area is the highest in the State, at \$45,900.

As part of the 1995 Base Closure and Realignment Commission actions, the United States Army will be moving 2,600 jobs from the Aviation-Troop Command in St. Louis to the Redstone Arsenal over the next 3 years. This

will provide a much-needed boost to the Huntsville economy and to Redstone, where civilian and military personnel have declined by 15 percent since 1991. There are 8,600 civilians and 1,800 military personnel at Redstone.

Close to 50 percent of the area's employment is related to U.S. Department of Defense (DoD) and NASA programs, down from almost 80 percent in the 1970s. More than 270 local aerospace companies do business with either NASA or DoD. The reduction in Federal spending has forced the area to diversify in the private sector, but diversification has been a slow process. A recent survey of the hiring outlook of companies in the Huntsville metropolitan area indicates that 13 percent of the companies surveyed would be hiring, but another 10 percent would be laying off employees.

Huntsville has the second largest research park in the world in terms of size and numbers of employees, and serves more than 50 Fortune 500 companies. Two such companies, SCI Systems and Intergraph, are based in Huntsville and are not heavily dependent on the Federal Government. SCI, a leading producer of electronic products, employs 3,650 persons in Huntsville and recently announced expansions that will create an additional 1,000 jobs. Intergraph, a maker of computer-assisted workstations for phone companies, employs 3,750 persons in Huntsville but recently cut 250 jobs. Other large employers in the area include Huntsville Electronics (2,600 employees), Teledyne-Brown Engineering (2,400), and Avex Electronics (1,350).

The rental market is soft due to the stagnant economy and the overbuilding during the late 1980s. While the market improved slightly in 1995, the rental vacancy rate still exceeds 10 percent. As a result there has been no multifamily construction in the area since 1993. Single-family activity is also very slow, with permits averaging about 32 per month in 1995. Total home sales (new and existing) were up about 5 percent in 1995 (3,224 homes), and the average sales price increased a modest 2.3 percent to \$106,329.

MIDWEST



Employment grew moderately in the Midwest during 1995, increasing by 320,000 jobs (1.4 percent). Retail trade and business services provided the largest number of new jobs. The unemployment rate in the fourth quarter was below the national rate in all States except Illinois. Minnesota's 3.3-percent unemployment rate is the lowest in the region, and there are labor shortages for skilled and unskilled jobs. Illinois' economy remained healthy in 1995, boosted by strong employment growth in the Chicago metropolitan area. Ohio gained 61,600 jobs in 1995; all major sectors and the State's 12 metropolitan areas reported employment growth. The region's moderate employment growth is expected to continue into 1996, boosted by higher goods production, expanding exports, and a healthy residential construction industry.

Single-family home construction in the region strengthened during the fourth quarter of 1995, but activity for the year was below 1994's strong performance. Building permits were issued for 174,973 single-family units in 1995 compared with 185,240 units in 1994. Despite the decline the number of single-family units authorized was still the second highest in the past 6 years and about equal to 1993 levels. Illinois, Michigan, and Ohio led the region, each with more than 32,000 units.

The continued growth in the Midwest resulted in a relatively good year for home sales. Sales of existing homes totalled close to 808,000, about 4 percent below the very strong 1994 sales volume. In October and November, existing home sales in Illinois were up 8 percent over last year, driven by significantly increased activity in the Chicago area.

New home sales in the Chicago area also were strong in 1995, with 11,200 signed contracts compared with 10,600 in 1994. Sales of new homes priced between \$160,000 and \$180,000 sold particularly well. Several builders reported strong activity in south suburban Richton Park and Park Forest, older communities that experienced little homebuilding until recently. Builder expectations for 1996 in south Cook County are running high due to pent-up demand for new single-family homes from move-up buyers. One builder plans to increase production by 25 percent over 1995.

In the Detroit area, 1995 sales of both new and existing homes maintained the strong 1994 levels. Homebuilding in the metropolitan area in the first 11 months of 1995 (13,500 units) was running slightly ahead of last year's solid figure (13,100 units) at this time. In Ohio sales of existing homes (181,400) in 1995 were just 3 percent below very high 1994 levels. New home sales in Columbus remained strong throughout the metropolitan area in 1995.

New and existing home sales in the Indianapolis area in 1995 were up about 11 percent over 1994. Builders reported brisk sales of homes priced between \$90,000 and \$120,000, the range most popular with first-time homebuyers. Indianapolis area builders anticipate sales of new homes in 1996 will remain about the same as in 1995. Builders in Madison, Wisconsin, also reported sales of new homes to first-time buyers in 1995 were up over 1994. New homes priced between \$120,000 and \$160,000 sold well, while higher priced homes (\$175,000 to \$250,000) did not sell as well.

Midwest rental housing markets are generally strong, with occupancy around 95 percent. Multifamily housing building activity in the region continued to show strong growth in 1995 for the second consecutive year. Building permits were issued for 56,679 units in 1995, up 8 percent from 1994 and the highest level in the past 6 years. Multifamily construction increased in all States except Ohio and Wisconsin, where 1995 activity was approximately equal to strong 1994 levels.



Indiana's activity rose 43 percent in 1995 to almost 8,500 units. Three-fourths of Minnesota's 4,906 multifamily units were permitted in the Minneapolis-St. Paul area. The Twin Cities' tight rental market and increasing rents are stimulating apartment construction. Reflecting strong activity in the Madison and Milwaukee areas during the second half of 1995, multifamily production in Wisconsin totalled 11,737 units, the second highest in the past 6 years.

Spotlight on

Minneapolis-St. Paul, Minnesota

The Twin Cities' economy continued to expand in 1995, but at a much slower rate than the previous year. The December 1995 employment level was 1.3 percent greater than December 1994, compared with a 2.6-percent increase from December 1993 to December 1994. All major employment sectors posted moderate gains, and the unemployment rate for December had fallen to 2.5 percent from 2.7 percent a year earlier. The economic expansion has resulted in a much-improved market for office space in the Twin Cities. The overall office vacancy rate in the metropolitan area as of mid-1995 was 11.6 percent, an 11-year low. Vacancy rates for Class A space in downtown Minneapolis and the southwestern suburbs had fallen to the 4- to 5-percent range by the fourth quarter. As a result, new commercial development is being considered for the first time since the 1980s.

Moderate employment growth is expected in 1996. Cypress Semiconductor and Seagate Technology are both expanding their computer-chip manufacturing plants in Bloomington, and the Mall of America continues to attract shoppers from around the globe. However, the recently announced acquisition of Loral Corporation by Lockheed Martin creates uncertainty about 1,800 defense-related workers in the Twin Cities area, and Minnesota Mining and Manufacturing is eliminating 2,400 jobs in the State over the next 12 months, primarily through attrition.

The economic growth in the Twin Cities area has favored demand for sales housing by a wide margin. Since the late 1980s, sales housing production has outnumbered rental housing by three to one. A well-educated population with relatively high incomes, local preference for homeownership, and low interest rates have contributed to the metropolitan area's strong sales housing market. The National Association of Homebuilders ranked the Minneapolis-St. Paul area second in housing affordability among larger U.S. metropolitan areas in the third quarter of 1995. The median sales price of existing homes was \$106,800 in 1995, up 5 percent from 1994.

Homebuilding began the year with disappointing levels of demand and production, but activity picked up strongly in late Spring and continued through the rest of 1995. Recent activity has shifted toward townhomes and duplexes, and away from single-family, detached units. Local builders reported steady growth in sales of new homes through the Fall in contrast to past years when sales activity began to slow in September and October. Building permits were issued for 3,870 single-family units in the fourth quarter of 1995 compared with 3,320 units for the same 1994 period. A total of 13,900 homes were permitted for all of 1995. Area builders are expecting another good year in 1996.

Rental housing production has lagged behind demand in the Twin Cities area for the past several years. Activity has been predominately in specialized submarkets, such as high-end townhouses and projects for the elderly. There have been a few tax-credit projects for lower income renters, but a shortage of affordable rental units now exists. Rental vacancies have all but disappeared in many submarkets throughout the metropolitan area. A local apartment search firm reported an overall vacancy rate of 2.8 percent in December 1995, with 40 of the 63 submarkets surveyed showing vacancy rates below 2 percent. In 1995 permits were issued for 3,800 units, a significant increase from 1994 activity. In November 1995, 90 communities in the Minneapolis-St. Paul area agreed to produce affordable housing under the State's Livable Communities Act. This is seen as a first step in alleviating the shortage of rental housing.

SOUTHWEST



Nonagricultural wage and salary employment in the Southwest ended 1995 with a solid 3.6-percent rate of growth. New Mexico, with an increase of 5.1 percent, continued to outperform the rest of the States. New Mexico's growth may be dampened somewhat in 1996 by job losses associated with Federal budget cuts. Los Alamos National Laboratory outside Santa Fe is expected to eliminate 1,100 jobs in 1996, and Sandia National Laboratories in Albuquerque will reduce employment by 700. Employment increased a healthy 2.4 percent in Oklahoma. In Louisiana and Texas, employment increased 3.9 and 3.6 percent, respectively. Texas exports to Mexico are forecasted to total more than \$26.8 billion in 1996.

Sales of new and existing homes remained fairly strong in 1995, improving significantly in the last 6 months of the year. Existing sales volume in the region was down less than 2 percent from 1994 levels and was about equal to a very strong 1993. The median sales price for an existing home increased moderately in 1995 in most of the major markets. Demand in the Albuquerque and Austin-San Marcos markets continued to be strong, with 1995 sales prices up 6 and 5 percent, respectively, over 1994 levels. A boom in affordable housing is underway in Houston, fueled largely by private builders. Sources estimate that more than 400 homes priced under \$70,000 are in various stages of development.

In 1995, single-family permits were issued for 104,621 units in the region, down only about 3 percent from 1994. Permit activity dropped in all States. Multifamily housing activity continued to show strength in the Southwest in 1995. The number of units permitted (44,722) increased 5 percent over a very strong 1994. In Texas activity (32,434 units) was about equal to last year, and New Mexico and Louisiana reported increases of

15 and 41 percent, respectively. The Southwest accounted for about 13 percent of all U.S. multifamily units permitted in 1995.

Most of the major rental markets are currently balanced. The rental occupancy rate in the Dallas-Fort Worth area, for example, was about 94 percent in December 1995. However, the large numbers of new apartments coming on the market in many areas over the past 12 months have begun to have an impact. Occupancy rates have dropped in many areas, and it is expected that the market will become increasingly competitive in 1996. In San Antonio the rental occupancy rate had dropped to 91 percent in December 1995, down from 95 percent a year earlier. Occupancy rates are expected to remain in the lower 90s during 1996 as the approximately 2,700 units now under construction are completed and enter the market. In Albuquerque the occupancy rate has dropped to 92 percent in December 1995, down from 97 percent a year earlier.

Spotlight on

Oklahoma City, Oklahoma

The Oklahoma City metropolitan area population reached 1 million persons in mid-1994, a 5-percent increase since the 1990 census. This growth represents a significant turnaround since the population loss of about 2 percent that occurred from 1985 to 1988.

The Oklahoma City area's historical dependence on the oil and gas industry is slowly changing due to State and local efforts to encourage economic diversification. During the 3-year period ending in late 1987, when oil prices fell by 50 percent, the 6-county metropolitan area lost more than 32,000 jobs, almost 8 percent of total employment. Oil prices have not rebounded, but the local economy has shown some recovery, as nonfarm employment increased 6.4 percent between 1990 and 1994, and 2 percent for the 12-month period ending in November 1995.



State government is the area's largest employer with more than 37,000 employees, followed by Tinker Air Force Base with 19,000 military and civilian personnel. The largest manufacturing employers are General Motors (5,300 employees) and AT&T (4,300 employees). The General Motors plant is scheduled to produce the new Chevrolet Malibu starting with the 1997 model year. The AT&T plant, which produces telephone switching equipment, escaped the latest round of corporate layoffs with only a few early retirements. Other large employers in the area include the Oklahoma Health Center and the Federal Aviation Administration (FAA) Aeronautical Center, each with about 6,000 employees. The area is also home to the University of Oklahoma, with just more than 5,000 faculty and staff, 21,300 students, and an annual budget of close to \$150 million.

The Oklahoma Quality Jobs Act, which provides rebates to new or expanding companies, is partly responsible for a projected 6,000 jobs expected to be created by more than 30 companies in the metropolitan area over the next 3 years. For example, the Southwest Airlines reservations center is scheduled to create 1,000 jobs; DataCom Sciences (a provider of technical workers to FAA), 458 jobs; and the Hertz Corporation reservation center, 387 jobs.

The April 19 bombing had a temporary effect on the overall economy of the Oklahoma City area, but it will have a long-term effect on the six-block area on the northern edge of the central business district. So far, more than 500,000 square feet of commercial space has been approved for demolition, while other structures are boarded up and for sale. A \$39 million congressional appropriation is being used to aid in the rebuilding of the area. Construction has just started on a \$238 million downtown development project, the Metropolitan Area Projects (MAPs) plan. The MAPs project was approved by Oklahoma City voters in December 1994 and is unrelated to the rebuilding of the bomb-damaged area of the city. Components of the project include a 20,000-seat arena, a new baseball stadium, a riverwalk, a new library, and the

renovation and expansion of the Myriad Convention Center. Plans for two new hotels in the central business district have been announced as a result of the MAPs development. There is only one existing hotel in operation in the Oklahoma City downtown area, making it difficult for the city to effectively compete for national and regional conventions.

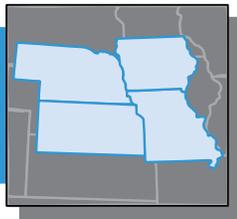
During 1995 almost 3,400 single-family housing units were permitted in the Oklahoma City area, an 8-percent decrease from 1994. The year ended on an upbeat note, however, as lower interest rates during the last half of the year helped move the unsold inventory of new houses and provided confidence to builders and buyers alike. More single-family units (17 percent) were permitted in the second half of 1995 than during the first half. Single-family activity is highest in southwest Oklahoma City and in the suburban communities of Norman and Edmond. New homes in the \$80,000 to \$120,000 price range are selling best, with homes more than \$150,000 selling more slowly. Builders note a slight surplus of new higher priced homes and are reducing production accordingly.

Sales of existing homes in the Oklahoma City area totalled 10,810 units in 1995. Although this figure represents a decrease of just more than 1 percent from 1994, it was the second best year on record, as reported by the Oklahoma City Metropolitan Association of Realtors. The median sales price for the year was \$70,400, a 6-percent increase over the 1994 price. The area still rates among the most affordable housing markets in the Nation.

The Oklahoma City rental market experienced soft market conditions beginning in the early 1980s oil bust, as occupancy rates plummeted to 80 percent and rental housing production virtually stopped. Construction in the past 10 years has been limited primarily to retirement housing. Two low-income tax-credit projects and a student-oriented project near the University of Oklahoma started construction in 1995. With the lack of production, rental market conditions have gradually improved to an average market occupancy in the low 90-percent range. However,

an abundance of affordable sales housing and low population growth have kept the rental market in the doldrums. Rents increased 4 to 5 percent annually during the early 1990s, but slowed to 2 percent in 1995, making significant additions to the rental inventory unlikely during 1996.

GREAT PLAINS



Nonagricultural wage and salary employment in the Great Plains increased by 87,900 jobs from November 1994 to November 1995. Missouri led the region with 42,600 added jobs; Kansas City accounted for a major portion of that growth by adding 26,000 jobs. Nearly 3,500 of the new jobs added in the Kansas City area were in riverboat gaming. Iowa, with 28,800 new jobs, was the second leading job producer in the region, followed by Kansas with 14,300 and Nebraska with 2,200. Unemployment remains low in all States. As of October the unemployment rate in Nebraska was 2.2 percent, the lowest in the Nation. Iowa was next in the region, with 3.0 percent, followed by Missouri with 3.2 percent and Kansas with 3.9 percent.

Labor shortages are a problem in parts of the region. In 1994 employers in central and northern Iowa began reporting labor shortages. In the northwest corner of the State, the labor supply became so tight in 1994 that a "Come Home to Siouxland" marketing campaign was begun. Slow growth in 1995 mitigated the labor shortage somewhat, but shortages still exist in skilled jobs in the manufacturing and construction industries. In the Des Moines area, there is a critical shortage of clerical workers partially due to the expanding needs of State government and life insurance companies. In the Kansas City area,

employers have been reporting shortages of labor due to rapid employment growth. Hiring of skilled computer personnel by Gateway 2000, DST and its affiliated companies, and Electronic Data Systems has created intense competition. Gateway 2000 and Electronic Data Systems added almost 2,000 jobs between them during the 12 months that ended in November 1995.

During 1995, building permits for new residential construction in the Great Plains region totalled 53,192 units, down approximately 11 percent from last year's activity (59,697 units). Single-family building permits (39,031) were off almost 12 percent from last year, with all four States showing declines.

Great Plains' housing markets remain among the most affordable in the Nation. All the metropolitan areas listed in the National Association of Realtors survey of median sales prices were considerably below the national median sales price for existing homes. The Kansas City and St. Louis areas had median prices in 1995 of \$91,700 and \$87,700, respectively, up 5 and 3 percent over 1994 levels. The second most expensive areas in the region were Des Moines (\$87,000) and Cedar Rapids (\$86,200), where prices increased 6 and 4 percent, respectively, from last year. The Lincoln and Omaha markets in Nebraska, with median sales prices of \$82,500 and \$83,000, showed the greatest home price increases of approximately 8 and 10 percent, respectively, over 1994 levels.

Multifamily building permit activity in 1995 totalled 14,179 units, down 8 percent from 1994. Significant declines in Iowa and Missouri offset the substantial gains in Nebraska and Kansas. The number of multifamily units in Nebraska (3,059) was up 23 percent due largely to the tight rental market in Omaha. The increase in activity in Kansas (17 percent) was due to improved market conditions in the Kansas City suburbs. The rental market in Wichita remains soft, with vacancy rates in apartment projects about 10 percent at year's end. Anticipated employment growth in the aircraft industry should help the rental market in the coming year.



Spotlight on

Lincoln, Nebraska

Lincoln is the State capital and the home of the main campus of the University of Nebraska. Between 1990 and 1994, the area experienced strong sustained employment gains, averaging 2 percent annually. The rate of growth slowed to 1.5 percent in 1995 as several major firms downsized their operations. Unemployment has been consistently low in the Lincoln metropolitan area, averaging 2.4 percent in 1995.

This year the University of Nebraska Foundation will begin to develop the 130-acre Nebraska Technology Park, which will eventually contain more than a million square feet of commercial, office, and research space. The just-announced Technology Development Center will incubate innovative technologies that will create new job opportunities in the State of Nebraska. Through a cooperative effort, tenants will have access to the university's faculty and resources.

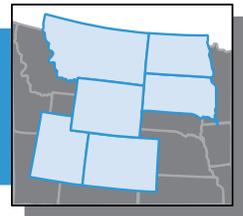
Transcrypt, a company associated with Technology Park, currently occupies a 22,000-square-foot facility at the northern edge of the park, and plans to develop more than 90,000 square feet of space for research, development, and manufacture of electrical components. Molex, Inc., a manufacturer of electronic connectors and high-speed stamping and assembly parts, with facilities adjacent to the park, is currently building a new 300,000-square-foot facility. Reflecting the strong economic growth, there has been more than 1 million square feet of retail space constructed in the Lincoln area in the past 3 years.

Lincoln has been one of the most affordable housing markets in the Nation. However, strong demand over the past 2 years has pushed prices above the normal rate of inflation. In 1995 the median sales price for existing homes in the metropolitan area was \$82,500, up almost 10 percent in the past 12 months. According to the Lincoln Board of Realtors, the average sales price during 1995 was \$97,000.

In 1994 and 1995, an average of 1,900 housing units were permitted annually in the Lincoln metropolitan area. Single-family activity in 1995 was down almost 18 percent from 1994 levels, but multifamily activity was up by 17 percent. Because single-family home construction is predominately presold, the decline reflects lower demand.

The overall rental market in the Lincoln area is balanced, with a vacancy rate between 5 and 6 percent. The Lincoln Board of Realtors' annual survey of almost 9,000 apartment units in larger complexes reveals that the vacancy rate has been below 4 percent since 1993. Multifamily building activity during the past 2 years has averaged close to 900 units annually, almost double the activity from 1991 through 1993. The rental market is expected to remain balanced, although it will become more competitive over the next year as the large supply of new units are completed.

ROCKY MOUNTAIN



Employment growth picked up slightly in Colorado and Wyoming in the fourth quarter of 1995, although Wyoming's 1.1-percent annual gain made it the only State in the region with an increase below the national average. Utah continues to lead the region; its annual gain slowed slightly to a still robust 5.3 percent from the 6-percent pace earlier in the year. The boom in construction has eased slightly, although it is still the fastest growing job sector in the region. Crop prices are up while beef prices remain low. The net effect has been some improvement in overall farm income. Cattle producers, however, are still caught in a squeeze. Generous snowfall at year's end should cause a pickup in visitors to ski areas

in the first quarter. A recent report from the South Dakota Mining Association points out that while the gaming and tourism industries supply more jobs than mining, the mining industry provides more income in the economy.

Recent population estimates from the Census Bureau indicate that in-migration to the region continued at a high level in 1995. Colorado and Utah are the fourth and fifth fastest growing States, respectively, in the Nation.

Labor markets remain tight in the Rocky Mountain region. Utah has now joined North and South Dakota with an unemployment rate under 3 percent. Rates in Colorado and Wyoming are close to 4 percent and Montana's 5.7-percent rate is the only one in the region close to the national average. Demand for skilled workers continues to outstrip the supply. Even entry-level jobs in trade and services are difficult to keep filled. The labor shortage in trade has prompted restaurant operators in Colorado to push for legislation to allow workers under the age of 21 to serve liquor.

Single-family homebuilding activity in the region picked up in the fourth quarter and permits for 1995 (51,112 units) were down only 1.5 percent from 1994. Permits in the Denver area were off only 5 percent from last year. The inventory of developed home lots has grown in some markets, but the unsold inventory of speculative homes remains steady. It appears that builders were expecting some slowdown.

Multifamily activity was well ahead of last year's pace; the number of units permitted (21,399) was up 27 percent from 1994. In Colorado and Utah the number of multifamily units was up 36 and 44 percent, respectively, the highest levels of the last 6 years.

Much of the initial surge in apartment building activity that began in the Fall of 1994 has reached the market. While absorption remains strong, preleasing has slowed and some rent concessions are beginning to appear. Student rental demand is down in some markets because of reservations about the Federal budget. Loan uncertainties have made some students cautious about committing to long-term leases; doubling up with

other students or moving back home are some of the options they pursued. The shift to homeownership caused by lower interest rates has continued to ease rental market demand pressure, even where new construction has been limited.

Existing home sales for the region in 1995 were off only 2 percent from 1994's volume. The modest decline from last year in Colorado was tempered by an increase in sales in Utah. The slight drop in sales activity has not affected prices in the major markets. The 16-percent increase in the median sales price in Salt Lake City led the region. The median sales price in Denver was up 9 percent to \$127,300 and in Colorado Springs was up 10 percent to \$114,700. Modest gains were more typical in the remainder of the region.

Spotlight on

Grand Junction, Colorado

Grand Junction, located in the far western part of Colorado, is the largest city between Denver and Salt Lake City. The city of Grand Junction comprises about 35 percent of the metropolitan area's 1995 population of 103,000 persons. Nearly 75 percent of the metropolitan area's land is owned by the U.S. Government.

Wide swings in employment during the past several decades have been a result of the volatile energy industry's presence in the area. Oil shale development in the late 1970s and early 1980s brought on the most recent boom, which was followed by a bust when the industry collapsed. The local economy has grown at a solid pace since, and average employment growth has been 3 to 4 percent.

The recovery was stimulated by Grand Junction's expanding role as a regional trade and service center, increased tourism, and in-migrating retirees who have been attracted to the area. In addition, the U.S. Department of Energy's Uranium



Mill Tailings Cleanup program added several hundred jobs to the economy, and the local community has attracted some light manufacturing businesses.

Slowed economic growth is expected in the immediate future because of already announced corporate closures and layoffs, and the winding down of the Tailings project. Employment growth will continue as tourism and increased development on the Western Slope enhance Grand Junction's role as a trade and service center.

Grand Junction's sales housing market strengthened during the second half of 1995 because of lower interest rates. Total sales for the year, however, were still down 12.6 percent from 1994's record year. Despite the decrease in activity, the average sales price increased by nearly 10 percent to \$100,100. Recent price gains have made Grand Junction much less of a buyer's market than it was in the early 1990s, but there is still a variety of housing types and price ranges available.

There are differences in market strength by price range. The strongest segment is the first-time homebuyer price range of \$60,000 to \$100,000. Existing homes priced more than \$200,000 have seen some reduction in selling prices. Buyers in this price range, especially retirees, have preferred new homes over the larger, but less amenity-rich existing stock. New townhouses are selling quickly in the \$120,000 to \$200,000 range. Builders have also responded to first-time buyers, adding new homes in the \$70,000 to \$90,000 price range.

The Grand Junction rental market has softened in the past year as mortgage interest rates declined and many renters were able to purchase homes. Because job growth has occurred largely in the low-paying retail trade and services sectors, many workers have not been able to afford the prevailing rents and have had to double up. As a result apartment projects are experiencing increased vacancies and have begun to make rent concessions.

PACIFIC



The Pacific economy continued its moderate expansion in the fourth quarter, paced by California's recovery. Almost 300,000 new jobs were added in California between November 1994 and November 1995, a 2.4-percent gain. Tourism, business services, electronics manufacturing, and exports have been strong, more than offsetting continued losses in defense-related industries and restructuring in the financial and insurance sectors.

Employment growth in Arizona, after a very slow start, maintained a rapid 3.5-percent annual rate of growth throughout the second half of 1995, ranking fifth nationally. Construction and manufacturing employment hit record levels, led by aircraft, missile, and electronic equipment makers. More than two-thirds of new jobs were created in the Phoenix area, where a 4-percent year-over-year increase in December was double Tucson's rate. Moderate growth is projected for 1996 for both Tucson and Phoenix.

Las Vegas's casino boom will be heating up as a number of casinos are completed in 1996. In addition, the completion of the 1-million-square-foot Galleria shopping center in Henderson in February is expected to add another 1,000 jobs. In-migration of both retirees and job-seeking households is fueling very strong residential construction.

Single-family home construction in the Pacific region, as measured by building permits, was down 8.5 percent for 1995 compared with 1994. There were modest declines from very strong 1994 levels in Arizona and Nevada, but volume in 1995 still exceeded 1993 levels. The Phoenix area broke its single-family permit record set in 1978. In California single-family permit activity was off almost 12 percent (68,673 units).

Existing home sales in Arizona in 1995 were only 1 percent below record 1994 levels, but local sources attribute the drop to a shortage of listings rather than lower demand. Reflecting the continued strength of the sales market, median sales prices in Phoenix and Tucson in 1995 were up 5 and 6 percent, respectively, over 1994. Las Vegas resales continued strong, with a modest increase in the median sales price of 2.7 percent to \$113,500 for 1995.

While sales of existing homes in California in 1995 were down almost 12 percent from 1994 levels, sales in the last quarter were up significantly from the fourth quarter of 1994. Median sales prices were down in all major markets. Declines ranged from a negligible 0.4 percent in the San Francisco Bay Area to 6 percent in Riverside-San Bernardino. The declines in prices and lower interest rates are making housing more affordable. Local sources expect the increased affordability and improving economic conditions will translate to expanded activity in the sales market starting in the Spring of 1996.

Multifamily housing permit activity in 1995, at 12,737 units in Arizona and 10,299 units in Nevada, increased 31 and 26 percent, respectively, over 1994. Activity in 1995 in the two States was almost triple 1993 levels. Las Vegas and Phoenix have absorbed the high production levels of the past 2 years without any problems. The rental vacancy rate in Las Vegas is running about 5 percent. In Phoenix rental vacancy rates are in the 5- to 6-percent range, the lowest since 1981. It is expected that vacancy rates will increase during the first half of 1996 as large numbers of new units come on the market. The Tucson rental market became much more competitive as new units entered the market in 1995. The rental vacancy rate is about 8 percent, more projects are offering concessions, and rent increases are much smaller.

Multifamily housing permit activity in California in 1995 (16,113 units) fell 16 percent from already depressed 1994 levels. The San Francisco Bay Area is beginning to attract investor attention

for new construction because of improving occupancy, rents, and vacancy rates (4 to 6 percent), particularly in San Francisco and San Jose. Sacramento is balanced, while Fresno is still soft with an 8-percent vacancy rate and flat rents.

In Southern California rental markets are mixed. Rental market conditions in Los Angeles County remain soft, with vacancy rates about 8 to 10 percent. The Lancaster-Palmdale area is still extremely weak, with vacancy rates approaching 15 to 20 percent. In Orange County the market is steadily improving; rental vacancy rates are about 7 to 8 percent, and as low as 4 to 5 percent in the high-rent communities. Riverside and San Bernardino Counties are still very soft, with rental vacancy rates estimated at 13 to 14 percent. San Diego is strengthening; rental vacancy rates are estimated at 4 to 5 percent and rents are increasing. Property managers remain hopeful that improved economic conditions in Southern California in 1996 will lead to stabilized occupancy and perhaps higher rents, as rents throughout this part of State have remained flat or have fallen for the past several years.

Spotlight on

San Jose, California

The San Jose metropolitan area is home of Silicon Valley. Leading high-technology corporations include Apple, Lockheed, IBM, National Semiconductor, Hewlett-Packard, Varian, and General Electric.

The yearend 1995 population of the metropolitan area was 1,600,000, reflecting an average annual increase of 1.2 percent since 1990. Cutbacks in defense and aerospace businesses and corporate restructuring in high-technology industries caused the area to lose almost 28,000 jobs between 1990 and 1994. Since early 1994 the area



has begun to recover. For the fourth quarter of 1995, nonagricultural employment totalled 804,500, a modest 1.2-percent increase over 1994 fourth-quarter employment. The greatest gains were in construction (9.2 percent), durable goods manufacturing (3.5 percent), and services (1.1 percent).

The sales housing market has mirrored the economic cycle. During the 1980s housing prices were fueled by the above-average salaries of high-technology employees. Between 1980 and 1990, the median home value in the San Jose area increased from \$107,700 to \$289,400, and the county became one of the most expensive housing markets in the Nation. With job losses in the early 1990s, sales prices declined; by mid-1994, they had dropped about 13 percent from 1990 levels. As the area's economy began to rebound, the median price of an existing home rose again, by 1.4 percent in 1995.

The improvement in the new sales market is attributable not only to the economic recovery, but to the decline in production and reduced inventories. Between 1990 and 1993, single-family permit activity averaged 1,750 units annually compared with an average of 3,200 in the 1980s. With improved conditions single-family permits have averaged 2,150 units a year during 1994 and 1995.

The level of multifamily housing construction activity averaged 2,700 units annually in 1990 and 1991, but has declined to 1,500 units a year since then. The drop in production has allowed the rental market to remain relatively balanced compared with other California markets, and the rental housing vacancy rate has held steady at about 5 percent. Demand for upscale rentals has been strong. In the past 2 years, projects located close to major employers have done exceptionally well, renting at a rate of 20 to 30 units monthly. Rents for new two-bedroom, two-bath units typically range from \$1,200 to \$1,600.

NORTHWEST



Economic activity in the Northwest slowed during 1995. Fourth-quarter employment was up 72,700 jobs, 1.6 percent over the fourth quarter of 1994. This growth rate reflected a drop from the 2.8-percent rate from 1993 to 1994. All States reported net job gains for 1995; employment was up 3.8 percent in Oregon, 1 percent in Idaho, and 0.6 percent in both Washington and Alaska. The unemployment rate for the region was 5.7 percent for the fourth quarter, down from 5.8 percent for the fourth quarter a year ago.

Oregon continued to lead the region in employment growth. *The Blue Chip Economic Growth Update* reported that in the 12 months ending September 1995, Oregon had the fourth highest rate of nonfarm job growth in the Nation, at 4.3 percent. The rapid growth in the electronics and electrical equipment industries has helped to diversify the State's economy. Despite impressive job increases since 1990, population growth in Oregon has begun to slow. Consequently, the labor market grew even tighter during 1995 and there are shortages of qualified workers in the construction trades and high-technology industry.

The employment outlook for Washington is favorable. The Boeing Company has settled a strike by 22,500 aerospace machinists. In 1995 Boeing received orders for 346 airplanes, worth an estimated \$31.2 billion. This amount was more than four times the dollar volume of 1994 sales and the highest total since 1990. Industry analysts predict that jobs at Boeing will increase from a current level of 71,000 to around 85,000. In addition, high-technology industries continue to grow, especially in the Puget Sound region. Intel recently announced that it will build a research/manufacturing facility in the Tacoma metropolitan area that will employ 6,000 people.

Idaho and Alaska will maintain a more modest pace of job growth in 1996 than Oregon and Washington. Tourism and fish harvesting will remain strong and a new gold mine will open near Fairbanks. Alaska still faces serious budget problems, however, due to declining oil revenues.

Single-family building permits (52,152 units) in 1995 were down almost 11 percent from 1994 levels. Only Alaska showed an increase. The decrease in activity ranged from 16 percent in Idaho to 4 percent in Oregon. A total of 25,498 multifamily units were permitted in 1995, 5 percent above 1994 levels. Multifamily building activity was up nearly 45 percent in Oregon and 23 percent in Alaska. On the other hand, activity dropped 40 percent in Idaho and 10 percent in Washington. However, the number of units permitted in Washington (11,307) was about equal to 1993 volume, and was the second best of the last 5 years.

Existing home sales in the region were off less than 2 percent from 1994's volume. In Washington resales were down 5 percent from a very strong 1994 level. The median sales price in the Seattle-Everett and Tacoma areas increased 2 percent in 1995 to \$159,000 and \$121,400, respectively. Existing sales were up 3.4 percent in Oregon, the highest volume in the past 3 years. Reflecting the strong demand, the median sales price was up 9 percent in Eugene-Springfield to \$104,900 and almost 10 percent in the Portland area to \$128,400.

Rental market conditions in the major markets in Washington, Idaho, and Alaska ranged from balanced to soft. The areas with the highest rental vacancy rates were Richland-Kennewick-Pasco (the Tri Cities), at 10 percent, and Boise, at 9.0 percent. A rapidly declining employment base has weakened the rental market in the Tri-Cities area. The Boise rental market continues to soften as the large supply of new units comes on the market. In contrast, rental markets are very tight in much of Oregon. The rental vacancy rates are below 4 percent in Eugene, Portland, Medford, and Salem.

Spotlight on

Portland-Vancouver, Oregon-Washington

The 1990s are proving to be the decade of increased diversification for the Portland area economy. The early 1990s were characterized by rapid population growth, strong levels of residential construction, and the completion of a world-class convention center and sports arena. Now, at mid-decade, aggressive private and public investment has driven the local unemployment rate to near record lows.

As of December 1995, employment stood at 853,300, up by 35,100 jobs from December 1994, a robust 4.3-percent gain. The manufacturing sector had an employment gain of 5.2 percent. Leading job-generating sectors included electrical equipment, which accounted for 52 percent of the 6,700 jobs added in manufacturing. Since 1990 the electronic equipment industry has increased its share of manufacturing employment from 12 percent to 16 percent, while office equipment has increased its share from 3.4 percent to 5.4 percent. High-technology firms have been attracted to the area for a number of reasons, including Oregon's longstanding good relations with Japan, the quality and quantity of water, and the economies of agglomeration.

The largest single industry group gain (4,500 jobs) was in construction. Major construction projects underway in 1995 included expansion of production facilities by Intel (microprocessors), Wacker Siltronic and SEH America (silicon wafers), and Fujitsu Microelectronics (memory chips). New firms building production facilities in 1995 were Integrated Device Technology (computer chips), Komatsu Electronic Metals (silicon wafers), LSI Logic (custom computer chips), and Epson (printers). In addition to its expansion project, Intel is constructing a new production facility and a research facility. These projects represent nearly



\$10 billion in new investment and will add 5,000 jobs to the local economy within the next 2 years. In addition to massive investment in the high-technology sector, the 11-mile westside, light-rail project was also under construction in 1995. The nonmanufacturing sector added nearly 28,000 jobs over the year. Excluding construction, leading industry groups were real estate, business services, engineering/management services, motion pictures, social services, and health services.

The unemployment rate as of December 1995 was 3.6 percent and averaged below 4 percent throughout the year. Shortages of trade and high-technology plant operators and technicians have affected the local labor market all year. Local community colleges have had difficulty meeting demand for qualified high-technology workers and have started recruiting students from outside the metropolitan region. Local issues related to the new investment activity focus not on the number of jobs, but on the salary workers can expect to earn at the high-technology firms. Approximately 80 percent of the jobs will pay \$30,000 or less per year and 77 percent of these positions will be filled by local hires. Of the approximately 1,000 jobs paying more than \$40,000 per year, only about 25 percent are expected to go to State residents.

Residential construction during 1995 had its strongest year of the decade, with permits issued for 18,019 units, 6 percent more than the 17,054 units authorized in 1994. Together, these 2 years represent 39 percent of the total permit activity for the 1990s. Single-family authorizations totaled 10,925 homes in 1995, off 3 percent from the previous year. The number of multifamily units permitted, 7,094 in 1995, however, was up 22 percent from 1994.

The median price of a home sold in 1995 was \$128,400, up 9.8 percent from the median price of \$116,900 in 1994. This marks the fifth consecutive year that the annual increase in median price has been in the 10-percent range. Housing affordability has been a high-profile issue in the Portland-Vancouver metropolitan region. Since 1990 the median sales price of a home has increased by 63 percent, while the median family income has risen by just 21 percent. Aggressive residential development has used up almost all of the land that is relatively cheap to develop.

Mirroring the local labor market, rental housing market conditions tightened during 1995. At year's end the rental vacancy rate was 3.5 percent, down from 4 percent in 1994. New garden-style apartment complexes exceeded absorption expectations during the year, with the west Portland submarket, home of the Silicon Forest, performing particularly well.

Rents moved up an average of 3 to 4 percent during 1995, or about the same rate as in 1994. According to the *McGregor Millette Report*, the average rent of a two-bedroom, two-bath apartment as of the Fall of 1995 was approximately \$700, up \$50 from a year ago. A study conducted by Ernst & Young/Kenneth Leventhal found that renting an apartment in the Portland-Vancouver area consumed 25 percent of average income. The study ranked the Portland-Vancouver area 52nd out of 72 metropolitan areas in terms of affordability, taking into account both the rental and owner-occupied segments of the housing market.



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
Annual Data											
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
1995	1,333.0	999.1	33.3	32.0	268.6	NA	NA	123.0	291.9	587.0	331.1

* 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

Continued on next page



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

Continued from previous page

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
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
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	
1995											
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	1,275	958	65	252	NA		114	280	556	325	
July	1,355	1,011	61	283	NA		113	297	601	344	
August	1,368	1,044	63	261	NA		118	304	601	345	
September	1,405	1,073	72	260	NA		124	299	631	351	
October	1,384	1,051	68	265	NA		122	310	629	323	
November	1,448	1,069	73	306	NA		122	318	641	367	
December	1,478	1,110	64	304	NA		129	306	646	397	
1996											
January	1,373	1,045	69	259	NA		104	312	587	370	

* 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
Annual Data											
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
1995	1,350.5	1,073.2	14.3	19.5	243.5	NA	NA	117.4	289.2	612.9	331.0
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
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	
1995											
January	1,370	1,062	38	270	NA	NA	117	284	629	340	
February	1,322	1,051	44	227	NA	NA	132	284	562	348	
March	1,241	992	35	214	NA	NA	137	275	553	276	
April	1,278	1,017	25	236	NA	NA	108	276	577	317	
May	1,300	1,005	36	259	NA	NA	129	256	576	339	
June	1,301	1,036	35	230	NA	NA	124	289	567	321	
July	1,450	1,125	39	286	NA	NA	115	290	713	322	
August	1,401	1,135	28	238	NA	NA	119	320	626	336	
September	1,401	1,130	39	232	NA	NA	116	308	616	361	
October	1,351	1,109	31	211	NA	NA	120	278	606	347	
November	1,458	1,129	32	297	NA	NA	103	318	708	329	
December	1,385	1,116	30	239	NA	NA	90	296	656	343	
Jan. 96	1,446	1,132	31	283	NA	NA	95	346	610	395	

*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
Annual Data											
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
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
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		
1995											
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	755	536	22	197	NA	94	155	316	190		
June	756	534	22	200	NA	92	157	318	189		
July	761	538	21	202	NA	90	155	328	188		
August	773	548	21	204	NA	91	160	331	191		
September	781	553	22	206	NA	90	162	335	194		
October	785	562	22	201	NA	90	166	335	194		
November	795	566	22	207	NA	91	168	342	194		
December**	NA	NA	NA	NA	NA	NA	NA	NA	NA		

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

**December data are not yet available because of the furlough of Federal workers and lack of funds.

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
Annual Data											
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
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
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
1995											
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	1,342	1,072	33		237	NA		144	327	564	307
June	1,256	1,053	30		173	NA		119	272	551	314
July	1,345	1,037	48		260	NA		154	313	574	304
August	1,246	1,012	26		208	NA		100	263	575	308
September	1,254	998	28		228	NA		123	278	550	303
October	1,312	1,032	25		255	NA		126	252	603	331
November	1,337	1,043	46		248	NA		88	267	636	346
December**	NA	NA	NA		NA	NA		NA	NA	NA	NA

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

**December data are not yet available because of the furlough of Federal workers and lack of funds.

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

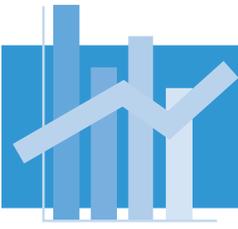


Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1974–Present



Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
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
Monthly Data (Seasonally Adjusted Annual Rates)								
1994								
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
1995								
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	287	10	49	187	41	\$33,800	77
May	329	294	12	47	199	36	\$35,400	81
June	329	296	13	53	191	39	\$36,000	84
July	319	280	15	50	177	38	\$36,200	90
August	336	298	17	55	183	43	\$38,100	92
September	346	305	18	63	185	39	\$35,400	95
October	360	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.
Annual Data												
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
	Monthly Data (Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
1994												
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
1995												
January	643	65	116	286	176	340	55	62	143	81	342	6.7
February	575	66	108	274	127	341	54	62	143	82	347	7.2
March	612	56	121	269	165	343	55	62	146	80	347	6.9
April	607	55	124	257	172	344	56	61	148	80	348	6.9
May	667	52	122	288	205	346	58	61	149	79	347	6.3
June	723	75	135	296	217	349	57	62	151	78	347	5.9
July	781	53	138	381	208	343	58	63	145	77	344	5.5
August	703	51	136	311	205	350	59	64	149	78	349	6.1
September	682	43	133	303	203	356	60	65	153	78	352	6.4
October	663	44	127	302	190	364	62	66	156	80	362	6.6
November	649	36	121	321	171	377	65	69	160	83	375	7.2
December**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

**December data are not yet available because of the furlough of Federal workers and lack of funds.

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
Annual Data							
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
1995	3,812	577	992	1,431	813	1,450	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
1994							
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
1995							
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	1,930	6.4
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	3,800	570	1,030	1,430	760	1,790	5.6
July	3,990	580	1,020	1,520	870	1,790	5.4
August	4,120	600	1,060	1,560	900	1,780	5.2
September	4,150	610	1,080	1,560	900	1,800	5.2
October	4,110	620	1,070	1,530	890	1,880	5.5
November	4,040	640	1,070	1,450	880	1,790	5.3
December	3,910	580	1,000	1,430	890	1,450	4.5

*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 ¹
Annual Data							
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
Quarterly Data							
1994							
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
1995							
1st Quarter	130,000	179,900	130,000	118,000	139,400	153,500	155,200
2nd Quarter	133,900	179,900	136,000	124,500	140,000	158,900	156,800
3rd Quarter	132,000	184,000	130,000	121,000	149,500	158,100	157,900
4th Quarter ²	NA	NA	NA	NA	NA	NA	NA

¹The 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.

²Fourth Quarter data are not yet available because of the furlough of Federal workers and lack of funds.

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

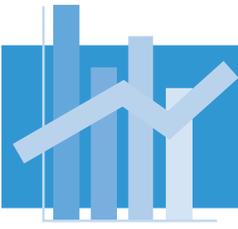


Table 8B. Existing Single-Family Home Prices: 1968–Present

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
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
1995	112,900	136,900	93,400	97,700	147,400	139,000
Monthly Data						
1994						
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
1995						
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	142,100	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	116,200	140,600	95,000	101,500	150,000	143,300
July	115,900	141,400	96,300	101,800	148,300	142,200
August	117,600	142,300	97,600	102,700	151,900	144,400
September	115,200	137,600	96,700	98,400	150,100	140,500
October	113,300	133,800	94,900	98,200	148,500	138,700
November	114,300	135,100	95,400	99,600	149,400	139,700
December	113,800	133,300	95,300	99,400	147,200	138,600

Source: NATIONAL ASSOCIATION OF REALTORS®



Table 9. Housing Affordability Index: 1970–Present

Period	U.S.				Affordability Indexes*		
	Median Existing Price	Mortgage Rate ¹	Median Family Income	Income To Qualify	Composite	Fixed	ARM
Annual Data							
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
1995	\$112,900	7.85	\$39,797	\$31,359	126.9	121.4	137.4
Monthly Data							
1994							
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
1995							
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	\$116,200	7.77	\$38,951	\$32,029	121.6	118.9	131.1
July	\$115,900	7.71	\$39,092	\$31,761	123.1	121.2	130.2
August	\$117,600	7.75	\$39,233	\$32,352	121.3	118.4	131.6
September	\$115,200	7.75	\$39,374	\$31,692	124.2	121.9	132.7
October	\$113,300	7.68	\$39,515	\$30,959	127.6	125.3	136.7
November	\$114,300	7.61	\$39,656	\$31,021	127.8	126.0	137.2
December	\$113,800	7.33	\$39,797	\$30,048	132.4	128.5	144.2

*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.

¹The 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
Annual Data			
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
1994	103,800	82	\$583
Quarterly Data			
1994			
3rd Quarter	29,500	82	\$595
4th Quarter	35,500	76	\$556
1995			
1st Quarter	25,500	67	\$594
2nd Quarter	36,000	75	\$662
3rd Quarter	48,200	72	\$665

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–Present

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data (%)				
1978	NA	75	66	57
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
Monthly Data—Seasonally Adjusted				
1994				
October	50	55	58	38
November	48	53	54	35
December	43	49	47	31
1995				
January	38	44	47	22
February	41	47	45	28
March	39	42	51	25
April	38	40	49	28
May	42	45	54	29
June	45	48	53	33
July	51	52	61	41
August	53	55	64	42
September	53	56	62	44
October	57	61	64	44
November	50	52	62	41
December	52	55	60	41
1996				
January	51	55	61	37

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 ¹	Rate	Points	Rate	Points	Rate	Points
Annual Data								
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
1995	8.29	0.4	7.95	1.8	7.49	1.8	6.07	1.5
Monthly Data								
1994								
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
1995								
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
July	8.00	0.0	7.61	1.8	7.09	1.7	5.83	1.4
August	8.00	0.7	7.84	1.8	7.34	1.8	5.91	1.5
September	8.00	0.2	7.61	1.8	7.13	1.8	5.80	1.5
October	8.00	0.2	7.48	1.9	7.01	1.8	5.74	1.4
November	7.50	0.8	7.37	1.8	6.88	1.8	5.63	1.4
December	7.50	0.1	7.17	1.8	6.71	1.7	5.57	1.5

¹Excludes 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
Annual Data								
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
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
Monthly Data								
1994								
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
1995								
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
July	7.72	0.98	7.88	26.5	7.00	0.95	7.15	29.2
August	7.84	0.98	8.00	26.3	6.80	0.92	6.94	29.8
September	7.78	0.95	7.93	26.7	6.97	0.78	7.09	29.0
October	7.70	0.98	7.86	26.5	6.87	0.80	6.99	28.8
November	7.60	0.88	7.74	26.5	6.80	0.75	6.91	29.4
December	7.48	0.83	7.62	26.3	6.45	0.58	6.54	28.7

Source: Federal Housing Finance Board

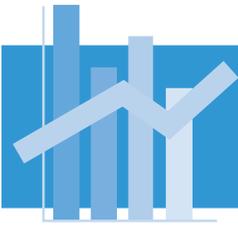


Table 14. FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1968–Present

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
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
1995	857,364	568,399	516,380	243,836	960,756
Monthly Data					
1994					
October	52,999	64,091	50,565	30,255	87,062
November	47,338	57,134	47,735	27,897	77,874
December	39,260	47,681	41,735	24,262	77,804
1995					
January	41,390	49,288	44,218	23,603	68,884
February	49,733	40,230	36,771	19,307	51,103
March	70,797	42,307	38,868	19,946	63,013
April	65,303	36,216	33,479	16,623	62,819
May	76,163	45,818	43,312	17,334	75,138
June	87,283	45,012	42,526	18,098	84,022
July	83,099	45,365	42,760	18,357	88,470
August	92,336	58,364	53,363	23,796	102,673
September	76,262	55,281	49,205	23,624	95,805
October	81,133	61,246	54,325	25,354	97,479
November	77,793	54,202	47,565	21,063	88,218
December	56,072	35,070	29,988	16,731	83,132

*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 ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, Assisted Living, and Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
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	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2

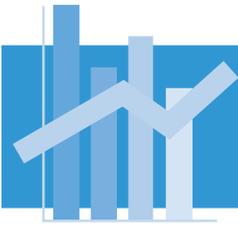
*Mortgage insurance written—Initial endorsements. Mortgage amounts are in millions of dollars.

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

²Includes purchase or refinance of existing rental housing under Section 223.

³Includes 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 Guarantied	Private Insurance	Not Insured*	Totals
Annual Data (Current Dollars in Billions)					
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	94.913	48.190	131.402	494.243	768.748
Quarterly Data					
1994					
3rd Quarter	22.047	12.582	32.518	90.195	157.342
4th Quarter	13.864	7.754	27.313	86.643	135.574
1995					
1st Quarter	10.672	6.328	20.644	81.723	119.367
2nd Quarter	10.524	5.513	24.697	99.885	140.619
3rd Quarter	13.637	7.397	33.054	132.920	187.008

*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
Annual Data (Current Dollars in Billions)			
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	768.7	32.7	801.4
Quarterly Data			
1994			
3rd Quarter	157.3	7.7	165.0
4th Quarter	135.6	7.8	143.4
1995			
1st Quarter	119.4	9.4	128.7
2nd Quarter	140.6	8.5	149.1
3rd Quarter	187.0	9.6	196.6

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
Annual Data (Current Dollars in Billions)						
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	768.7
Quarterly Data						
1994						
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
1995						
1st Quarter	30.0	3.8	18.7	65.0	1.8	119.4
2nd Quarter	31.6	4.6	22.3	80.3	1.8	140.6
3rd Quarter	45.0	7.7	27.4	105.3	1.6	187.0

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
Annual Data (Current Dollars in Billions)									
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
Quarterly Data									
1994									
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
1995									
1st Quarter	33.7	2.9	15.6	-3.7	4.3	11.5	35.3	2.6	102.3
2nd Quarter	36.1	4.2	16.1	7.4	9.2	21.7	54.8	2.6	152.1
3rd Quarter	44.2	7.5	18.2	1.5	11.6	26.2	79.8	2.5	191.4

Source: HUD Survey of Mortgage Lending Activity

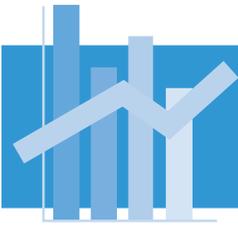


Table 20. Mortgage Delinquencies and Foreclosures Started: 1984–Present *

Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due				All	Conv.	FHA	VA
	All	Conv.	FHA	VA	All	Conv.	FHA	VA				
Annual Data												
1985												
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
1986												
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
1987												
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
1988												
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
1989												
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
1990												
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
1991												
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
1992												
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
1993												
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
1994												
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
1995												
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
2nd Quarter	4.15	2.68	7.36	6.38	0.77	0.45	1.46	1.21	0.33	0.22	0.56	0.53
3rd Quarter	4.24	2.88	7.45	6.34	0.74	0.45	1.48	1.16	0.29	0.23	0.42	0.39

*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)								
1994								
2nd Quarter	113,900	43,500	70,300	50,400	NA	NA	NA	20,000
3rd Quarter	114,700	42,900	71,900	47,400	NA	NA	NA	24,400
4th Quarter	118,900	44,100	74,700	46,400	NA	NA	NA	28,300
1995								
1st Quarter	115,800	37,700	78,100	52,200	NA	NA	NA	25,900
2nd Quarter	114,400	45,100	69,200	46,400	NA	NA	NA	22,800

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	
Annual Data (Current Dollars–Millions)					
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	238,883	167,928	153,838	14,090	70,955
1995	236,172	162,270	143,808	18,462	NA
Monthly Data (Seasonally Adjusted Annual Rates)					
1994					
October	239,100	168,200	153,200	15,000	NA
November	241,300	169,400	153,100	16,300	NA
December	243,600	169,700	153,100	16,700	NA
1995					
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	234,100	159,800	141,500	18,200	NA
May	231,300	156,400	137,900	18,500	NA
June	228,400	153,200	135,600	17,600	NA
July	232,400	157,600	139,000	18,700	NA
August	234,000	161,300	142,900	18,400	NA
September	237,600	164,300	145,300	19,000	NA
October	238,300	165,400	146,800	18,700	NA
November	239,500	165,100	145,900	19,100	NA
December	241,200	165,300	144,100	21,200	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
Annual Data (Current Dollars in Billions)			
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
Quarterly Data (Seasonally Adjusted Annual Rates)			
1994 4th Quarter	6,897.2	288.0	4.2
1995 1st Quarter	6,977.4	286.8	4.1
2nd Quarter	7,196.5	281.9	3.9
3rd Quarter	7,298.5	290.3	4.0
4th Quarter	7,348.1	295.2	4.0

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
Annual Data								
1971 ¹	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 ²	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 ²	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 ²	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 ²	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 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
Quarterly Data								
1994								
4th Quarter	665	199	85	45	63	233	(60)	102
1995								
1st Quarter	180	49	(85)	(53)	51	76	(19)	158
2nd Quarter	161	22	(14)	71	70	181	(33)	(136)
3rd Quarter	(59)	(249)	22	(51)	(82)	302	(42)	40
4th Quarter	489	113	209	(248)	144	135	78	58

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.

¹Implementation of new March CPS processing system.

²Data from 1971 to 1979 weighted based on the 1970 decennial census.

³Data from 1980 to 1992 weighted based on the 1980 decennial census.

⁴Beginning 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 ⁴				Non-Family Households		One-Person Households	
		Husband-wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	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 ²	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 ²	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 ²	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 ²	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 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
Quarterly Data									
1994									
4th Quarter	665	208	1	145	6	57	(43)	63	235
1995									
1st Quarter	180	323	16	(46)	(17)	(87)	(27)	(50)	52
2nd Quarter	161	63	66	(7)	8	(21)	(21)	3	76
3rd Quarter	(59)	(226)	141	(35)	(31)	30	31	(2)	23
4th Quarter	489	179	(62)	45	(49)	70	66	181	58

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.

¹Implementation of new March CPS processing system.

²Data from 1971 to 1979 weighted based on the 1970 decennial census.

³Data from 1980 to 1992 weighted based on the 1980 decennial census.

⁴Beginning in 1993 CPS data weighted based on the 1990 decennial census.

⁵Primary 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
Annual Data					
1971 ¹	848	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA
1974 ¹	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 ²	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 ¹	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 ¹	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 ³	750	(518)	183	312	774
1994	681	590	(6)	(114)	209
1995	1,883	1,307	387	(182)	373
Quarterly Data					
1994					
4th Quarter	666	257	192	41	175
1995					
1st Quarter	180	163	91	(61)	(13)
2nd Quarter	159	152	47	(34)	(4)
3rd Quarter	(58)	(52)	36	(96)	53
4th Quarter	489	214	(86)	181	180

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.

¹Implementation of new March CPS processing system.

¹Data from 1971 to 1979 weighted based on the 1970 decennial census.

²Data from 1980 to 1992 weighted based on the 1980 decennial census.

³Beginning 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 ⁴	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual Data										
1970 ¹	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 ²	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 ³	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
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
Quarterly Data										
1994										
4th Quarter	111,806	2,845	108,961	9,368	2,864	1,076	5,428	99,593	63,947	35,646
1995										
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
3rd Quarter	112,530	3,099	109,431	9,557	2,966	987	5,604	99,874	64,885	34,989
4th Quarter	112,987	3,095	109,892	9,529	2,966	1,050	5,513	100,363	65,355	35,008

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

¹Census of Housing 1970

²Census of Housing 1980

³Census of Housing 1990

⁴Annual Housing Survey estimates through 1981 based on 1970 Census weights; 1983 to 1989 estimates based on 1980 Census weights; 1991 and 1993 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.

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

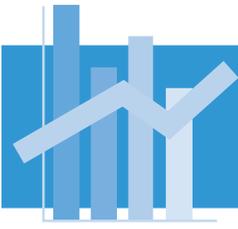


Table 28. Rental Vacancy Rates: 1979–Present

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
Annual Data												
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
Quarterly Data												
1994												
4th Quarter	7.4	NA	NA	NA	NA	7.1	6.8	8.3	6.8	4.7	9.2	9.9
1995												
1st Quarter	7.4	NA	NA	NA	NA	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
3rd Quarter	7.7	7.7	8.6	6.6	7.9	7.1	7.4	8.2	7.9	5.6	9.0	9.5
4th Quarter	7.7	7.7	8.4	6.9	8.0	6.9	7.6	8.5	7.5	5.3	9.2	9.6

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
Annual Data								
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
Quarterly Data								
1994 4th Quarter	64.2	15.2	35.1	51.5	64.7	74.9	79.2	77.7
1995 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
3rd Quarter	65.0	17.0	33.8	53.8	65.4	75.4	79.3	78.1
4th Quarter	65.1	16.5	35.6	53.2	65.5	75.2	79.5	78.7

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

Source: Bureau of the Census, Department of Commerce

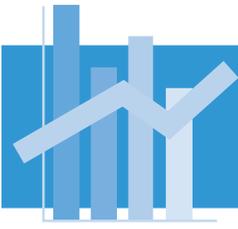


Table 30. Homeownership Rates by Region and Metropolitan Status: 1983–Present



Period	Total	Region				Metropolitan Status ³		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
Annual Data								
1983 ¹	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984 ¹	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 ¹	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 ²	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
1995	64.7	62.8	67.9	66.7	59.6	NA	NA	NA
Quarterly Data								
1994								
4th Quarter	64.2	61.4	68.6	65.7	59.6	48.5	71.1	72.1
1995								
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
3rd Quarter	65.0	62.2	70.1	66.6	59.1	49.9	71.4	72.8
4th Quarter	65.1	61.6	70.1	67.5	59.0	49.3	71.7	73.9

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.

¹Implementation of new March CPS processing system.

¹From 1983 to 1992, CPS data are weighted based on the 1980 decennial census.

²Beginning in 1993 CPS data are weighted based on the 1990 decennial census.

³From 1983 to 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	
Annual Data					
1983 ¹	64.9	69.1	45.6	53.3	41.2
1984 ¹	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 ¹	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 ²	64.1	70.2	42.0	50.6	39.4
1994	64.2	70.1	42.8	51.7	41.6
1995	64.7	70.8	42.2	51.0	42.4
Quarterly Data					
1994					
4th Quarter	64.2	70.2	42.9	51.2	42.2
1995					
1st Quarter	64.2	70.4	41.5	51.5	41.8
2nd Quarter	64.7	70.9	42.3	50.6	42.8
3rd Quarter	65.0	71.1	43.3	52.0	42.5
4th Quarter	65.1	71.2	44.6	52.1	41.1

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.

¹Implementation of new March CPS processing system.

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

²Beginning 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	
Annual Data						
1983 ¹	64.9	75.0	80.8	38.3	67.5	44.5
1984 ¹	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 ¹	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 ²	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
1995	64.7	74.7	84.0	37.3	65.6	47.4
Quarterly Data						
1994						
4th Quarter	64.2	75.2	83.4	36.5	65.4	46.9
1995						
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
3rd Quarter	65.0	75.0	84.2	38.3	66.1	47.7
4th Quarter	65.1	75.2	84.3	38.2	66.0	48.3

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.

¹Implementation of new March CPS processing system.

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

²Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Bureau of the Census

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