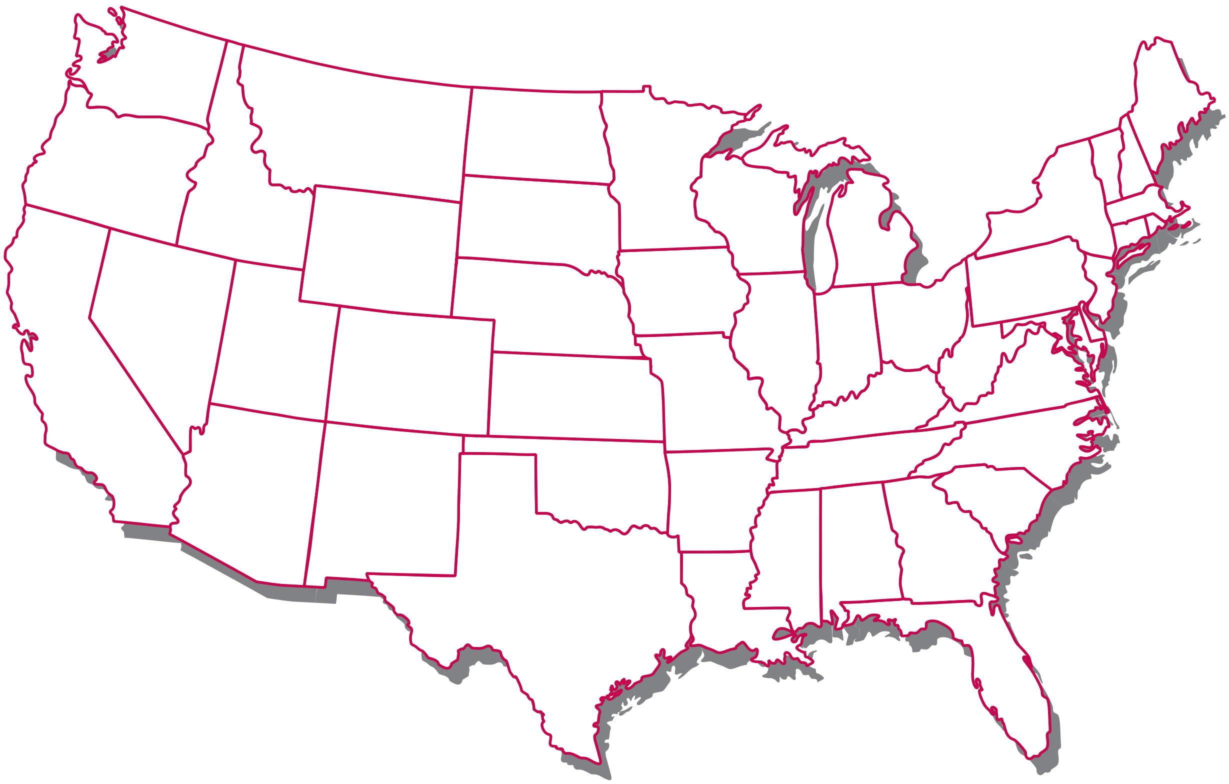
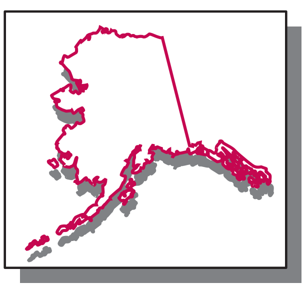
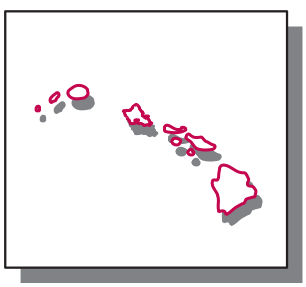
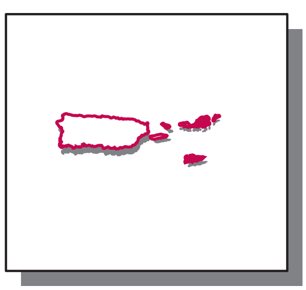
Regional Activity





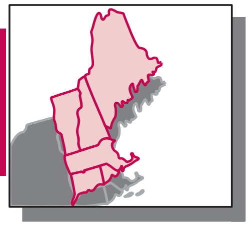




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included are profiles of selected local housing market areas that provide a perspective of current economic conditions and their impact on the housing market. The reports and profiles are based on information obtained by HUD economists from state and local governments, from housing industry sources, and from their ongoing investigations of housing market conditions carried out in support of HUD's programs.

Regional Reports

New England



HUD Region I*

Economic conditions in the New England region improved during the past 2 years. During the 12 months ending September 2012, nonfarm payrolls averaged 6.84 million jobs, an increase of 32,900 jobs, or 0.5 percent, compared with an increase of 51,000 jobs, or 0.8 percent, a year earlier. The greatest job gains occurred in the professional and business services, education and health services, and wholesale and retail trade sectors, which increased by 21,100, 14,000, and 10,300 jobs, or 2.4, 1.0, and 1.0 percent, respectively. These gains more than offset the losses of 9,000, 5,500, and 3,000 jobs, or 1.5, 1.2, and 1.3 percent, respectively, in the local government subsector, the financial activities sector, and the construction subsector.

Nonfarm payrolls increased in four of the six states in the New England region during the 12 months ending September 2012. Massachusetts, which represents 47 percent of the total nonfarm payrolls in the region, accounted for 74 percent of the net gains during the past 12 months, adding 24,500 jobs, a 0.8-percent increase, compared with an increase of 28,700 jobs, or 0.9 percent, during the previous 12 months. Growth accelerated in Massachusetts during the third quarter of 2012, when the state's economy added 47,200 jobs, a 1.5-percent increase compared with the number of jobs during the same period a year earlier. During the third quarter of 2012, the professional and business services sector led job growth in Massachusetts, gaining 26,800 jobs, or 5.6 percent. During the 12 months ending September 2012, Connecticut nonfarm payrolls increased by 6,800 jobs, or 0.4 percent, compared with number of jobs recorded during the previous 12 months. In Connecticut, the most significant increase was in the education and health services sector, which gained 9,100 jobs, or 2.9 percent, and the most significant losses were in the government and financial activities sectors, which lost 4,400 and 3,000 jobs, or 1.8 and 2.2 percent, respectively. Vermont and New Hampshire added 3,300 and 1,100 jobs, increases of 1.1 and 0.2 percent, respectively. In Vermont, the fastest growing sector was the professional and business services sector, which expanded 8.1 percent, adding 2,000 jobs. Job growth in New Hampshire was concentrated in the leisure and hospitality sector, which gained 1,800 jobs, or 2.8 percent. Maine nonfarm payrolls were almost unchanged, increasing by 100 jobs. Rhode Island lost 2,800 jobs, a 0.6-percent decline, including losses of 1,300 and 600, or 2.9 and 1.8 percent, respectively, in the retail trade and local government subsectors. During the 12 months ending September 2012, the unemployment rate in the region averaged 7.2 percent, down from the 8.0-percent rate recorded during the previous 12 months and less than the 8.3-percent national rate. Average unemployment rates ranged from 5.1 percent in Vermont to 10.9 percent in Rhode Island.

The home sales markets in the New England region are slightly soft but improving; the number of sales increased in every state in the region during the past year. According to the Massachusetts Association of REALTORS® (MAR), during the 12 months ending September 2012, existing home sales in Massachusetts totaled 44,300 homes, a 15-percent increase from the previous 12 months. During September 2012, the median home sales price in Massachusetts was $294,900, down 1 percent from September 2011. In Connecticut, Prudential Connecticut Realty (PCR) reported 23,500 new and existing home sales during the 12 months ending September 2012, an 8-percent increase from the previous 12 months. The median home sales price for the year-to-date ending September 2012 declined 2 percent, to $250,000, compared with the sales price during the same period a year earlier. Based on data from the Rhode Island Association of REALTORS® (RIAR), 7,575 existing homes sold during the 12 months ending September 2012, a 16-percent increase from the previous 12 months. The median home sales price in Rhode Island during the third quarter of 2012 was $197,500, down 3 percent from a year earlier.

The Northern New England Real Estate Network (NNEREN) reported that, during the 12 months ending September 2012, 12,200 and 4,350 homes sold in New Hampshire and Vermont, representing increases of 16 and 7 percent, respectively, from a year earlier. During September 2012, the median home sales price increased 2 percent, to $199,900, in New Hampshire and 3 percent, to $219,000, in Vermont compared with the median home sales prices during September 2011. Data from the Maine Real Estate Information System, Inc., indicate that, during the 12 months ending September 2012, existing home sales in Maine totaled 11,000, a 14-percent increase from the previous 12 months. During September 2012, the Maine median home sales price increased 7 percent compared with the median price during September 2011, to $170,000.

According to the Federal Housing Finance Agency's House Price Index, in August 2012, home prices in the region increased more than 1 percent from August 2011, reversing the 3-percent decline that occurred a year earlier. LPS Applied Analytics reported that, in September 2012, 7.1 percent of home loans in the region were 90

*For an explanation of HUD's regions, please turn to page 47 at the end of the Regional Reports section.

or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) compared with the rate of 6.4 percent recorded in September 2011 and the rate of 7.5 percent nationwide.

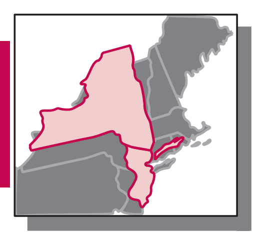
Condominium markets are soft in the New England region but are beginning to improve in Massachusetts in response to recent strong job growth. According to MAR, in Massachusetts during the 12 months ending September 2012, condominium sales totaled 16,850 units, a 14-percent increase from the previous 12 months. The median condominium sales price during September 2012 increased to $280,000, up 3 percent from a year earlier. PCR reported that, during the 12 months ending September 2012, condominium sales in Connecticut increased to 5,625 units, up 2 percent from the previous 12 months. The median condominium sales price for the year-to-date ending September 2012 decreased 7 percent, to $157,000, compared with the price during the same period a year earlier. Data from RIAR indicated that, during the 12 months ending September 2012, condominium sales in Rhode Island increased 8 percent, to 1,175 units sold. The median condominium sales price in the state declined 6 percent during the third quarter of 2012, to $186,900. In New Hampshire and Vermont, NNEREN reported that, during the 12 months ending September 2012, condominium sales increased 13 and 8 percent, to 2,875 and 1,000 units sold, respectively. During September 2012, the median condominium sales price decreased 5 percent, to $152,000, in New Hampshire and 8 percent, to $173,500, in Vermont compared with the median prices during September 2011.

Single-family homebuilding activity, as measured by the number of homes permitted, increased during the past year in response to improvements in the home sales market. Based on preliminary data, during the 12 months ending September 2012, 10,900 single-family homes were permitted in the region, a 10-percent increase from the previous 12 months. Although single-family home construction increased in all six states in the region during that period, the overall rate of increase was relatively low compared with the 19-percent increase nationwide. Massachusetts single-family home permits increased 13 percent, to 4,700 homes, and Maine permits increased 11 percent, to 1,575 homes. Connecticut and Vermont each reported a 9-percent increase, to 2,025 and 510 homes permitted, respectively. Single-family homes permitted in Rhode Island and New Hampshire increased 8 and 7 percent, to 660 and 1,450 homes permitted, respectively.

Multifamily construction, as measured by the number of units permitted, increased significantly in the New England region during the past 12 months because builders responded to increasing renter demand. Based on preliminary data, during the 12 months ending September 2012, multifamily building activity totaled 7,775 units permitted, a 64-percent gain compared with the 57-percent gain nationally. During the 12 months ending September 2012, multifamily building activity in Massachusetts increased 106 percent, to 4,800 units permitted, compared with the number of units permitted during the previous year. Multifamily building activity in Connecticut and Maine increased 61 and 58 percent, to 1,575 and 380 units permitted, respectively. Vermont multifamily building activity remained relatively unchanged at 360 units permitted during the past 12 months. In New Hampshire and Rhode Island, multifamily building activity declined to 530 and 110 units permitted, down from 690 and 160 units permitted, respectively, a year earlier.

Apartment market conditions in most metropolitan areas in the region are tight, and nearly all the region's markets tightened during the past 12 months. Apartment market conditions in the Boston metropolitan area are tight. According to Reis, Inc., during the third quarter of 2012, the apartment vacancy rate decreased to 3.6 percent compared with the 4.2-percent rate a year earlier. The average market rent increased more than 2 percent, to $1,808, during the same period. An estimated 5,550 new rental units are under construction in the metropolitan area, including nearly 2,600 apartments in the city of Boston. During the third quarter of 2012, the apartment vacancy rate in Fairfield County, Connecticut, decreased from 5.7 to 4.5 percent, demonstrating balanced-to-tight rental market conditions. The average market rent increased 2 percent, to $1,862, in Fairfield County, which is the most expensive apartment market in the region. Apartment markets in the Providence, Worcester, and Springfield metropolitan areas are tight because of the extremely limited number of additions to the inventory during the past year. During the third quarter of 2012, the apartment vacancy rate in the Providence metropolitan area declined to 3.5 percent, down from 4.5 percent a year earlier, and average rents increased 2 percent, to $1,247. During the third quarter of 2012, apartment vacancy rates in the Worcester and Springfield metropolitan areas decreased to 3.2 and 2.5 percent, respectively, down from the 3.8- and 3.0-percent rates recorded a year earlier. The average rents increased 3 percent in each market, to $1,144 and $939, respectively.

New York/ New Jersey



HUD Region II

Economic conditions in the New York/New Jersey region have continued to improve since early 2011. During the 12 months ending September 2012, nonfarm payrolls totaled nearly 12.67 million jobs, an increase of 162,900 jobs, or 1.3 percent, from a year ago. In New York, which accounted for nearly three-quarters of the job growth in the region, nonfarm payrolls increased by 120,600 jobs, or 1.4 percent, to an average of 8.78 million jobs. New

Jersey nonfarm payrolls increased by 42,300 jobs, or 1.1 percent, to an average of nearly 3.89 million jobs. In New York City (NYC), nonfarm payrolls increased by 67,400 jobs, or 1.8 percent, to 3.84 million jobs. Job gains in NYC were led by the professional and business services sector, the leisure and hospitality sector, and the retail trade subsector, which increased by 30,750, 16,050, and 12,650 jobs, or 5.2, 4.8, and 4.1 percent, respectively. The largest nonfarm payroll job gains in the region occurred in the professional and business services, education and health services, and leisure and hospitality sectors. The professional and business services sector added 57,800 jobs, a 3.4-percent increase, with gains of 50,950 jobs, or 4.5 percent, in New York and 6,850 jobs, or 1.1 percent, in New Jersey. The education and health services sector in the region recorded an increase of 55,700 jobs, or 2.4 percent; it registered the largest nonfarm payroll increase among all sectors in New Jersey, gaining 22,900 jobs, or 3.8 percent, and it increased by 32,800 jobs, or 1.9 percent, in New York. In the region, the leisure and hospitality sector increased by 29,600 jobs, or 2.7 percent, adding 21,850 and 7,750 jobs, 2.9- and 2.3-percent increases, in New York and New Jersey, respectively.

Job losses accelerated in the information sector in the region during the 12 months ending September 2012, recording a decline of 10,300 jobs, or 3.1 percent, compared with a loss of 1,925 jobs, or 0.6 percent, a year earlier. Conversely, job losses slowed significantly in the government sector because of decreased retirements and fewer layoffs than a year ago. During the 12 months ending September 2012, the government sector lost 2,925 jobs, or 0.1 percent, compared with a decline of 52,100 jobs, or 2.4 percent, during the previous 12 months, when the local government subsector accounted for 61 percent of total government payroll declines. During the 12 months ending September 2012, local government subsector payrolls increased by 4,750 jobs, or 0.3 percent, compared with a decline of 31,900 jobs, or 2.0 percent, a year ago. Federal and state government subsector payrolls continued to decline during the past year. During the 12 months ending September 2012, the unemployment rate in the region averaged 8.8 percent, up slightly from 8.6 percent a year earlier. The unemployment rate increased from 8.2 to 8.6 percent in New York but remained unchanged at 9.4 percent in New Jersey.

In the third quarter of 2012, sales housing markets in New York tightened but remain soft. According to data from the New York State Association of REALTORS®, during the 12 months ending September 2012, existing home sales in the state (excluding parts of NYC) increased nearly 6 percent, to 91,150 homes sold, and the median home sales price increased more than 4 percent, to $224,500, compared with the price a year ago. In Upstate New York, the number of home sales and average home prices increased during the third quarter of 2012. According to the Greater Rochester Association of REALTORS®, during the 12 months ending September 2012, home sales in the Rochester metropolitan area increased 8 percent, to 9,750 homes sold, and the median home sales price increased more than 8 percent, to $133,000. The Greater Capital Association of REALTORS® reported that, during the 12 months ending September 2012, home sales in the Albany-Schenectady-Troy metropolitan area increased nearly 10 percent, to 7,825 homes sold, and the median home sales price increased more than 1 percent, to $190,000. According to the Buffalo Niagara Association of REALTORS®, during the 12 months ending August 2012, the number of homes sold in the Buffalo metropolitan area increased 8 percent, to 9,225 homes sold, and the median home sales price increased slightly more than 7 percent, to $128,750.

The NYC home sales market remained somewhat soft during the third quarter of 2012. The Real Estate Board of New York reported that, during the 12 months ending September 2012, the number of existing home sales in NYC decreased 2 percent, to 37,500 homes, and the median home sales price rose 1 percent, to $497,000, from a year ago. During the past year, the number of condominiums and cooperatives sold in Manhattan increased 2 percent, to 12,100 homes, and the median home sales price increased nearly 2 percent, to $840,000. During the same period, Staten Island recorded the largest decline in home sales, decreasing by 540 homes, or more than 19 percent, to 2,250 homes sold, but the median home sales price increased 2 percent, to $380,000. The largest increase in median home sales prices during the past year occurred in Brooklyn, with prices up $20,000, or 4 percent, to $510,000. During the same period, home sales in Brooklyn declined slightly more than 1 percent, to 9,500 homes.

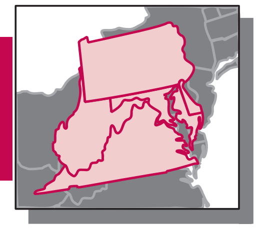
In New Jersey, home sales markets currently are soft. After 5 years of declining sales and prices, conditions began to stabilize during the past 12 months. According to data from the New Jersey Association of REALTORS®, the number of existing homes sold during the 12 months ending June 2012 (the most recent data available) increased by 1,000 homes, or 1 percent, to 83,200 homes sold compared with the number sold a year earlier. Home sales in Southern and Central New Jersey increased 5 and 3 percent, to 21,000 and 22,400 homes sold, respectively, but homes sales in Northern New Jersey declined 2 percent, to 39,800 homes. During the second quarter of 2012, the median home sales price in New Jersey decreased 2 percent, to $292,700, compared with prices a year ago. Median home sales price trends varied in the state: prices declined 3 percent, to $357,900, in Northern New Jersey; declined 1 percent, to $299,100, in Central New Jersey; and increased nearly 1 percent, to $197,600, in Southern New Jersey.

According to LPS Applied Analytics, 10.3 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) as of September 2012, up from 8.9 percent a year ago. The rate rose from 10.2 to 12.0 percent in New Jersey and from 8.0 to 9.2 percent in New York. The share of distressed mortgages increased in New York and New Jersey, which are judicial foreclosure states, because of a backlog in the court systems.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased slightly during the past year in response to improving sales housing markets in the New York/New Jersey region. According to preliminary data, during the 12 months ending August 2012, the number of single-family homes permitted in the region increased 1 percent, to 12,400 homes, compared with the 13-percent decline recorded during the previous 12 months. The number of single-family homes permitted during the past 12 months represented less than 54 percent of the average level of 23,000 homes permitted annually in the region from 2007 through 2009. Single-family home construction increased by 75 homes, or 1 percent, to 5,575 homes permitted in New York and by 75 homes, or 1 percent, to 6,850 homes permitted in New Jersey. Multifamily building activity, as measured by the number of units permitted, increased in the region by 3,200 units, or 18 percent, to 21,450 units permitted compared with the 38-percent increase recorded during the previous 12 months, according to preliminary data. More than 90 percent of the increase in multifamily construction activity in the region occurred in New Jersey, where the number of units permitted increased by 2,900, or 47 percent, to 9,050 units permitted. In New York, the number of multifamily units permitted increased by 300, or 3 percent, to 12,400 units permitted, down from the nearly 60-percent increase recorded during the previous 12 months. The number of multifamily units permitted during the past 12 months represented only 43 percent of the average level of 50,500 units permitted annually in the region from 2005 through 2008. Based on data from the McGraw-Hill Construction Pipeline database, apartment construction accounted for nearly 75 percent of the 36,100 multifamily units under construction in the region and about 97 percent of the 17,350 units being built in NYC.

Rental housing market conditions in the New York/New Jersey region were tighter in the third quarter of 2012 than they were a year earlier, as indicated by declining vacancy rates and rising rents. Conditions were balanced to tight in Upstate New York and in New Jersey, but NYC remained the tightest rental housing market in the country. According to Reis, Inc., in the third quarter of 2012, the apartment vacancy rate in the Syracuse metropolitan area was 2.6 percent, down from 3.3 percent a year earlier, and the average asking rent increased 3 percent, to $723. In the Buffalo metropolitan area, the apartment vacancy rate decreased from 4.1 to 3.4 percent, and the average rent increased nearly 2 percent, to $762. In Northern New Jersey, the apartment vacancy rate decreased from 4.3 to 3.8 percent, and the average rent increased 2 percent, to $1,568. In Central New Jersey, the apartment vacancy rate declined from 3.4 to 2.7 percent, and the average rent increased 3 percent, to $1,203. The apartment vacancy rate in NYC was 2.1 percent, down from 2.5 percent a year earlier, and the average asking rent increased nearly 4 percent, to $3,048. On Long Island, the vacancy rate declined from 3.5 to 3.4 percent, and the average rent increased nearly 3 percent, to $1,634.

Mid-Atlantic



HUD Region III

The economy of the Mid-Atlantic region expanded during the third quarter of 2012, but average nonfarm payrolls remained below the peak of 14.09 million jobs recorded during the 12 months ending August 2008. During the 12 months ending September 2012, total nonfarm payrolls in the region averaged 13.91 million jobs, an increase of 134,100 jobs, or 1.0 percent, compared with nonfarm payrolls a year ago. Average nonfarm payrolls increased by 163,400 jobs, or 1.2 percent, during the 12 months ending September 2011. The education and health services, professional and business services, and leisure and hospitality sectors, which added 52,450, 26,050, and 22,650 jobs, or 2.3, 1.3, and 1.8 percent, respectively, recorded the most job growth during the 12 months ending September 2012. The mining, logging, and construction sector added 12,200 jobs, a 1.8-percent increase. In part because of increased homebuilding, the construction subsector accounted for 48 percent of new jobs in the sector, and the remaining jobs added in the mining and logging subsector were primarily related to oil and natural gas extraction activity on the Marcellus and Utica Shales. The only sectors in the region that recorded payroll declines were the government and information sectors, which declined by 7,800 and 2,325 jobs, or 0.3 and 1.0 percent, respectively.

Nonfarm payrolls increased throughout the Mid-Atlantic region during the 12 months ending September 2012. Virginia registered the most growth, adding 41,650 jobs, a 1.1-percent increase, followed by Pennsylvania, with a gain of 38,100 jobs, or 0.7 percent. The District of Columbia recorded the largest percentage increase, 1.7 percent, with the addition of 12,250 jobs; Maryland followed with a 1.4-percent increase, or 35,250 jobs. Gains in West Virginia and Delaware totaled 6,400 and 450 jobs, increases of 0.9 and 0.1 percent, respectively. During the 12 months ending September 2012, the unemployment rate in the region averaged 7.0 percent, down from 7.5 percent during the previous 12 months. The unemployment rates among the states in the region ranged from 5.8 percent in Virginia to 7.8 percent in Pennsylvania. Maryland, Delaware, and West Virginia recorded unemployment rates of 6.8, 7.0, and 7.3 percent, respectively. The average unemployment rate in the District of Columbia was 9.4 percent, down from 10.2 percent a year earlier.

Home sales market conditions were soft but improving in the Mid-Atlantic region during the third quarter of 2012. According to the Virginia Association of REALTORS®, during the 12 months ending September 2012, the number of existing home sales in Virginia totaled 87,750, up 5 percent compared with the number of homes sold a year earlier. During the third quarter of 2012, the median home sales price increased nearly 6 percent, to $248,000, from $235,000 a year ago. The Maryland Association of REALTORS® reported a 3-percent increase in the number of existing homes sales, to 52,350 homes sold, and the average home sales price increased 2 percent, to $288,800, during the 12 months ending September 2012. During the same period, in the District of Columbia, 6,350 homes sold, up 1 percent from a year earlier, and the average home sales price increased 4 percent, to $542,200, according to Metropolitan Regional Information Systems, Inc. (MRIS®). According to CoreLogic, Inc., during the 12 months ending June 2012, the most recent data available, sales of new and existing homes in West Virginia, Delaware, and Pennsylvania increased 16, 12, and 3 percent, to 6,000, 9,225, and 127,000 homes sold, respectively. The average sales price for new and existing homes increased 3 percent, to $132,000, in West Virginia; declined 9 percent, to $230,600, in Delaware; and remained unchanged at $169,700 in Pennsylvania. According to LPS Applied Analytics, as of September 2012, 6.4 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up from 5.9 percent in September 2011.

Sales housing market conditions were soft but improving in the largest metropolitan areas in the region. According to the Maryland Association of REALTORS®, during the 12 months ending September 2012, the number of new and existing home sales in the Baltimore metropolitan area registered a 5-percent increase, to 23,350 homes sold, and the average home sales price was $274,800, up 4 percent from a year ago. According to MRIS®, during the same period, new and existing home sales in the Washington, D.C. metropolitan area totaled 62,900 homes sold, a 1-percent increase, and the average home sales price was $391,000, up 3 percent from a year ago. Based on data from TREND, the Multiple Listing Service (MLS), and MRIS® for Cecil County, Maryland, during the 12 months ending September 2012, existing single-family home sales in the Philadelphia metropolitan area increased 12 percent, to 44,800 homes, compared with the number sold a year ago. The average home sales price was $249,200, down 1 percent from a year earlier. According to CoreLogic, Inc., during the 12 months ending June 2012, the most recent data available, new and existing home sales in the Pittsburgh metropolitan area increased 1 percent, to 26,100 homes, and the average home sales price increased 5 percent, to $142,600. New and existing home sales increased nearly 12 percent each in the Virginia Beach and Richmond metropolitan areas, to 20,800 and 15,700 homes, respectively. Average home sales prices declined 2 percent each, to $217,500 in the Virginia Beach metropolitan area and $208,000 in the Richmond metropolitan area.

In response to stronger home sales throughout most of the Mid-Atlantic region, homebuilders increased single-family home production during the 12 months ending September 2012. According to preliminary data, the number of single-family homes permitted in the region increased by 3,325 homes, or 9 percent, to 38,450 homes permitted during the 12 months ending September 2012. Homebuilding activity was up 16 percent, to 8,625 homes, in Maryland and increased 15 percent, to 7,700 homes, in Virginia. Single-family construction activity increased by 290 homes, or 12 percent, to 2,725 homes in Delaware and increased by 130 homes, or 11 percent, to 1,300 homes in West Virginia. Offsetting part of the increase in homebuilding activity for the region, the District of Columbia and Pennsylvania reported declines of 9 and 2 percent, to 240 and 10,300 homes, respectively.

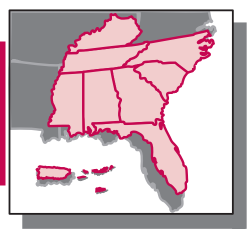
Multifamily construction, as measured by the number of multifamily units permitted, increased in every state in the region during the 12 months ending September 2012. According to preliminary data, the number of units permitted in the region increased by 7,500, or 49 percent, from a year earlier, to 22,850 units permitted. Multifamily construction activity in Delaware more than doubled from the same period a year ago, to 1,150 units permitted. In Maryland and Pennsylvania, multifamily construction increased 88 and 87 percent, to 5,925 and 4,000 units permitted, respectively. Nearly 230 multifamily units were permitted in West Virginia, up 36 percent from a year earlier. In the District of Columbia and Virginia, multifamily construction increased 30 and 19 percent, to 3,850, and 7,700 units permitted, respectively.

Rental housing market conditions were mixed in the Mid-Atlantic region during the third quarter of 2012. In the Washington, D.C. metropolitan area, the apartment market was soft. According to Delta Associates, the vacancy rate for Class A garden apartments, including units in lease up, was 6.9 percent during the third quarter of 2012, up from 5.3 percent a year earlier. The vacancy rate for garden apartments increased from 5.5 to 8.6 percent in suburban Maryland and from 5.1 to 5.5 percent in Northern Virginia. The vacancy rate for highrise properties in the Washington, D.C. metropolitan area increased from 5.5 to 7.9 percent, and rent concessions increased from 2.5 to 3.1 percent of the asking rent. During the third quarter of 2012, the average rent for Class A garden apartments increased 3 percent, to $1,625, and the average rent for highrise apartments increased 2 percent, to $2,450. In the Baltimore metropolitan area, the apartment market was slightly soft, but it tightened in the southern suburbs during the third quarter of 2012. The apartment vacancy rate in the Baltimore metropolitan area declined from 8.9 to 7.8 percent, primarily because the apartment vacancy rate in the southern suburbs decreased from 11.1 to

6.9 percent. By contrast, the apartment vacancy rate increased from 7.3 to 8.0 percent in the northern suburbs of Baltimore and from 8.0 to 9.1 percent in the city of Baltimore. The average rent in the Baltimore metropolitan area increased 3 percent, to nearly $1,575, and the average rent in the city of Baltimore increased 4 percent, to $1,775.

The Philadelphia metropolitan area rental market was balanced overall, but the apartment market in Center City Philadelphia was tight. According to Delta Associates, the apartment vacancy rate in the Philadelphia metropolitan area increased from 2.6 during the third quarter of 2011 to 4.2 percent during the third quarter of 2012, and the average rent remained unchanged at $1,600. In Center City Philadelphia, the vacancy rate for Class A highrise units declined from 2.3 to 1.9 percent, and the average rent decreased slightly, from $2,155 to $2,143. The rental housing market in the Richmond metropolitan area was balanced. According to Real Data, in August 2012, the apartment vacancy rate in the Richmond metropolitan area was 6.2 percent, down from 6.5 percent a year earlier, and the average rent increased 3 percent, to $880.

Southeast/ Caribbean



HUD Region IV

In the Southeast/Caribbean region, nonfarm payroll gains that began in 2010 continued during the third quarter of 2012. During the 12 months ending September 2012, nonfarm payrolls averaged approximately 25.46 million jobs, an increase of 235,400 jobs, or 0.9 percent, from the same period a year earlier. Florida, Georgia, Tennessee, and North Carolina gained 72,000, 42,700, 40,500, and 32,700 jobs, or 1.0, 1.1, 1.5, and 0.8 percent, respectively. Kentucky and South Carolina added 31,900 and 21,500 jobs, 1.8- and 1.2-percent increases, respectively. Job declines of 4,700 and 2,400 in Puerto Rico and Mississippi, respectively, represented a rate of less than 0.5 percent each, whereas the 1,800 jobs lost in the Virgin Islands represented a 4.0-percent decline.

Three sectors accounted for 86 percent of the increased payrolls in the region during the 12 months ending September 2012. The largest increase in payrolls, of 98,700 jobs, or 3 percent, occurred in the professional and business services sector. Every state and territory in the region posted gains in this sector except Mississippi and Puerto Rico, where the sector declined by 800 and 2,500 jobs, or 0.8 and 2.4 percent, respectively. The education and health services and the trade sectors followed, with increases of 67,600 and 36,200 jobs, or 2.0 and 0.8 percent, respectively. The construction subsector, which declined by 38,400 jobs, or 4.1 percent, and the government sector, which fell by 16,100 jobs, or 0.4 percent, led job losses in the region. During the 12 months ending September 2012, the average unemployment rate for the region decreased to 9.3 percent compared with the 10.5-percent rate recorded during the previous 12-month period. During the past 12 months, every state and territory in the region reported unemployment rate declines, and all had unemployment rates greater than the 8.3-percent national average except Alabama, with a 7.9-percent rate, and Tennessee, with an 8.2-percent rate. Puerto Rico continued to record the highest unemployment rate in the region, at 14.5 percent.

Nearly every sales housing market in the Southeast/Caribbean region is soft but improving. According to LPS Applied Analytics, as of September 2012, 10.5 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) status, which is much greater than the 7.5-percent national rate. The current rate for the region is slightly less than the 10.8-percent rate recorded in September 2011, but it increased to as high as 11.4 percent in January 2012 before gradually declining to the current rate. Within the region, the rates in September 2012 ranged from 6.2 percent in North Carolina to 16.9 percent in Florida.

According to data from Florida Realtors®, during the 12 months ending September 2012, the number of existing single-family home sales in Florida increased 5 percent, to 195,700 homes sold, compared with the number sold during the previous 12 months; existing townhome and condominium sales decreased 1 percent, to 98,950 homes sold, during the same period. The median sales prices for a single-family home and for a townhouse or condominium sold during the past 12 months were $140,000 and $100,000, increases of 5 and 11 percent, respectively, from the previous 12 months. According to the Greater Tampa Association of REALTORS®, during the 12 months ending September 2012, 16,300 existing single-family homes sold in the Tampa-St. Petersburg-Clearwater metropolitan area compared with the 15,700 homes sold during the previous 12 months, a 4-percent increase. The median price of existing single-family homes sold during the 12 months ending September 2012 was $140,000, up 6 percent from the previous 12 months. The number of existing townhouse and condominium sales decreased to 5,050 during the past 12 months, down 1 percent from the previous 12-month period; the median price was $81,000 during the same period, up 17 percent from the previous 12 months.

The Georgia Association of REALTORS® reported that about 86,650 existing homes and condominiums sold statewide during the 12 months ending September 2012, about 10 percent more than during the previous 12 months. The combined median sales price of single-family homes, townhomes, and condominiums during the 12 months ending September 2012 was $104,000, a decrease of nearly 5 percent from the preceding 12 months. The Alabama

Center for Real Estate reported that approximately 38,750 new and existing single-family homes and condominiums sold statewide during the 12 months ending September 2012, an 8-percent increase from the 12 months ending September 2011. The average sales price was $142,300, down 1 percent from the previous 12 months. In Birmingham, 10,700 single-family homes and condominiums sold, up 15 percent from the same period a year earlier, and the average price increased 1 percent, to $178,200. Mobile recorded a 6-percent increase in the number of existing home sales, to 3,400, and a 4-percent decrease in average home sales price, to $125,100. The North Carolina Association of REALTORS®, Inc., reported that, during the 12 months ending September 2012, approximately 88,650 homes sold statewide, an 11-percent increase compared with the number sold during the 12 months ending September 2011. The average home sales price was approximately $198,500, about the same as during the previous 12 months. In the Charlotte metropolitan area, the number of existing home sales increased 12 percent, to 25,600, and the sales price increased 1 percent, to $203,900. In the Greensboro metropolitan area, during the 12 months ending September 2012, the number of existing home sales also increased 9 percent, to 11,950, as the average price declined 3 percent, to $148,800. During the 12 months ending September 2012, the number of new and existing home sales in the Raleigh metropolitan area increased 14 percent, to 22,400, and the average sales price decreased 1 percent, to $222,200. South Carolina REALTORS® reported that, during the 12 months ending September 2012, 50,800 homes sold statewide, an 8-percent increase from the previous 12 months. During the same period, the average home sales price was $194,900, a 2-percent increase from the average for the 12 months ending September 2011.

The Kentucky Association of REALTORS®, reporting data for new and existing homes, recorded about 37,550 homes and condominiums sold statewide during the 12 months ending September 2012, 14 percent more than during the previous 12 months. The median sales price for a home or condominium sold during the third quarter of 2012 was about $108,550, down 0.9 percent from the third quarter of 2011. The Lexington-Bluegrass Association of REALTORS® reported that, during the 12 months ending September 2012, approximately 7,750 new and existing homes and condominiums sold in the Lexington metropolitan area, a 19-percent increase from the previous 12 months. The median price for a home or condominium sold during the third quarter of 2012 was about $143,000, a decrease of nearly 2 percent from the third quarter of 2011. According to the Knoxville Area Association of REALTORS®, during the 12 months ending September 2012, the number of new and existing single-family homes sold in the Knoxville metropolitan area increased 15 percent, to 9,750, and the average home sales price declined nearly 3 percent, to approximately $170,100. The number of condominiums sold in the Knoxville area increased 19 percent, to 1,150 units sold, and the average sales price declined less than 1 percent, to $152,200. According to the Greater Nashville Association of REALTORS® Inc., the number of new and existing single-family home and condominium sales increased 23 and 26 percent, to 20,350 and 2,675, respectively, during the 12 months ending September 2012. The median sales price of a single-family home increased 7 percent, from $163,000 in September 2011 to $175,000 in September 2012. During the same period, the median sales price of a condominium increased 6 percent, to $153,900.

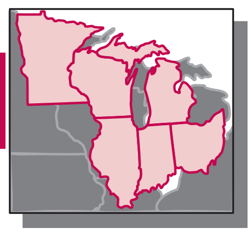
In response to improving economic conditions, increasing home sales, declining inventories of unsold homes, and tighter rental markets throughout the Southeast/Caribbean region, developers increased the construction of new units. Based on preliminary data, during the 12-month period ending September 2012, single-family homebuilding in the region increased by 20,100 homes, or 20 percent, to 120,500 homes permitted. This increase followed a decline of 9,575 homes permitted, or 9 percent, during the 12 months ending September 2011. Homebuilding in the region peaked at 526,400 homes permitted during 2005, declined by an average 103,400 homes, or 20 percent, a year during the next 4 years, then increased approximately 1 percent during 2010. During the past 12 months, homebuilding activity increased in every state and territory in the region. Florida, North Carolina, and Georgia accounted for 73 percent of the increase, recording gains of 26, 18, and 23 percent, to 37,550, 26,550, and 14,450 homes permitted, respectively. Multifamily construction, as measured by the number of units permitted, also increased in the region during the third quarter of 2012, but it remained well below historical levels. According to preliminary data, during the 12 months ending September 2012, the number of multifamily units permitted in the region increased by 31,100, or 114 percent, to 58,400 units. By comparison, permits were issued for an average of 129,200 multifamily units annually from 2004 through 2006, followed by an average annual decline of 19 percent between 2007 and 2010. During the 12 months ending September 2012, multifamily permitting activity increased in every state, led by the 19,650 units permitted in Florida, an increase of 108 percent, and the 15,250 units permitted in North Carolina, an increase of 130 percent compared with the number permitted during the previous 12 months.

Increased demand for rental units caused most apartment housing markets in the region to reach balanced-to-tight conditions during the third quarter of 2012. According to MPF Research, between the third quarter of 2011 and the third quarter of 2012, vacancy rates decreased in all but 2 of the 22 metropolitan areas surveyed in the region. In Raleigh-Durham, the rate increased from 4.6 to 5.0 percent, a result of new apartments entering the market and the loss of tenants to a resurgent local sales market, aided by declining home prices. In Jackson, the rate increased from 5.6 to 5.8 percent, the first vacancy rate increase in the market since the first quarter of 2010. Apartment market conditions in three Southeast/Caribbean region markets were tight, with vacancy rates below 4 percent:

Miami, Louisville, and Lexington had rates of 3.2, 3.5, and 3.9 percent, respectively. Relatively balanced conditions, with vacancy rates in the 4-to-6 percent range, prevailed in 14 markets, including Charlotte, Nashville, Fort Lauderdale, and Orlando. Of the 22 metropolitan areas surveyed, Jacksonville, Atlanta, and Memphis had the highest vacancy rates, of 7.9, 7.8, and 7.4 percent, respectively. Although these three metropolitan areas had relatively balanced apartment markets overall, each area recorded wide variations in vacancy rates among submarkets. All 22 of the apartment markets recorded increased effective rents during the past year, with an average increase of slightly more than 3 percent. The strongest rent growth occurred in Charlotte, Louisville, Nashville, and Greenville-Spartanburg-Anderson—with annual gains of 5 to 6 percent in each market. Rent gains of less than 1 percent were recorded in Birmingham and Greensboro-Winston Salem.

MIDWEST

HUD Region V



Economic conditions in the Midwest region continued to improve during the third quarter of 2012, the seventh consecutive quarterly increase in nonfarm payroll jobs. During the 12 months ending September 2012, nonfarm payrolls averaged 23.1 million jobs, up 212,500 jobs, or nearly 1 percent, compared with nonfarm payrolls during the previous 12 months. Job gains were widespread and led by the manufacturing sector, which was up 87,300 jobs, or 3 percent, to nearly 3 million jobs after an increase of 97,600 jobs, or 4 percent, in the previous 12 months and by contrast to annual declines from 2000 through 2010. Also during the past 12 months, the professional and business services and the education and health services sectors increased by 84,600 and 56,100 jobs, or 2.9 and 1.6 percent, respectively. The government sector lost 37,900 jobs, a 1.1-percent decrease, to 3.5 million; 85 percent of the losses were in the local government subsector. The construction subsector and the leisure and hospitality sector also declined during the past 12 months, by 3,500 and 1,700 jobs, or 0.4 and 0.1 percent, respectively. During the same period, five of the six Midwest region states reported nonfarm payroll increases, led by Ohio, which added 67,400 jobs, a 1.3-percent increase, followed by Michigan and Indiana, which grew by 55,400 and 48,500 jobs, or 1.4 and 1.7 percent, respectively. Illinois and Minnesota added 33,200 and 26,900 jobs, increases of 0.6 and 1.0 percent, respectively. Wisconsin reported a decrease of 18,900 jobs, or 0.7 percent. The unemployment rate declined in each of the six Midwest region states and in the region as a whole for the 12 months ending September 2012. For the region, the unemployment rate averaged 8.0 percent, down from an average of 9.1 percent during the previous year. By state, Minnesota reported the lowest average unemployment rate in the region, 5.8 percent, followed by Wisconsin and Ohio, which reported average unemployment rates of 7.0 and 7.5 percent, respectively. The average unemployment rates in Indiana, Michigan, and Illinois were 8.4, 9.0, and 9.1 percent, respectively.

Home sales markets in the Midwest region strengthened as state and local REALTOR® associations reported an increasing number of home sales and, in general, increasing home sales prices. The Illinois Association of REALTORS® reported that the number of existing home sales in Illinois increased nearly 20 percent, to 119,900 homes sold, for the 12 months ending September 2012 compared with the number of sales in the previous 12-month period. The median Illinois home sales price in September 2012 was $139,000, approximately 2 percent higher than the median home sales price reported in September 2011. In the Chicago metropolitan area, during the 12 months ending September 2012, the number of existing home sales increased nearly 24 percent, to 82,750 homes sold, and the median sales price was $160,000, the same price as reported in September 2011. The Indiana Association of REALTORS® reported that the statewide number of existing home sales increased 13 percent, to 63,800 homes sold, during the 12 months ending September 2012 compared with sales during the previous year. The Indiana statewide average home sales price for the 12 months ending September 2012 was $138,400, a 2-percent increase from the average price during the previous 12-month period.

The Michigan Association of REALTORS® reported that the number of existing home sales in the state increased nearly 9 percent, to 119,400, during the 12 months ending September 2012, and the average home sales price increased nearly 4 percent, to $108,900. The Minnesota Association of REALTORS® identified a 9-percent increase in statewide number of home sales, to 82,650 homes sold, and a 3-percent increase in the average home sales price, to $176,300, for the 12 months ending September 2012 compared with the corresponding data recorded during the previous year. According to the Ohio Association of REALTORS®, the number of home sales in Ohio increased nearly 12 percent, to 107,700, and the average home sales price increased 2 percent, to $133,000, during the same period. In Wisconsin, the multiple listing service for the four-county Milwaukee metropolitan area showed a 26-percent increase in home sales, to 14,200, and a nearly 4-percent decline in the average home sales price, to $192,900, during the 12 months ending September 2012. Foreclosures are declining but continue to be an issue in the region. According to LPS Applied Analytics, as of September 2012, 7.8 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 8.0 percent of home loans in September 2011. By state, the rate ranged from 4.4 percent in Minnesota to 10.4 percent in Illinois.

The improving economy and sales housing markets in the Midwest region contributed to home builders increasing single-family home construction, as measured by the number of homes permitted, during the past 12 months. For the region, approximately 45,400 new single-family homes were permitted during the 12 months ending September 2012, up 17 percent compared with the 38,750 single-family homes permitted during the previous 12 months, according to preliminary data. During the past 12 months, single-family home construction activity increased in each state in the region, including 30 percent in Minnesota, to 7,150 homes permitted, and 27 percent in Michigan, to 7,925 homes permitted. In Illinois, the increase was 20 percent, to 6,400 homes, and in Ohio, Indiana, and Wisconsin the increases were 12, 11, and 8 percent, to 8,850, 9,200, and 5,850 homes, respectively.

The major metropolitan areas in the region also reported increased single-family homebuilding activity during the 12 months ending September 2012. In Minneapolis and Detroit, single-family construction activity increased 41 and 40 percent, to 5,025 and 3,825 homes permitted, respectively, according to preliminary data. In Chicago, the increase was 30 percent, to 5,200 homes, and in Cleveland and Columbus, construction activity increased 13 percent each, to 1,800 homes in Cleveland and to 2,650 homes in Columbus. Elsewhere in the region, increases in single-family construction activity were less than 5 percent each in Cincinnati, Indianapolis, and Milwaukee, to 2,575, 3,825, and 960, respectively.

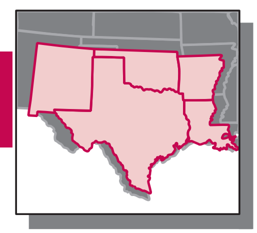
Multifamily construction activity, as measured by the number of units permitted, increased 34 percent, to 21,850 units permitted, in the Midwest region during the 12 months ending September 2012, according to preliminary data. Multifamily production declined 3, 11, and 13 percent, to 2,675, 2,975, and 1,100 units, in Indiana, Wisconsin, and Michigan, respectively. Multifamily construction increased 33 percent, to 5,250 units, in Illinois; 72 percent, to 5,150 units, in Ohio; and more than 100 percent, to 4,700 units, in Minnesota. In Chicago, the number of multifamily units permitted increased 54 percent, to 4,275, and in Cleveland, the number of multifamily units permitted increased 71 percent, to 340. The number of multifamily units permitted more than doubled in Columbus and Minneapolis, to 3,675 and 3,900 units, respectively. By contrast, declines in the number of multifamily units permitted ranged from 23 to 40 percent in Cincinnati, Detroit, Indianapolis, and Milwaukee, where 600, 460, 910, and 680 units were permitted, respectively.

Apartment market conditions improved in all the major metropolitan areas in the Midwest region in the third quarter of 2012, and they were generally balanced to tight. The exception was the still slightly soft Columbus apartment market, with a vacancy rate of 5.9 percent, down from 7.7 percent a year ago, according to Reis, Inc., and an average rent that rose 3 percent, to $720. Apartment housing markets in Cincinnati, Detroit, and Indianapolis are balanced, with vacancy rates of 4.6, 4.7, and 5.6 percent, respectively, down from 5.7, 5.7, and 6.4 percent a year ago. Rents rose 2 percent in Cincinnati, to $740, and 3 percent in both Detroit and Indianapolis, to $840 and $690, respectively. In Cleveland, the apartment market is tight, with a vacancy rate of 3.9 percent, down from 4.8 percent a year ago, and an average rent that increased 2 percent, to $760.

According to MPF Research, the apartment vacancy rate in the Chicago area in the third quarter of 2012 was 4.2 percent, reflecting a balanced to tight market, and the average rent increased 5 percent, to $1,170. The Loop submarket was balanced, with an apartment vacancy rate of 5.1 percent, down from 6.4 percent a year ago, and an average rent that increased nearly 9 percent, to $1,875. In Minneapolis, the market is tight, with a third quarter apartment vacancy rate of 2.4 percent and an average rent of $990, nearly 3 percent more than a year ago, according to MPF Research.

SOUTHWEST

HUD Region VI



Nonfarm payroll job growth in the Southwest region continued to accelerate during the past 12 months after declines in 2009 and 2010. During the 12 months ending September 2012, nonfarm payrolls increased 2.0 percent, or by 313,200 jobs, to 16.23 million jobs. By comparison, during the previous 12 months, nonfarm payrolls grew 1.6 percent, or by 249,600 jobs. With recent gains, the region has fully recovered from the recent economic downturn and surpassed the peak level of 16.18 million jobs recorded in 2008. During the 12 months ending September 2012, the education and health services, leisure and hospitality, professional and business services, and trade sectors recorded the greatest total growth, adding 69,500, 61,600, 53,700, and 48,300 jobs, increases of 3.2, 4.0, 2.8, and 2.0 percent, respectively. The mining and logging subsector, which benefited from high oil and gas prices, was the region's fastest growing sector or subsector, with an increase of 43,000 jobs, or 11.9 percent. The manufacturing, transportation and utilities, financial activities, and other services sectors and the construction subsector also added jobs during the 12 months ending September 2012, with gains ranging from 0.9 to 2.8 percent. The gain of 7,900 jobs, or 0.9 percent, in the construction subsector was the largest year-over-year increase in construction employment in more than 3 years. During the 12 months ending September 2012, the government and information sectors recorded losses of 44,900 and 2,800 jobs, or 1.5 and 1.0 percent, respectively. The decline in the number of government sector jobs, which began during the third quarter of 2010, comes after more than 10 years of job growth and resulted from lower state and local tax revenues.

During the 12 months ending September 2012, nonfarm payrolls grew year over year in every state in the region, except New Mexico. Texas led job growth with an increase of 2.2 percent, or 232,600 jobs; only the government and information sectors recorded net job losses, with declines of 50,800 and 1,500 jobs, or 2.8 and 0.8 percent, respectively. In Louisiana, where nonfarm payrolls increased by 40,600 jobs, or 2.1 percent, the largest gain, of 12,400 jobs, or 4.5 percent, occurred in the education and health services sector. In Oklahoma, nonfarm payrolls increased by 36,200 jobs, or 2.3 percent; small declines in the other services and information sectors and in the construction subsector were more than offset by increases in all other sectors. Nonfarm payrolls in Arkansas increased by 4,100 jobs, or 0.4 percent, the first year-over-year increase in statewide employment since the third quarter of 2011. In New Mexico, nonfarm payrolls declined by 400 jobs, or 0.1 percent, during the 12 months ending September 2012. Job gains of 4,100 and 2,000, or 3.4 and 9.8 percent, respectively, in the education and health services sector and the mining and logging subsector were more than offset by declines in other sectors and subsectors, including the government sector and the construction subsector, which declined by 3,300 and 1,200 jobs, or 1.7 and 2.9 percent, respectively. During the 12 months ending September 2012, the unemployment rate in the region declined to 7.0 percent compared with the 7.8-percent rate recorded during the previous 12 months. The average unemployment rates by state ranged from 5.5 percent in Oklahoma to 7.4 percent in Arkansas. New Mexico, Louisiana, and Texas recorded unemployment rates of 6.8, 7.1, and 7.1 percent, respectively.

Many sales housing markets in the Southwest region returned to balanced conditions during the 12 months ending September 2012, helped by job gains during the past 2 years. In Texas, during the 12 months ending September 2012, new and existing home sales increased 12 percent, to approximately 227,400 homes sold, compared with sales during the previous year, according to the Real Estate Center at Texas A&M University. During the same period, the inventory of unsold homes in Texas was at a 6.0-month supply, down from a 7.7-month supply during the previous year. Sales housing market conditions were balanced in most major metropolitan areas in Texas. New and existing home sales increases during the 12 months ending September 2012 ranged from 8 percent in Fort Worth and San Antonio to 18 percent in Austin. Houston and Dallas recorded increases in the number of home sales of 13 and 15 percent, respectively. During the 12 months ending September 2012, the average home sales price in Texas increased 4 percent, to $203,000, compared with the average home sales price during the previous 12-month period. Among major metropolitan areas in Texas, the increases in home sales prices ranged from 2 percent in Dallas and San Antonio to 3 percent in Austin, Fort Worth, and Houston. Sales housing market conditions remained soft in several smaller Texas metropolitan areas, such as Beaumont, Port Arthur, Tyler, and McAllen, which recorded inventories of unsold homes in excess of a 10-month supply.

Home sales also increased in a number of markets elsewhere in the Southwest region during the 12 months ending September 2012. In New Orleans, according to the New Orleans Metropolitan Association of REALTORS® and Gulf South Real Estate Information Network, Inc., new and existing single-family home sales increased 14 percent, to 8,325 homes sold, and the average home sales price declined approximately 3 percent, to $205,200. The Greater Albuquerque Association of REALTORS® reported that, during the 12 months ending September 2012, single-family home sales in Albuquerque increased 13 percent, to 7,225 homes sold, compared with sales during the previous 12 months, and the average home sales price declined 2 percent, to $202,300. Condominium sales in Albuquerque increased 11 percent, to 670 sales, during the same period. Based on data from the Oklahoma City Metro Association of REALTORS®, compared with conditions a year ago, new and existing home sales in Oklahoma City increased by an estimated 2,600, or 19 percent, to 16,600 homes sold, and the average home sales price increased by $4,000, or 3 percent, to $164,000 during the 12 months ending September 2012. According to the Arkansas REALTORS® Association, during the 12 months ending September 2012, the number of new and existing home sales in Arkansas increased by 350, or 2 percent, to 23,300 homes sold compared with the number of homes sold during the previous year, and the average home sales price increased 8 percent, to $154,200.

Increased home sales throughout the region led to increased single-family construction activity, as measured by the number of single-family homes permitted. Based on preliminary data, 97,450 single-family homes were permitted in the region during the 12 months ending September 2012, an increase of 15,550 homes, or 19 percent, compared with the number permitted during the previous 12 months. Texas recorded a 19-percent, or 11,500-home, increase in the number of single-family homes permitted, to 71,800 homes permitted during the 12 months ending September 2012. The other states in the region recorded increases in the number of single-family homes permitted ranging from 5 percent in New Mexico to 39 percent in Oklahoma. Louisiana and Arkansas recorded increases of 9 and 24 percent, respectively.

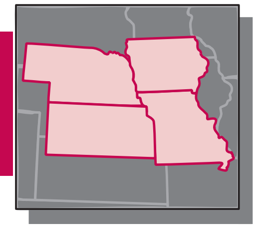
Apartment rental market conditions in most of the large metropolitan areas in Texas remained slightly soft during the third quarter of 2012. Reduced multifamily building activity during the past 3 years, however, enabled vacancy rates to decline to their lowest levels since the early to mid-2000s and rent increases to be sustained. The Austin apartment market is currently slightly tight. According to ALN Systems, Inc., the apartment vacancy rate in Austin for the third quarter of 2012 was 4.9 percent, down from 5.3 percent during the third quarter of 2011, and the average rent increased 6 percent, to $950. Most other major Texas apartment markets remain slightly soft but are moving toward becoming balanced. In San Antonio, the apartment vacancy rate declined by 0.5 percentage points, to 7.6 percent, from the third quarter of 2011, and the average rent increased 5 percent, to $800. The apartment markets in Dallas and Fort Worth also improved but remained slightly soft during the third quarter of 2012, with apartment vacancy rates of 7.2 and 7.6 percent, respectively, down from 7.6 and 8.7 percent, respectively, during the third quarter of 2011. The average rents in Dallas and Fort Worth increased 5 percent each, to $870 and $750, respectively, compared with rents during the third quarter of 2011. The Houston apartment market was the softest of all the major apartment markets in Texas during the third quarter of 2012, but it also improved the most, with a 9.2-percent apartment vacancy rate, down 1.8 percentage points from the third quarter of 2011. Average rents in Houston increased 5 percent, to $830, during that period.

Apartment rental market conditions also improved in other large metropolitan areas throughout the Southwest region. The apartment market in Albuquerque was tight during the third quarter of 2012. According to Reis, Inc., the apartment vacancy rate in Albuquerque was 3.7 percent, down from 4.1 percent a year earlier, and the average rent increased 1 percent, to $740. Apartment markets in Little Rock, Oklahoma City, and New Orleans improved significantly during the past year and are currently balanced. During the third quarter of 2012, in Little Rock, the apartment vacancy rate was 6.0 percent, down from 6.4 percent a year earlier, and the average rent increased approximately 1 percent, to $680. In Oklahoma City, the apartment vacancy rate declined from 7.1 percent in the third quarter of 2011 to 6.2 percent in the third quarter of 2012, and the average rent increased 1 percent, to $580. In New Orleans, the apartment vacancy rate fell to 6.9 percent during the third quarter of 2012 from 7.7 percent a year earlier, and the average rent increased less than 1 percent, to $890.

In response to improved rental housing market conditions in many large metropolitan areas, multifamily construction activity, as measured by the number of units permitted, accelerated in the region. Based on preliminary data, 55,300 multifamily units were permitted during the 12 months ending September 2012, a 69-percent increase compared with the number of units permitted during the previous 12 months and substantially more than the average of 25,450 multifamily units permitted annually in 2009 and 2010. Multifamily permitting levels remain 20 percent below the average of 68,700 units recorded during the peak years of 2007 and 2008, when overbuilding led many rental markets in the region to soften. During the 12 months ending September 2012, the number of multifamily units permitted in Texas increased 81 percent, or by 21,350 units, from the previous year, to 47,650 units.

In other states in the region, the changes in multifamily permitting activity ranged from a decline of 530 units in Louisiana to increases of 1,125, 510, and 170 units in Oklahoma, New Mexico, and Arkansas, respectively.

Great Plains



HUD Region VII

Economic conditions in the Great Plains region continued to improve during the third quarter of 2012, reflecting a modest improvement from the economic conditions of a year ago. During the 12 months ending September 2012, average nonfarm payrolls increased 0.4 percent, or by 28,800 jobs, to 6.4 million jobs. By comparison, average nonfarm payrolls increased 0.3 percent, or by 22,100 jobs, in the 12 months ending September 2011. During the past year, the manufacturing and the professional and business services sectors accounted for more than 70 percent of the job growth in the region. During the 12 months ending September 2012, the manufacturing sector recorded gains of 19,500 jobs, a 2.8-percent increase compared with the number of jobs in that sector during the previous 12-month period. Likewise, the professional and business services sector also gained 19,500 jobs, or 2.8 percent, during the same period, with every state in the region except Iowa recording increased payrolls in the sector. In Iowa, the professional and business services sector declined by 900 jobs, or 0.7 percent, because of the reclassification of jobs from temporary employment agencies to full-time employment in other sectors. During the 12 months ending September 2012, nonfarm payrolls continued to decline in the information sector, which decreased by 4,500 jobs, or 3.4 percent, compared with a decrease of 4,900 jobs, or 3.6 percent, during the 12 months ending September 2011. The government sector, which recorded declines in every state in the region except Nebraska during the 12 months ending September 2012, lost 10,500 jobs, a 0.9-percent decrease. In Nebraska, the government sector increased by 600 jobs, or 0.4 percent, with the state government subsector accounting for all the net gain.

During the third quarter of 2012, nonfarm payroll gains in Kansas, Iowa, and Nebraska more than offset minimal job losses in Missouri. In Iowa, nonfarm payrolls increased by 12,800 jobs, or 0.9 percent, during the 12 months ending September 2012, led by growth of more than 10,300 jobs, or 5.0 percent, in the manufacturing sector. Manufacturing jobs in Iowa are predominantly in the food production industry; during the past year, however, job growth has been primarily in the industrial machinery and fabricated metals industries. In Kansas, nonfarm payrolls increased by 10,800 jobs, or 0.8 percent, led by a gain of 8,200 jobs, or 5.6 percent, in the professional and business services sector. During the 12 months ending September 2012, nonfarm payrolls in Nebraska increased by 8,000 jobs, or 0.8 percent, from the previous 12 months. A gain of 2,200 jobs, or 2.1 percent, in the professional and business services sector accounted for nearly 25 percent of the nonfarm payroll increase in Nebraska. In Missouri, nonfarm payrolls declined by 2,700 jobs, with losses in the construction subsector and in the government and trade sectors accounting for approximately 60 percent of the total loss. During the third quarter of 2012, the average unemployment rate in the region decreased to 6.2 percent, an improvement from 7.2 percent during the third quarter of 2011. The unemployment rates ranged from 4.0 percent in Nebraska to 7.4 percent in Missouri. Iowa and Kansas recorded rates of 5.3 and 6.2 percent, respectively.

Sales housing market conditions improved in every state in the Great Plains region during the past year. According to Hanley Wood, LLC, during the third quarter of 2012, the number of new and existing homes sold in the region increased nearly 8 percent, to 140,800 homes, compared with the number sold a year ago. Home sales in Missouri reflected the largest absolute increase in the region during the 12 months ending August 2012; 80,100 homes sold, up 9 percent, or 6,900 homes, from the 12 months ending August 2011. During the same period, in Iowa and Nebraska, new and existing home sales increased 5 and 21 percent, to 23,950 and 11,650 homes, respectively. Home sales in Kansas during the 12 months ending August 2012 remained relatively unchanged at 25,100 homes sold, representing an increase of less than 1 percent compared with the number sold during the previous period. Despite an overall increase of 10,250 homes sold in the region during the past 12 months, the average sales price, at $157,600, remained unchanged compared with the average sales price from a year earlier. According to LPS Applied Analytics, as of the third quarter of 2012, 4.7 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned). In Iowa and Kansas, the rates increased by 0.1 and 0.2 percentage points to 4.9 and 5.0 percent, respectively. Distressed loans in Missouri were down slightly, to 5.0 percent of total loans, compared with the 5.1-percent rate recorded during the third quarter of 2011. Distressed loans in Nebraska remained unchanged at 3.4 percent.

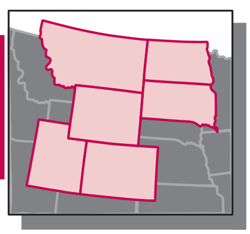
Sales housing market conditions continued to improve in the large metropolitan areas throughout the region during the third quarter of 2012. According to the Kansas City Regional Association of REALTORS® and Heartland Multiple Listing Service, Inc., during the 12 months ending September 2012, the number of homes sold in Kansas City increased 15 percent, to 25,750 homes sold, and the average home sales price increased 5 percent, to $164,100. In St. Louis, existing home sales increased by 1,975 homes, or 15 percent, to 14,950 homes sold, based on city and county data from the St. Louis Association of REALTORS®, and the average home sales price decreased 1 percent, to $177,700. For the 12 months ending September 2012, the Des Moines Area Association of REALTORS® reported that home sales in Des Moines increased 18 percent, to 8,575 homes, compared with the number sold during the previous 12-month period. The average home sales price in Des Moines was up slightly to $165,800, a 2-percent increase. According to the Wichita Area Association of REALTORS®, during the 12 months ending September 2012, the number of homes sold in Wichita increased 6 percent, to 7,850 homes sold, despite the average home sales price decreasing 3 percent, to $130,800. The Omaha Area Board of REALTORS® reported that the number of home sales in Omaha increased 12 percent, to 10,600 homes sold, during the 12 months ending September 2012, and the average home sales price increased 4 percent to $170,000, from the 12 months ending September 2011.

Single-family construction activity, as measured by the number of single-family homes permitted, increased in every state in the region during the 12 months ending September 2012. Based on preliminary data, 18,050 single-family homes were permitted in the region, an increase of 2,200 homes, or 14 percent, compared with the number permitted during the previous 12 months. During the same period, in Kansas, the number of single-family homes permitted increased 4 percent, to 3,000 homes, representing the largest increase in construction activity in the state since the third quarter of 2010. In Nebraska and Iowa, the number of single-family homes permitted increased 14 and 13 percent, to 3,300 and 5,675 homes, respectively. Likewise, during the 12 months ending June 2012, the number of single-family homes permitted in Missouri increased 21 percent, to 6,050 homes, compared with the number permitted a year ago.

Rental housing market conditions were balanced to tight in most large metropolitan areas in the Great Plains region during the third quarter of 2012. The apartment market in Wichita was balanced, with a 4.5-percent vacancy rate, down from 5.4 percent a year earlier, and the average rent was up 3 percent, to $540, according to Reis, Inc. In Omaha, during the third quarter of 2012, the apartment market was tight, with a 3.5-percent vacancy rate, down from 4.5 percent a year earlier, and the average rent was up approximately 3 percent, to $730. Rental markets in the largest metropolitan areas in Missouri improved significantly during the past year. In Kansas City, during the third quarter of 2012, the apartment vacancy rate declined from 6.5 to 5.1 percent, and the average rent increased 2 percent, to $740. In St. Louis, from the third quarter of 2011 to the third quarter of 2012, the vacancy rate declined from 6.8 to 5.9 percent, and the average rent increased 2 percent, to $760. The rental market in Des Moines tightened during the third quarter of 2012, with a 3.1-percent apartment vacancy rate, down from 3.7 percent a year earlier, and the average rent was up 1 percent, to $740.

Multifamily construction, as measured by the number of multifamily units permitted, increased 9 percent in the region during the past year, to 7,850 units, compared with the number permitted during the 12 months ending September 2011, according to preliminary data. This level represents approximately one-half of the 2005-through-2008 multifamily construction activity, which averaged 15,850 units permitted annually. During the 12 months ending September 2012, the number of multifamily units permitted in Iowa increased 47 percent, to 2,225 units, representing the fourth consecutive quarterly increase in permits issued and reflecting the tight apartment market conditions in Des Moines. As rental market conditions improved in Nebraska during the 12 months ending September 2012, approximately 1,850 multifamily units were permitted, up significantly from 1,475 during the previous 12 months. In Kansas, permits were issued for 1,650 units, unchanged from a year ago. Since 2010, weak economic conditions and limited credit availability in the multifamily capital markets have reduced construction levels in Missouri. The number of multifamily units permitted in Missouri declined 18 percent, or 460 units, from the previous year, decreasing to 2,125 units in the 12 months ending September 2012.

Rocky Mountain



HUD Region VIII

Economic growth continued in the Rocky Mountain region during the third quarter of 2012. During the 12 months ending September 2012, nonfarm payrolls in the region averaged approximately 5.05 million jobs, an increase of 95,400 jobs, or 1.9 percent, compared with the number of nonfarm payroll jobs recorded a year earlier. Employment levels nearly recovered to the previous peak, recorded in 2008, when nonfarm payrolls averaged 5.12 million jobs. The greatest job gains occurred in the professional and business services, education and health services, and manufacturing sectors, which increased by approximately 23,400, 12,500, and 9,400 jobs, or 3.8, 1.9, and 2.8 percent, respectively. In addition, the mining and logging and the retail trade subsectors added 8,900 and 7,600 jobs, increases of 9.5 and 1.4 percent, respectively. Losses in the information and government sectors, which decreased by 500 and 2,900 jobs, or 0.4 and 0.3 percent, respectively, partially offset those gains. Although state government subsector payrolls increased by 3,500 jobs, or 1.4 percent, local government and federal government subsector payrolls declined by 1,900 and 4,600 jobs, or 0.3 and 3.4 percent, respectively. During the 12 months ending September 2012, the unemployment rate averaged 6.6 percent, down from 7.3 percent a year earlier. Within the region, state unemployment rates ranged from 3.1 percent in North Dakota to 8.0 percent in Colorado, but the rates for all six states in the region remained below the national average of 8.3 percent.

For the eighth consecutive quarter, North Dakota had the highest rate of job growth, not only within the region, but also in the nation. Nonfarm payrolls in the state increased by 24,100 jobs, or 6.2 percent. The mining and logging subsector, which grew by 5,700 jobs, or 38 percent, led the growth, largely because of oil exploration and production in the Bakken Shale formation in western North Dakota. In addition, the construction subsector and the transportation and utilities sector in North Dakota increased by 3,400 and 3,100 jobs, or 15 and 17 percent, respectively. Colorado had the greatest job gain in the region, with nonfarm payrolls growing by 38,200 jobs, or 1.7 percent. The sectors with the greatest increases were the professional and business services, leisure and hospitality, and education and health services sectors, which grew by 10,900, 7,100, and 6,000 jobs, or 3.2, 2.6, and 2.2 percent, respectively. The information sector partially offset growth in Colorado, decreasing by 2,000 jobs, or 2.8 percent, led by a decline in telecommunications payrolls in the Denver area. In Utah, nonfarm payrolls grew by 27,500 jobs, or 2.3 percent, led by gains in the professional and business services and the manufacturing sectors, which added 7,600 and 4,400 jobs, increases of 4.8 and 3.9 percent, respectively. Job growth was weaker in Wyoming, South Dakota, and Montana, where nonfarm payrolls increased by 2,500, 2,100, and 1,000 jobs, or 0.9, 0.5, and 0.2 percent, respectively. In Wyoming, payrolls grew in the mining and logging and the retail trade subsectors by 900 and 700 jobs, or 3.4 and 2.4 percent, respectively, but decreased in the construction subsector by 500 jobs, or 2.4 percent. In South Dakota, the education and health services and the manufacturing sectors added 1,400 and 1,200 jobs, increases of 2.1 and 3.1 percent, respectively, but decreases in the leisure and hospitality and the government sectors, which declined by 1,000 and 700 jobs, or 2.3 and 0.9 percent, respectively, partially offset those gains. In Montana, the professional and business services sector and the construction subsector increased by 1,600 and 1,500 jobs, or 4.0 and 6.6 percent, respectively, but the government sector decreased by 2,800 jobs, or 3.1 percent.

As the economy expanded during the past year, sales housing markets in the Rocky Mountain region strengthened, although conditions remain slightly soft in most areas. According to data from CoreLogic, Inc., home sales increased in most states of the region. In Colorado and Utah, approximately 87,500 and 43,100 existing homes sold during the 12 months ending August 2012, increases of 13 and 6 percent, respectively. In Montana, North Dakota, and Wyoming, approximately 12,900, 12,700, and 5,400 existing homes sold, increases of 3, 17, and 9 percent, respectively. Home sales prices also increased throughout the region. Based on the CoreLogic, Inc. Home Price Index, average sales prices for existing single-family homes during the 12 months ending August 2012 were up 4 percent in North Dakota compared with the sales prices recorded a year earlier. Prices were up 3 percent in Montana, South Dakota, and Utah, and prices were up 2 percent in Colorado and 1 percent in Wyoming. A decline in the number of troubled mortgages also suggests a strengthening of the sales housing market. As of September 2012, according to LPS Applied Analytics, 3.9 percent of mortgages in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 4.3 percent a year earlier. The rate for the region was also well below the 7.5-percent national average. Within the region, the rates ranged from 1.9 percent in North Dakota to 5.1 percent in Utah.

Home sales and prices were up in most metropolitan areas in the region. Based on data from CoreLogic, Inc., in the Denver-Aurora-Broomfield, Fort Collins-Loveland, and Colorado Springs metropolitan areas in Colorado, sales of existing homes were up 17, 13, and 3 percent, to approximately 44,700, 5,600, and 9,800 homes sold, respectively, during the 12 months ending August 2012. In the Grand Junction, Pueblo, and Greeley areas, sales were up 13, 8, and 1 percent, to 2,600, 2,400, and 4,200 homes sold, respectively. In the Salt Lake City and Provo-Orem metropolitan areas in Utah, existing sales were up 13 and 6 percent, to 19,800 and 7,300 homes sold, respectively, but in the Ogden-Clearfield area, sales decreased 8 percent, to 7,200 homes sold. Sales were up substantially in some metropolitan areas in the northern states of the region. During the 12 months ending August 2012, existing sales in the Fargo area were up 27 percent from a year earlier, to 3,500 homes sold. In the Missoula and Billings areas in Montana, sales were up 17 and 4 percent, to 1,450 and 2,400 homes sold, respectively. Existing sales totaled approximately 1,700 homes each in the Casper and Cheyenne metropolitan areas in Wyoming, increases of 9 and 4 percent, respectively. Based on the CoreLogic, Inc. Home Price Index, average sales prices for existing single-family homes in the Denver-Aurora-Broomfield and the Fort Collins-Loveland metropolitan areas in Colorado were up 3 and 2 percent, respectively, compared with a year earlier, and prices in Greeley were up 5 percent from a year earlier. Existing home prices increased approximately 1 percent in both Grand Junction and Colorado Springs. In the Salt Lake City and Provo-Orem metropolitan areas in Utah, existing home prices rose 4 and 3 percent, respectively, but in the Ogden-Clearfield area, prices remained unchanged. Prices in the Fargo area were up slightly more than 1 percent. In Montana, prices in the Billings metropolitan area were up 3 percent, but prices remained unchanged in Missoula. Existing home prices rose 7 percent in Casper but remained unchanged in Cheyenne.

The strengthening home sales market in the Rocky Mountain region led to rising demand for new home construction, although single-family homebuilding activity remains below historic averages. Based on preliminary data, during the 12 months ending August 2012, single-family construction, as measured by the number of homes permitted, was up 33 percent from a year earlier, to approximately 25,500 homes. By comparison, from 2000 through 2007, single-family construction in the region averaged more than 66,000 homes a year. Single-family homebuilding increased in every state of the region. In Colorado, Utah, and North Dakota, approximately 10,400, 7,850, and 2,700 homes were permitted in the 12 months ending August 2012, increases of 34, 32, and 62 percent, respectively. In South Dakota, Wyoming, and Montana, approximately 1,875, 1,400, and 1,275 single-family homes were permitted, increases of 23, 13, and 25 percent, respectively. Stronger rental demand in the past year also led to increased multifamily construction. During the 12 months ending August 2012, approximately 16,200 multifamily units were permitted in the region, a 63-percent increase from a year earlier. Multifamily building activity in Colorado more than doubled, to about 8,150 units permitted. More than three-quarters of those units were in the Denver-Aurora-Broomfield metropolitan area. In Utah, multifamily building activity was up 18 percent, to 3,000 units permitted. Nearly 1,100 multifamily units were permitted in the Salt Lake City area, and more than 600 units were permitted in the Logan metropolitan area. In South Dakota, Wyoming, Montana, and North Dakota, multifamily building activity increased 75, 57, 42, and 37 percent, to approximately 1,000, 600, 850, and 2,600 units permitted, respectively.

Rental housing markets in the Rocky Mountain region tightened in the 12 months ending September 2012, and conditions currently range from balanced to tight in most areas. Based on data from *Apartment Insights*, rental markets were tight in most Colorado Front Range areas in the third quarter of 2012. In the Denver-Aurora-Broomfield metropolitan area, the apartment vacancy rate averaged 4.8 percent in the third quarter, down from 5.0 percent a year ago. The average apartment rent was up 7 percent during that period, to approximately $960. In the Boulder metropolitan area, the vacancy rate remained steady at 3.8 percent, and the average rent increased 7 percent, to $1,065. The Fort Collins-Loveland and the Greeley metropolitan areas had apartment vacancy rates of 3.5 and 5.0 percent, down from 3.8 and 6.5 percent, respectively, a year earlier and average apartment rents that increased 6 and 3 percent, to $975 and $700, respectively. In the Colorado Springs area, conditions were balanced, with a 5.8-percent apartment vacancy rate, up from 5.2 percent a year ago and an average rent that increased 3 percent, to $755. More than 500 new units are in lease up in Colorado Springs, contributing to the rise in vacancies. Conditions in major metropolitan areas in Utah are generally tight. Based on data from Reis, Inc., apartment markets in the Salt Lake City and Ogden-Clearfield areas were tight in the third quarter of 2012, with vacancy rates of 4.0 and 3.4 percent, down from 5.4 and 4.4 percent, respectively, a year ago. Apartment rents averaged about $795 and $710, increases of 3 and

2 percent, respectively, from a year earlier. The Provo-Orem apartment market was somewhat tight, with a 4.2-percent vacancy rate, up from 3.6 percent a year ago and rents that averaged $785, a 1-percent increase from a year earlier. Rental conditions were tight in some northern areas of the region. According to Appraisal Services, Inc., the Fargo metropolitan area had a 2.5-percent apartment vacancy rate in September 2012, down from 5.7 percent a year ago. According to the Wyoming Community Development Authority, the Casper and Cheyenne metropolitan areas had rental vacancy rates of 2.1 and 2.3 percent, respectively, in June 2012 (the most recent data available) compared with 3.7 and 1.9 percent, respectively, a year earlier.

Pacific

HUD Region IX

Labor market conditions in the Pacific region continue to improve after significant job losses from 2008 through 2010. During the 12 months ending September 2012, the region added 270,650 nonfarm payroll jobs, an increase of 1.5 percent from the previous 12 months. The professional and business services, education and health services, and leisure and hospitality sectors led job growth, adding 91,550, 62,600, and 58,100 jobs, or 3.4, 2.7, and 2.6 percent, respectively. The government sector registered the greatest nonfarm payroll decline, losing 39,900 jobs, or 1.3 percent, because of budget cuts in the federal and local government subsectors.

Nonfarm payroll growth was positive in all four states in the Pacific region during the 12 months ending September 2012. California added 209,700 jobs, an increase of 1.5 percent compared with a gain of 118,100 jobs, or 0.8 percent, during the previous 12 months. The same sectors that led growth in the region drove job growth in California, where the professional and business services sector increased by 80,400 jobs, or 3.8 percent; the education and health services sector increased by 50,300 jobs, or 2.8 percent; and the leisure and hospitality sector increased by 37,200 jobs, or 2.4 percent. The government sector declined by 37,250 jobs, or 1.5 percent. During the same period, Southern California and the San Francisco Bay Area added 99,150 and 66,700 jobs, increases of 1.2 and 2.4 percent, respectively. During the 12 months ending September 2012, Hawaii nonfarm payrolls gained 6,825 jobs, or 1.2 percent, compared with a gain of 5,675 jobs, or 1.0 percent, during the previous 12 months. The leisure and hospitality and the professional and business services sectors led nonfarm payroll growth in Hawaii, adding 4,900 and 1,175 jobs, increases of 4.8 and 1.6 percent, respectively. According to the Hawaii Tourism Authority, gross expenditures from tourism totaled $13.8 billion during the 12 months ending September 2012, an increase of 17 percent compared with the expenditures recorded during the previous12 months. Nonfarm payrolls in Arizona rose by 44,000 jobs, or 1.8 percent, during the 12 months ending September 2012 compared with an increase of 15,950 jobs, or 0.7 percent, during the previous 12 months. The education and health services and the professional and business services sectors in Arizona added 9,850 and 7,600 jobs, increases of 2.8 and 2.2 percent, respectively. The Arizona Office of Tourism estimated that gross sales from tourism totaled $62.1 billion during the 12 months ending August 2012, a 5-percent increase compared with the gross sales recorded during the previous 12-month period. Nevada added 10,100 jobs, an increase of 0.9 percent, compared with an increase of 1,250 jobs, or 0.1 percent, during the previous 12 months. Job gains in Nevada were most significant in the leisure and hospitality sector, which added 8,725 jobs, a 2.8-percent increase. The average unemployment rate in the region decreased to 10.5 percent, down from 11.7 percent during the previous year. The average state unemployment rates ranged from 6.3 percent in Hawaii to 12.2 percent in Nevada.

Although it is improving, the sales housing market remained soft in three of the four Pacific region states during the 12 months ending September 2012 as a result of tight lending requirements and high unemployment. According to Hanley Wood, LLC, new and existing home sales in the region fell 3 percent, to 673, 300 homes. In Arizona, sales declined 3 percent, to 140,500, from the 12 months ending September 2011. The average sales price increased 10 percent, to $183,300. As a percentage of existing home sales, Arizona Real Estate Owned (REO) sales decreased to 35 percent during the 12 months ending September 2012 compared with 55 percent during the previous 12 months. In Phoenix, home sales declined 3 percent, to 106,400, and the average home sales price increased 12 percent, to $189,000.

Sales of new and existing homes totaled 452,200 in California during the 12 months ending September 2012, a 6-percent increase compared with the number of homes sold during the previous 12 months. The average home sales price increased 3 percent, to $373,300. As a percentage of existing home sales, REO sales declined to 33 percent from 42 percent a year ago. In the San Francisco Bay Area, 73,900 homes sold, a 10-percent increase compared with the number sold during the previous 12 months. During the same period, the average home sales price increased 4 percent, to $581,600. The number of homes sold in Southern California increased 6 percent, to 239,800, and the average home sales price rose 3 percent, to $396,500.

In Hawaii, new and existing home sales fell 6 percent during the 12 months ending September 2012, to 15,650 homes sold. The average home sales price increased 5 percent, to $493,800. As a percentage of all existing sales, REO sales declined to 11 percent from 17 percent during the previous 12 months. In Honolulu, the number of homes sold declined 6 percent, to 9,300 homes, and the average home sales price rose 4 percent, to $524,000. New and existing home sales in Nevada remained unchanged at 65,000 homes during the 12 months ending September 2012. The average home sales price in Nevada rose 2 percent, to $159,700. As a percentage of all existing home sales, REO sales decreased from 61 percent in September 2011 to 46 percent in September 2012. During the 12 months ending September 2012, home sales declined 2 percent, to 50,750 homes, in Las Vegas, but the average home sales price increased 4 percent, to $153,700.

According to LPS Applied Analytics, as of September 2012, 6.3 percent of home loans in the region were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 8.3 percent in September 2011. The September 2012 level was down to 390,900 homes, a decrease of 149,700 homes, or 28 percent, compared with September 2011.

Because of stabilizing sales market conditions in Arizona and California, new home construction activity, as measured by the number of single-family homes permitted, increased in the Pacific region during the 12 months ending September 2012. Based on preliminary data, 47,600 single-family homes were permitted in the region, a 28-percent increase compared with the number permitted during the previous 12 months. The greatest increases in new home construction were in Arizona and California; the number of single-family homes permitted increased by 4,975, or 52 percent, to 14,600 homes in Arizona and by 3,025, or 14 percent, to 24,300 homes in California. The number of single-family homes permitted increased by 2,125, or 47 percent, to 6,675 homes in Nevada and by 250, or 15 percent, to 1,925 homes in Hawaii.

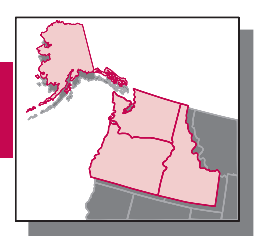
Rental housing markets in California and Hawaii varied from tight to balanced in the third quarter of 2012. Although apartment vacancies increased in the San Francisco Bay Area, the rental market remained tight; from the third quarter of 2011 to the third quarter of 2012, the apartment vacancy rates in San Jose and San Francisco increased from 3.2 and 2.8 percent to 3.5 and 4.3 percent, respectively, according to AXIOMetrics Inc. The apartment vacancy rates increased as newly completed units entered the market. The rental vacancy rate in Oakland remained at 3.5 percent. During the same period, average effective rents increased 10 percent, to $2,450, in San Francisco; 10 percent, to $2,150, in San Jose; and 7 percent, to $1,700, in Oakland. The rental housing market in Sacramento was balanced in the third quarter of 2012, with an apartment vacancy rate of 5.5 percent, up from 5.4 percent in the third quarter of 2011. During the same period, rents increased 3 percent, to $1,025. AXIOMetrics Inc. reported that apartment vacancy rates were down from the third quarter of 2011 to the third quarter of 2012 in two of the five markets in Southern California. The apartment vacancy rate declined from 4.8 to 4.6 percent in Los Angeles County and from 4.6 to 4.4 percent in Ventura County. The apartment vacancy rate increased from 4.1 to 4.2 percent in San Diego County. During the same period, the apartment vacancy rate remained at 5.7 percent in Riverside and San Bernardino Counties and at 4.6 percent in Orange County. In the third quarter of 2012, the average rent in Southern California was $1,575, up 3 percent compared with the rents recorded during the third quarter of 2011. During the same period, the apartment vacancy rate in Honolulu increased to 5.8 percent, up from 3.6 percent in the third quarter of 2011. The rise resulted from increased vacancies in units built before 1980. The average rent in Honolulu rose 1 percent, to $1,828, up from $1,823 in the third quarter of 2011.

The rental housing markets in major metropolitan areas in Arizona were slightly soft but improving in the third quarter of 2012. According to AXIOMetrics Inc., the apartment rental vacancy rate in Phoenix was 7.4 percent, down from 7.5 percent in the third quarter of 2011, and the average rent increased 3 percent, to $770. The decline in vacancy rates was partially caused by increasing population growth. During the third quarter of 2012, the rental housing markets in Nevada remained soft because of slow job growth. In Las Vegas, the apartment vacancy rate increased to 8.2 percent, up from 7.8 percent in the third quarter of 2011.The average rent remained unchanged at $750.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased in three of the four Pacific region states during the 12-month period ending September 2012. Based on preliminary data, 36,150 multifamily units were permitted in the region, a 37-percent increase from the previous 12 months. Increased renter demand and declining vacancy rates were the main impetus for rising multifamily permits in Arizona and California. During the 12-month period ending September 2012, the number of multifamily units permitted increased by 1,250, or 56 percent, to 3,525 units in Arizona; by 8,400, or 39 percent, to 30,100 units in California; and by 180, or 19 percent, to 1,125 units in Hawaii. The number of multifamily units permitted in Nevada fell 9 percent, to 1,425, down from 1,575 units during the previous 12 months.

NORTHWEST

HUD Region X



Economic conditions in the Northwest region have continued to improve since the 12-month period ending September 2010, when nonfarm payrolls reached a recessionary low of 5.31 million jobs. Nonfarm payrolls in the region increased by 57,100 jobs, or 1.1 percent, reaching 5.37 million total jobs; by comparison, payrolls increased by 54,200 jobs, or 1 percent, during the same period in 2011. Nonfarm payrolls increased the most in Washington, which gained 45,400 jobs, or 1.6 percent, to total 2.86 million jobs. Idaho nonfarm payrolls were 614,000, up 8,200 jobs, or 1.4 percent. Oregon nonfarm payrolls increased by 10,300 jobs, or 0.6 percent, to 1.63 million jobs. Alaska nonfarm payrolls increased by 600 jobs, or 0.2 percent, to 329,300 jobs. During the 12 months ending September 2012, the average unemployment rate in the region declined from 9.9 to 8.1 percent. The average unemployment rate was 8.7 percent in Oregon, 8.5 percent in Washington, 8.2 percent in Idaho, and 7.3 percent in Alaska.

During the 12 months ending September 2012, the education and health services, professional and business services, and manufacturing sectors, which increased by 17,900, 16,600, and 16,000 jobs, or 2.5, 2.7, and 3.3 percent, respectively, led job growth in the region. Washington led the region in manufacturing sector payroll growth, adding 15,700 jobs, a 5.9-percent increase. Alaska led all states in professional and business services sector job gains with an increase of 2.6 percent, or 700 jobs, and in education and health services sector job gains with an increase of 4.4 percent, or 1,900 jobs. For the region, payrolls in the government, the mining, logging, and construction, and the financial activities sectors declined by 15,200, 4,100, and 1,500 jobs, or 1.4, 1.4, and 0.5 percent, respectively. Local and state government budget constraints continue to adversely affect job numbers in the government sector across the region, but the losses were greatest in Oregon, where government sector payrolls fell by 5,600 jobs, or 1.9 percent. Construction subsector payroll losses accounted for the entire net decline in the mining, logging, and construction sector. Job losses in the financial activities sector were greatest in Idaho, where the sector declined by 800 jobs, or 2.7 percent.

Although home sales markets in the Northwest region are currently soft, markets have continued to improve since early 2011. During the 12 months ending September 2012, 156,350 new and existing homes sold compared with a low of 151,425 homes during the 12 months ending April 2011. According to data from Hanley Wood, LLC, 142,100 existing homes sold in the region during the 12 months ending September 2012, up 6 percent compared with the number sold during the previous 12-month period, and the average home sales price increased 2 percent, to $252,200. During the same period, REO (Real Estate Owned) sales accounted for approximately 26 percent of all existing home sales, down slightly from 27 percent a year ago. The number of new home sales decreased 11 percent during the 12 months ending September 2012, to 14,200 homes sold compared with the 16,000 homes sold during the same period a year ago. The average sales price of a new home increased 5 percent, to $292,600.

In Washington, existing home sales increased 8 percent, to 65,250 homes sold, during the 12 months ending September 2012, and the average existing home sales price increased 1 percent, to $282,600. During this period, REO sales accounted for 28 percent of existing home sales, a figure relatively unchanged from a year ago. New home sales totaled 8,575, representing a 13-percent decrease from the previous 12 months; the average sales price increased 8 percent, however, to $317,100. In the Seattle metropolitan area, existing home sales increased 15 percent, to 24,550 homes sold, and the average existing home sales price increased 1 percent, to $400,500. New home sales increased 4 percent, to 3,725 homes sold, and the average new home sales price was $385,600, unchanged from the previous 12-month period.

Sales housing market conditions in Oregon are soft but improved during the 12 months ending September 2012, when existing home sales increased 6 percent, to 40,700 homes sold. The share of existing home sales that were REO sales declined to 25 percent from 29 percent a year ago. The average existing home sales price increased 1 percent, to $229,200. New home sales decreased 11 percent, to 2,875 homes sold, and the average sales price was unchanged at $269,500. In the Portland-Vancouver-Beaverton metropolitan area, existing home sales increased 9 percent, to 23,550 homes sold, and the average existing home sales price increased 1 percent, to $261,000. New home sales decreased 4 percent, to 2,350 homes sold, and the average new home sales price declined 1 percent, to $288,700.

In Idaho, during the 12 months ending September 2012, existing home sales increased 2 percent, to 28,250 homes sold, and the share of REO sales remained unchanged at 29 percent. During the same period, the average existing home sales price increased 7 percent, to $180,700. New home sales decreased 5 percent, to 2,200 homes sold, and the average new home sales price increased 3 percent, to $211,000. Existing home sales totaled 14,200 in the Boise City-Nampa metropolitan area, up 2 percent compared with the number of homes sold a year ago, and the average existing home sales price increased 10 percent, to $176,000. During the past 12 months, 1,300 new homes sold, reflecting a 1-percent decline; the average new home sales price increased 3 percent, however, to $220,000.

In Alaska, during the 12 months ending September 2012, 7,975 existing homes sold, unchanged from the previous 12-month period, and the average existing home sales price increased 4 percent, to $275,800. REO sales accounted for 10 percent of existing home sales, down slightly from 11 percent a year earlier. Slightly more than 525 new homes sold during the 12 months ending September 2012, representing an 11-percent decrease from the previous year; the average new home sales price increased 14 percent, however, to $315,200. Existing home sales increased 1 percent, to 5,375 homes sold, in the Anchorage metropolitan area, and the average existing home sales price increased 3 percent, to $290,800. New home sales totaled 400 homes sold, down 2 percent compared with the number sold a year ago, and the average new home sales price increased 6 percent, to $325,000.

According to LPS Applied Analytics, as of September 2012, 6.3 percent of home loans in the Northwest region were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 6.1 percent in September 2011. Over the same period, the same rate increased from 6.5 to 7.1 percent in Washington, declined from 5.9 to 5.8 percent in Oregon and from 5.6 to 5.1 percent in Idaho, and remained unchanged at 2.7 percent in Alaska.

Although new homes sales declined across the region, low inventories of homes for sale led to an increase in single-family home construction. As measured by the number of homes permitted, new construction increased by 5,150 homes, or 29 percent, to 23,000 homes permitted during the 12 months ending September 2012, according to preliminary data. During the 12 months ending September 2011, the number of single-family homes permitted decreased by 2,275, or 15 percent. Based on preliminary data, during the 12 months ending September 2012, 12,950 single-family homes were permitted in Washington, 5,100 were permitted in Oregon, and 4,325 were permitted in Idaho, reflecting 22-, 23-, and 60-percent increases, respectively. In Alaska, permits were issued for 810 single-family homes, an increase of 14 percent from a year ago.

Apartment markets have remained tight since the third quarter of 2011 and continue to tighten as vacancy rates declined again during the third quarter of 2012. According to MPF Research, the apartment vacancy rate in the Seattle metropolitan area was 4.4 percent as of the third quarter of 2012, down from 5.3 percent during the previous year; the average asking rent increased 6 percent, to $1,108. According to Reis, Inc., the apartment vacancy rates in Portland-Vancouver-Beaverton, Boise City-Nampa, and Anchorage were 2.2, 4.2, and 2.4 percent, respectively, during the third quarter of 2012 compared with vacancy rates of 3.2, 5.4, and 3.2 percent, during the previous year. Average asking rents increased 3 percent, to $881, in Portland-Vancouver-Beaverton; 2 percent, to $723, in Boise City-Nampa; and 3 percent, to $1,073, in Anchorage compared with the average rents during the third quarter of 2011. According Dupre+Scott Apartment Advisors, Inc., the September 2012 apartment vacancy rate was 6.2 percent in the Olympia metropolitan area and 8.1 percent in the Bremerton-Silverdale metropolitan area, down from 7.4 and 9.6 percent, respectively, in September 2011. Average asking rent levels remained relatively stable at $844 in Olympia and increased less than 1 percent, to $885, in Bremerton-Silverdale.

Based on preliminary data, during the 12 months ending September 2012, the number of multifamily units permitted in the Northwest region increased by 5,150 units, or 53 percent, reaching 14,800 total units. The strong upward trend in Washington multifamily construction since September 2010 continued during the past 12 months. Multifamily construction activity increased by 2,950 units, or 45 percent, to total 9,550 units in the state; by comparison, the average from 2008 through 2010 was 6,875 units a year. According to Dupre+Scott, in King County alone, 14,500 units were under construction and an additional 16,050 units were in the planning phase as of September 2012. The number of multifamily units permitted increased by 1,875 units, or 82 percent, to total 4,175 units in Oregon; increased by 350 units, or 58 percent, to total 970 units in Idaho; and decreased by 30 units, or 19 percent, to total 130 units in Alaska. The average annual number of multifamily units permitted during the 12 months ending September in 2008 through 2010 was 2,650 units in Oregon, 690 units in Idaho, and 260 units in Alaska.

HUD's 10 regions are grouped as follows:

- **Region I, New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
- **Region II, New York/New Jersey:** New Jersey and New York.
- **Region III, Mid-Atlantic:** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.
- **Region IV, Southeast/Caribbean:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico/U.S. Virgin Islands, South Carolina, and Tennessee.
- **Region V, Midwest:** Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.
- **Region VI, Southwest:** Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
- **Region VII, Great Plains:** Iowa, Kansas, Missouri, and Nebraska.
- **Region VIII, Rocky Mountain:** Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.
- **Region IX, Pacific:** Arizona, California, Hawaii, and Nevada.
- **Region X, Northwest:** Alaska, Idaho, Oregon, and Washington.

Housing Market Profiles

Albuquerque, New Mexico

The Albuquerque metropolitan area comprises Bernalillo, Sandoval, Torrance, and Valencia Counties in central New Mexico. As of October 1, 2012, the population was estimated at 910,100, an average annual increase of approximately 9,200, or 1.0 percent, since April 2010. By comparison, from 2006 through 2010, the population increased at an average annual rate of 14,700, or 1.7 percent. Since 2010, net in-migration has slowed to 4,025 people annually, down from 9,925 people annually from 2006 through 2010, likely because of the declining economy.

The economy of the Albuquerque metropolitan area has continued to decline since going into recession in late 2008, although at a slower rate. During the 12 months ending August 2012, nonfarm payrolls decreased to 370,500 jobs, down 1,100 jobs, or 0.3 percent, from the same period a year ago. This slight decrease follows average nonfarm payroll losses of 7,725 jobs, or 2.0 percent, on an annualized basis from 2008 through 2011. The greatest payroll gains during the 12 months ending August 2012 were in the education and health services and the manufacturing sectors, which grew by 3,100 and 500 jobs, or 5.6 and 2.7 percent, respectively. In addition to broad-based hiring across the education and health services sector, the opening of Presbyterian Healthcare Services' Rust Medical Center in October 2011 and the University of New Mexico (UNM) Sandoval Regional Medical Center in July 2012 added close to 400 and 500 permanent jobs, respectively.

The government sector, which is the largest employment sector in the metropolitan area, accounting for approximately 22 percent of nonfarm payrolls, recorded a decline of 1,600 jobs, or 1.9 percent, to 81,700 jobs. The local government subsector accounted for nearly 80 percent of the net job loss as cities and municipalities reduced payrolls in response to limited tax revenue as a result of ongoing weak economic conditions. Kirtland Air Force Base, including Sandia National Laboratories, is the largest employer in the area, with an estimated 3,400 military and 17,850 civilian personnel, followed by UNM and Presbyterian Healthcare Services, with 15,600 and 7,300 employees, respectively. UNM enrolled 27,300 students during the spring 2012 semester and, according to an economic impact study by the Bureau of Business and Economic Research at UNM, the university had a direct economic impact of approximately $620 million on the state of New Mexico in fiscal year 2010. The school's main campus in the city of Albuquerque, the Health Sciences Center, and the UNM hospitals account for most of that impact, with total salaries and benefits estimated to be $474 million. During the 12 months ending August 2012, the unemployment rate averaged 7.3 percent compared with the rate of 8.1 percent averaged during the previous 12 months.

The sales housing market in the Albuquerque metropolitan area is soft but improving, with a current estimated vacancy rate of 1.9 percent, down slightly from 2.1 percent in April 2010. According to data from Hanley Wood, LLC, the number of new and existing home sales during the 12 months ending August 2012 was up nearly 4 percent from the previous year, to 12,950 homes. Home sales averaged nearly 25,600 annually from 2005 through 2008. The average sales price of new and existing homes increased more than 1 percent, to $189,300, during the most recent 12-month period after an increase of approximately 8 percent during the previous 12 months. By comparison, home sales prices averaged $192,500 from 2005 through 2008. According to LPS Applied Analytics, as of August 2012, 7.2 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up from 6.7 percent a year earlier and compared with the rate of 7.5 percent nationally as of August 2012.

Single-family homebuilding activity in the metropolitan area also increased during the 12 months ending August 2012, after it declined by an average of 610 homes permitted annually during the 4 previous years in response to the slowdown in home sales, for which the decline in net-migration and the strict lending standards were partially responsible. Based on preliminary data, during the 12 months ending August 2012, the number of single-family homes permitted increased by 300, or 22 percent, to 1,675 homes compared with the number permitted during the previous 12-month period. Building activity peaked between 2003 and 2005 at an average of 6,875 homes permitted annually but had declined since, until the most recent 12-month period. Mesa del Sol, a 12,000-acre master-planned, mixed-use development that broke ground in March 2011 in southeast Albuquerque, offers new single-family homes starting at $180,000. As of July 1, 2012, the first phase had sold 34 of the 215 available lots, and the developer plans to sell the remaining lots during the next 18 months.

The rental housing market in the Albuquerque metropolitan area is currently balanced, with an estimated overall vacancy rate of 5.9 percent compared with the rate of 7.1 percent in April 2010. A period of decreased construction from 2009 through 2011 allowed for the absorption of a portion of the vacant available units. The apartment market, however, is tight, with an average vacancy rate of 3.7 percent during the third quarter of 2012, down from 4.1 percent during the third quarter of 2011, according to Reis, Inc. Average asking apartment rents were up nearly 2 percent, to $740, during the third quarter of 2012 compared with asking rents during the third quarter of 2011. According to information from CB Richard Ellis, despite the tightening apartment market, nearly 30 percent of complexes, unchanged from the previous year, continue to offer concessions such as 1 month free of rent. Students who attend UNM currently comprise an estimated 7 to 9 percent of the overall rental market in the metropolitan area. As of the fall 2012 semester, the university housed an estimated 4,000 students in on-campus dormitories. Multiple apartment complexes that surround UNM cater predominantly to students, with rent for a one-bedroom unit starting at as little as $350 per month and going up to the mid-$800s. The average vacancy rate in these complexes in estimated to be the same as in the overall apartment market. Andalucia Villas Apartments, a complex southwest of the downtown area that is in the final planning stages, will have 240 units with proposed rents starting at $1,085, $1,200, and $1,440 for one-, two-, and three-bedroom units, respectively. The project is expected to be complete by the end of 2013. Based on preliminary data, during the 12 months ending August 2012, the number of multifamily units permitted increased by 110, or 42 percent, to 360 units compared with the number of units permitted during the previous 12-month period. Multifamily building activity averaged 260 units annually from 2009 through 2011, down from 850 annually from 2006 through 2008. Multifamily construction activity peaked at an average of 1,300 units permitted annually from 2001 through 2005.

Atlanta-Sandy Springs-Marietta, Georgia

With an estimated population of 5.46 million as of October 1 2012, the 28-county Atlanta-Sandy Springs-Marietta metropolitan area is the second most populous metropolitan area in the Southeast/Caribbean Region after the Miami-Fort Lauderdale-Pompano Beach, FL metropolitan area. Centrally located in the region, the Atlanta-Sandy Springs-Marietta metropolitan area is a transportation hub that has attracted many corporate offices. Headquartered in the city of Atlanta, Delta Air Lines Inc., The Home Depot, Inc., and United Parcel Service (UPS), Inc., are among the largest employers in the metropolitan area, with approximately 27,000, 9,000, and 6,300 employees, respectively. According to the Metro Atlanta Chamber, the metropolitan area also has 57 colleges and universities, with a total enrollment of more than 250,000 students. Because of improved economic conditions and increased student enrollment during the past 2 years, population growth averaged approximately 73,000 people, or 1.4 percent, a year since 2010, up from an average of 67,000 people, or 1.3 percent, a year in 2008 and 2009.

The employment turnaround in the metropolitan area has lagged behind that of other metropolitan areas in the region, which generally began to recover during the first quarter of 2011. The metropolitan area lost an average of 60,500 jobs, or 2.5 percent, annually from 2008 through 2010 before rebounding with a gain of 28,900 jobs, or 1.3 percent, in 2011. During the 12 months ending August 2012, nonfarm payrolls averaged 2.33 million jobs, an increase of 32,700 jobs, or 1.4 percent, from the previous 12-month period. Although improving, nonfarm payrolls remain 130,000 jobs, or 5 percent, below the 2007 peak. The unemployment rate for the metropolitan area decreased from 9.9 percent during the 12 months ending August 2011 to 9.0 percent during the 12 months ending August 2012 compared with the rates of 9.2 and 8.4 percent for the state and nation, respectively.

During the 12 months ending August 2012, approximately one-half of the gain in nonfarm payrolls in the metropolitan area occurred in the professional and business services sector, which increased by 18,300 jobs, or 4.6 percent. Approximately 60 percent of the gain in the sector was in the professional, scientific, and technical services industries that provide support for new and expanding businesses, including accounting, legal, and payroll services. By contrast to dramatic declines during the past decade, employment in the manufacturing sector increased by 3,300 jobs, or 2.3 percent, during the past 12 months. Manufacturers of advanced products, such as pharmaceuticals, have become a focus of local recruitment efforts. In 2012, Baxter International Inc. announced plans for more than $1 billion in capital investments during the next 5 years in Covington, a suburb of Atlanta, and the creation of more than 1,500 full-time jobs in Georgia. The company expects construction to begin in 2012 on a facility that will include a testing lab and operations that support plasma processing. As a result of continuing weak housing markets, the construction subsector declined by 2,400 jobs, or 2.6 percent, during the 12 months ending August 2012 compared with the average of 15,700 jobs, or 11.3 percent, lost annually in the sector from 2008 through 2010.

The sales housing market in the Atlanta-Sandy Springs-Marietta metropolitan area is soft but improving. According to LPS Applied Analytics, in August 2012, 8.4 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 9.1 percent in August 2011. According to CoreLogic, Inc., during the 12 months ending July 2012 (the latest data available), total home sales in the metropolitan area increased 17 percent, to approximately 65,400 homes sold, and the average sales price decreased 5 percent, to $175,400. The increase in home sales during the past 12 months is a significant improvement from the average decline of 28,800 homes sold, or 16 percent, a year from 2007 through 2010. During the past 12 months, new home sales increased by 620, or 11 percent, to 6,300 homes sold, and the average new home sales price was virtually unchanged from the previous 12 months at $251,900. Sales of existing homes increased 18 percent, to 58,700 homes sold, during the 12 months ending July 2012. The many distressed sales continue to exert downward pressure on existing home prices, which decreased 6 percent to average $168,300. During the past 12 months, 40 percent of all existing home sales were REO or short sales compared with the 43 percent share recorded during the previous 12-month period and the 14 percent share in 2008. According to data from Hanley Wood, LLC, during the 12 months ending August 2012, sales of new and existing condominium units in the metropolitan area increased 11 percent from the previous 12 months, to 5,200 units, compared with the 4,950 units sold annually from 2008 through 2010. During the 12 months ending August 2012, the average sales price of a condominium unit increased 2 percent from the previous 12-month period, to $172,900, compared with an average of $180,300 from 2008 through 2010.

In response to increased home sales during the past year, builders increased housing production, as measured by the number of single-family homes permitted. Preliminary figures indicate that, during the 12 months ending August 2012, the number of single-family homes permitted increased by approximately 2,000, or 34 percent, to 8,050 homes, the most permitted since 2008. From 2009 through 2011, an average of 6,000 homes was permitted. Multifamily unit permitting nearly doubled, from approximately 2,100 units during the 12-month period ending August 2011 to 4,100 units during the 12 months ending August 2012. As a result of soft sales and rental markets, the number of multifamily units permitted averaged approximately 1,600 from 2008 through 2011. Nearly all the units permitted in recent years have been for apartments.

After more than 4 years of soft market conditions, the apartment market in the Atlanta-Sandy Springs-Marietta metropolitan area is currently balanced. As a result of limited apartment construction during the past 2 years and an improving economy, the overall apartment market has mostly recovered from the overbuilding during the late 2000s. According to MPF Research, the apartment vacant rate was 7.8 percent in the third quarter of 2012, down from 9.9 percent in third quarter of 2011. Although the overall market has improved significantly, vacancy rates in submarkets of the metropolitan area vary because of large geographic and economic differences among submarkets. During the third quarter of 2012, the vacancy rates ranged from 3.9 percent in the Buckhead submarket to 23.3 percent in the Southwest DeKalb County submarket, where the many units built before 1980 have kept the vacancy rate in the submarket at an average of approximately 20 percent during the past 5 years. Vacancy rates were above 10 percent in 8 of the 35 reported submarkets. During the third quarter of 2012, rents averaged $830 for the metropolitan area, a 2-percent increase from the third quarter of 2011. Rents declined in 9 of the 35 reported submarkets. The share of apartments in the metropolitan area offering concessions declined to approximately 20 percent, from 49 and 60 percent in the third quarters of 2011 and 2010, respectively. By submarket, the percentages range from 4 percent of units in the Northeast Atlanta submarket to 50 percent of units in the Southwest DeKalb County submarket. Current construction is concentrated in the Downtown/Midtown and Buckhead submarkets, where more than 600 units each are under construction, including the 320-unit SkyHouse™ Midtown, the 330-unit 77 12th in Midtown, and the 370-unit Elle of Buckhead, each expected to be complete in 2013.

Austin-Round Rock-San Marcos, Texas

The Austin-Round Rock-San Marcos metropolitan area consists of Bastrop, Caldwell, Hays, Travis, and Williamson Counties in central Texas, approximately 80 miles northeast of San Antonio. The principal city of Austin, the state capital and a national center for the technology industry, contains approximately 46 percent of the area population. As of October 1, 2012, the population of the metropolitan area is estimated at 1.83 million, reflecting an annual increase of 15,900, or 2.4 percent, since April 1, 2010.

The economy of the metropolitan area has recorded strong growth since the fourth quarter of 2010. During the 12 months ending August 2012, nonfarm payrolls in the metropolitan area increased by 21,400 jobs, or 2.7 percent, to total 806,800 jobs, which exceeds the prerecession total of 775,800 jobs recorded in 2008. The greatest gains in nonfarm payrolls occurred in the professional and business services and the leisure and hospitality sectors, which grew by 5,800 and 5,200 jobs, or 5.1 and 5.9 percent, respectively. The government sector, the largest sector in the metropolitan area, was the only sector to lose jobs, declining by 700 jobs, or 0.4 percent, to total 168,100 jobs. The losses were concentrated in the state government subsector because of continued revenue constraints. General Motors Company is opening an Information Technology Innovation Center in the city of Austin that is expected to create 500 jobs in the professional and business services sector when complete in 2013. Apple Inc. plans to establish the Americas Operations Center in the city of Austin, a $300 million investment that is expected to create 3,600 jobs during the next 10 years and will contribute to growth in the professional and business services and the information sectors. The State of Texas is the largest employer in the metropolitan area, with 70,850 employees, of which the University of Texas at Austin employs 25,300. The largest private employers in the metropolitan area are Dell Inc. and Seton Family of Hospitals, with 14,000 and 11,600 employees, respectively. During the 12 months ending August 2012, the unemployment rate decreased from 6.9 to 6.2 percent. By comparison, from 2000 through 2008, the unemployment rate averaged 4.6 percent.

The sales housing market in the Austin-Round Rock-San Marcos metropolitan area is balanced and tightened during the past 12 months, after soft market conditions prevailed from 2007 through 2011. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending August 2012, new and existing home sales increased 18 percent, to 24,250 homes. The sales level exceeds the average of 21,000 homes sold annually from 2008 through 2010 but remains below the average of 28,400 homes sold annually from 2005 through 2007. During the 12 months ending August 2012, the average sales price increased 3 percent, to $259,000. During the same period, the available inventory of new and existing homes averaged a 4-month supply, the lowest recorded inventory since 2008, compared with the average 7-month supply recorded a year ago. According to LPS Applied Analytics, as of August 2012, 3.1 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 3.2 percent in August 2011.

Single-family homebuilding activity in the metropolitan area increased during the past year in response to increased home sales. Based on preliminary data, during the 12 months ending August 2012, single-family building permits were issued for 7,525 homes, up 28 percent from the 5,875 homes permitted during the previous 12 months. The current level of permitting activity is above the average of 6,875 homes permitted annually from 2008 through 2010 but remains well below the average of 15,700 homes permitted annually from 2005 through 2007. Prices for new, three-bedroom, single-family homes start at approximately $120,000, although the lowest prices are found primarily in the outlying areas. New developments include Teravista, in the city of Round Rock, with prices starting at $170,000 for a 3-bedroom single-family home. Approximately 1,800 homes have been completed since 2002 at Teravista and an additional 1,200 homes are expected to be built by the time the development is complete in 2016.

Rental housing market conditions in the Austin-Round Rock-San Marcos metropolitan area are slightly tight. Conditions have tightened significantly during the past 2 years because of strong job and population gains coupled with low levels of apartment completions from 2011 through the first half of 2012. The rental vacancy rate in the metropolitan area is estimated at 5.0 percent, down from 8.6 percent in April 2010. According to ALN Systems, Inc., the apartment vacancy rate as of September 2012 was 5.6 percent, relatively unchanged from 5.8 percent during September 2011 but down from 6.9 percent in September 2010. Effective apartment rents during September 2012 averaged $820, $1,050, and $1,325 for one-, two-, and three-or-more-bedroom units, respectively. The average effective rent for all apartment units increased 5 percent, to $950, compared with the rents recorded a year ago. Reflecting balanced market conditions, concessions are minimal in most submarkets. Of the properties surveyed by ALN Systems, Inc., only 20 percent are currently offering concessions, and the gap between average asking rents and effective rents is only $6. According to MPF Research, during the third quarter of 2012, all submarkets were balanced or tight, with every submarket recording vacancy rates below 7.0 percent and annual rent increases above 2.8 percent. The Downtown Austin submarket was the tightest, with a vacancy rate of 2.7 percent, and the San Marcos submarket was the softest, with a vacancy rate of 6.7 percent.

Based on preliminary data, approximately 8,325 multifamily units were permitted in the metropolitan area during the 12 months ending August 2012, more than double the 3,275 units permitted a year ago. The current level of permitting activity exceeds the average of 7,375 units permitted annually from 2005 through 2007. According to MPF Research, 1,450 apartment units were completed during the third quarter of 2012, more than 4 times the 280 units completed a year earlier. An additional 8,100 apartment units are currently under construction, including 2 projects located in the city of Austin that are expected to be complete by 2013: the 334-unit 95Twenty and the 566-unit phase 3 and 4 of Parkside at Domain. Recently completed developments in Austin include the 272-unit Ranch House Apartments, with rents starting at $950 for a one-bedroom unit, and the 244-unit Camden Amber Oaks II, with rents starting at $810 for a one-bedroom unit.

Bend, Oregon

The Bend metropolitan area, which is coterminous with Deschutes County, Oregon, is approximately 120 miles east of Eugene near Mount Bachelor and the Deschutes National Forest. The metropolitan area is known for outdoor recreation and tourism and for its microbrewery and wood product industries. Population in the area has grown at an average annual rate of 0.7 percent since April 1, 2010, reaching an estimated 160,500 as of October 1, 2012. By comparison, the population grew at an average annual rate of 3.1 percent from 2006 to 2009 and slowed to an average of 0.5 percent from 2009 to 2011 as the lingering effects of the national recession continued to impact the local construction and tourism industries. The largest private employers are St. Charles Medical Center, Sunriver Resort, Les Schwab tire centers, and Mt. Bachelor Ski Resort, with 2,850, 900, 870, and 750 employees, respectively. (Resort figures are peak seasonal employment.)

Economic conditions in the metropolitan area improved during the 12 months ending August 2012. Nonfarm payrolls increased by 200 jobs, or 0.3 percent, compared with the decline of 100 jobs, or 0.2 percent, during the previous 12 months and the average annual decrease of 3,400 jobs, or 5 percent, from 2008 through 2010. The leisure and hospitality sector led payroll growth during the 12 months ending August 2012 with a gain of 400 jobs, or 4.2 percent. The leisure and hospitality and the education and health services sectors each represented 16 percent of total nonfarm payrolls during the most recent 12 months, second only to the trade sector, with 18 percent. Tourism in the area rebounded during the past 2 years; hotel room tax revenue increased by $304,400, or 9.5 percent, to $3.5 million during the 12 months ending August 2012. By comparison, revenue increased by $180,400, or 6.0 percent, during the same period in 2011 and by $13,475, or 0.4 percent, in 2010. Manufacturing sector payrolls grew by 100 jobs, or 1.8 percent, to total 3,700 jobs but remained well below the peak of 6,100 jobs, recorded in 2006, because of declining demand for wood products as homebuilding activity tapered off. Breweries and brewpubs have strengthened both the manufacturing and the leisure and hospitality sectors in the metropolitan area: 3 new breweries opened in the summer of 2012, and 3 others are currently under construction. According to the Oregon Employment Department, the metropolitan area had 14 breweries and brewpubs with 513 total employees in 2011, up from 441 employees in 2010.

The government sector also increased by 100 jobs, or 1.0 percent, during the 12 months ending August 2012. The new $65 million Ridgeview High School opened for the 2012–13 school year in Redmond, and the Central Oregon Community College's Bend campus held grand openings of the $18.7 million Science Center and the $16.1 million Health Careers Center in September 2012. The average unemployment rate in the metropolitan area declined from 13.0 percent during the previous 12 months to 11.5 percent during the 12 months ending August 2012.

Sales housing market conditions in the Bend metropolitan area are soft but improving. According to CoreLogic, Inc., 260 new homes sold during the 12 months ending August 2012, up 44 percent from 180 homes during the previous 12 months. The average sales price of a new home increased 2 percent, to $248,900, from $244,500 during the previous 12 months. During the corresponding period from 2008 through 2010, an average of 400 new homes sold each year; the average sales price of a new home was $349,400 in 2008, before a 21-percent decline in 2009 and a 15-percent decline in 2010. Two subdivisions in western Bend, Aspen Rim and Northwest Crossing, accounted for nearly 30 percent of new home sales in 2012. According to Hanley Wood, LLC, approximately 30 new homes sold in Aspen Rim with prices starting at $160,000, and 26 new homes sold in Northwest Crossing with prices starting at $180,000. Sales of existing homes, including distressed properties, increased 3 percent to 3,825 homes sold, during the 12 months ending August 2012. The average sales price of an existing home was $208,500, up 8 percent from $191,200 during the previous year. During the corresponding period from 2008 through 2010, an average of 2,975 existing homes sold each year; the average sales price of an existing home was $306,700 in 2008, then fell 22 percent in 2009 and another 14 percent in 2010. REO (Real Estate Owned) and short sale closings represented 44 percent of all existing home sales, down from an average of 55 percent during the corresponding period in 2010 and 2011. According to LPS Applied Analytics, as of September 2012, 7.2 percent of home loans were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 9.6 percent in September 2011.

New home construction in the metropolitan area began to recover from a prolonged downward trend that began in 2006. Homebuilding activity, as measured by the number of single-family homes permitted, reached a peak of 3,900 homes in 2005 before declining to 3,075 homes in 2006 and 1,575 homes in 2007. From 2008 through 2011, an average of 460 homes was permitted annually. Based on preliminary data, 600 homes were permitted during the 12 months ending August 2012, up 33 percent from 450 homes during the previous 12 months.

The rental housing market in the Bend metropolitan area is balanced after experiencing soft market conditions during the past 2 years. The current estimated overall rental vacancy rate is 8.5 percent, down from 10.9 percent in April 2010. According to the Central Oregon Rental Owners Association, the apartment vacancy rate in complexes with 20 or more units was 4.1 percent during the first quarter of 2012 (the most recent data available), down from 5.4 percent during the first quarter of 2011. Average asking rents were $565 for one-bedroom, $639 for two-bedroom, and $732 for three-bedroom units. Multifamily construction, as measured by the number of units permitted, has been limited since 2008. An average of 500 multifamily units was permitted annually from 2003 through 2007, falling to an average of 30 units from 2008 through 2011. Based on preliminary data, approximately 55 units were permitted during the 12 months ending August 2012, up from 5 units permitted during the previous year. The most recently completed market-rate project, The Reserves at Pilot Butte, is a 60-unit complex of former condominiums completed in 2008 that has current asking rents of $825 for one-bedroom, $1,095 for two-bedroom, and $1,195 for three-bedroom units. The second phase of Little Deschutes Lodge in La Pine, an affordable apartment complex for seniors, is the only property currently under construction; the expansion, expected to be complete by March 2013, will add an additional 26 units to the current 26 units.

Boston-Cambridge-Quincy, Massachusetts-New Hampshire

The Boston-Cambridge-Quincy metropolitan area consists of Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties in Massachusetts and Rockingham and Strafford Counties in New Hampshire. As of October 1, 2012, the population of the metropolitan area was estimated at 4.62 million, reflecting a gain of 28,050 annually, or 0.6 percent, from April 1, 2010 compared with an average increase of approximately 38,000 annually, or 0.8 percent, from 2007 to 2010. The metropolitan area is a center for health care and higher education, with leading employers that include Massachusetts General Hospital and Harvard University, with 23,200 and 18,000 employees, respectively, according to the *Boston Business Journal*. The largest employer in the retail trade subsector is The Stop & Shop Supermarket Company, LLC, with 23,000 employees in Massachusetts.

Economic conditions in the metropolitan area have improved steadily since mid-2010. During the 12 months ending August 2012, nonfarm payrolls averaged nearly 2.47 million jobs, an increase of 25,000 jobs, or 1.0 percent, compared with a gain of 22,900 jobs, or 0.9 percent, during the previous 12 months. The number of jobs in goods-producing sectors increased with the addition of 2,700 manufacturing sector jobs and 1,600 construction subsector jobs, increases of 1.4 and 2.0 percent, respectively. The biotechnology industry is expected to be a major source of employment growth in the manufacturing sector. Ongoing developments include the $800 million headquarters for Vertex Pharmaceuticals Incorporated in the Boston waterfront's Innovation District and the $600 million expansion at Novartis AG in the city of Cambridge's Kendall Square neighborhood, which are expected to add 500 and 300 new jobs, respectively, during the next 5 years. With the exception of the government and financial activities sectors, which declined by 3,500 and 1,900 jobs, or 1.2 and 1.1 percent, respectively, all other service-providing sectors gained jobs during the 12 months ending August 2012. The professional and business services sector recorded the largest gain, increasing by 11,100 jobs, or 2.8 percent. The education and health services and the other services sectors added 4,100 and 3,300 jobs, or 0.8 and 3.5 percent, respectively. During the same period, the trade sector added 4,300 jobs, or 1.2 percent. During the 12 months ending August 2012, the unemployment rate in the metropolitan area averaged 6.0 percent, down from 6.9 percent a year earlier.

During the past year, the home sales market in the Boston-Cambridge-Quincy metropolitan area moved toward balanced conditions, an improvement from soft conditions from 2008 through 2011. Employment growth and low interest rates combined to increase the demand for both single-family homes and condominiums. Based on data from Hanley Wood, LLC, during the 12 months ending August 2012, new and existing single-family home sales in the metropolitan area totaled 31,350, up 6,000 homes, or 24 percent, from a year ago. By comparison, new and existing home sales averaged 27,550 annually from 2008 through 2010. During the 12 months ending August 2012, the average sales price of new and existing single-family homes was $405,700, down 4 percent from the average of $423,800 during the previous 12 months and compared with an average of $423,600 recorded from 2008 through 2010. According to the Greater Boston Association of REALTORS®, which covers an area in Massachusetts that is smaller than the metropolitan area, the inventory of single-family homes on the market during August 2012 accounted for a 2.9-month supply with homes averaging 87 days on the market compared with a 5.2-month supply and an average of 93 days on the market as of August 2011.

According to Hanley Wood, LLC, condominium sales, which represented 30 percent of new and existing home sales in the metropolitan area, totaled 13,650 during the 12 months ending August 2012, an increase of 1,950 homes, or 17 percent, compared with the number of sales recorded during the previous 12 months. By comparison, from 2008 through 2010, condominium sales averaged 12,850 homes annually and accounted for 32 percent of total sales. The average sales price of new and existing condominiums during the past 12 months was $338,300, down 3 percent from a year ago but less than 1 percent below the average sales price of $341,000 recorded from 2008 through 2010. According to LPS Applied Analytics, as of August 2012, 5.4 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up from 5.0 percent in August 2011.

Single-family building activity in the metropolitan area has increased during the past year, reflecting improvements in home sales market conditions. Based on preliminary data, during the 12 months ending August 2012, single-family home construction, as measured by the number of homes permitted, increased to 3,750 homes, up 10 percent from the previous 12 months. By comparison, an average of 3,400 single-family homes was permitted annually from 2008 through 2010. In eastern Massachusetts, newly constructed single-family homes start at less than $500,000 and townhomes are available from the mid-$300,000s. In New Hampshire, new single-family homes start at less than $300,000. Based on preliminary data, during the 12 months ending August 2012, multifamily building activity more than doubled, to 4,525 units permitted, compared with the 2,250 units permitted in the previous 12-month period and the average of 3,200 units permitted from 2008 through 2010.

The rental housing market in the Boston-Cambridge-Quincy metropolitan area is currently tight because of low levels of production of new units since 2009. According to MPF Research, for the third quarter of 2012, the apartment vacancy rate was 3.5 percent, up from the very low 3.1 percent a year earlier. During the third quarter of 2012, the average effective rent increased more than 3 percent, to $1,650. Based on data from MPF Research, approximately 2,600 rental units came on the market during the past year. An estimated 5,550 rental units are currently under construction in the metropolitan area, including nearly 2,600 apartment units in the city of Boston, where construction recently began on Waterside

Place, a $120 million, 20-story building with 236 apartments, and on Boston Wharf Tower, a $100 million, 20-story building with 202 apartments. Both projects are in the waterfront Innovation District redevelopment area. In addition, 430 apartment units are under construction at 2 projects in the Assembly Row development in Somerville, which will also include a new Orange Line subway station that is expected to be complete by 2014.

Denver-Aurora-Broomfield, Colorado

The Denver-Aurora-Broomfield metropolitan area is located in north-central Colorado at the eastern edge of the Rocky Mountains. Major industries include tourism, health care, telecommunications, and high-technology manufacturing. Leading private employers include HealthONE, CenturyLink, Inc., and Lockheed Martin Corporation, with approximately 9,600, 7,400, and 7,200 employees, respectively. As a regional center for federal government agencies, and with the city of Denver as the state capital, public-sector employment is also important. The metropolitan area has more than 66,000 state and federal government employees. As of October 1, 2012, the population was estimated at 2.64 million, representing an average annual increase of nearly 44,000, or 1.7 percent, since 2010. Since the national economic recession, according to a Brookings Institution report, the metropolitan area has emerged as one of the top migration destinations in the nation for people ages 25 to 34. Despite modest employment growth since 2010, net in-migration averaged nearly 24,000 people a year compared with the net in-migration of fewer than 18,000 people annually from 2004 through 2009.

The economy of the metropolitan area began to recover in early 2011 after 2 years of job losses. During the 12 months ending August 2012, nonfarm payrolls averaged approximately 1.23 million jobs, an increase of 25,700 jobs, or 2.1 percent, compared with the number of jobs recorded a year earlier. By contrast, in 2009 and 2010, nonfarm payrolls declined by 53,300 and 6,300 jobs, or 4.3 and 0.5 percent, respectively. Job gains during the most recent 12 months were greatest in the professional and business services, the trade, transportation, and utilities, and the education and health services sectors, which increased by 8,400, 5,800, and 5,600 jobs, or 4.1, 2.5, and 3.8 percent, respectively. In addition, a rebound in residential building activity during the past year enabled the construction subsector to add more than 4,500 jobs, a 9-percent increase, after 3 years of payroll declines. During the most recent 12 months, only the government and information sectors recorded net job losses, with declines of 2,100 and 1,700 jobs, or 1.2 and 3.8 percent, respectively. Although state government subsector payrolls increased by 800 jobs, or 2.1 percent, local and federal government subsector payrolls declined by 2,700 and 200 jobs, or 2.4 and 0.7 percent, respectively. The unemployment rate averaged 8.0 percent during the 12 months ending August 2012, down from 8.7 percent a year earlier.

Employment gains and population growth have helped strengthen the sales housing market in the Denver-Aurora-Broomfield metropolitan area. Conditions are currently balanced, although prices and sales volume remain below their peaks. Based on data from CoreLogic, Inc., approximately 43,900 existing homes sold in the metropolitan area during the 12 months ending July 2012, an 18-percent increase from a year earlier. By comparison, from 2004 through 2006, existing home sales averaged nearly 59,000 homes a year. Existing home sales declined an average of 9 percent annually from 2007 through 2010 before stabilizing at about 39,000 homes a year in 2010 and 2011. Prices for existing homes averaged approximately $255,400 during the 12 months ending July 2012, up 3 percent from a year earlier. Prices peaked from 2005 through 2007, at about $272,000. Existing home prices declined to an average of $234,300 during 2008 and 2009, and then partially recovered to an average of $245,600 during 2010 and 2011. During the 12 months ending July 2012, new home prices averaged $357,400, up 4 percent from a year earlier. New home prices peaked at $381,100 during 2007 and 2008 before declining to an average of $338,300 from 2009 through 2011. The rise in sales activity during the past year sharply reduced the inventory of homes for sale. According to Metrolist, Inc., fewer than 10,500 homes were available for sale in September 2012, representing a 2.7-month supply compared with the 4.6-month supply recorded a year earlier. During the same period, the average number of days on the market for homes sold declined from about 105 to 65 days. In a favorable sign, the number of distressed properties decreased in the past year. According to LPS Applied Analytics, 3.8 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) as of September 2012, down from 4.5 percent a year ago.

As housing market conditions have improved, residential construction activity, as measured by the number of homes permitted, has increased. Based on preliminary data, during the 12 months ending August 2012, approximately 4,850 single-family homes were permitted in the metropolitan area, a 38-percent increase from a year earlier. Single-family construction activity averaged more than 16,500 homes annually from 2004 through 2006, but it declined significantly during the following 2 years. Fewer than 4,000 single-family homes were permitted each year in 2008 and 2009, but construction partially rebounded in 2010 and 2011 to an average of 5,200 homes a year. In response to rising rental demand, multifamily building activity nearly tripled during the past year. According to preliminary data, approximately 6,400 multifamily units were permitted in the 12 months ending August 2012 compared with the fewer than 2,400 units permitted during the previous 12 months. Multifamily construction activity averaged nearly 5,400 units annually from 2006 through 2008, but it declined to an average of 1,400 units a year in 2009 and 2010.

Although multifamily building activity increased significantly during the past 12 months, rental construction activity lagged the growth in rental demand during the previous 4 years. As a result, rental market conditions in the Denver-Aurora-Broomfield metropolitan area are currently tight. According to *Apartment Insights*, the apartment vacancy rate in the metropolitan area was 4.8 percent in the third quarter of 2012, down from 5.0 percent a year earlier. During the same period, average apartment rents rose 7 percent, to $960. Apartment rents average about $825, $1,060, and $1,355 for one-, two-, and three-bedroom units, respectively. Concessions declined to an average of 1.5 percent of gross rent, the lowest level recorded in the metropolitan area for the past 10 years by *Apartment Insights*, and down from 2.7 percent a year ago. Centrally located areas in Denver County, including the Central Business District, Capitol Hill, Cherry Creek, and Washington Park, were among the tightest submarkets, with an average apartment vacancy rate of 4.1 percent in the third quarter of 2012. Many projects are in the development pipeline, however, so supply constraints may begin to ease within the next 1 to 2 years. Approximately 8,500 rental units are under construction in the metropolitan area, and nearly 17,000 units are in various stages of planning. The 300-unit Denargo Market, which is located in the River North area near downtown Denver, is one major project currently under construction, offering rents for one-, two-, and three-bedroom units of approximately $980, $1,340, and $1,850, respectively. Another project currently under way is the 272-unit Arista Uptown Apartments, in Broomfield, with rents expected to start at $1,045 and $1,375 for one- and two-bedroom units, respectively. Both projects are expected to be complete by mid-2013.

Harrisburg-Carlisle, Pennsylvania

The Harrisburg-Carlisle metropolitan area, which consists of Cumberland, Dauphin, and Perry Counties, is 100 miles west of Philadelphia. The metropolitan area includes the state capital, Harrisburg, and the United States Army War College. As of October 1, 2012, the population was estimated at 555,200, an average annual increase of nearly 3,000, or 0.4 percent, since April 2010. From 2007 to 2010, the population increased by an average of 3,800, or 0.7 percent, a year. Population growth has slowed recently because of declines in net in-migration resulting from cuts in state spending. According to the Harrisburg Regional Chamber and the Capital Region Economic Development Council (CREDC), the largest employers in the metropolitan area are the Commonwealth of Pennsylvania, Giant Food Stores, LLC, and Penn State Medical Center, with 21,900, 8,900, and 8,850 employees, respectively.

Nonfarm payroll job growth that began in 2011 has slowed. During the 12 months ending August 2012, nonfarm payrolls remained relatively unchanged at 323,300 jobs compared with an increase of 2,300 jobs, or 0.7 percent, during the previous 12-month period. During the 12 months ending August 2012, the leisure and hospitality sector increased by 1,200 jobs, or 4.0 percent, led the accommodation and food service industry, which accounted for 60 percent of the sector's total increase. The education and health services sector increased by 1,200 jobs, or 1.2 percent, entirely because of gains in the healthcare and social assistance industry. Construction is under way on a new 263,000-square-foot Penn State Hershey Children's Hospital, which is expected to open in late 2012 and add approximately 1,200 jobs. According to the CREDC, Novitas Solutions, Inc., a healthcare firm, added 250 employees in 2012, and Volvo Construction Equipment has recently relocated 220 employees from Asheville, North Carolina, to a new facility in the metropolitan area. The greatest nonfarm payroll declines during the 12 months ending August 2012 occurred in the local government subsector, which declined by 1,725 jobs, or 8.0 percent, because payrolls in the local government education industry declined by 1,550 jobs, or 11.0 percent. Payrolls in the transportation and utilities sector declined by 600 jobs, or 2.8 percent; the warehousing and storage industry accounted for the entire net decline. The average unemployment rate in the metropolitan area during the 12 months ending August 2012 was 7.1 percent, a decrease from 7.4 percent during the previous 12 months.

Sales housing market conditions in the Harrisburg-Carlisle metropolitan area are slightly soft, with an estimated 1.7-percent vacancy rate as of October 2012. Hanley Wood, LLC, reported that, during the 12 months ending August 2012, sales of existing single-family and attached homes decreased to 3,925, down nearly 2 percent from 4,000 sold during the previous 12 months and down nearly 26 percent compared with the average annual sales of 5,275 existing homes from 2007 through 2009. The median price for existing homes sold during the 12 months ending August 2012 increased more than 1 percent, to $154,900, and was up nearly 1 percent from the median sales price from 2007 through 2010. During the 12 months ending August 2012, sales of new single-family and attached homes declined nearly 19 percent, to 540 homes sold, but the median sales price increased nearly 2 percent, to $255,700, and was up 9 percent from the median sales price from 2007 through 2010. Foreclosed and REO (Real Estate Owned) home sales accounted for nearly 22 percent of all existing home sales during the 12 months ending August 2012, relatively unchanged from 23 percent during the previous 12-month period. From 2007 through 2009, foreclosed and REO home sales accounted for an average of 15 percent of annual existing home sales. REO homes were priced, on average, approximately $80,200 less than other existing homes sold in the metropolitan area during the 12 months ending August 2012. According to LPS Applied Analytics, as of July 2012, 5.0 percent of all home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 4.1 percent in July 2011 but lower than the 6.8-percent state rate and the 7.7-percent national rate.

Single-family home construction, as measured by the number of homes permitted, increased by 110 homes, or 17 percent, to 730 single-family homes permitted in the metropolitan area during the 12 months ending August 2012 compared with the number permitted during the previous 12 months, based on preliminary data. From 2007 through 2009, an average of 920 homes was permitted annually. Spring Hill, a 137-home development in Dauphin County, offers three- and four-bedroom homes with prices starting at $220,000 and $234,000, respectively. The 104-home Rivendell development in Cumberland County, which offers three- and four-bedroom homes with prices starting at $260,000, is expected to be complete in late 2012.

The rental housing market in the Harrisburg-Carlisle metropolitan area is slightly soft, with an estimated vacancy rate of 7.4 percent, down from 7.9 percent in April 2010. By contrast, the apartment market, which accounts for approximately 60 percent of rental units, is tight. According to Reis, Inc., the apartment vacancy rate was 2.7 percent in June 2012, down from 3.8 percent a year earlier. The average asking rent for apartments increased more than 2 percent from a year ago, to $810. Recent developments include the Residences at Seven Gables, 165-unit apartment complex in the town of Carlisle completed in the summer of 2011, with rents for one- and two-bedroom units of $950 and $1,175, respectively. The 288-unit The Overlook and the 150-unit Keystone Arms, a townhome rental community, are currently under construction. According to preliminary data, during the 12 months ending August 2012, approximately 240 multifamily units were permitted compared with the nearly 50 multifamily units permitted during the previous 12-month period. From 2007 through 2009, an average of 65 multifamily units was permitted annually.

Joplin, Missouri

The Joplin metropolitan area, in the southwest corner of Missouri, includes Jasper and Newton Counties. On May 22, 2011, an EF-5 tornado destroyed portions of the metropolitan area. The storm damaged or destroyed approximately 7,500 housing units, or approximately 10 percent of all housing units in the metropolitan area, and caused $3 billion in damage, including severe damage at St. John's Regional Medical Center and Joplin High School. In the year immediately after the tornado, the city of Joplin issued building permits totaling more than $635 million in construction costs, which is $500 million more than in the previous record year of 2007, when permits totaled $128 million in construction costs, and much greater than the $45 million average since 2009. This total includes $270 million for the new Sisters of Mercy Health Systems hospital that replaced the St. John's Regional Medical Center but does not include the estimated $185 million in building costs for the Joplin School District.

As of October 1, 2012, the population of the metropolitan area was estimated at 178,000, an increase of 990, or 0.6 percent, annually since April 2010. By comparison, the population increased by 2,225, or nearly 1.4 percent, annually from 2002 through 2007 and slowed to an increase of 1,550, or 0.9 percent, annually from 2008 through 2010. Net in-migration averaged 1,325 people a year from 2002 through 2007 but slowed to average 410 people a year from 2008 through 2010. Since 2010, net in-migration has averaged 150 people annually because the effects of the tornado have limited the ability of people to move to the metropolitan area. An estimated 67,700 households currently reside in the metropolitan area, essentially unchanged since April 2010. Despite population growth, the number of households did not increase because the tornado reduced the number of available housing units and forced residents to move into the homes of friends and relatives. After the tornado, the Federal Emergency Management Agency provided 586 temporary housing units for households displaced by the tornado; as of September 1, 2012, however, only 200 of those units remain.

The economy in the Joplin metropolitan area improved during the past year. More than 400 businesses, or slightly more than 5 percent of the 7,600 total businesses in metropolitan area, were either damaged or destroyed by the tornado. As those businesses reopened, employment in the area improved. Nonfarm payrolls during the 3 months ending August 2012 were up by 2,800 jobs, or 3.6 percent, to an average of 81,000 compared with the number of jobs recorded during the 3 months ending August 2011. The rebuilding efforts are responsible for part of this increase in employment. According to the Quarterly Census of Employment and Wages, average employment in the construction subsector during the 3 months ending March 2012, the latest data available, increased by 525 jobs, or nearly 25 percent, to 2,600 jobs compared with the number of jobs during the 3 months ending March 2011. The average weekly wage for construction workers during the first quarter of 2012 was $710, up $90, or 14 percent, from the first quarter of 2011. As outside contractors came to the metropolitan area to assist with the rebuilding effort, demand for local hotels and restaurants increased. During the 3 months ending March 2012, employment in the leisure and hospitality sector increased by 240 jobs, or 3.6 percent, to 6,725 jobs compared with the number of jobs recorded during the 3 months ending March 2011. (This report uses 3-month rather than 12-month averages because they more accurately illustrate the recovery in the metropolitan area.)

The Joplin metropolitan area is the main healthcare service center for a considerable geographical area, extending outside the metropolitan area into the bordering states of Oklahoma and Kansas. As such, two of the largest employers are Freeman Health System and Sisters of Mercy Health Systems, with 3,400 and 2,600 employees, respectively. The metropolitan area is also a major trucking hub; Con-way Inc., a trucking company, is the third largest employer, with 2,600 employees.

As of October 1, 2012, the sales housing market in the Joplin metropolitan area was tight, with an estimated sales vacancy rate of less than 1 percent. Construction of new homes has been robust in the metropolitan area since the tornado, which destroyed approximately 2,200 owner-occupied, single-family homes and damaged another 2,000. According to data from the city of Joplin, 946 single-family homes have been permitted since the tornado, 682 in the area where most of the tornado damage occurred, which the Army Corps of Engineers calls the Expedited Debris Removal (EDR) area. Of the 946 single-family homes permitted, 591 have been inspected for occupancy, approximately 435 of which are in the EDR. According to data from the city of Joplin, approximately 47 percent of the housing stock in the EDR was constructed before 1960, and more than 21 percent was constructed before 1940. Many of those older housing units no longer had mortgages and, as such, the owners were not required to carry homeowners insurance. The lack of insurance may cause some former owner households to become renters because they lack the means to purchase a new home.

The rental housing market in the Joplin metropolitan area is very tight, because the tornado destroyed an estimated 1,800 rental units, including single-family rentals, and damaged another 1,500 units. The current rental vacancy rate is estimated at less than 1 percent, down significantly from 9.1 percent in April 2010. The tightening of the rental market led to an increase in rents. As of September 1, 2012, the average rent in the metropolitan area was $670, an increase of $120, or nearly 22 percent, since May 2011. According to 2010 American Community Survey 1-year data, more than 53 percent of all renter households in the metropolitan area were in single-family homes. Recently, many apartments completed reconstruction. Mercy Village, a 66-unit affordable housing development for seniors, reopened on February 21, 2012. The 1502 Michigan Place apartment complex, with 138 units, also reopened recently. Another 620 units are scheduled to open by the end of 2012 and 375 by the spring of 2013.

Las Vegas-Paradise, Nevada

Located at the southern tip of Nevada, the Las Vegas-Paradise metropolitan area, comprising Clark County, is home to the largest casino gaming market in the country. The metropolitan area has an estimated population of 1.99 million as of October 1, 2012, reflecting an average annual gain of 15,750, or 0.8 percent, since the 2010 Census. Population growth has slowed considerably since 2007 because weakness in employment conditions and the rising prevalence of foreclosures led to decreasing rates of net in-migration. Population growth averaged 68,350 people, or 4.3 percent, annually from 2004 through 2007, with net in-migration accounting for 76 percent of total growth. Population growth then fell to 28,800 people, or 1.5 percent, annually from 2008 through 2010, with net in-migration accounting for 42 percent of growth. Net in-migration declined each year from 2007 until 2010, when approximately 1,125 more people left the metropolitan area than moved in. As employment conditions improved, net in-migration averaged 1,050 people annually from 2010 to the current date, but it is still significantly below the average annual net in-migration of 12,200 people from 2007 through 2010.

Economic conditions in the metropolitan area continue to improve. Nonfarm payrolls increased by 7,900 jobs to average 812,100 during the 12 months ending August 2012, a 1.0-percent gain compared with the nonfarm payrolls recorded during the previous 12-month period. By comparison, payrolls declined by 85,400 jobs in 2009 and 23,300 in 2010, or 9.4 and 2.8 percent, respectively. During the 12 months ending August 2012, the leisure and hospitality, wholesale and retail trade, and education and health services sectors led job growth with increases of 9,400, 1,900, and 1,600 jobs, or 3.6, 1.6, and 2.2 percent, respectively. Despite the August 2012 opening of the $600 million North Las Vegas VA Hospital, the government sector reported a decrease of 2,600 jobs, or 2.7 percent. More than 90 percent of the government sector losses occurred in the local government subsector, including the June 2012 closure of the jail in the city of North Las Vegas, which eliminated 100 jobs. Weakness in the real estate markets led to declines of 2,500 jobs, or 6.3 percent, in the construction sector and 1,500 jobs, or 3.8 percent, in the financial activities sectors. The average unemployment rate during the 12 months ending August 2012 was 12.7 percent, down from 14.1 percent during the 12 months ending August 2011.

Tourism from casino gaming and conventions is the leading industry in the Las Vegas metropolitan area, and activity has recently improved. The leisure and hospitality sector accounts for nearly 33 percent of nonfarm payrolls, and the wholesale and retail trade sector, with a 14-percent share, is the second largest in the metropolitan area. The iconic Las Vegas Strip is home to the largest employers in the metropolitan area, including the Venetian®-Resort-Hotel-Casino, the Bellagio Hotel and Casino, and the MGM Grand Hotel & Casino, each with approximately 10,000 employees. According to the Las Vegas Convention and Visitors Authority, the number of visitors to the metropolitan area increased nearly 3 percent, to 39.4 million, and gaming revenue grew more than 2 percent, to $9.4 billion, during the 12 months ending July 2012. Stable growth is expected in the leisure and hospitality sector as the number of visitors increases in line with improvement in the national economy. The Downtown Grand will complete its $100 million remodeling of the former Lady Luck Casino in downtown Las Vegas and will offer 650 hotel rooms in early 2013.

Sales housing market conditions in the Las Vegas metropolitan area are currently soft, with an estimated 6-percent vacancy rate. According to CoreLogic, Inc., existing home sales totaled 50,500 during the 12 months ending July 2012, relatively unchanged compared with the number sold during the 12 months ending July 2011 but more than the average annual sales of 46,050 homes from 2008 through 2010. Although sales activity peaked in 2004 at 71,900 existing homes sold, the average home sales prices continued to increase until 2007, reaching a peak of $347,600. Starting in late 2007, the number of foreclosures increased quickly and REO (Real Estate Owned) homes and short sales began to exert downward pressure on prices. REO and short sales constituted 60 percent of all home sales in the most recent 12-month period, down slightly from 65 percent during the previous 12-month period, down from the peak share of 75 percent in 2009, but greater than 16 percent in 2007. During the 12 months ending July 2012, existing home sales prices averaged $111,000 for REO homes, $146,000 for regular resales, and $150,700 for short sales, reflecting decreases of 2, 4, and 9 percent, respectively, compared with average prices during the preceding 12-month period. Foreclosure activity has decreased since 2010 but remains elevated even after Nevada Assembly Bill 284 (AB 284) became effective in October 2011. By imposing more lender requirements on the foreclosure process, AB 284 has effectively reduced both the number of loans in processing and the number of loans going into foreclosure. According to LPS Applied Analytics, as of July 2012, 14.5 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down slightly from 16.5 percent in July 2011 but significantly greater than the national figure of 7.7 percent in July 2012.

Sales activity for new homes declined 29 percent, to 3,475 homes sold, during the 12-month period ending July 2012, and the average home sales price decreased 6 percent, to $212,200, according to CoreLogic, Inc. By comparison, an average of 7,050 new homes sold annually from 2008 through 2010. As the pace of new home sales began to fall during 2006, builders reduced new home construction, as measured by the number of building permits issued. From 2000 through 2005, an average of 25,800 permits for single-family homes was issued annually. The number of single-family homes permitted subsequently declined sharply, an average 40 percent each year until 2009. An average of 4,075 homes was permitted annually from 2009 through 2011. Based on preliminary data, during the 12 months ending August 2012, permits were issued for 5,350 homes, up 44 percent from the preceding 12-month period. Single-family homes are primarily being constructed along the outer perimeter of the Las Vegas Valley, with starting prices in the $130,000s.

Multifamily construction activity, as measured by the number of units permitted, has been slow in the Las Vegas metropolitan area since 2009. From 2004 through 2008, an average of approximately 8,600 multifamily units was permitted annually. From 2009 through 2011, the average declined to 1,375 multifamily units annually. Based on preliminary data, 920 multifamily units were permitted during the 12 months ending August 2012, down 37 percent compared with the number permitted during the previous 12-month period. Nearly all of the recent permits have been for condominiums. Of the units recently permitted, 350 were for 4 low-income housing tax credit projects in Las Vegas Valley that are limited to elderly residents.

Overall rental housing market conditions in the metropolitan area are currently soft, with an estimated 11-percent vacancy rate compared with the 13.4-percent vacancy rate in 2010. Although the decrease in multifamily construction activity has helped improve conditions slightly since 2010, an influx of investor-owned single-family homes in the rental market has prevented rent increases. According to MPF Research, the apartment rental vacancy rate was 7.9 percent in the third quarter of 2012, down from 8.4 percent in the third quarter of 2011. Apartment rents averaged $740 in the third quarter of 2012, unchanged from the average rent in the same quarter the previous year. Asking rents averaged approximately $650 for a one-bedroom unit, $780 for a two-bedroom unit, and $940 for a three-bedroom unit in the third quarter of 2012.

Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin

The Minneapolis-St. Paul-Bloomington metropolitan area includes 11 counties in southeast Minnesota and 2 counties in western Wisconsin. The population of the metropolitan area was estimated at 3.36 million as of October 1, 2012, an average annual increase of 30,450, or 0.9 percent, since April 2010. From 2005 to 2008, annual population growth averaged 33,500 people, or 1.1 percent, including average net in-migration of 5,125 people annually. As the economy slowed from 2008 to 2010, population growth declined to average 26,950 people annually, and net in-migration averaged 810 people annually, including net out-migration of 1,625 people between 2009 and 2010. As the economy has improved, in-migration has strengthened, and an estimated 6,275 people, on average, moved to the metropolitan area each year since 2010.

Economic conditions in the metropolitan area began to recover in 2011 after 3 years of job losses. Nonfarm payrolls averaged 1.74 million jobs during the 12 months ending September 2012, an increase of 19,700 jobs, or 1.1 percent, compared with the number of jobs recorded during the previous 12-month period. By comparison, nonfarm payrolls declined 0.6, 4.5, and 0.5 percent, or by 9,900, 79,900, and 8,600 jobs, respectively, in 2008, 2009, and 2010. During the 12 months ending September 2012, the professional and business services and the education and health services sectors grew by 12,800 and 7,400 jobs, or 4.9 and 2.7 percent, respectively, to lead employment gains. These employment sectors, the two largest in the metropolitan area, each account for approximately 16 percent of total nonfarm payroll jobs. The largest private employers in the metropolitan area in 2011 were Target Corporation, with 30,550 employees, and the University of Minnesota, with 25,300 employees. The University of Minnesota, which enrolled 52,550 students at its Twin Cities campus in the fall 2011 semester, contributes an estimated $8.6 billion to the Minnesota economy annually, according to the university's Office of Institutional Research. Nonfarm payrolls declined by 3,300 jobs, or 2.1 percent, in the leisure and hospitality sector because a decline of 3,600 jobs, or 13.1 percent, in the arts, entertainment, and recreation subsector more than offset job gains in the food services and drinking places subsector. The government sector declined by 2,900 jobs, or 1.2 percent, primarily because local government subsector payrolls declined by 2,700 jobs, or 1.9 percent. The average unemployment rate for the 12 months ending August 2012 was 5.7 percent, down from 6.7 percent during the previous 12-month period.

Sales housing market conditions in the Minneapolis-St. Paul-Bloomington metropolitan area are slightly soft but improving, with the sales vacancy rate estimated at 1.4 percent as of October 1, 2012, down from 1.9 percent in 2010. According to the Minneapolis Area Association of REALTORS®, 46,900 new and existing homes sold during the 12 months ending September 2012, 19 percent more than the 39,550 home sales reported during the previous 12-month period. By comparison, an average of 52,800 homes sold annually from 2000 through 2006, and an average of 40,400 homes sold annually from 2007 through 2010. Improving economic conditions and continued low mortgage interest rates are helping to strengthen the home sales market. The average home sales price increased 2 percent during the past year, to $202,500. The average sales price, which peaked at $275,100 from 2005 through 2007, declined an average of 16 percent annually in 2008 and 2009, to $199,400. During the 12 months ending September 2012, new home sales increased 16 percent, to 2,825 homes sold, and the average home sales price increased 3 percent, to $340,800. During the same period, existing home sales increased 19 percent, to 43,150 homes sold, and the average sales price increased 4 percent, to $195,700. According to LPS Applied Analytics, as of September 2012, 4.5 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 5.3 percent in September 2011.

Single-family construction activity, as measured by the number of homes permitted, increased in the metropolitan area in the past year but remains below the levels recorded during the past decade. According to preliminary data, 4,825 single-family homes were permitted during the 12 months ending August 2012, a 37-percent increase compared with the 3,525 homes permitted during the previous 12 months. By comparison, single-family construction averaged 17,300 homes annually from 2000 through 2006 before decreasing to 5,125 homes annually from 2007 through 2009. Because of increasing home sales activity, the supply of homes available for sale declined to 4 months of inventory as of September 2012 from 6.7 months of inventory in September 2011, according to the Minneapolis Area Association of REALTORS®. During the 12 months ending September 2012, condominium and townhome sales increased 15 percent, to 10,900 homes sold, and the average sales price increased 5 percent, to $149,500.

The rental housing market in the Minneapolis-St. Paul-Bloomington metropolitan area is currently tight, with an estimated rental vacancy rate of 4.8 percent as of October 1, 2012, down from 7.6 percent in 2010. According to MPF Research, the apartment vacancy rate, which is typically lower than the rental vacancy rate, was 2.4 percent in the third quarter of 2012, down slightly from 2.5 percent in the third quarter of 2011. The average rent in the metropolitan area was $990 in the third quarter of 2012, up 3 percent from a year earlier. In the Downtown Minneapolis/University submarket, the apartment vacancy rate was 1.8 percent in the third quarter of 2012, down from 2.5 percent a year earlier, whereas the average rent rose nearly 10 percent, to $1,325.

The tight rental market and improving economic conditions led to an increase in multifamily construction in the metropolitan area. Based on preliminary data, 3,125 multifamily units were permitted during the 12 months ending August 2012, more than double the 1,450 units permitted during the previous 12-month period. Since 2010, an estimated 80 percent of multifamily units permitted have been apartments. Multifamily construction averaged 6,175 units annually from 2000 through 2006, declined to an annual average of 1,675 units from 2007 through 2009, and began to increase in 2010. Approximately 2,000 new market-rate apartments are expected to enter the market by 2013. Most of the development is in downtown Minneapolis and St. Paul. The 204-unit Third North apartments, in the North Loop neighborhood of Minneapolis, began construction in the summer of 2012, with expected occupancy in fall 2013. Starting rents for the studio through two-bedroom units are expected to range from $995 through $1,835.

Modesto, California

The Modesto metropolitan area, which is coterminous with Stanislaus County, California, is directly east of

San Jose in the San Joaquin Valley. As of October 1, 2012, the population of the metropolitan area was estimated at 522,300, reflecting an average annual increase of 3,150, or 0.6 percent, since April 2010. By comparison, annual population growth averaged 2,625 people, or 0.5 percent, from July 2006 to April 2010. Net natural change (resident births minus resident deaths) has accounted for all the population growth in the metropolitan area since 2006 because of weak economic conditions. The metropolitan area benefits substantially from agriculture, which generated $3.1 billion of revenue in 2011, including 203 million pounds of almonds, or 10 percent of the world's total production.

Continuing a downward trend that began in 2008, total nonfarm payrolls in the metropolitan area declined to 143,400 jobs during the 12 months ending August 2012, down 1,600 jobs, or 1.1 percent, from 145,000 jobs during the previous 12-month period. The government and manufacturing sectors lost the most jobs, decreasing by 830 and 420 jobs, or 3.2 and 2.1 percent, respectively. Nearly all government sector job losses during the period were because of local government sector budget cutbacks. Layoffs in the food manufacturing industry, including the closure of three Dawn Food Products, Inc. plants in March 2012, accounted for most of the decline in the manufacturing sector. The wholesale and retail trade and the mining, logging, and construction sectors were the only sectors to add jobs, increasing by 220 and 180 jobs, or 0.9 and 3.0 percent, respectively. E.&J. Gallo Winery is the largest employer in the metropolitan area, with 3,175 workers. Memorial Medical Center and Seneca Foods Corporation are the second and third largest employers, with 3,025 and 2,100 employees, respectively. Upcoming expansions include those of Amazon.com Inc., which plans to add at least 1,000 full-time jobs to the metropolitan area by opening a new distribution center in the city of Patterson in 2013. During the 12 months ending August 2012, the unemployment rate declined to 15.9 percent, down from 17.1 percent during the previous 12-month period.

The home sales market in the Modesto metropolitan area is currently soft, with an estimated vacancy rate of 2.2 percent, down from 2.7 percent in April 2010. According to Hanley Wood, LLC, during the 12 months ending August 2012, 7,475 new and existing homes sold, down 3 percent compared with the 7,725 sold during the previous 12 months and down 20 percent from an average of 9,325 sold annually from 2008 through 2010. The average home sales price in the metropolitan area was $162,000 during the 12 months ending August 2012, a 4-percent increase from $155,300 during the 12 months ending August 2011 but an 8-percent decrease from an average of $176,800 recorded from 2008 through 2010. A decrease in the number of REO (Real Estate Owned) property sales has caused the average home sales price to increase since 2011. REO sales accounted for 50 percent of all existing home sales during the 12 months ending August 2012, down from 61 percent during the previous 12-month period. The average sales price of an REO property was $134,600 during the 12 months ending August 2012, 28 percent less than an average regular resale property. According to LPS Applied Analytics, as of August 2012, 7.5 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO status, down from 9.6 percent in August 2011.

Based on preliminary data, home construction activity, as measured by the number of single-family building permits issued, increased to 110 homes permitted in the metropolitan area during the 12 months ending August 2012, up from the 90 homes permitted during the previous 12 months. By comparison, an average annual 300 homes were permitted from 2008 through 2010. After peaking at an average of 4,000 homes permitted annually from 2003 through 2005, single-family home construction activity declined in each successive year through 2011.

Because of strong household growth, multifamily construction activity, as measured by the number of units permitted, peaked at an average of 460 units per year from 2004 through 2007. Multifamily construction decreased to an average of 80 units per year from 2008 through 2010, however, as net out-migration slowed household formation. Based on preliminary data, during the 12 months ending August 2012, 80 multifamily units were permitted, up from the 50 permitted during the previous 12-month period. All the multifamily units permitted during the 12 months ending July 2012 were associated with the Avena Bella Apartments, an 80-unit low-income housing tax credit project that is currently under construction in the city of Turlock.

The rental housing market in the Modesto metropolitan area is currently balanced because relatively low levels of multifamily construction have caused declining vacancy rates and increasing rents since 2010. As reported by Axiometrics Inc., the apartment vacancy rate was 3.9 percent in the third quarter of 2012, up from 3.6 percent in the third quarter of 2011 but down from 4.7 percent in the third quarter of 2010. The average effective rent increased to $870 in the third quarter of 2012, up 9 percent from $790 during the third quarter of 2011 and up 12 percent from $770 during the third quarter of 2010. As of October 1, 2012, the overall rental vacancy rate was estimated at 5.6 percent, down from 8.4 percent in April 2010. According to the 2010 American Community Survey 1-year data, single-family homes accounted for approximately 59 percent of all rental units in the metropolitan area.

Oklahoma City, Oklahoma

The Oklahoma City metropolitan area, which comprises seven counties in central Oklahoma, includes Oklahoma City, the state capital; Tinker Air Force Base (AFB); and the University of Oklahoma (OU). As of October 1, 2012, the population was an estimated 1.3 million, representing an average annual increase of 17,800, or 1.4 percent, since April 2010, which is down from the average annual growth rate of 1.6 percent recorded during the previous 3 years. The metropolitan area includes the cities of Oklahoma City, Norman, and Edmond, with estimated populations as of October 1, 2012, of 602,000, 115,000, and 84,600, respectively. Students are drawn to the 16 public universities in the metropolitan area, and the strong local economy and low unemployment rate attract jobseekers.

During the 12 months ending August 2012, nonfarm payrolls reached a record-high 579,500 jobs, increasing by 13,000, or 2.3 percent, compared with the gain of 2.0 percent recorded a year earlier. By contrast, from 2008 through 2010, nonfarm payrolls decreased by an average of 8,800 jobs, or 1.5 percent, annually. During the 12 months ending August 2012, the wholesale and retail trade sector led job growth, increasing by 4,300 jobs, or 5.1 percent, to 88,100, with the retail trade subsector accounting for nearly 80 percent of these gains. The professional and business services sector added 3,800 jobs, a 5.3-percent increase to 76,500, in part because of gains in the local aerospace industry, including 400 new engineering positions at The Boeing Company. Reflecting price increases in the oil and natural gas industry, the mining and logging subsector gained 2,200 jobs, a 13.8-percent increase to 18,300. The manufacturing sector reached 34,000 jobs, up by 2,000, or 6.4 percent, reflecting increased durable goods production catering to the growing oil and natural gas industry. During the 12 months ending August 2012, the unemployment rate averaged 5.2 percent, down from 5.8 percent a year earlier. The unemployment rate increased from 3.8 percent in 2008 to 6.5 percent by 2010 as a result of the national economic downturn.

The government sector, with a total of 118,000 jobs during the 12 months ending August 2012, accounted for more than one-fifth of all nonfarm jobs in the metropolitan area. The State of Oklahoma is the largest employer, with 42,100 workers, followed by OU, with 16,500 full-time employees. According to the OU Community Impact Report 2012, OU has an annual economic impact on the metropolitan area of nearly $1.8 billion. Tinker AFB, with 12,500 civilian employees and 8,600 permanent military personnel, is the third largest employer. According to the U.S. Department of Defense, Tinker AFB generates a local economic impact of nearly $3 billion annually.

Home sales market conditions in the Oklahoma City metropolitan area are currently slightly soft but improving. The estimated vacancy rate is 2.0 percent compared with the rate of 2.2 percent as of April 2010. During the 12 months ending September 2012, new and existing home sales increased by an estimated 2,600, or 19 percent, to 16,600 homes sold compared with the number sold a year ago, and the average price increased by $4,000, or 3 percent, to $164,000, based on data from the OKC Metropolitan Association of REALTORS®. Home sales are still more than 10 percent below the peak level of 18,500 homes sold during 2006 through 2008. During the 12 months ending September 2012, reflecting improving sales market conditions, the unsold inventory declined to a 7-month supply compared with the 10-month supply of a year earlier. According to LPS Applied Analytics, as of August 2012, 5.3 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up slightly from 4.9 percent a year earlier.

Builders responded to gains in home sales in the metropolitan area by increasing homebuilding activity, as measured by the number of single-family building permits issued. Based on preliminary data, home construction increased by 1,650, or 55 percent, to 4,625 homes permitted during the 12 months ending August 2012 compared with the 3,000 homes permitted a year earlier, the fewest recorded since 1991. Permitting peaked during the 2003-through-2006 period at an average of 7,400 homes annually. Construction is currently under way at several residential developments throughout the metropolitan area. In Edmond, construction began in July 2012 on 78 townhomes at the Porches at Arbor Creek. Homes in this development, which range in size from 1,200 to 1,400 square feet, are priced between $169,500 and $205,500. Construction at the Park Place residential community, 4 miles north of the OU campus in Norman, is also under way. More than 130 new homes, ranging in size from 1,800 to 2,100 square feet, have sold at Park Place at an average price of $165,000; approximately 100 lots remain available for sale.

Rental market conditions in the Oklahoma City metropolitan area have tightened but remain slightly soft. As of October 1, 2012, the overall rental vacancy rate was an estimated 8.0 percent compared with the rate of 10.4 percent in April 2010. According to Reis, Inc., the apartment vacancy rate was 6.3 percent during the second quarter of 2012 compared with the rates of 7.5 percent and 10.2 percent recorded during the same periods in 2011 and 2010, respectively. The average apartment rent increased during the second quarter of 2012 to $580, up 3 percent compared with the rent a year earlier. Continued population and household growth and an increased preference for renting resulted in greater demand for rental units. Tight mortgage lending standards contributed to the recent preference shift. The rental housing market is significantly influenced by the 16 universities in the metropolitan area. Approximately 70,400, or 88 percent, of the 80,000 students enrolled reside in the local housing market. In Norman, the average apartment vacancy rate is an estimated 3 percent in the neighborhoods surrounding OU's main campus.

Multifamily construction activity, as measured by the number of units permitted, was unchanged during the 12 months ending August 2012 at about 900 units compared with the number permitted a year earlier, based on preliminary data and according to local sources. Multifamily construction activity has historically fluctuated in the area, ranging from 660 units permitted in 2008 to 1,625 units permitted in 2004. Approximately 700 units are currently under construction in the metropolitan area, including 244 units at The Grove at Norman, near the OU main campus in Norman. Construction began at the project in the spring of 2012 and is expected to be complete by the spring of 2013. In downtown Oklahoma City, construction of the 4-story, 228-unit LEVEL Urban Apartments finished in August 2012. The project was 100 percent leased up at the opening, with rents ranging from $850 to $1,160 for one-bedroom units and from $1,270 to $1,520 for two-bedroom units.

Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey-Delaware-Maryland

The Philadelphia-Camden-Wilmington metropolitan area, the sixth largest metropolitan area in the nation, consists of five counties in southeastern Pennsylvania, four counties in New Jersey, and one county each in Delaware and Maryland. As of October 2012, the population of the metropolitan area was estimated at 6.02 million, an increase of 21,600, or 0.4 percent, annually since April 2010 compared with an annual increase of 29,800, or 0.5 percent, from 2007 to 2010. Despite an average net out-migration of 1,300 people a year from the metropolitan area since 2010, the population of the city of Philadelphia has increased by an average of 8,450, or 0.6 percent, during the same period. According to the Center City District/Central Philadelphia Development Corporation, the population in Center City Philadelphia, between Girard Avenue and Tasker Street, grew by an average of 2,475, or 1.6 percent, annually from 2000 through 2011, increasing to total 181,000.

The economy of the metropolitan area has expanded since early 2011, after job losses totaled 122,100 in 2009 and 2010. During the 12 months ending August 2012, nonfarm payrolls increased by 7,500 jobs, or 0.3 percent, to 2.71 million jobs, a slower rate than the increase of 12,150 jobs, or 0.5 percent, during the previous 12 months. During the 12 months ending August 2012, as the number of jobs increased, the unemployment rate declined to 8.5 percent from 8.7 percent a year earlier. The largest employers in the metropolitan area are Jefferson Health System, Inc., the University of Pennsylvania, and University of Pennsylvania Health System, with approximately 19,150, 15,550, and 15,000 employees, respectively. The education and health services sector led employment growth during the 12 months ending August 2012, gaining 8,775 jobs, or 1.6 percent. The professional and business services sector added 8,250 jobs, an increase of 2.0 percent. The government sector declined by 9,450 jobs, or 2.8 percent, continuing a trend that began in October 2010. Nearly 65 percent of job losses in the government sector during the 12 months ending August 2012 were in the local government subsector, primarily because of teacher layoffs in Pennsylvania that occurred as a result of budget cuts.

Tourism increased throughout most of the metropolitan area during the past 2 years. In response, the leisure and hospitality sector added 3,025 jobs, or 1.3 percent, during the 12 months ending August 2012, after an increase of 7,600 jobs, or 3.3 percent, a year earlier. According to the most recent data available from the Greater Philadelphia Tourism Marketing Corporation, 38 million tourists visited the Pennsylvania portion of the metropolitan area in 2011, generating an economic impact of $9.34 billion in the metropolitan area, up more than 7 percent compared with the economic impact recorded in 2010. During the 12 months ending August 2012, approximately 30 percent of the jobs added in the leisure and hospitality sector were in the city of Philadelphia, where the sector increased by 1.4 percent, or 950 jobs.

Sales housing market conditions were soft, but home sales increased throughout most of the Philadelphia-Camden-Wilmington metropolitan area during the 12 months ending September 2012. According to TREND, the Multiple Listing Service (MLS), and the Metropolitan Regional Information Systems, Inc. (MRIS®) for Cecil County, Maryland, during the 12 months ending September 2012, the number of existing single-family home sales increased 12 percent, to 44,800 homes, compared with the number sold a year ago. The average home sales price was $249,200, down 1 percent from a year earlier. During the 12 months ending September 2012, 30,050 homes sold in Pennsylvania, a 12-percent increase, and the average price was unchanged at $266,300. In New Jersey, home sales totaled 8,775, up 12 percent, and the average price rose 1 percent, to $216,700. In the Wilmington, Delaware metropolitan division, home sales increased 16 percent, to 5,975 homes, and the average price declined 4 percent, to $210,300. According to LPS Applied Analytics, as of August 2012, 8.3 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up from 6.9 percent in August 2011.

Condominium sales increased 9 percent, to 3,925 units sold, and accounted for 8 percent of the total number of existing home sales in the metropolitan area during the 12 months ending September 2012, according to TREND and MRIS®. The average sales price for a condominium declined 5 percent, to $216,900, compared with the average price a year earlier. In Pennsylvania, condominium sales increased 6 percent, to 2,750 units, and the average price decreased 3 percent, to $250,600. In New Jersey, condominium sales increased 12 percent, to 850 units, and the average price declined 6 percent, to $139,100. In the Wilmington metropolitan division, condominium sales increased 41 percent, to 320 units, and the average price declined 17 percent, to $135,600.

Construction activity increased in the Philadelphia-Camden-Wilmington metropolitan area during the past year. Based on preliminary data, during the 12 months ending August 2012, the number of single-family homes permitted increased 4 percent, to 5,025 homes, compared with the number permitted during the previous 12 months. In Pennsylvania, sales prices for newly constructed single-family homes start at $300,000 and for townhomes start at $200,000. In New Jersey and in the Wilmington metropolitan division, sales prices for new single-family homes start at $225,000 and $200,000, respectively. The number of multifamily units permitted in the metropolitan area more than doubled, to 3,825 units, during the 12 months ending August 2012 compared with the number permitted a year ago. During 2012, construction began on 4 new rental properties with 950 total units in Center City Philadelphia and on a 450-unit development in Burlington County, New Jersey.

The metropolitan area rental market is balanced overall, but the apartment market in Center City Philadelphia is tight. According to Delta Associates, the Class A apartment vacancy rate in the metropolitan area increased from 2.6 percent in September 2011 to 4.2 percent in September 2012, and rent concessions were up slightly, from 1.5 to 1.8 percent. The apartment vacancy rate in the Pennsylvania suburbs increased from 1.8 to 5.3 percent, but in the New Jersey suburbs, the rate decreased from 4.8 to 4.1 percent. Bucks County, Pennsylvania, reported the highest vacancy rate in the metropolitan area, 9.5 percent, primarily because of the leasing of a 230-unit development completed in April 2012. In September 2012, the average rent for Class A apartments in the metropolitan area remained unchanged at $1,600 compared with the rent recorded a year ago. In Center City Philadelphia, the vacancy rate for Class A highrise units declined from 2.3 to 1.9 percent, the average rent decreased from $2,155 to $2,143, and rent concessions increased from 1.5 to 1.8 percent.

Phoenix-Mesa-Glendale, Arizona

The Phoenix-Mesa-Glendale metropolitan area encompasses Maricopa and Pinal Counties in central Arizona. The principal city of Phoenix, the sixth largest in the United States, is in Maricopa County. As of October 1, 2012, the population of the metropolitan area was estimated to be 4.33 million, reflecting an average annual increase of approximately 55,250, or 1.3 percent, since April 2010. By comparison, from 2006 through 2009, the population increased at an average annual rate of 105,800, or 2.6 percent.

The economy of the metropolitan area continued to improve during the past 12 months, a trend that began in October 2010. During the 12 months ending August 2012, nonfarm payrolls increased by 37,300 jobs, or 2.2 percent, to 1,740,000 jobs, up from a 0.8-percent gain during the same period a year ago. By contrast, from 2008 through 2010, nonfarm payrolls decreased annually by an average of 76,300 jobs, or 4.1 percent. Despite job gains during the past 2 years, nonfarm payrolls remain 179,000 jobs below the peak of 1,919,000 jobs recorded during the 12 months ending February 2008. Although the economic recovery in the metropolitan area has been slow, strong hiring continued in the education and health services sector, which increased by 10,100 jobs, or 4.1 percent, during the 12 months ending August 2012, matching the growth from a year earlier. The construction subsector gained 4,000 jobs, or 4.9 percent, which represents the fastest growth rate of any sector or subsector in the metropolitan area during the 12 months ending August 2012. The increase in construction subsector jobs is because of new defense contracts totaling $1 billion statewide and a new $300 million research and Intel Corporation's construction of a development facility in the city of Chandler. Although construction subsector payrolls have increased steadily since January 2012, they remain about 50 percent below the peak of 180,100 jobs recorded in 2006. The largest private employers in the metropolitan area include Wal-Mart Stores, Inc., and Banner Health, with 30,650 and 24,850 employees, respectively. During the 12 months ending August 2012, the unemployment rate in the metropolitan area averaged 7.6 percent, down from 9.0 percent during the previous 12 months. From 2005 through 2008, the unemployment rate averaged 4.1 percent.

Home sales market conditions in the Phoenix-Mesa-Glendale metropolitan area are currently soft, with an estimated sales vacancy rate of 3.6 percent, down slightly from 4.3 percent in April 2010. Based on data from Hanley Wood, LLC, during the 12 months ending July 2012 (the most recent data available), new and existing home sales in the metropolitan area totaled approximately 105,200 homes, a 1-percent increase compared with the number sold a year ago but a 21-percent decrease from the average of 134,000 homes sold annually from 2005 through 2008. During the 12 months ending July 2012, the average sales price of new and existing homes increased nearly 9 percent, to $187,300, compared with the average price during the previous 12 months, because of a 35-percent drop in the number of REO (Real Estate Owned) sales, which had an average price of $143,000. According to data from LPS Applied Analytics, as of August 2012, 6.1 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 9.3 percent a year ago.

Single-family home construction activity, as measured by the number of single-family building permits issued, increased in the metropolitan area but remains at levels much lower than those recorded earlier in the decade. According to preliminary data, during the 12 months ending August 2012, permits were issued for 11,000 single-family homes, a 61-percent increase compared with the 6,825 homes permitted during the previous 12 months. By comparison, an average of 42,900 homes was permitted annually from 2005 through 2007. After peaking at 60,950 homes permitted in 2005, single-family home construction activity declined each year through 2010. West Glen Villas, a single-family development currently under construction in the city of Glendale, northwest of downtown Phoenix, offers sales prices that range from $135,500 for new three-bedroom, two-bathroom homes to $153,500 for four-bedroom, three-bathroom homes.

The improving economy and continued population growth have caused an increase in the number of permits issued for new multifamily units each year since 2009, although multifamily permitting remains well below the levels reached during the middle of the past decade. Based on preliminary data, during the 12 months ending August 2012, approximately 2,200 multifamily units were permitted, up nearly 38 percent compared with the 1,600 units permitted during the previous 12 months. Multifamily construction activity averaged 8,250 units permitted annually from 2005 through 2008, then it fell to an average of 880 units permitted annually in 2009 and 2010. Condominiums and townhomes account for an estimated 10 percent of existing multifamily units in the metropolitan area, but they have accounted for slightly less than 7 percent of all multifamily construction activity since 2010, according to data from the McGraw-Hill Construction Pipeline database.

The rental housing market in the Phoenix-Mesa-Glendale metropolitan area is currently soft but improving. As of October 1, 2012, the overall rental vacancy rate was an estimated 11.0 percent compared with the rate of 13.8 percent in April 2010. Rental market conditions have improved since the fourth quarter of 2010 because apartment production declined, which allowed for the absorption of the supply of vacant available units. According to ALN Systems, Inc., in the third quarter of 2012, the apartment vacancy rate in the metropolitan area was 8.5 percent compared with the rate of 9.5 percent recorded in the third quarter of 2011. The average apartment rent in the metropolitan area increased $20, or nearly 3 percent, to $740 compared with the rents recorded a year earlier. Recent apartment completions include Parcland Crossing in Chandler and San Marquis in Tempe, with 383 and 224 units, respectively. Both properties are currently offering move-in specials averaging $500 with a 12-month lease. Of the 960 apartment properties surveyed in the metropolitan area by ALN Systems, Inc., approximately 55 percent were offering concessions, which averaged $40 a month.

Salt Lake City, Utah

The Salt Lake City metropolitan area consists of Salt Lake, Summit, and Tooele Counties in northern Utah. Since 2010, the population of the metropolitan area has increased at an average annual rate of 16,500, or 1.5 percent, to an estimated 1.17 million as of October 1, 2012. From 2006 to 2010, the population increased at an average annual rate of 19,100, or 1.8 percent. Net in-migration has slowed to an average of 2,825 people annually since 2010, a 24-percent decline from an average of 3,725 people annually from 2006 to 2010, largely because of slower job growth. Approximately 80 percent of the population growth from 2006 to the current date was the result of net natural change (resident births minus resident deaths). Since 2010, net natural change averaged 13,650 people annually, an 11-percent decline from the average of 15,375 people annually from 2006 to 2010.

The University of Utah, the largest employer in the metropolitan area and third largest in Utah, employs approximately 20,000 people and enrolled 31,700 students in the fall 2011 semester. The university benefited from the 2006 passage of the Utah Science Technology and Research initiative. In 2011, this state government initiative supported 1,100 jobs and contributed $81 million to the state economy. According to a university study, an additional $195 million was spent to construct two new research facilities during 2011. Intermountain Healthcare and Zion Bancorporation, with 17,500 and 3,500 employees, respectively, are among the leading private employers in the metropolitan area.

Economic conditions in the Salt Lake City metropolitan area improved in the past year. During the 12 months ending July 2012, nonfarm payrolls increased by 19,000 jobs, or 3.1 percent, to 633,400. Before this increase, the metropolitan area experienced 2 years of payroll declines, of 31,200 jobs, or 4.9 percent, in 2009 and of 1,500 jobs, or 0.2 percent, in 2010. During the 12 months ending July 2012, growth was strongest in the leisure and hospitality and the professional and business services sectors, which gained 5,200 and 4,800 jobs, or 5.5 and 3.5 percent, respectively. Goldman Sachs, which currently employs 1,400 workers in the city of Salt Lake City, recently announced that it would add 300 staff by the end of 2012. Government sector payrolls increased by 2,600 jobs, or 1.7 percent, because a gain of 2,800 jobs, or 7.3 percent, in the state government subsector more than offset the loss of 800 federal government subsector jobs during the same period. The 5.9-percent average unemployment rate during the 12 months ending July 2012 was a decrease from the 7.2-percent rate during the previous 12 months and less than the 6.1-percent statewide rate.

Although economic conditions have improved and mortgage rates remain at historic lows, the home sales market in the Salt Lake City metropolitan area is currently soft. Hanley Wood, LLC, reported that, during the 12 months ending August 2012, existing single-family home sales increased nearly 5 percent, to approximately 23,700 homes sold compared with the 22,650 sold during the previous 12 months. During the same period, the average existing single-family home sales price remained unchanged, at $246,500. From 2008 through 2010, existing home sales averaged 23,000 annually, and the average sales price was $262,700 compared with averages of 36,800 existing homes sold annually and $313,200, respectively, from 2005 through 2007. Moderate levels of foreclosure activity are exacerbating the soft sales market. Based on data from LPS Applied Analytics, in August 2012, 5.4 percent of all home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) status, down from 5.6 percent in August 2011.

Hanley Wood, LLC, reported that, in the 12 months ending August 2012, new single-family home sales increased 23 percent from a year ago, to 1,900 homes sold, and the average new home sales price increased nearly 3 percent, to $281,600. From 2008 through 2010, new home sales averaged 2,400 annually, and the average sales price was $290,900, declines of 63 percent from an average of 6,500 annual new home sales and 21 percent from the average sale price of $370,100, respectively, from 2005 through 2007.

In response to the significant increase in new home sales, single-family home construction in the metropolitan area increased. Based on preliminary data, during the 12 months ending July 2012, the number of single-family homes authorized by permits increased more than 13 percent, to 2,325 homes. This total was much less than the average annual production of 6,500 homes permitted from 2003 through 2006 but an increase from the average of 1,775 homes permitted annually from 2008 through 2010. Homes are currently under construction at The Cove at Riverwalk, in Sandy, with one- to four-bedroom homes ranging in price from $235,000 to $280,000.

The apartment market in the Salt Lake City metropolitan area is currently tight. According to data from Reis, Inc., the apartment vacancy rate was 4.0 percent in the second quarter of 2012 (the most recent data available), down from 5.6 percent in the second quarter of 2011. Monthly apartment rents in the second quarter of 2012 averaged $680 for one-bedroom, $800 for two-bedroom, and $1,025 for three-bedroom units. Overall, the average asking rent was $775, a nearly 3-percent increase from a year ago. University of Utah students account for nearly 3 percent of all renter households in the metropolitan area and 14 percent of renter households in the University submarket. The University submarket had an estimated apartment vacancy rate of 2.9 percent and average asking rents of $845 in the second quarter of 2012.

Builders have responded to the increased demand for rental units. Based on preliminary data, during the 12 months ending July 2012, 1,100 multifamily units were permitted in the metropolitan area, unchanged from the previous 12 months. An average of 2,250 multifamily units was permitted annually from 2009 through 2011, a sharp increase from the average of 1,200 units permitted annually in 2007 and 2008. Approximately 3,000 rental units are currently under construction in the metropolitan area, and more than 4,500 units are in various stages of planning. Fireclay Apartments, a 400-unit project in the city of Salt Lake City that began construction in March 2011, is scheduled to be complete in March 2013 and expected to offer rents of $900 for one-bedroom, $1,015 for two-bedroom, and $1,175 for three-bedroom units. In addition, Eastside Apartments, a 180-unit project in the city of Salt Lake City, is expected to have rents of $750 for studio, $930 for one-bedroom, and $1,200 for two-bedroom units when complete in April 2013.

Santa Ana-Anaheim-Irvine, California

Located along the Pacific coast in southern California, the Santa Ana-Anaheim-Irvine metropolitan division comprises Orange County and is part of the Los Angeles-Long Beach-Santa Ana metropolitan area. The metropolitan division is a center for tourism, health care, and the production of aerospace technology in California; the largest employers are The Walt Disney Company, St. Joseph Health, and The Boeing Company, with 22,000, 12,050, and 7,700 employees, respectively. As of October 1, 2012, the population was estimated at 3 million, an average annual increase of 25,300, or 0.8 percent, since July 1, 2011, up from the average annual increase of 17,500, or 0.4 percent, during the 2008-through-2010 period, when employment conditions were weak. Population growth increased as employment began to improve, leading to an average net in-migration of 4,500 people annually since 2011, compared with a net out-migration of 7,700 people annually from 2008 through 2010.

Economic conditions in the metropolitan division improved during the past year, but employment has yet to fully recover from the decline that began during 2008. Nonfarm payrolls increased by 23,000 jobs, or 1.7 percent, during the 12 months ending August 2012 compared with a gain of 12,000 jobs, or 0.9 percent, during the previous 12 months. Job growth was partially offset by declines in the construction subsector and government sector, down 2,125 and 1,600 jobs, or 3.1 and 1.1 percent, respectively. Despite the overall gain, nonfarm payrolls are still down 135,400 jobs, or 8.9 percent, from the peak during 2007. During the 12 months ending August 2012, more than 85 percent of net nonfarm payroll growth was in the professional and business services, leisure and hospitality, and trade sectors, up 7,775, 6,175, and 5,500 jobs, or 3.1, 3.6, and 2.5 percent, respectively. Employment growth is expected to continue in the leisure and hospitality sector. The expansion of the Disney California Adventure® Park by The Walt Disney Company is expected to add 1,000 employees to its payrolls by the end of 2012. Furthermore, increased hotel occupancies, up from 74 percent during June 2011 to 85 percent during June 2012, throughout the metropolitan division have encouraged hotel development, according to data from PKF Consulting USA. The construction of two luxury hotels in close proximity to the Disneyland Resort and Disney California Adventure® Park is expected to add 1,300 permanent jobs when complete during the next 4 years. As economic conditions improved, the average unemployment rate declined to 8 percent during the 12 months ending August 2012 from 9 percent during the previous 12 months, lower than the 11-percent rate for California.

Despite improving economic conditions, the sales housing market in the Santa Ana-Anaheim-Irvine metropolitan division is soft, partially because of tight mortgage lending standards. During the 12 months ending August 2012, new and existing home sales averaged 35,950 homes, nearly unchanged from a year earlier but down 1 percent from the average of 36,400 homes sold annually during the same 12-month period from 2008 through 2010, according to Hanley Wood, LLC. The average sales price for new and existing homes declined less than 1 percent, to $543,100, during the 12 months ending August 2012, but it was 6 percent below the average price of $579,900 recorded during the comparable periods from 2008 through 2010. Condominium sales accounted for more than 30 percent of total home sales, with 11,350 condominiums sold during the 12 months ending August 2012, down 5 percent from the 11,950 sold during the previous 12 months. Nearly 60 percent of condominium sales occurred in south Orange County, which includes the city of Irvine. The average condominium price in the metropolitan division and the south Orange County area declined to $330,700 and $369,100, or 3 and 5 percent, respectively. According to LPS Applied Analytics, as of August 2012, 4.7 percent of home loans in the metropolitan division were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 6.2 percent in August 2011 and below the 6.1-percent rate for California.

Soft sales market conditions resulted in a reduced level of single-family home construction activity, as measured by the number of homes permitted, compared with earlier periods in the decade. According to preliminary data, during the 12 months ending August 2012, single-family homebuilding activity totaled 1,750 homes permitted, down from the 2,000 homes permitted during the previous 12-month period. Single-family construction was strong during the 2000-through-2006 period, when an average of 5,475 homes was permitted annually, before permits declined to an average of 1,650 from 2007 through 2010. The highest concentration of single-family home development, approximately 15 percent, occurs in the principal cities of Anaheim, Santa Ana, and Irvine, where many of the metropolitan division's major employers are located. During the 12 months ending August 2012, the average price for a new home in Anaheim, Santa Ana, and Irvine was $450,700, $476,000, and $654,900, respectively, compared with $656,300 for the metropolitan division as a whole, according to data from Hanley Wood, LLC. Developments under construction include Portola Springs®, in Irvine, where 84 of the planned 93 single-family homes are to be complete by 2013.

The overall rental housing market in the Santa Ana-Anaheim-Irvine metropolitan division is tight, because renter household growth during the past year outpaced the production of rental units. The rental vacancy rate was estimated at 4.8 percent as of October 2012, a decline from 5.9 percent in April 2010. According to MPF Research, the apartment vacancy rate declined to 3.8 percent during the second quarter of 2012 from 4.6 percent during the second quarter of 2011, and the average monthly rent increased 4 percent, from $1,504 to $1,558. Apartment vacancy rates declined significantly in the cities of Irvine and Santa Ana. In Irvine, the vacancy rate decreased to 2.7 percent and the average rent increased 5 percent, to $1,938. In Santa Ana, the vacancy rate declined to 2.5 percent and the rent increased 10 percent, to $1,463, because of recent luxury-apartment completions. During the 12 months ending July 2012, apartment construction activity, as measured by the number of units permitted, increased 53 percent, to 3,025 units permitted compared with 1,975 units permitted during the previous year, but it was nearly unchanged from the average permitted from 2006 through 2009. Slightly more than one-half of all apartment developments are in south Orange County. Current construction includes Cypress Village, in Irvine, with 200 of the planned 1,677 units complete, and Station District, in Santa Ana, with 74 units expected to be complete during 2013. Monthly rents for recently completed efficiency, one-bedroom, and two-bedroom apartments in the metropolitan division start at $1,400, $1,700, and $2,100, respectively.

Youngstown-Warren-Boardman, Ohio-Pennsylvania

The Youngstown-Warren-Boardman metropolitan area, is located in northeastern Ohio and western Pennsylvania, and consists of Mahoning and Trumbull Counties in Ohio and Mercer County in Pennsylvania. As of October 1, 2012, the metropolitan area population was an estimated 560,700, representing an average annual decrease of 2,425, or 0.3 percent, since April 1, 2010 compared with the estimated average annual decrease of 2,750, or 0.6 percent that occurred during the previous 3 years. Net out-migration has occurred since 2000 and averaged 3,800 people annually from 2005 through 2008, but it has slowed to an average annual rate of 1,375 people since 2008. As of October 1, 2012, an estimated 42 percent of the metropolitan area population resided in Mahoning County, which includes the central city of Youngstown.

Economic conditions in the metropolitan area improved during the past year after nonfarm payroll declines occurred from 2005 through 2009. During the 12 months ending August 2012, nonfarm payrolls increased by 1,475 jobs, or 0.7 percent, to an average of 224,200 jobs compared with the average annual increase of 3,400 jobs, or 1.5 percent, during the previous 12 months. The leisure and hospitality sector led growth with an increase of 660 jobs, or 3.0 percent, compared with the number of jobs in that sector a year ago because of hiring in local hotels. Growth in the trade sector increased by 560 jobs compared with the growth in the number of jobs in that sector during previous 12-month period, primarily because of increases in the retail trade subsector. The manufacturing sector increased by about 320 jobs because of the revival of the steel industry. According to the regional Chamber of Commerce, $650 million was invested in V&M Star in April of 2012 and another $70 million in additive manufacturing, which will primarily stimulate hiring in the defense, aerospace, and biomedical industries. Losses in the mining, logging, and construction and the government sectors, which declined by 230 and 160 jobs, or 0.7 and 1.9 percent, respectively, offset some of these gains. Job losses in the government sector were predominantly in the local government subsector because of lower revenues. According to the Youngstown/Warren Regional Chamber, the largest employers in the metropolitan area are Humility of Mary Health Partners, RG Steel, LLC, and ValleyCare Health System. The unemployment rate, which peaked at 12.7 percent in 2010, averaged 8.4 percent for the 12 months ending August 2012, down from 10.0 percent a year earlier.

Sales housing market conditions in the Youngstown-Warren-Boardman metropolitan area are currently soft, with an estimated vacancy rate of 2.1 percent, down from 2.4 percent in April 2010. According to Hanley Wood, LLC., during the 12 months ending August 2012, the number of new and existing single-family homes sold totaled 2,700 homes, up 6 percent from the 2,525 homes sold during the previous 12-month period but down 44 percent from the average of 3,900 homes sold annually from 2007 through 2009. By comparison, home sales volume peaked at 6,025 homes in 2006. The average home sales price in the metropolitan area was $135,400 during the 12 months ending August 2012, up 9 percent compared with the sales price during the previous period. The average home sales price remains 12 percent below the peak of $151,600 recorded in 2007. According to LPS Applied Analytics, as of August 2012, 11.1 percent of home loans were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), up from 10.6 percent in August 2011.

In response to soft sales housing market conditions, developers decreased new home construction activity, as measured by the number of building permits issued for single-family homes. According to preliminary data, during the 12 months ending August 2012, building permits were issued for approximately 190 single-family homes, down 3 percent from the previous 12 months. Single-family home construction activity in the metropolitan area remains significantly less than the average from 2006 through 2009, when 530 homes were permitted annually. An estimated 110 homes are currently under construction, with new development throughout the metropolitan area.

Rental housing market conditions in the Youngstown-Warren-Boardman metropolitan area have improved since 2010 but remain soft. The overall rental vacancy rate is estimated at 9.0 percent, down from 11.1 percent in April 2010. According to Reis, Inc., the apartment vacancy rate decreased to 7.0 percent during the second quarter of 2012 (the most recent data available) from 9.5 percent during the second quarter of 2011, and the average asking rent increased 2 percent, to $510. Multifamily construction, as measured by the number of units permitted, declined in the latter half of the decade, and no units were permitted in the 24 months ending August 2012, based on preliminary data. Erie Terminal Place Apartments, in downtown Youngstown, is a recently rehabilitated 40-unit apartment complex that opened in June 2012 and is in lease up. The rents start at $850, $1,300, and $1,875 for one-, two-, and three-bedroom units. The Village at Arlington apartments, which consist of 120 low-income rental units, is currently under construction. No building permits were issued for this project because it is on the former site of a 218-unit public housing property. The Village at Arlington is expected to be complete in mid-2013 with rents starting at $370, $440, and $510 for one-, two-, and three-bedroom units, respectively.

Units Authorized by Building Permits, Year to Date: HUD Regions and States

HUD Region and State	2012 Through September			2011 Through September			Ratio: 2012/2011 Through September		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	3,725	1,669	2,056	2,411	1,547	864	1.545	1.079	2.380
Maine	2,160	1,862	298	1,738	1,543	195	1.243	1.207	1.528
Massachusetts	7,430	3,895	3,535	4,757	3,261	1,496	1.562	1.194	2.363
New Hampshire	1,928	1,470	458	1,814	1,216	598	1.063	1.209	0.766
Rhode Island	568	505	63	506	426	80	1.123	1.185	0.788
Vermont	969	729	240	913	610	303	1.061	1.195	0.792
New England	**16,780**	**10,130**	**6,650**	**12,139**	**8,603**	**3,536**	**1.382**	**1.177**	**1.881**
New Jersey	13,038	5,302	7,736	9,481	4,857	4,624	1.375	1.092	1.673
New York	18,046	6,612	11,434	16,441	5,966	10,475	1.098	1.108	1.092
New York/New Jersey	**31,084**	**11,914**	**19,170**	**25,922**	**10,823**	**15,099**	**1.199**	**1.101**	**1.270**
Delaware	3,142	2,144	998	2,281	1,926	355	1.377	1.113	2.811
District of Columbia	2,558	205	2,353	3,079	196	2,883	0.831	1.046	0.816
Maryland	11,346	7,039	4,307	8,829	6,102	2,727	1.285	1.154	1.579
Pennsylvania	14,504	10,790	3,714	12,524	9,601	2,923	1.158	1.124	1.271
Virginia	20,018	13,516	6,502	17,239	12,122	5,117	1.161	1.115	1.271
West Virginia	1,396	1,208	188	1,278	1,111	167	1.092	1.087	1.126
Mid-Atlantic	**52,964**	**34,902**	**18,062**	**45,230**	**31,058**	**14,172**	**1.171**	**1.124**	**1.274**
Alabama	8,870	6,303	2,567	7,522	6,035	1,487	1.179	1.044	1.726
Florida	48,419	31,233	17,186	32,843	24,992	7,851	1.474	1.250	2.189
Georgia	17,844	12,905	4,939	13,656	10,450	3,206	1.307	1.235	1.541
Kentucky	6,754	3,888	2,866	4,933	3,560	1,373	1.369	1.092	2.087
Mississippi	3,903	3,230	673	3,382	3,013	369	1.154	1.072	1.824
North Carolina	35,301	22,310	12,991	24,568	18,767	5,801	1.437	1.189	2.239
South Carolina	14,386	11,544	2,842	11,364	9,940	1,424	1.266	1.161	1.996
Tennessee	14,728	9,926	4,802	10,268	8,556	1,712	1.434	1.160	2.805
Southeast/Caribbean	**150,205**	**101,339**	**48,866**	**108,536**	**85,313**	**23,223**	**1.384**	**1.188**	**2.104**
Illinois	9,972	6,734	3,238	8,165	5,392	2,773	1.221	1.249	1.168
Indiana	10,302	8,223	2,079	9,666	7,475	2,191	1.066	1.100	0.949
Michigan	8,683	7,791	892	6,950	5,914	1,036	1.249	1.317	0.861
Minnesota	10,254	6,467	3,787	5,931	4,916	1,015	1.729	1.316	3.731
Ohio	12,397	8,140	4,257	10,044	7,363	2,681	1.234	1.106	1.588
Wisconsin	8,635	5,874	2,761	8,941	5,234	3,707	0.966	1.122	0.745
Midwest	**60,243**	**43,229**	**17,014**	**49,697**	**36,294**	**13,403**	**1.212**	**1.191**	**1.269**
Arkansas	5,711	3,743	1,968	4,842	2,893	1,949	1.179	1.294	1.010
Louisiana	9,361	8,344	1,017	9,305	7,597	1,708	1.006	1.098	0.595
New Mexico	3,867	2,974	893	3,269	2,771	498	1.183	1.073	1.793
Oklahoma	8,913	7,160	1,753	6,297	4,944	1,353	1.415	1.448	1.296
Texas	100,717	60,671	40,046	72,451	49,754	22,697	1.390	1.219	1.764
Southwest	**128,569**	**82,892**	**45,677**	**96,164**	**67,959**	**28,205**	**1.337**	**1.220**	**1.619**
Iowa	7,306	5,395	1,911	5,810	4,406	1,404	1.257	1.224	1.361
Kansas	4,554	2,732	1,822	4,135	2,481	1,654	1.101	1.101	1.102
Missouri	7,640	5,508	2,132	6,603	4,259	2,344	1.157	1.293	0.910
Nebraska	4,741	3,288	1,453	3,853	2,893	960	1.230	1.137	1.514
Great Plains	**24,241**	**16,923**	**7,318**	**20,401**	**14,039**	**6,362**	**1.188**	**1.205**	**1.150**
Colorado	16,762	9,985	6,777	10,412	7,403	3,009	1.610	1.349	2.252
Montana	2,245	1,343	902	1,447	1,084	363	1.551	1.239	2.485
North Dakota	4,946	2,837	2,109	3,539	1,948	1,591	1.398	1.456	1.326
South Dakota	3,318	2,314	1,004	2,460	1,791	669	1.349	1.292	1.501
Utah	9,170	7,245	1,925	7,025	5,222	1,803	1.305	1.387	1.068
Wyoming	1,488	1,199	289	1,366	1,056	310	1.089	1.135	0.932
Rocky Mountain	**37,929**	**24,923**	**13,006**	**26,249**	**18,504**	**7,745**	**1.445**	**1.347**	**1.679**
Arizona	15,887	12,696	3,191	9,946	8,051	1,895	1.597	1.577	1.684
California	43,292	19,810	23,482	32,852	16,682	16,170	1.318	1.188	1.452
Hawaii	2,356	1,580	776	2,156	1,281	875	1.093	1.233	0.887
Nevada	6,959	5,614	1,345	4,905	3,624	1,281	1.419	1.549	1.050
Pacific	**68,494**	**39,700**	**28,794**	**49,859**	**29,638**	**20,221**	**1.374**	**1.339**	**1.424**
Alaska	810	694	116	736	609	127	1.101	1.140	0.913
Idaho	5,258	4,326	932	3,148	2,691	457	1.670	1.608	2.039
Oregon	8,260	5,090	3,170	5,761	4,017	1,744	1.434	1.267	1.818
Washington	20,800	12,948	7,852	16,064	10,587	5,477	1.295	1.223	1.434
Northwest	**35,128**	**23,058**	**12,070**	**25,709**	**17,904**	**7,805**	**1.366**	**1.288**	**1.546**
United States	**605,637**	**389,010**	**216,627**	**459,906**	**320,135**	**139,771**	**1.317**	**1.215**	**1.550**

*Multifamily is two or more units in structure. Source: Census Bureau, Department of Commerce

Units Authorized by Building Permits, Year to Date: 50 Most Active Core Based Statistical Areas (CBSAs)** (Listed by Total Building Permits)

CBSA	CBSA Name	2012 Through September		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	31,973	21,874	10,099
19100	Dallas-Fort Worth-Arlington, TX	26,174	13,409	12,765
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	19,842	4,970	14,872
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	16,069	8,481	7,588
12420	Austin-Round Rock, TX	13,836	6,298	7,538
31100	Los Angeles-Long Beach-Santa Ana, CA	12,948	3,548	9,400
42660	Seattle-Tacoma-Bellevue, WA	12,867	6,096	6,771
38060	Phoenix-Mesa-Scottsdale, AZ	11,397	9,461	1,936
12060	Atlanta-Sandy Springs-Marietta, GA	10,659	6,843	3,816
19740	Denver-Aurora, CO	9,475	4,250	5,225
33100	Miami-Fort Lauderdale-Miami Beach, FL	9,257	3,717	5,540
16740	Charlotte-Gastonia-Concord, NC-SC	9,123	5,011	4,112
36740	Orlando-Kissimmee, FL	8,559	5,290	3,269
39580	Raleigh-Cary, NC	8,051	4,786	3,265
45300	Tampa-St. Petersburg-Clearwater, FL	7,754	4,301	3,453
33460	Minneapolis-St. Paul-Bloomington, MN-WI	7,234	4,057	3,177
41860	San Francisco-Oakland-Fremont, CA	7,194	2,309	4,885
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,878	4,052	2,826
41700	San Antonio, TX	6,638	3,968	2,670
16980	Chicago-Naperville-Joliet, IL-IN-WI	6,543	4,135	2,408
14460	Boston-Cambridge-Quincy, MA-NH	6,407	2,966	3,441
34980	Nashville-Davidson-Murfreesboro, TN	6,020	4,050	1,970
38900	Portland-Vancouver-Beaverton, OR-WA	5,848	3,466	2,382
29820	Las Vegas-Paradise, NV	5,762	4,668	1,094
27260	Jacksonville, FL	5,625	3,307	2,318
12580	Baltimore-Towson, MD	5,118	3,055	2,063
36420	Oklahoma City, OK	4,924	4,078	846
41740	San Diego-Carlsbad-San Marcos, CA	4,828	1,657	3,171
18140	Columbus, OH	4,709	2,135	2,574
47260	Virginia Beach-Norfolk-Newport News, VA-NC	4,422	2,696	1,726
40140	Riverside-San Bernardino-Ontario, CA	4,255	3,025	1,230
41940	San Jose-Sunnyvale-Santa Clara, CA	4,053	1,175	2,878
41180	St. Louis, MO-IL	3,846	3,172	674
16700	Charleston-North Charleston, SC	3,799	2,403	1,396
26900	Indianapolis, IN	3,661	3,105	556
28140	Kansas City, MO-KS	3,487	2,459	1,028
19820	Detroit-Warren-Livonia, MI	3,384	3,072	312
20500	Durham, NC	3,082	1,180	1,902
19780	Des Moines, IA	3,072	2,041	1,031
40060	Richmond, VA	3,040	2,158	882
21340	El Paso, TX	3,009	2,402	607
31140	Louisville, KY-IN	2,965	1,843	1,122
17900	Columbia, SC	2,848	2,130	718
46140	Tulsa, OK	2,803	2,065	738
41620	Salt Lake City, UT	2,792	2,077	715
38300	Pittsburgh, PA	2,765	2,393	372
36540	Omaha-Council Bluffs, NE-IA	2,755	1,844	911
14260	Boise City-Nampa, ID	2,750	2,189	561
32580	McAllen-Edinburg-Mission, TX	2,721	2,210	511
30780	Little Rock-North Little Rock, AR	2,647	1,301	1,346

*Multifamily is two or more units in structure. **As per new Office of Management and Budget metropolitan area definitions.
Source: Census Bureau, Department of Commerce