1st Quarter 1995

U.S. Housing Market Conditions

May 1995

SUMMARY

Mortgage interest rates peaked early in the first quarter of 1995, after increasing steadily since February 1994. Throughout the second half of 1994, housing and business-cycle analysts looked for evidence that the rising rates were affecting the housing sector. While some symptoms were clearly apparent in the fourth quarter, housing production continued at a very strong pace. Production and sales declined substantially in the first quarter of 1995.

■ Permits and starts, for both single-family and multifamily units, were down significantly from the levels of the previous quarter. Single-family permits and starts were also down from the first quarter of last year.

■ Despite the first quarter falloff, multifamily permits and starts were about 40 percent above a year earlier, as a result of the remarkable resurgence in multifamily construction during 1994.

■ Housing completions were unchanged over the quarter, but up over the year, mirroring the increase in housing starts that occurred 6 to 12 months earlier.

■ New home sales in the first quarter of 1995 were 10 percent below the previous quarter and 13 percent below the first quarter of last year. Existing home sales were down 6 and 12 percent over the same periods.

Interest rates began to drift downward in February and March of this year but remain well above year-earlier levels. However, pent-up demand from the recession and previous high interest rates may have been largely satisfied. Housing production may be settling down to reasonable levels needed to meet net household formations and replacement requirements, that is, normal long-run market demand.

It remains to be seen whether the first quarter figures represent a temporary downward tick with recovery resuming as interest rates decline further still, settlement into a balanced long-run supply and demand situation or, less likely, the beginning of a deeper housing production decline. Current signs are mixed according to the following information.

■ Builders surveyed by the National Association of Home Builders report weakened current sales activity and prospective buyer traffic, but also report a glimmer of optimism regarding future sales expectations for single-family, detached homes, although not to the extent of a year ago.

■ Rental and homeowner vacancy rates were unchanged from the previous quarter and from a year earlier. The market absorption of new apartments continues to occur at a brisk rate above year-earlier levels.

■ Inventories of unsold new and existing homes are well above those of the previous quarter and of the same quarter last year.

Barring an unforeseen surge in net household formations and thus in housing demand, it now appears that housing production this year will be below that of last year, overall and in the single-family sector. Multifamily units and manufactured (mobile or HUD-code) units, however, may exceed last year's production levels.

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Regional Perspective

The regional summaries show that 1994 was a good year for multifamily activity and rental markets, and all regions reported continued increases in multifamily building activity in the first quarter of 1995. Multifamily construction remains very strong in the Southeast where Atlanta accounted for over 10 percent of the entire region's multifamily building permits.

The HUD economists report that developers in the Southeast, Southwest, Rocky Mountain, and Northwest regions are producing high-rent, amenity-rich rental units. These units are being absorbed well to this point, mostly by young professionals and empty nesters. In the Midwest more two- and three-bedroom townhouse rental projects are being built. Tax-credit and tax-exempt affordable rentals are a big part of the supply of new units in the Great Plains and Mid-Atlantic regions. The rental markets in New England continue to improve. For the first time in 20 years, developers are showing interest in high-rise apartments in downtown Boston.

Single-family sales and building permits in the first quarter of this year declined from the same period 12 months earlier. Permits were down in the largest, most active States, except Georgia, where they increased a modest 5 percent due to the strong Atlanta market. Builders continue to cut back construction, and the economists report that unsold inventories are not yet a problem. Condominiums and townhouses, more affordable to the first-time buyer, are comprising an increasing share of the market, particularly in the Mid-Atlantic, Midwest, and Northeast. The use of adjustable-rate mortgages (ARMs) has declined substantially with the recent drop in interest rates.

Public Housing: Image Versus Facts

Since 1937 the Federal Government has provided families and individuals with low-cost housing through the public housing program.[1] Currently HUD is proposing changes that would alter in fundamental ways the manner in which this program operates.[2] Public discussion of this proposal and alternatives to it is greatly influenced by the mental picture of public housing that a person carries in his or her head. To some "public housing" is synonymous with crime and squalid living conditions, symbolized by projects such as Robert Taylor Homes in Chicago or Desire in New Orleans. To others it is the high-rise apartment buildings on the East River where thousands of New Yorkers live in safety and comfort and commute to jobs throughout the boroughs of New York City.

Actually the public housing experience takes many different forms. There are approximately 1.3 million units of occupied public housing managed by some 3,400 public housing authorities (PHAs). Public housing differs in terms of the people who live there; the types, location, and quality of the buildings; and the quality of the surrounding areas. This essay uses newly available data to describe the variety of the public housing experience.

In 1992 HUD released a report that used data from the 1989 American Housing Survey (AHS) to describe HUD-assisted housing.[3] The Department now has similar data available from the 1991 AHS. At HUD's direction the Census Bureau obtained this information by using the addresses of public housing buildings to identify 212 AHS respondents who live in public housing. This essay also relies on sample-based information on characteristics of residents and census tract characteristics of projects from a newly created Public Housing Race and Location Data File.[4] [5]

Who lives in public housing?

Forty percent of public housing units are occupied by households headed by a person 65 years old or older, most of whom live alone (88 percent). Over half of the elderly households live in projects specifically designed for the elderly. Public housing contains a much higher percentage of elderly households than the overall rental housing stock. Only 14 percent of all rental housing is occupied by the elderly.

Households with children comprise 43 percent of public housing. A slight majority of these families (56 percent) are single-parent households. Households headed by handicapped persons are also an important component of public housing; 12 percent of public housing families have a nonelderly disabled head of household. To summarize: 52 percent of all public housing is occupied by elderly or handicapped households, 43 percent by households with children (including some with handicapped heads of household), and the balance by nonelderly households without children.

Public housing serves black households at a rate substantially greater than their share of the renter population. Forty-eight percent of public housing households are black compared to only 19 percent of all renter households.[6] Taking income into account does not alter this conclusion, since only 30 percent of households with incomes low enough to qualify for public housing are black.

Hispanic households are represented in public housing at a rate comparable to their share of renter households (10 percent versus 11 percent). Non-Hispanic white households occupy 39 percent of public housing, considerably less than their share of the total renter population (66 percent).

Public housing tenants are very poor. Median household income in 1991 was $7,338, which was substantially less than the national poverty level for a family of three at that time ($10,799). Considering the number of elderly households, single-parent households, and disabled households, it is not surprising that only 21 percent of public housing households reported income from wages and salaries. Forty-three percent reported receiving social security, while 44 percent reported receiving public assistance. Another data base[7] shows some housing authorities have significantly higher levels of wage earners, such as the Virgin Islands with 62 percent, Biloxi with 41 percent, and several others over 30 percent, including El Paso, New York City, and Puerto Rico.

The data on education are consistent with the general picture of limited economic opportunities. Among the heads of public housing households, 58 percent did not complete a high school education. This is much higher than the 24-percent figure among all renters.

Where is public housing located?

PHAs in the Northeast and South have been most aggressive in developing public housing.[8] These two regions account for 73 percent of all occupied public housing units but only 54 percent of all renters. Public housing is also much more prevalent in central cities than in suburbs. Whereas central cities are home to 46 percent of all renters, they accommodate 69 percent of occupied public housing units. The reverse is true for suburbs, which house 38 percent of renters compared to 14 percent of occupied public housing units.

Public housing generally comes in three basic structure types: high-rise buildings, garden-style apartments, and single-family structures. The AHS data report that 41 percent of occupied public housing units are in buildings with four or more stories, and 33 percent live in buildings with seven or more stories. Another 40 percent are in multiple-unit buildings of three stories or less. The remaining 19 percent are in single-family units, either free standing or attached.

Public housing is much less concentrated than many people think. Most public housing units (84 percent) are located in census tracts where public housing accounts for less than half of the housing units in the tract. Sixty percent of all public housing units are located in census tracts where public housing accounts for less than 20 percent of the housing units in the tract.

Perceptions about public housing being located in poor neighborhoods are generally correct. In urban areas census tracts where more than 40 percent of the households have incomes below the poverty level are likely to be characterized by poorer housing, higher unemployment, and other socioeconomic problems. Without distinguishing between urban and rural areas, 42 percent of all public housing units are located in such census tracts. However, this is not unexpected since most public housing residents have incomes below the poverty level. For example, if public housing accounts for 15 percent of all households in a tract and all the public housing residents have incomes below the poverty level, then the tract would have a 40-percent poverty rate if only 3 out of 10 of the remaining residents had incomes below the poverty level.

HUD's study of the location and racial occupancy of public housing found that the large majority of public housing projects are segregated, but generally not to the extent of private market housing. Although the Department prohibits discrimination in selecting tenants and requires PHAs to take affirmative actions to promote racially mixed housing, the racial mix of projects often reflects the racial mix of the neighborhoods and communities in which they are located. For example, over half of all public housing households headed by a black are located in census tracts where blacks represent 70 percent or more of the population. Nevertheless, 22 percent of black public housing households live in projects located in neighborhoods where blacks represent less than 30 percent of the population.

How good are public housing units?

After 1981 HUD funded only a small number of new public housing projects, therefore most projects were at least 10 years old when the AHS collected data in 1991. The AHS found that 39 percent of occupied public housing units were built after 1970, 36 percent were built from 1950 through 1969, and 25 percent were built prior to 1950.

PHAs constructed projects to serve two different populations—families and the elderly—and the distribution of public housing units by bedroom size reflects these different populations. Forty-eight percent of occupied public housing units are either efficiencies or one-bedroom apartments suitable for the elderly, 25 percent of occupied public housing units have two bedrooms, and 28 percent have three or more bedrooms.

Most occupied public housing units compare well to private-market rental units on the quality tests used by the AHS. The AHS judges a unit to have severe physical problems if any one of the following five conditions exists: lacks complete plumbing, heating equipment broke down for 24 hours within the past year, inadequate electrical wiring, seriously inadequate upkeep of unit, or seriously inadequate upkeep of common hallways. Only 4 percent of occupied public housing units failed this test; the same percentage of all rental occupied units failed the test.

Similarly, the AHS judges a unit to have moderate physical problems if any one of the following five conditions exists and the unit does not have severe physical problems: no kitchen facilities, three serious plumbing failures in the past year, unvented gas or kerosene heaters, inadequate upkeep of unit, or inadequate upkeep of hallways. Ten percent of occupied public housing units failed this test compared to 7 percent of all occupied rental units.

While public housing units are generally in good condition, the AHS shows that they are located in poorer quality neighborhoods than private rental units. For example, 26 percent of public housing respondents indicated that crime is a problem in their neighborhoods compared to 12 percent of all renters. When asked if their units were near vandalized buildings, 14 percent of public housing respondents replied affirmatively compared to only 3 percent of all renters. When asked if trash or junk on streets or properties in their neighborhoods was a problem, 40 percent of public housing respondents replied affirmatively compared to 17 percent of all renters.

Conclusions

The available data contradict many common misconceptions about public housing. Much of the public housing stock appears to be in reasonably good shape. Most public housing units are not in large, high-rise buildings and are not concentrated in large developments that overwhelm neighborhoods. AHS data show that public housing tenants rate their units as highly as the typical renter.[9] It would seem that most tenants are happy with their units and that many would choose to live in their units even if they had other options.

The data confirm other common views about public housing, both good and bad. Public housing successfully serves the most needy, that is, those with the lowest income, the elderly, the handicapped, single parents whose ability to earn a living wage is constrained by family responsibilities and sometimes limited education, and those most subject to discrimination in the housing market. But many public housing units are located in poor neighborhoods. Frequently these neighborhoods have problems of crime, abandoned buildings, and other undesirable living conditions. While AHS data show that many public housing tenants rate their neighborhoods highly, the same data show that a higher percentage give poor ratings to their neighborhoods than do all renters.[10] It would seem that many would choose to move if they had other options.

Perhaps the best overall summary of what public housing means to its tenants are the answers to two questions asked of tenants who have moved into public housing within the last year:

Is this apartment better, worse, or about the same as your last home?

Of those public housing tenants who answered, 62 percent replied "better" and only 7 percent replied "worse."

Is your neighborhood better, worse, or about the same as your last neighborhood?

Of those public housing tenants who answered and had changed neighborhoods, 32 percent replied "better" while 38 percent replied "worse."

Notes

[1] Many people lump all federally assisted housing under the term "public housing." Actually public housing is only one of several Federal programs that provide low-cost shelter to low-income families. The distinguishing characteristics of public housing are: (1) assistance is provided on the basis of housing units available for rental by low- and very low-income families and individuals; (2) the Federal Government provides financial assistance for the construction (or acquisition), rehabilitation, and operation of buildings for use as rental housing for the poor; and (3) it is owned by an independent local agency, established according to State law, called a Public Housing Agency.

[2] The key change proposed by HUD is to substitute tenant-based housing assistance, termed certificate funding, provided directly to public housing tenants, for the current Federal operating and modernization subsidies provided to PHAs for their units. This change will permit PHAs to operate in a more businesslike manner, to charge market rents for their units, and to rent to tenants with or without housing certificates. PHAs will be permitted to demolish public housing units that cannot be made competitive with other rental housing in the local rental market.

[3] Connie Casey, *Characteristics of HUD-Assisted Renters and Their Units in 1989*, U.S. Department of Housing and Urban Development, Washington, D.C., 1992.

[4] John Goering, Ali Kamely, and Todd Richardson, *The Location and Racial Occupancy of Public Housing in the United States*, U.S. Department of Housing and Urban Development, Washington, D.C., 1995.

[5] When both studies provide information on the same issue, this essay uses the information from the larger samples in *The Location and Racial Occupancy of Public Housing.*

[6] Actually HUD has data on race and ethnicity only for the "householder," that is, the adult who filled out the application for admission or who answered the AHS questionnaire. Black refers only to non-Hispanic blacks and white refers only to non-Hispanic whites.

[7] *Family Data on Subsidized Housing*, diskette, U.S. Department of Housing and Urban Development, 1995. The diskette shows summaries for each project and housing authority and covers 86 percent of public housing tenants. An earlier version was issued in 1993.

[8] The Northeast census region includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania. The South includes Delaware, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas, Tennessee, and Kentucky.

[9] On a scale of 1 (low) to 10 (high), 62 percent of public housing tenants give their units an 8, 9, or 10 compared to 59 percent of all renters.

[10] Seventeen percent of public housing tenants rate their neighborhoods a 1, 2, or 3 compared to only 7 percent of all renters.

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National Data

Housing Production

Permits*

Permits for the construction of new housing units fell 8 percent in the first quarter of 1995 to a seasonally adjusted annual rate (SAAR) of 1,273,000 units, and were 5 percent lower than in the first quarter of 1994. One-unit permits, at 947,000 units, were down 9 percent from the previous quarter, and down 13 percent from a year earlier. Multifamily permits (5 or more units in structure), at 262,000 units, were 5 percent below the fourth quarter, but 41 percent higher than the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,273	1,389	1,334	- 8	- 5
ONE UNIT	947	1,044	1,091	- 9	- 13
TWO TO FOUR	64	68	57	- 6	+ 11
FIVE PLUS	262	277	186	- 5	+ 41

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

Starts*

Construction starts of new housing units in the first quarter of 1995 totalled 1,297,000 units SAAR, 14 percent below the fourth quarter of 1994, and 5 percent lower than the first quarter last year. Single-family starts at 1,025,000 units were 15 percent below the previous quarter, and 12 percent below the year-earlier rate. Multifamily starts totalled 235,000 units, 12 percent lower than the previous quarter, but 40 percent over the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1, 297	1,511	1,361	- 14	- 5
ONE UNIT	1,025	1,200	1,165	- 15	- 12
TWO TO FOUR	37	45	28	- 17	+ 30
FIVE PLUS	235	266	168	- 12	+ 40

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

Under Construction*

Housing units under construction at the end of the first quarter of 1995 were at a seasonally adjusted annual rate of 789,000 units, unchanged from the previous quarter, but 9 percent above the first quarter of 1994. Single-family units under construction, at 572,000 units, were a statistically insignificant 2 percent below the previous quarter and 1 percent below the year-earlier rate. Multifamily units, at 194,000 units, were 10 percent higher than the previous quarter and 6 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	789	786	721	–	+ 9
ONE UNIT	572	586	578	- 2**	- 1**
TWO TO FOUR	22	22	19	–	+ 16
FIVE PLUS	194	177	125	+ 10	+ 6

* Components may not add to totals because of rounding. Units in thousands.
** This change is not statistically significant.
Sources: Bureau of the Census, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

Completions*

Housing units completed in the first quarter of 1995, at a seasonally adjusted annual rate of 1,391,000 units, were a statistically insignificant 1 percent below the previous quarter, and 9 percent higher than the same quarter last year. Single-family completions, at 1,166,000 units, were statistically unchanged from the previous quarter, but 4 percent higher than the year-earlier rate. Multifamily completions, at 184,000 units, were unchanged from the previous quarter and 56 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,391	1,378	1,278	+ 1**	+ 9
ONE UNIT	1,166	1,159	1,126	+ 1**	+ 4
TWO TO FOUR	42	31	34	+ 35	+ 24
FIVE PLUS	184	188	118	- 2**	+ 56

* Components may not add to totals because of rounding. Units in thousands.
** This change is not statistically significant.

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

Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes to dealers were at a seasonally adjusted annual rate of 328,000 units in the fourth quarter of 1994, 10 percent higher than the previous quarter and 18 percent over the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
MANUFACTURERS' SHIPMENTS	328	297	279	+ 10	+ 18

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

Source: National Conference of States on Building Codes and Standards

HOUSING MARKETING

Home Sales*

Sales of new single-family homes totalled 592,000 units at a seasonally adjusted annual rate in the first quarter of 1995, 10 percent below the previous quarter, and 13 percent below the first quarter of 1994. The number of new homes for sale at the end of the first quarter numbered 349,000 units, an increase of 3 percent over the last quarter and 17 percent over the same quarter last year. At the end of the quarter, inventories represented a 7.3 months' supply at the current sales rate, 11 percent higher than the previous quarter and 49 percent higher than the first quarter of 1994.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® for the first quarter of 1995 totalled 3,550,000 SAAR, down 6 percent from the fourth quarter's level, and 12 percent below the first quarter of 1994. The number of units for sale at the end of the first quarter rose to 1,820,000, rising 32 percent from the previous quarter but 4 percent below the first quarter of 1994. This slight falloff in sales when combined with the increasing number of unsold houses leads to probably excessive levels of inventory compared to sales. At the end of the first quarter, there was a 6.0 months' supply of units, 40 percent above the previous quarter and 7 percent above the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
NEW HOMES SOLD	592	659	684	- 10	- 13
FOR SALE	349	338	299	+ 3	+ 17
MONTHS' SUPPLY	7.3	6.6	4.9	+ 11	+ 49
Existing Homes					
EXISTING HOMES SOLD	3,550	3,757	4,040	- 6	- 12
FOR SALE	1,820	1,380	1,890	+ 32	- 4
MONTHS' SUPPLY	6.0	4.3	5.6	+ 40	+ 7

* Units in thousands.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®

Home Prices

The median price of a new home during the first quarter of 1995 was $130,000, statistically unchanged from the previous quarter and from the first quarter of 1994. The average price of a new home in the first quarter was $154,400, also statistically unchanged from the previous quarter and from the same quarter last year. The price adjusted to represent a constant-quality home, $155,300, was statistically unchanged from the previous quarter, but up 4 percent from the same quarter last year.

The median price of existing single-family homes in the first quarter of 1995 was $107,700, 1 percent below the fourth quarter, but nearly the same as the first quarter of 1994, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of $134,000 was also 1 percent below the fourth quarter value but the same as in the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
MEDIAN	$130,000	$132,000	$130,000	- 2*	–
AVERAGE	$154,400	$156,100	$153,600	- 1*	+ 1*
CONSTANT QUALITY HOUSE[1]	$155,300	$155,700	$149,500	–	+ 4
Existing Homes					
MEDIAN	$107,700	$108,400	$107,600	- 1	–
AVERAGE	$134,000	$134,700	$134,400	- 1	–

* This change is not statistically significant.

[1] A constant quality house has the same physical characteristics from year to year and its price is estimated using statistical models.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®

Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite-index value for the first quarter of 1995 shows that the family earning the median income had 125.1 percent of the income needed to purchase the median-priced existing home. This is 1 percent below the fourth quarter of 1994 and 10 percent below the first quarter of 1994. This is the result of a slight decrease in the median home price and a rise in median family income offsetting the 30-basis point increase in the composite interest rate used in the index during the last quarter. The change from last year resulted from the income increase being wiped out by a 121-point increase in the interest rate. The fixed-rate index held steady from the fourth quarter of 1994, but fell by 15 percent from the first quarter last year. The adjustable-rate index fell by 2 percent from the previous quarter and was 15 percent below the index 1 year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
COMPOSITE INDEX	125.1	126.6	138.9	- 1	- 10
FIXED-RATE INDEX	113.9	114.1	133.2	–	- 15
ADJUSTABLE-RATE INDEX	137.4	140.3	161.5	- 2	- 15

Source: NATIONAL ASSOCIATION OF REALTORS®

Apartment Absorptions

There were 35,200 new, unsubsidized, unfurnished, multifamily (5 or more units in structure), rental apartments completed in the fourth quarter of 1994, up 19 percent from the previous quarter and 108 percent above the fourth quarter of 1993. Of the apartments completed in the fourth quarter of 1994, 80 percent were rented within 3 months (the absorption rate). This absorption rate was statistically unchanged from the previous quarter, but 10 percent above the same quarter last year. The median asking rent for apartments completed in the fourth quarter was $583, not statistically different from the previous quarter or year-earlier rents.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	35.2	29.7	16.9	+ 19	+ 108
PERCENT ABSORBED NEXT QUARTER	80	82	73	- 2**	+ 10
MEDIAN RENT	$583	$595	$564	- 2**	+ 3**

* Units in thousands.
** This change is not statistically significant.

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

Manufactured (Mobile) Home Placements

Homes placed on site ready for occupancy in the fourth quarter of 1994 totalled 312,000 SAAR, up 10 percent from the previous quarter, and up 28 percent from the fourth quarter of 1993. The number of homes for sale on dealers' lots at the end of the fourth quarter totalled 73,000 units, 1 percent below the previous quarter but 16 percent above the same quarter last year. The average sales price of the units sold in the fourth quarter was $35,130, up 5 percent from the previous quarter, and 9 percent higher than the year-earlier price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	312	283	244	+ 10	+ 28
ON DEALER LOTS*	73	74	63	- 1	+ 16
AVERAGE SALES PRICE	$35,130	$33,500	$32,300	+ 5	+ 9

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

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

Builders' Views of Housing Market Activity

The National Association of Home Builders conducts a monthly survey focusing on the level of sales activity experienced by builders and their expectations for the near future. At the end of the first quarter, builders viewed the level of current sales activity for single-family, detached homes as worse than at the end of the previous quarter. The percentage reporting "good to excellent" fell from 24 to 17 while those reporting "poor" increased from 27 to 33. The decline from the end of the first quarter of 1994 was more pronounced with "good to excellent" falling from 44 to 17 percent and "poor" increasing from 12 to 33 percent. The level of activity for attached, single-family homes can also be viewed as worsening. Builders reporting "good to excellent" fell from 13 to 7 percent while those rating sales activity as "poor" stayed at 48 percent. A clearer pattern of decline emerges when comparing views with the first quarter a year ago. The "good to excellent" category fell from 12 to 7 percent and the "poor" rating changed from 36 to 48 percent.

Prospective buyer traffic in the first quarter of 1995 also declined from the fourth quarter of 1994. Builders rating traffic as "high to very high" fell from 11 to 9 percent with the percentage reporting "low to very low" increasing from 50 to 58 percent. The change from the first quarter of 1994 was much more pronounced with "high to very high" falling from 26 to 9 percent and "low to very low" increasing from 27 to 58 percent.

Builders’ views concerning future sales expectations for single-family, detached units improved in the first quarter of 1995 with those rating expectations as “good to excellent” rising from 18 to 19 percent, and those reporting “poor” falling from 24 to 18 percent. This improvement is in contrast to the decline from the first quarter of 1994 when those reporting “good to excellent” stood at 46 percent and those reporting “poor” were only 7 percent. Future sales expectations for single-family, attached homes showed mixed results in the first quarter of 1995 while worsening from the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Current Sales Activity—Single-Family Detached					
GOOD TO EXCELLENT	17	24	44	- 29	- 61
POOR	33	27	12	+ 22	+ 175
Current Sales Activity—Single-Family Attached					
GOOD TO EXCELLENT	7	13	12	- 46	- 42
POOR	48	48	36	–	+ 33
Prospective Buyer Traffic					
HIGH TO VERY HIGH	9	11	26	- 18	- 65
LOW TO VERY LOW	58	50	27	+ 16	+ 115
Future Sales Expectations—Single-Family Detached					
GOOD TO EXCELLENT	19	18	46	+ 6	- 59
POOR	18	24	7	- 25	+ 157
Future Sales Expectations—Single-Family Attached					
GOOD TO EXCELLENT	6	7	14	- 14	- 57
POOR	43	46	34	- 9	+ 24

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

HOUSING FINANCE

Mortgage Interest Rates

Mortgage interest rates for fixed-rate loans fell during the quarter while interest rates for adjustable-rate loans increased moderately in contrast to dramatic increases from last year. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 8.81 percent in the first quarter, 29 basis points lower than the previous quarter, but 151 basis points higher than the same quarter last year. Adjustable-rate mortgages (ARMs) in the first quarter were going for 6.65 percent, 47 basis points above the previous quarter and 233 basis points above the same quarter last year. Fixed-rate, 15-year mortgages, at 8.44 percent, were down 17 basis points from last quarter, but 164 basis points above the same quarter last year. The FHA rate held steady during the quarter but was 184 basis points above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
CONVENTIONAL FIXED-RATE 30-YEAR	8.81	9.10	7.30	- 3	+ 21
CONVENTIONAL ARMS	6.65	6.18	4.32	+ 8	+ 54
CONVENTIONAL FIXED-RATE 15-YEAR	8.44	8.61	6.80	- 2	+ 24
FHA FIXED-RATE 30-YEAR	9.17	9.17	7.33	–	+ 25

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

FHA 1–4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1–4 family homes were received for 161,900 (*not* seasonally adjusted) properties in the first quarter of 1995, up 16 percent from the previous quarter, but down 57 percent from the first quarter of 1994. Endorsements or insurance policies issued totalled 131,800, down 22 percent from the fourth quarter of 1994 and down 69 percent from the first quarter of 1994. Refinancing continued to decline, posting a 59-percent decrease from the fourth quarter of 1994 and a 95-percent drop from a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APPLICATIONS RECEIVED	161.9	139.6	377.1	+ 16	- 57
TOTAL ENDORSEMENTS	131.8	168.9	396.6	- 22	- 69
PURCHASE ENDORSEMENTS	119.9	140.0	173.6	- 14	- 31
REFINANCING	11.9	28.9	223.0	- 59	- 95

* Thousands of properties.

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

PMI and VA Activity*

Private mortgage insurers reported issuing 183,000 policies or certificates of insurance on conventional mortgage loans during the first quarter of 1995, down 25 percent from the fourth quarter and down 40 percent from the first quarter of 1994; these numbers are not seasonally adjusted. The Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 62,900 single-family properties in the first quarter of 1995, down 24 percent from the fourth quarter and down 60 percent from the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PMI CERTIFICATES	183.0	242.7	303.2	- 25	- 40
TOTAL VA GUARANTIES	62.9	82.5	156.7	- 24	- 60

* Thousands of loans.

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

Mortgage Originations by Loan Type, 1–4 Family Units

The total value of mortgage originations for 1–4 family homes was $137.6 billion in the fourth quarter of 1994, down 14 percent from the third quarter of 1994 and down 53 percent from the fourth quarter of 1993. The values for all loan types fell: privately insured mortgages fell by 16 percent; mortgages without insurance decreased by 4 percent; FHA-insured mortgages dropped in volume by 37 percent; and VA-guaranteed mortgages fell by 38 percent. All four categories decreased from the fourth quarter of 1993, leading to the overall decline of 53 percent: 40 percent for FHA and VA, 33 percent for privately insured, and 59 percent for uninsured mortgages. The market shares for FHA, VA, and privately insured mortgages fell in the quarter to 10.2, 5.7, and 19.8 percent, respectively. Uninsured mortgages increased their dominance of the market with a share of 64.3 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume ($Billions)					
FHA INSURED	14.0	22.3	23.3	- 37	- 40
VA GUARANTEED	7.9	12.8	13.1	- 38	- 40
PRIVATE INSURANCE	27.3	32.5	40.7	- 16	- 33
NOT INSURED*	88.4	92.1	215.1	- 4	- 59
TOTAL	137.6	159.7	292.1	- 14	- 53
Percentage of Market Shares**					
FHA INSURED	10.2	13.9	8.0	- 27	+ 28
VA GUARANTEED	5.7	8.0	4.5	- 28	+ 28
PRIVATE INSURANCE	19.8	20.4	13.9	- 3	+ 42
NOT INSURED	64.3	57.7	73.6	+ 11	- 13

* Includes Farmers Home Administration Loans.
** Market shares and percentages are computed from unrounded data.
Source: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity

Residential Mortgage Originations by Building Type*

Residential mortgage originations totalled $144.6 billion in the fourth quarter of 1994, down 13 percent from the third quarter of 1994 and down 52 percent from the fourth quarter of 1993. Nearly identical patterns exist for single-family mortgages. The financing volume for multifamily units (five or more) totalled $7.0 billion in the fourth quarter, down 3 percent from the previous quarter and 37 percent from the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ONE TO FOUR UNITS	137.6	159.7	292.1	- 14	- 53
FIVE PLUS	7.0	7.2	11.1	- 3	- 37
TOTAL	144.6	166.8	303.3	- 13	- 52

* Billions of dollars.
Source: HUD Survey of Mortgage Lending Activity

Mortgage Originations by Lender Type, 1–4 Family Units

Fourth quarter data indicate slightly increasing shares for savings and loans and commercial banks at the expense of the still dominant mortgage companies and other lenders. All classes of lenders experienced a declining volume of originations. The volume of mortgage originations handled by mortgage companies in the fourth quarter dropped to $63.6 billion, 19 percent lower than the third quarter of 1994. Commercial banks originated $41.2 billion in loans, down 8 percent from the third quarter. Mutual savings banks wrote $5.5 billion in loans, down 14 percent from the previous quarter. Savings and loans made $25.5 billion in loans, down 8 percent for the quarter. Despite the 19-percent drop from the third quarter, mortgage companies continued their dominance of the market with $63.6 billion in new originations. Mortgage companies decreased their share to 46.2 percent, commercial banks' share rose to 29.9 percent, and savings and loans' share increased to 18.5 percent. Mutual savings banks' share held about the same at 4.0 percent, while "other lenders," which represent less than 2 percent of the market, experienced a decline.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume ($Billions)					
COMMERCIAL BANKS	41.2	45.0	83.5	- 8	- 51
MUTUAL SAVINGS BANKS	5.5	6.4	12.0	- 14	- 54
SAVINGS AND LOANS	25.5	27.8	53.7	- 8	- 53
MORTGAGE COMPANIES	63.6	78.1	141.4	- 19	- 55
OTHER LENDERS	1.9	2.5	1.4	- 24	+ 36
TOTAL	137.6	159.6	292.1	- 14	- 53
Percentage of Market Shares					
COMMERCIAL BANKS	29.9	28.2	28.6	+ 6	+ 5
MUTUAL SAVINGS BANKS	4.0	4.0	4.1	–	- 3
SAVINGS AND LOANS	18.5	17.4	18.4	+ 6	+ 1
MORTGAGE COMPANIES	46.2	48.9	48.4	- 6	- 5
OTHER LENDERS	1.4	1.6	0.5	- 12	+ 188

Source: HUD Survey of Mortgage Lending Activity

Delinquencies and Foreclosures

Total delinquencies were 4.19 percent at the end of the fourth quarter of 1994, up 7 percent from the third quarter of 1994, and up 2 percent from the fourth quarter of 1993. Ninety-day delinquencies were at 0.73 percent, down 1 percent from the third quarter of 1994 and 3 percent from the 1993 fourth quarter level. During the final quarter of 1994, 0.32 percent of loans entered foreclosure, down 9 percent from the previous quarter, but 3 percent above the fourth quarter of 1993.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PAST DUE (%)	4.19	3.90	4.09	+ 7	+ 2
90 DAYS PAST DUE (%)	0.73	0.74	0.75	- 1	- 3
FORECLOSURES STARTED (%)	0.32	0.35	0.31	- 9	+ 3

Source: National Delinquency Survey, Mortgage Bankers Association

HOUSING INVESTMENT

Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment for the first quarter of 1995 was $284.6 billion, down 1 percent from the fourth quarter of 1994, but up 3 percent from the first quarter of 1994. As a percent of Gross Domestic Product, Residential Fixed Investment was 4.1 percent, down from 4.2 percent last quarter and the first quarter of 1994.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	6,982.9	6,897.2	6,574.7	+ 1	+ 6
RFI	284.6	288.0	277.1	- 1	+ 3
RFI/GDP (%)	4.1	4.2	4.2	- 2	- 2

* Billions of dollars.
Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY

Housing Stock*

The estimate of the total housing stock as of the first quarter of 1995, 112,359,000 units, shows a 0.5-percent increase from the fourth quarter of 1994. The number of occupied units, owned units, and rented units increased by a statistically insignificant amount. Vacant units increased by 3.1 percent. All categories of housing increased since the first quarter of 1994: total units increased by 1.9 percent; occupied units by 1.8 percent; owner-occupied units by 2.4 percent; rented units by 0.7 percent; and vacant units by 2.5 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSING UNITS	112,359	111,806	110,263	+ 0.5	+ 1.9
OCCUPIED UNITS	99,772	99,593	97,982	+ 0.2**	+ 1.8
OWNERS	64,050	63,947	62,522	+ 0.2**	+ 2.4
RENTERS	35,722	35,646	35,459	+ 0.2**	+ 0.7
VACANT UNITS	12,587	12,213	12,281	+ 3.1	+ 2.5

* Components may not add to totals because of rounding. Units in thousands.
** This change is not statistically significant.
Source: Bureau of the Census, Department of Commerce

Vacancy Rates

The national rental vacancy rate in the first quarter of 1995 remained steady during the quarter at 7.4 percent, but fell a statistically insignificant amount from the first quarter of 1994. The homeowner vacancy rate, at 1.5 percent, was not significantly different from the previous quarter's rate, but up 7 percent from the year-earlier level.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE[1]	1.5	1.6	1.4	- 6*	+ 7
RENTAL RATE[1]	7.4	7.4	7.5	–	- 1*

[1] Major changes related to the survey effective with 1994 first quarter data.

* This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce

Homeownership Rates

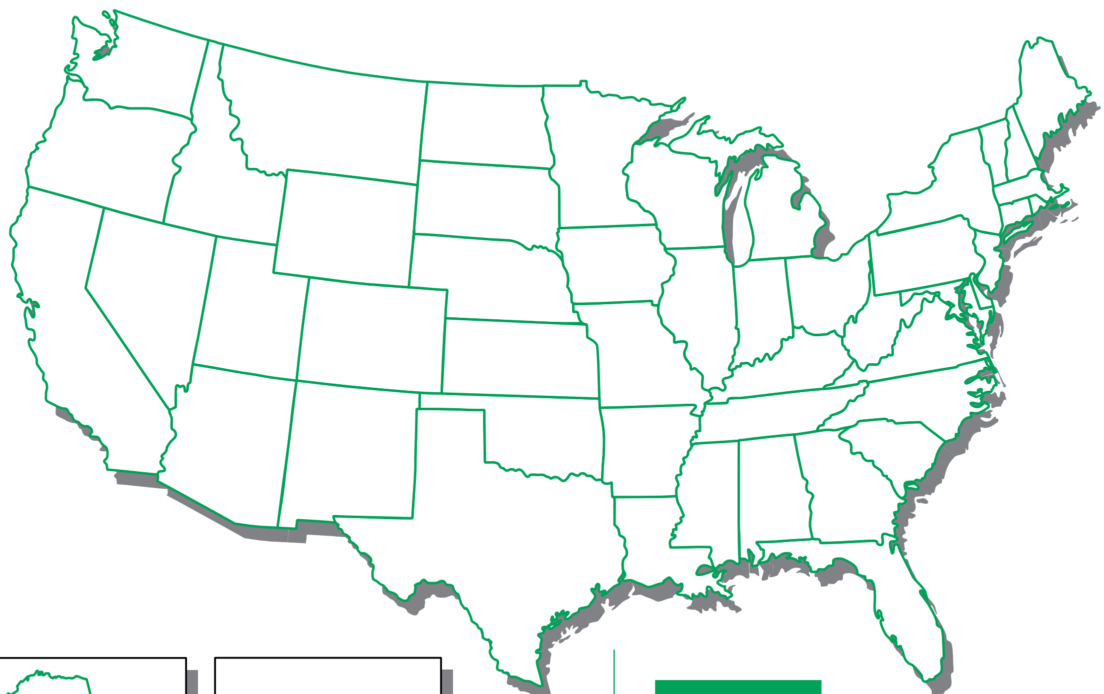
The national homeownership rate was 64.2 percent in the first quarter of 1995, unchanged from the fourth quarter, but up a statistically insignificant 0.6 percent from the first quarter of 1994. It should be noted that the Census Bureau introduced 1990 census counts into the estimation of the quarterly homeownership rate series for 1993 and 1994. The new estimates of the homeownership rates are about 0.5 percent below estimates based on 1980 census weights.

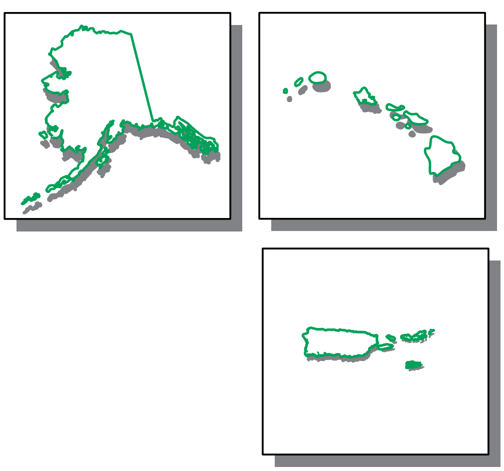
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE	64.2	64.2	63.8	–	+ 0.6*

* This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce

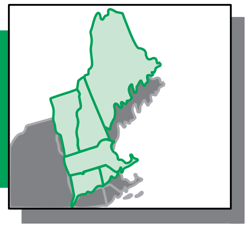
Regional Activity





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

New England



Employment growth in New England continues in early 1995. Gains in retail trade, business services, and construction have been major factors in the growth of the Massachusetts economy. For the 12 months ending February 1995, nonagricultural employment in Massachusetts increased by 87,000 jobs, or 3 percent. The Boston Primary Metropolitan Statistical Area (PMSA) recorded an increase of 41,000 jobs (2.5 percent) for the same period.

The Massachusetts Legislature has been approached by Raytheon and other large employers to work out packages of tax incentives so that these employers can remain in Massachusetts and be competitive in the domestic and international markets. The outcome of these discussions is of concern because the threatened loss of employers such as Raytheon would have serious, long-term, negative consequences on the economy and housing markets of Massachusetts.

New Hampshire had an increase of 21,000 jobs from 1 year ago, with strong gains registered in the services sector and wholesale trade. Connecticut had an increase of 17,400 jobs over the past year, with the largest gains in the services sector (14,400) and construction (4,300). Maine, Rhode Island, and Vermont also showed modest growth in employment from 1 year ago.

Unemployment rates declined in all six New England States during the past year. Maine had the largest decline, with the rate dropping from 9.7 percent to 7.3 percent as of February. New Hampshire had the lowest rate of all the States, with a 4.6-percent unemployment rate.

New England housing markets continue to show improvements as evidenced by the increase in single-family building permit activity. Total single-family activity for the region rose 3 percent during the first quarter of 1995 compared to the same period last year, increasing from 5,797 to 5,992 units. New Hampshire had the largest increase in single-family activity with a solid 22-percent gain over last year. Vermont registered an 18-percent gain and Connecticut a 13-percent gain in single-family activity. Maine and Rhode Island had declines and Massachusetts remained stable. The regional total of multifamily units permitted rose 10 percent to 652 units.

As a result of higher interest rates and uncertainties in the job market, sales activity in the fourth quarter was down in every State in New England from a year earlier. Massachusetts declined 13 percent to 65,300 homes annually and Connecticut was down 11 percent to 42,000 homes. The Boston PMSA saw the median sales price increase 2.8 percent from $172,700 to $177,600 from 1993 to 1994. Hartford, Connecticut, saw a decline from $134,200 to $130,800. Providence, Rhode Island, saw a small decline in sales prices from $116,300 to $115,200.

New England rental markets continue to move toward a balanced condition as vacancy rates continue to decline in most housing markets. As a result of the low level of multifamily construction during the past 10 years, the Boston area is attracting the interest of apartment developers. For the first time since the late 1970s, developers have expressed interest in constructing high-rise apartments in downtown Boston.

Rent concessions are becoming rare in most major metropolitan areas of New England. Higher quality apartments are now able to command rent increases in the 3-percent range. However, in Hartford, an area mainly supported by the insurance and defense industries, the rental market continues to be weak.

Spotlight on

Portsmouth-Rochester, New Hampshire-Maine

From 1988 to 1992, the Portsmouth-Rochester area experienced two significant economic setbacks—the general recession in the New

England economy and the closure of Pease Air Force Base (AFB).

Pease AFB closed in 1991, resulting in the loss of close to 2,000 military and 500 civilian personnel. By the time the base closed, the State of New Hampshire and the city of Portsmouth had already taken an active role in planning for the conversion of the base to nonmilitary use. Construction had begun on numerous commercial and industrial projects at the installation. An aviation center for world trade has begun operations and a biotechnology manufacturer has moved into the high-technology business center. Other developments underway are a public airport and a golf course. Part of the land will be used for the creation of the Great Bay National Wildlife Refuge. As of January 1995, these economic initiatives had created 1,953 construction jobs and 1,050 permanent jobs. The construction contracts let so far amount to over $63 million, and the State estimates that the impact on the local economy will eventually reach $157 million.

The Portsmouth area has recovered the jobs lost after the Air Force base closed. For the 12 months ending February 1995, employment averaged 1,200 jobs above the 1992 level. The area's unemployment rate for the 12 months ending February 1995 was 4 percent, down 1.4 percentage points compared to the previous 12-month period. Prospects look good for continued modest employment growth because the economy is becoming much more diversified.

Two of the largest and fastest growing manufacturing employers in the metropolitan area are Cabletron Systems and the Timberland Company. By the end of 1994, Cabletron employed 2,800 people and was the third largest employer in the State. Timberland, located in suburban Hampton, employs some 700 persons, with annual sales of over $400 million.

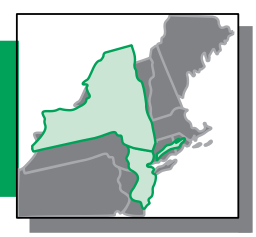
Construction activity has been boosted by public sector projects, such as municipal facilities, schools, and infrastructure improvements planned because of the influx of new residents to southern New Hampshire. These projects and other economic initiatives that will continue beyond the year 2000 should help to rekindle housing demand.

The first increase in residential construction activity occurred in 1993 after a 6-year decline. Single-family permit activity in 1993 and 1994 averaged 700 units annually and multifamily permits averaged 180 units a year.

Housing demand is stronger in the Portsmouth part of the housing market area than in the Rochester part, although both areas have shown continued increases in sales for single-family homes since 1991. Sales for the 12 months ending February 1995 increased 21 percent in the Portsmouth area, and sales in the Rochester area were up 7 percent. From 1989 to 1992, sales prices declined sharply in the metropolitan area, dropping between 5 to 8 percent annually depending on location. During the past 24 months, the average sales price has increased 4 to 6 percent a year. In the 12 months ending February 1995, the average sales price of a single-family home was $150,500 in the Portsmouth area and $87,100 in the Rochester area.

The overall rental housing vacancy rate is 5.8 percent. Rental housing demand is strongest in the Portsmouth part of the area. The rental vacancy rate in the Portsmouth area is estimated to be around 3.5 percent, compared to 7.1 percent for the Rochester area.

New York/ New Jersey



The rates of job growth in both New York and New Jersey continue to lag behind the national rate. In New York State, seasonally adjusted employment declined very negligibly to 7,921,000 between March 1994 and March 1995. The unemployment rate, however, declined to 6.6 percent from 7.9 percent.

In New Jersey more jobs were created in 1994 than at any time since 1988. Employment as of March 1995 was up 3.6 percent over March 1994 to 3,791,000; unemployment in New Jersey measured 5.8 percent in March 1995 compared to 7.7 percent in March 1994. New Jersey has now recovered 57 percent of the 262,000 jobs lost in the recession. The rebound has primarily been in the services and construction sectors. The decline in manufacturing employment, which had averaged 33,500 per year over the 4-year period ending in 1992, had slowed to 5,400 in 1994. Particularly strong growth was registered in retail sales, which increased 7.5 percent. Nonresidential contracts awarded increased 4.3 percent in 1994 as a result of the strong office market in northern New Jersey where the vacancy rate has declined to 9.5 percent and the lease rate increased by 10 percent.

In New York City, job growth in 1995 is likely to be negligible. The rental market in Manhattan is strong and rents are now back to their mid-1980s peak. The cooperative/condominium market has slowed due to rising interest rates and economic uncertainty and is expected to remain flat. Sales volume and prices for cooperatives rose about 6 to 8 percent in 1994, peaked in mid-1994, and have been slowly declining since then.

According to the New York Association of Realtors, the seasonally adjusted annual sales rate for the fourth quarter of 1994 in New York State was 140,200, up 2 percent from the fourth quarter of 1993. For the entire year of 1994, sales amounted to 156,300, up 9.3 percent from 1993. In New Jersey seasonally adjusted sales in the fourth quarter of 1994, according to the New Jersey Association of Realtors, were 142,000 compared to 153,400 for the same period of 1993, a decline of 7.4 percent.

In Upstate New York, the median sales price dropped 1 percent to $94,770. There was a substantial increase in home sales throughout the New York City suburbs in 1994, particularly in Long Island and Westchester County, where sales rose approximately 20 percent. However, for the most part, sales prices were flat. In New Jersey the median home sales price of $148,700 in 1994 represented a 0.5-percent increase from 1993.

During the first quarter, single-family permits for New York State were up 11 percent over the same period in 1994, and multifamily units were up 13 percent, reflecting in large part, the better weather in 1995. Single-family construction activity is expected to continue to decline despite recent increases in home sales, according to the New York Association of Realtors. In New Jersey building permits in the first 3 months totalled 4,123 units, of which 80 percent were single-family.

Spotlight on

Newark, New Jersey

The Newark metropolitan area population has remained essentially unchanged since 1990 at approximately 1.9 million. Economic conditions in the Newark area are improving. Despite some fluctuations, unemployment rates in the five-county area declined steadily through 1994. The Newark area was hard hit in the recession, losing 59,000 jobs or 6.1 percent of its total employment. Losses were concentrated in the manufacturing, trade, and finance sectors. Employment gains in 1993 and 1994 totalling 6,900 were concentrated in the services, transportation, and trade sectors. A major development in the trade sector is the start of construction of a 1.5 million-square-foot outlet center in Elizabeth.

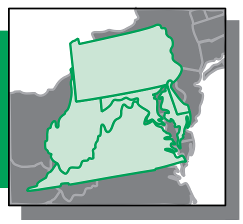
The city of Newark has been recently designated as an Enterprise Community with a potential of $300 million in economic development loans.

Building permit activity in the Newark metropolitan area has remained relatively stable. During 1993 and 1994, single-family permits averaged about 3,800 units annually and multifamily units about 500. In the first 3 months of 1995, single-family activity (500 units) was down slightly and the multifamily units permitted (200) were up slightly over the comparable 1994 period. A substantial number of the multifamily units were for the replacement of low-rise public housing in the city of Newark. Most of the single-family construction is in Morris County and in suburban areas of Union County.

Single-family home prices in the metropolitan area were up a slight 1.2 percent in 1994 to $187,300. The median sales price in Essex County was $208,100 and in Morris County, $198,200.

The Newark area rental market has remained tight. The rental vacancy rate is estimated to currently be around 3 percent. Although demand is strong, local zoning regulations have impeded multifamily development.

MID-ATLANTIC



Pennsylvania's unemployment rate declined in February to 5.6 percent, the lowest level in 12 months. Existing home sales for 1994 were down 4.6 percent in the State. The median sales price for existing homes in the Philadelphia metropolitan area increased 1.3 percent in 1994. In January the median sales price for single-family, detached homes was $216,850, for townhouses it was $131,900, and for condos, $97,400. Many first-time buyers are purchasing new townhouses in Montgomery and Bucks Counties.

Home sales in the Pittsburgh metropolitan area fell 7 percent in February, the eighth decline in the past 9 months. Single-family building permit activity was up 3 percent in 1994 but declined in the last half of the year. In the first 3 months of 1995, single-family permits were issued for 985 units, a slight 3-percent decline, and the number of multifamily units (122) was almost the same as in the first quarter of 1994.

Maryland's employment growth in 1994 was the strongest in the past 4 years. New home sales in the Baltimore metropolitan area increased every year from 1990 through 1993, but fell 14 percent in 1994. Although home sales are down due to increased costs and higher interest rates, the market share for townhouses and condominiums has increased significantly in the past year. Baltimore has been selected as an Empowerment Zone recipient. Over the next 2 years, Empowerment Zone status will bring Baltimore $100 million in Title 20 Community Service Block Grants from the U.S. Department of Health and Human Services. These grants may be used for job training, day care, health services, and other economic development and employment readiness activities. In addition, over the next 10 years, businesses in the Empowerment Zone will be eligible for up to $225 million in tax credits for increasing employment, making capital investments, and building new plants.

Higher interest rates and uncertainty about Federal Government employment have had an impact on the sales market in the Washington metropolitan area. Sales of existing homes in the first 3 months were down about 16 percent compared to the first quarter of 1994. Virtually all areas of the Northern Virginia suburbs saw a downturn in early 1995, with the Dulles area and the close-in areas of Fairfax, Arlington, and Alexandria dropping by more than 21 percent. In the Maryland suburbs, resales were down 15 to 20 percent in Montgomery County but up a slight 2 percent in more affordable Prince George's County. As of the fourth quarter, the median sales price of $158,000 for existing homes in the Washington metropolitan area was essentially unchanged from 12 months earlier. Although sales are down, single-family permits in the first quarter of 1995 (5,893 units) are up about 6 percent over the comparable 1994 period. Multifamily activity also increased in the first quarter, with 2,122 units permitted.

In Virginia 87,200 new jobs were added in 1994 for a healthy 3-percent annual rate of growth. Job gains in Northern Virginia accounted for 40 percent of the growth. The Norfolk-Newport News-Virginia Beach area, the State's second largest labor market, had a net increase of some 11,800 jobs. Gains in trade and service industries offset losses in shipbuilding and other defense-related sectors. Local job forecasts for the State predict a slowdown in 1995 in economic activity, with early evidence of this trend in both Hampton Roads and the Northern Virginia markets.

In the Richmond-Petersburg area, a very positive development for the area's future is the Motorola Corporation's recent announcement to build a $3 billion plant that will manufacture computer chips near the Goochland-Henrico County line. About 1,000 persons will be employed initially, with total employment eventually to number 5,000; an additional 10,000 jobs will be added to the local economy as a result. No date has been set for construction. Final development plans depend on several actions by the State of Virginia, including highway construction and approval of State financial incentives.

Home sales were down 4 percent in Virginia in 1994. The trend continued in the first 2 months of 1995, with sales down 7 percent below the same period last year. Despite higher interest rates, single-family building permit activity in 1994 was about the same as in 1993, due in part to the use of ARMs. However, in the first 3 months of 1995, single-family permits (7,805) were down 14 percent from first quarter 1994 levels.

The market for new rental units continues to improve. Multifamily units permitted increased by 42 percent in 1994, with most of the increase coming in the first half of the year. In the first 3 months of 1995, the number of multifamily units permitted totalled 2,874, a 68-percent increase over the comparable 1994 period. Apartment production under tax credit provisions and development of special niche markets, such as the elderly, account for the preponderance of new multifamily development.

West Virginia's home sales have slowed with the rise in interest rates. Subdivisions are under construction in the Clarksburg area in anticipation of the opening of the FBI's new building. Sales prices have increased 28 percent in the past 4 years in Clarksburg. Growth in the Eastern Panhandle continues. Quad-Graphics, Inc., one of the country's largest commercial printers, will build a $60 million plant in Hedgesville, Berkeley County. It will hire 300 people in its first year and could hire as many as 2,000 people in the next few years.

Spotlight on

Wilmington, Delaware

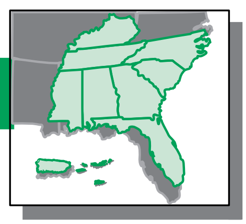
The unemployment rate for the city declined from 6.4 percent in February 1994 to 4.5 percent in February 1995, due in large part to the privately funded economic development partnership, "Wilmington 2000." Established in May 1993, the partnership between Wilmington's business community and city government is charged with developing and implementing strategies to invigorate Wilmington's economic and cultural life, especially in the downtown area. The partnership has been able to attract new jobs to the downtown area, including 1,100 jobs with the Beneficial Corporation that relocated from New Jersey, an expansion by Dupont that added 1,700 jobs, and 140 jobs at the American Express Centurion Bank. Maryland Bank of North America (MBNA) has completed construction of its 315,000-square-foot headquarters that will eventually employ some 3,000 persons in the downtown area. MBNA will soon begin construction of a second nine-story building and six-level parking garage. The building will include a training center for employees.

In another major economic development, the Port of Wilmington has recently added 260,000 square feet of warehouse space and a new berthing facility that enables the port to handle 4.4 million tons of cargo annually. An additional $25 million in improvements are scheduled after the planned takeover of the port by the State of Delaware.

Housing affordability has been a major factor in attracting new employment to the Wilmington area. A survey by the National Association of Homebuilders ranked the area 28th among 183 metropolitan areas, based on the finding that an average wage earner could afford 79 percent of new homes built in the area. The average sales price for existing homes in the area is around $100,000, and the average price of a new home is in the $125,000 to $150,000 range.

Residential building activity, as measured by building permits, has been relatively stable in the Wilmington area. Since the beginning of 1990, permits have been issued for an average 3,100 single-family units and 285 multifamily units annually. In the first quarter of 1995, permits were issued for a total of 664 units, compared with 869 in the comparable 1994 period.

SOUTHEAST



The Southeast experienced relatively strong employment growth in 1994. Employment figures for the first 2 months of 1995 and recent job announcements suggest continued, though more moderate, growth for 1995.

Employment in the eight States and Puerto Rico in the Southeast region increased by 3.3 percent during 1994 and unemployment dropped from 6.9 to 6.1 percent. Employment growth ranged from 1.9 percent in North Carolina to an extremely high 7.7 percent in Tennessee. Tennessee's rapid growth is due to the large number of new and planned expansions in the automobile and satellite industries. Puerto Rico showed strong employment growth during 1994 resulting in a substantial drop in the unemployment rate of almost 3 percentage points, to 12.3 percent.

Hiring has begun for the Mercedes-Benz U.S. plant in Vance, Alabama, which is expected to employ 1,500 persons when full production is reached. Employment growth continues in Florida, despite a lackluster performance by the State's tourism industry. Georgia continues its strong economic performance, based on export-related manufacturing and strong employment growth in the Atlanta area. Kentucky has shown continued strong growth in services and manufacturing, and Toyota's Georgetown plant has announced a doubling of its work force to approximately 6,000. An expansion of the University of Mississippi Medical School in Jackson is expected to create over 1,000 jobs. DeSoto County, Mississippi, part of the Memphis metropolitan area, has been the site of several recent employment expansions, including distribution centers for Mazda North America, Inc., and Weyerhaeuser Paper Company.

In South Carolina Nucor Corporation has announced plans for construction of a steel mill near Charleston that will employ 600 persons. The announcement will help offset the effects of the shutdown of the Charleston Naval Base. In Tennessee economic conditions are particularly strong in the Nashville area, which has experienced strong growth in service and retail employment. Columbia HCA announced relocation of its corporate headquarters to Nashville, which is expected to add 600 jobs to the local economy.

Housing markets continue a relatively strong performance in the Southeast, although construction activity has slowed in many areas. The number of single-family housing units authorized by building permits (63,261) during the first quarter of 1995 was down 10 percent from a year earlier. The decline in single-family permits was due to a sharp drop in Florida and moderate declines in North Carolina, South Carolina, Mississippi, and Tennessee. Activity increased in Alabama, Georgia, and Kentucky. The inventory of unsold new homes appears to have remained manageable, as builders and lenders reacted to the rise in interest rates and cut back on activity. Recent declines in mortgage interest rates are raising hopes for strong sales this spring. The future level of new home construction indicated by single-family building permits is down in most of the major markets in the Southeast. The largest drops in permits during the first 3 months of the year were in

Tampa, Orlando, and Jacksonville, with declines of 25, 17, and 21 percent, respectively. Activity in the Miami-Ft. Lauderdale area was almost equal to the first quarter of 1994. Permits were also down 12 percent in Charlotte-Gastonia and 9.5 percent in Nashville. Declines in single-family activity in the Louisville, Raleigh-Durham, and Greensboro-High Point areas were negligible, and the Memphis and Atlanta metropolitan areas recorded small increases over year-earlier figures.

Multifamily activity continued to increase. Permits were issued for 20,917 units during the first quarter of 1995, a 48-percent increase over the comparable 1994 period. Except for Alabama, all the States showed significant increases in activity. Florida markets accounted for 42 percent of the multifamily units in the Southeast, but the Atlanta metropolitan area alone accounted for 11 percent of the total (2,350 units). A significant portion of the recent rental construction is in high-rent, amenity-rich units. While the number of such units that have reached the market is limited, these units are being readily absorbed. Occupancy appears to be largely by young professionals who are not yet ready for homeownership and empty nesters who no longer want the responsibilities of home maintenance. For both groups, renting a high-amenity apartment is a lifestyle choice, since the monthly rents would be sufficient to cover mortgage payments in most markets. The emphasis is on construction of high-rent units because occupancy in existing projects is generally high and because new developments need to command high rents to be economically feasible. The depth of this market, however, is uncertain, especially as rents go even higher.

Total FHA endorsements in the Southeast declined by 56 percent in the first quarter of 1995 compared to year-earlier figures. The sharpest decline occurred in Georgia, where the number of endorsements declined by 68 percent. The smallest decline occurred in Puerto Rico and the Virgin Islands, where volume was down by only 12 percent. The decline is attributed to the increase in interest rates.

Part of Atlanta has been designated as a HUD Empowerment Zone. The city is establishing a public/private Empowerment Zone Corporation that will make funding recommendations to an executive board. Programs established under the Empowerment Zone are expected to enhance other planned community improvements, including rehabilitation of Techwood Homes, a large public housing project scheduled for redevelopment into a mixed-income community. Residents recently voted in favor of the redevelopment proposal, and construction is scheduled to begin in July. In addition, a number of currently vacant buildings in the area are scheduled for rehabilitation to affordable housing, involving both public and private investment. Investor interest in the Empowerment Zone neighborhoods has increased substantially as a result of the city's hosting of the 1996 Summer Olympic Games.

Spotlight on

Greenville-Spartanburg, South Carolina

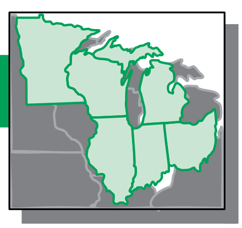
The Greenville-Spartanburg metropolitan area is the most rapidly developing region in South Carolina. The five-county metropolitan area has experienced steady population and employment growth over the past 10 years. Between 1990 and 1994, the population increased 5.2 percent to 873,400. Total employment in the area increased 6.5 percent between 1990 and 1994 to 445,897. The unemployment rate, 3.3 percent for 1994, is consistently among the lowest in the State.

The metropolitan area has been successful in reducing its dependence on the textile industry. New industries are more concentrated in the high-tech area and automobile manufacturing. The area now contains the largest concentration of foreign investment in the State, including Michelin (5,400 employees), the Hoechst-Diafoil Corporation (2,500 employees), and BMW. The BMW automotive plant currently employees about 500 and is expected to reach 2,000 employees within the next 2 years.

Since 1990 single-family home construction has increased each year, from 3,600 units in 1990 to almost 5,400 units in 1994, a 13-percent increase over 1993 levels. Almost half of the single-family building is in Greenville County, the majority of which is in the $85,000 to $125,000 price range. Since 1990 the median sales price for existing homes has increased almost 19 percent to $87,400 in 1994.

From 1990 to 1993, production of multifamily units averaged only 350 units annually, and the rental market tightened significantly. In 1994, however, multifamily permits were issued for 976 units. According to local planners, an additional 1,800 units are in firm planning stages in Greenville County and up to 800 units are planned in Spartanburg County. If a majority of the planned units were to start construction this year, the rental market would soften and some apartment complexes would experience extended vacancies.

MIDWEST



Employment growth in early 1995 has continued the 1994 trend of strong gains. The Midwest region added 620,000 jobs during the 12 months ending February 1995. The manufacturing sector together with services and construction contributed two-thirds of employment growth. Exports to Europe and Japan were up 14 percent to $24 billion in 1994, and continued increases in 1995 are expected to offset reduced exports to Mexico.

Private surveys of business conditions show a slowdown in growth throughout the first quarter of 1995 in Chicago, Detroit, Cleveland, and Milwaukee. However, employer hiring in these areas for the second quarter is expected to be strong, particularly for durable and nondurable goods manufacturing and wholesale and retail trade.

Michigan continues to lead the region in employment growth, adding 140,000 jobs during the 12 months ending February 1995. Growth in western Michigan near Holland and Grand Rapids has been very strong, and the unemployment rate has fallen to below 5 percent. In Ohio employment growth was reported in all sectors of the economy, led by construction and business services, both up 9 percent in the first quarter of 1995 compared to the first quarter of 1994.

As of February employment gains in Illinois were due in great part to a 12-percent increase in business service employment and a 10-percent increase in motor vehicle and transportation equipment employment in the past year. In Minnesota job growth in retail trade and business services helped reduce the unemployment rate to 3.4 percent in February, the lowest in the region.

Single-family building permits for the Midwest were down 13 percent in the first 3 months of 1995. Through March building permits were issued for 29,238 units compared to 33,575 in the first quarter of 1994. Activity was down in all States with Indiana, Ohio, and Minnesota recording the largest percentage declines. In the Minneapolis-St.Paul area, the number of units permitted was down 30 percent from first quarter 1994 levels, but activity is expected to pick up in the spring. Builders were encouraged by the high turnout of prospective buyers at the Parade of Homes Spring Preview held throughout the Twin Cities area between February 25 and March 19, 1995.

In the Chicago area, homebuilding and sales activity held up well in the first quarter of 1995, buoyed by mild weather, a strong economy, and the recent decline in mortgage rates. Sales contracts for the first 3 months of 1995 were down only 4 percent from a very strong first quarter of 1994, and prospective buyer traffic was unchanged from a year earlier. Several lenders reported that ARM loans, which comprised over 50 percent of the mortgage loan market in January, lost much of their popularity with homebuyers in March, when interest rates fell below 9 percent on fixed-rate mortgage loans.

Existing home sales in the region in 1994 were up from 1993, but activity varied widely by State. Michigan's strong recovery helped boost home sales 9 percent in 1994 over the previous year, but sales volume in Illinois and Wisconsin was down 1 to 2 percent. The other States reported sales gains of 4 percent or less for 1994. Sales activity in Illinois continued to weaken in 1995, declining 15 percent in February from a year earlier. In the Minneapolis-St.Paul area, home sales in February fell 26 percent from last year, but recovered in March.

Multifamily construction in the Midwest region was strong in 1994 with some 51,715 units permitted, a 26-percent increase over 1993. Through March multifamily permits were issued for 9,903 units, a 35-percent increase over the same period in 1994 and the highest level since 1990. Continuing to benefit from a strong economy, Michigan led all States of the region with the largest percentage gain, a 253-percent increase over last year. In the Minneapolis-St.Paul area, multifamily activity in the first 3 months of 1995 was almost four times that of first quarter 1994 levels.

Throughout the region rental markets are generally strong. Private surveys of 21 market areas show occupancy in the 94- to 96-percent range in the first quarter of 1995, up from 93 to 95 percent in the first quarter of 1994. However, Rochester, Minnesota's, rental market weakened in 1994 when IBM and the Mayo Clinic reduced employment and new multifamily units entered the market well above historical levels. Occupancy declined to 91 percent toward the end of the year, down from 95 percent in 1990, and rents dropped 10 to 15 percent in projects built before 1980.

The market for high-rent units appears to be holding strong. In suburban Indianapolis a 300-unit project with rents averaging $625 for a one-bedroom unit to $1,100 for a three-bedroom unit is filling up rapidly, and the developer plans to build a second project with 146 units at even higher rents ($725 to $1,120 a month). The same developer has also announced the proposed construction in suburban Chicago of 200 3-bedroom units with monthly rents ranging from $800 to $1,350.

Spotlight on

Chicago, Illinois

The nine-county Chicago metropolitan area continues to grow at a faster pace than the remainder of the Midwest region. Population in the Chicago area, currently estimated to be around 7.7 million, increased by 3.5 percent between 1990 and 1994 compared to 2.5 percent for the region as a whole. Strong employment growth in all sectors of the economy has lowered the unemployment rate a full percentage point in the last 12 months to 5.6 percent as of February 1995. Business services and retail trade posted strong job gains in 1994 and contributed to the improved market for commercial space in Chicago's downtown. Absorption of office space topped 1.6 million square feet in 1994, the highest since 1990.

Single-family construction in the metropolitan area in 1994, at 26,300 units, was the third highest in the Nation and at the highest level in more than 5 years. Activity was up in most counties and was particularly strong in Lake, McHenry, Kane, and Will Counties. Construction has remained healthy in the first quarter of 1995. Single-family building permits in the first quarter of 1995 (4,600) were off just 7 percent from 1994, and home sales increased toward the end of the quarter. Contracts were signed for 1,550 new homes in March compared to 975 in February, and 600 in January. The unsold inventories of new homes have increased. Builders do not think current levels are excessive and greater reliance on presales has kept inventories to a manageable level. However, concessions and buydowns have increased gradually in parts of the metropolitan area. In fast-growing Lake and McHenry Counties, builders are offering prospective first-time buyers financial assistance with closing costs or buydowns on lending rates. Reflecting the softer conditions, the median sales price for existing homes as of the fourth quarter of 1994 ($143,400) had increased only 1 percent in the last 12 months.

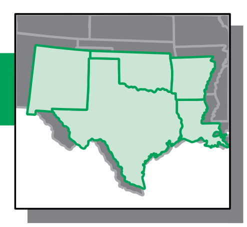
In 1994 FHA insured 39,166 homes in the Chicago area for a total mortgage amount of $3.7 billion. This represents almost one-third of the 120,000 homes sold in the metropolitan area during the year.

Chicago's rental market continues to improve. Apartment occupancy in the first quarter of 1995 was around 95 percent. In downtown Chicago, where demand for housing is strong, rents are increasing 5 to 6 percent annually, twice the rate of other Midwest markets. Conversion of rental housing to homeowner units has picked up in the past 2 years; about 4,100 rental units in the downtown area were converted in 1993 and 1994. In 1994 multifamily building permits were issued for 6,900 units, the fourth highest among metropolitan areas, and the highest level since 1990. Two areas—Lake County and the city of Chicago—accounted for 45 percent of activity in the metropolitan area. The trend has continued into 1995, with multifamily permits (1,250 units) in the first 3 months up 22 percent over the same period in 1994.

Inner-city redevelopment is progressing well in Chicago. Construction of Homan Square's second phase began in Lawndale, one of the city's poorest neighborhoods. When completed in 1996, Homan Square will include 80 new homes, selling for $80,000 to $180,000, and 50 affordable apartments renting from $385 to $490 a month. All but 16 market-rate homes are subsidized by the city of Chicago with $1.4 million in HUD/Community Development Block Grant (CDBG) funds. Market response to Homan Square is strong from households with a wide range of incomes ($15,000 to $60,000 annual income). Completion of the $175 million United Sports and Convention Center in August 1994 is generating additional investment in housing in Chicago's west side community. A 15-unit affordable apartment building ($250 to $550 monthly rent) is nearing completion, and construction of 75 sales units (in the $100,000 to $150,000 price range) will begin in the spring, all assisted with HUD/CDBG funds.

In December 1994 HUD designated Chicago an Empowerment Zone. Using $100 million in HUD funds, $2 billion pledged by local banks over 10 years, State and local government funds, and Federal tax incentives, the city plans to stimulate economic growth and create jobs in 20 distressed areas of Chicago. The city and residents of the 19-square-mile zone—about 10 percent of Chicago's land area—are trying to establish a coordinating council to oversee zone implementation. Pending are 21 projects with a potential expenditure of $120 million for affordable housing, jobs and social services for zone residents, incentives for business investment, and physical improvements to infrastructure. Federal tax incentives for asset depreciation and the availability of tax-exempt bond revenue for industrial development projects have generated a substantial number of business inquiries. The Coca-Cola Bottling Company, which employs 650 workers in the zone, announced plans to expand operations using $3 million in revenue from tax-exempt industrial bonds. The Crane Carton Company, another zone employer, has spent $9.9 million to renovate a building and buy new equipment, and is planning to spend an additional $3.1 million to expand and modernize operations. All these activities await formation of the coordinating council.

SOUTHWEST



Nonagricultural wage and salary employment grew by a healthy 3.6 percent throughout the Southwest in 1994. Arkansas, Louisiana, and New Mexico all had growth rates exceeding 4 percent, with New Mexico leading with a 4.8-percent growth rate. Oklahoma had a healthy 2.5-percent gain. Continuing the recent trend, jobs in the services sector showed the largest growth, followed by wholesale and retail trade. The only sector to exhibit a job decline was the petroleum industry, which continues to downsize. Employment continues to grow rapidly in the Albuquerque, New Mexico, and Austin-San Marcos, Texas, areas, increasing 6.3 and 6.1 percent, respectively, in 1994.

The future growth prospects in a number of Southwest market areas are dependent on changes in the Mexican economy, the oil industry, and the impact of military base closures or realignments. While the petroleum industry has declined in importance in the region overall, it is still an important factor in the economy of areas such as Houston, Tulsa, and Beaumont-Port Arthur.

Base closures are proposed for Albuquerque, San Antonio, Texarkana, and Lubbock. The largest projected loss is at Kirtland AFB in Albuquerque with 6,800 personnel, followed by Brooks AFB in San Antonio with 3,750. The proposed loss of jobs at Kirtland AFB over the next 5 years could temporarily dampen the rental housing market, but anticipated job growth, particularly in high-tech industries, should alleviate any long-term market problems.

Texas stands to be the greatest loser in the decline of the Mexican peso. Texas exports to Mexico directly account for almost 250,000 jobs. It is estimated that 6 percent of the State's employment is related to the Mexican economy. The Texas comptroller estimates that the rate of employment growth in 1995 could be reduced to 1.7 percent, down from the original forecast of 2.2 percent, as a result of the downturn in the Mexican economy.

In 1994 the volume of home sales increased a slight 1.7 percent in the Southwest compared with the torrid pace of 1993. The annual sales volume as of the fourth quarter of 1994 was off 11 percent compared to the fourth quarter of 1993. Reflecting the slowdown in sales, single-family permits for the first quarter (23,700) were down about 3 percent from the period a year earlier.

Single-family homes in the major markets of Southwest remain more affordable than the national average except for Albuquerque. Amarillo, Houston, Fort Worth, and Oklahoma City were among the most affordable areas when comparing median-priced homes to median family income. In Arkansas a bond program for first-time homebuyers that discounts the interest rate has helped sustain steady interest in the entry-level home market.

Single-family sales prices increased in the Albuquerque, San Antonio, Austin-San Marcos, and Dallas metropolitan areas but declined in Houston in 1994. In Albuquerque and Austin-San Marcos, median home prices have increased by 19.6 percent and 14.8 percent, respectively, since 1992.

Multifamily activity continues to be strong. All States recorded increases in permit activity in the first quarter of 1995. The number of units permitted in the Southwest (10,788) in the first quarter of 1995 was up 50 percent over the comparable period in 1994. Louisiana, Oklahoma, and New Mexico showed very substantial gains. In the first 3 months of 1995, permits were issued for 7,832 multifamily units in Texas, up 36 percent. The Dallas-Fort Worth area accounted for approximately half of the multifamily activity in the State in the first quarter.

Apartment construction remains heavy in Dallas, Austin-San Marcos, and Albuquerque. In the Austin-San Marcos area, the vacancy rate is currently around 3 percent. But over 5,000 units are now under construction and scheduled to come on the market over the next 18 months. In addition, 7,000 units are in the planning stage, although not all of these are likely to be built.

Luxury rental units still dominate multifamily construction in the Southwest. Typical occupants of luxury rental units are professional, young singles or couples who want single-family amenities but not the maintenance or financial responsibilities of homeownership.

Spotlight on

Dallas, Texas

In 1994 nonagricultural wage and salary employment increased by 56,000, a 3.8-percent gain over 1993. All sectors showed increases except the oil industry, which lost 2,200 jobs. The largest increases were in trade and services with a combined total of over 32,000 new jobs. The largest percentage increase was in construction, at 10.5 percent (5,600 jobs). The smallest gain was manufacturing, at 1.8 percent. This, however, was viewed as very positive given the continued losses in the area's defense-related industries.

The area is becoming a manufacturing center for the cellular telephone industry. To date, the industry employs about 4,000 persons and employment is expected to double within the next year or so with the expansion of wireless channels in the United States and demands for systems in emerging economies such as Mexico and China.

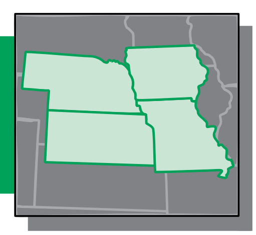
There were almost 25,000 homes sold through the Dallas, Irving, and Denton Multiple Listing Service (MLS) in 1994, about a 6-percent increase over the same period in 1993. However, existing single-family home sales declined by 12.4 percent in the first quarter of 1995 compared to the first quarter of 1994. Builders are reacting to the slower sales as a result of increasing interest rates and higher construction costs. Single-family permit activity in 1994 (15,500) declined about 1.5 percent. In the first 3 months of 1995, activity was off 16 percent compared to the first quarter of 1994.

Multifamily activity was very strong in 1994, with permits issued for some 9,950 units, the highest volume since the mid-1980s, and much higher than the average annual permit activity (3,575 units) between 1990 and 1993. The boom in multifamily activity continued into the first quarter of 1995 with 3,056 units permitted.

Most of the new apartments coming on the market could be characterized as upscale or luxury units. Activity is concentrated in affluent submarkets north and west of Dallas. Suburban submarkets are also beginning to see this type of activity. The overall occupancy rate in the Dallas area is currently around 93 percent. The rental housing market is still strong, but managers are not raising rents in some of the highest priced units, suggesting that some submarkets bear watching.

Close-in neighborhoods are attracting developer interest. In the first 3 months of 1995, permits were issued for almost 600 apartment units near downtown Dallas. Deep Ellum, east of downtown, has become the mecca for young renters. Several loft apartments have been created in this area over the past few years and a major apartment builder has recently started a large, high-rent garden apartment project on the edge of this area. The uptown area northwest of downtown is the center of new, upscale apartment development. Four projects with a total of 850 luxury garden apartment units were completed in 1994, with an average rent of $600 to $700 for one-bedroom units and $800 to $900 for two-bedroom/two-bath units. Reports indicate that some of the complexes have begun to offer a month's free rent to speed up initial occupancy. Six projects totalling another 850 units with similar rents are scheduled for completion by the end of May 1995.

Great Plains



The Great Plains region continued its strong employment gains in 1994, with a 3.2-percent increase compared to 2.3 percent in 1993. All States showed gains, with Nebraska's 3.7 percent leading the region. Kansas had the smallest increase, although it still showed a strong

2.9-percent growth rate. Unemployment remained low in all States in 1994. Nebraska recorded the lowest unemployment rate at 2.9 percent. Iowa was next with 3.7 percent, followed by Missouri with 4.9 percent, and Kansas at 5.3 percent.

Employment in the Great Plains increased by 196,100 jobs in the 12 months ending February 1995. Missouri led the region by adding 82,100 jobs. The Branson, Missouri, area continued to add to Missouri employment. Tourism, recreation, and entertainment have been mainstays of the Branson area economy, which began to attract nationally known entertainers in the 1980s. Between 1990 and 1994, employment increased 72 percent, almost four times the rate of growth from 1980 to 1990. From 1991 through 1993, an average of 3,400 jobs were added annually. However, in 1994 only 1,450 jobs were added as growth in tourism began to slow.

Iowa, the second leading job producer in the region, added 43,100 jobs in the 12 months ending February 1995. Increases in manufacturing (9,300), wholesale and retail trade (9,400), and services (11,300) accounted for 70 percent of these jobs. Part of this increase represents the recovery from the flood of 1993. Flooding was a major setback for manufacturing in July 1993, with more than 60 Iowa plants having normal production disrupted. The hardest hit portion of manufacturing was food products. Iowa has other bright spots in its manufacturing sector. Newton, Iowa, was chosen by the Maytag Corporation to be the location for its new energy-efficient washing machine production facility. This $40 to $50 million expansion will add over 100 jobs. Lennox Industries added over 500 employees at its Marshalltown air conditioning manufacturing plant, and Atwood Industries added 600 jobs at its West Union automobile parts manufacturing plant.

Kansas contributed to the region's growth by adding 36,100 jobs over the past 12 months. Southeastern Kansas, which was hard hit by the recession of the early 1980s and then later by the downturn in the petroleum industry, has had some very favorable employment developments. Coffeyville was recently selected by American Insulated Wire, Inc., as the site for a new manufacturing facility that will employ 250 persons. Coffeyville also will benefit from Cessna Aircraft Company's new manufacturing facility to be constructed in nearby Independence. The Cessna facility is expected to create 1,000 jobs and have an annual payroll of $20 million.

Nebraska recorded a solid increase of 34,800 jobs over the past 12 months. Over 60 percent of this growth was in manufacturing (5,170), retail trade (5,700), and services (10,400). Omaha accounted for two-thirds of Nebraska's employment growth in these three sectors.

Residential construction activity in 1994 was the highest since 1978. Permits were issued for 42,960 single-family units, a 7-percent increase over 1993 levels. In response to higher interest rates, single-family permit activity slowed in the latter part of 1994 and has continued at a reduced rate for the first 3 months of 1995, declining 21 percent over the comparable 1994 period.

Multifamily housing activity in the Great Plains in 1994 (15,387 units) exceeded 1993 activity (10,984 units) by 40 percent. Missouri, with 5,350 units, accounted for almost 35 percent of the multifamily housing development. In the first quarter of 1995, permits were issued in the region for some 2,400 units, only slightly less than first quarter 1994 levels. The Branson area has made a major contribution to multifamily activity in Missouri. Building permits are not required in the unincorporated areas outside Branson, but it is estimated that 5,000 to 7,500 multifamily units have been built during the past several years. Many of these are seasonal units or second homes in large condominium projects built around a golf course or near one of the lakes. Most are investor owned and rented on a short-term basis to tourists. The luxury rental market in the Branson area has become overbuilt, causing rent reductions of 15 to 25 percent.

The market for rental units affordable for local workers in the Branson area remains undersupplied. The Missouri Housing Development Corporation approved low-income housing tax credits for 196 units in 6 projects that were recently completed and rented out rapidly. An additional 90 tax-credit units are under development in a 280-unit complex and another 112 tax-credit units are in the advanced planning stage as part of a 560-unit proposal.

Spotlight on

Des Moines, Iowa

Finance and insurance are the cornerstones of the Des Moines economy; 60 insurance companies employing more than 10 percent of the work force have home offices in the area. Local colleges work closely with insurance companies to design programs and courses that provide appropriate training and continuing educational support to employees of the insurance industry.

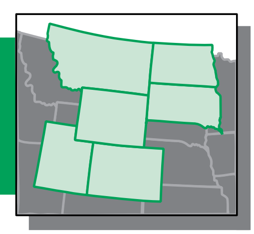
Since 1990 the population of the Des Moines metropolitan area has grown by 6 percent, and nonagricultural wage and salary employment has grown by almost 11 percent. In 1994 employment grew by 1.6 percent, and the unemployment rate declined to an average of 2.9 percent.

The strong economy and growth in the past 5 years has resulted in a healthy market for both sales and rental housing. Single-family construction, as measured by building permits, has averaged almost 2,000 units annually since 1990. The median sales price of existing homes in the Des Moines metropolitan area increased about 4 percent in 1994 to $81,700. New single-family homes are typically in the $125,000 to $165,000 range. A significant portion of the new activity is concentrated in the West Des Moines submarket.

The rental market in Des Moines has remained relatively stable during the past 5 years, with production slightly lagging demand. Between 1990 and 1993, multifamily permits were issued for an average of 767 units annually. Permits were issued for 1,300 units in 1994. As a result the rental vacancy rate increased slightly but still remains well below 5 percent. Rent increases have averaged 3.5 percent or less annually since 1992. In January 1995 about 875 units were under construction. The market is expected to absorb the new supply and remain balanced. A significant part of the new rental construction in the past 3 years has involved tax-exempt financing or tax credits.

In 1988 Des Moines was selected as a model of urban design for cities of the 21st century in a Yale University study. Supported by the city of Des Moines and the Des Moines Development Corporation, the Des Moines Vision Plan has evolved a project known as the Hillside Neighborhood. Hillside is a 29-acre site located immediately north of the central business district. The redevelopment will involve an estimated $300 million of public/private partnership funds. When completed the neighborhood will contain 1,500 housing units for downtown workers. Currently 144 tax-credit units of rental housing for low- and moderate-income households are being rehabilitated, with scheduled completion in June 1995. In July construction is scheduled to begin on 194 market-rate apartments in Phase II. Phase II is projected to include up to 600 market-rate apartments when completed. Phase III of the development is planned to include townhouse development, but the market demand will determine the mix of owners and renters. Hillside may be completed as soon as the year 2005 or not until 2010, depending on the demand.

ROCKY MOUNTAIN



Strong employment gains continued in the Rocky Mountain region in early 1995, but the differences among States narrowed. Annual gains in Utah (5.7 percent) and South Dakota (4.8 percent) have slowed from their levels in the fourth quarter of 1994, but these two States remain the fastest growing in the region and among the fastest growing in the United States. Growth rates in the remaining States have picked up in the first quarter and range from 2.6 percent in Wyoming to 4.4 percent in Montana. A surge in apartment construction and unusually warm weather early in the first quarter have stimulated increases in construction employment despite the completion of major public projects such as the Denver International Airport and Coors Field. The trade and services sectors continue to provide the largest number of new jobs, buoyed by gains in recreational and lodging services employment. The gaming industry has become increasingly important to this sector and has brought about employment gains in western South Dakota and the Front Range of Colorado. Although employment gains continue in the ski industry, initial estimates indicate a small decline in skier visits last season in Colorado.

Labor markets remain firm in most Rocky Mountain States. February unemployment rates were under 4 percent in four States. Montana's 5.6-percent rate is the only one comparable to the U.S. rate. Rates in the remaining five States are 1 to 2 percentage points below the national rate. Many industries are having difficulty finding entry-level workers.

Total building activity in the first quarter of 1995 is down 9 percent from the first quarter of 1994 level. A 25-percent decline in single-family permits has been partially offset by a surge in multifamily activity. The number of multifamily units permitted in the first quarter of 1995 (3,758) is almost double that of the same period in 1994. The vast majority of the activity is in Colorado's Front Range and Utah's Wasatch Front. Apartment construction in these areas should continue to increase throughout the first half of 1995. The pipeline of units proposed has increased significantly as these areas continue to draw the attention of out-of-State developers. Despite the slowing of single-family activity, no significant surplus of finished lots has developed. In fact there are some shortages of lots in active areas. This will likely continue as many communities in Colorado's Front Range and in the Provo, Utah, area have adopted, or are considering, limits on either development or building permits.

Apartment vacancy rates remain low in major rental markets. Salt Lake City's February 1995 rate of only 3.5 percent was up from an unusually low 2.3 percent of 1 year ago. Denver's first quarter rate was 3.9 percent, virtually unchanged from the prior quarter, and down from 4.7 percent 1 year ago. The Colorado Springs rate dropped to under 2 percent in the fourth quarter and has not exceeded 3 percent for 2 years.

Home sales in the fourth quarter of 1994 were down from 1 year ago in all States. The rates of decline hit double digits in all States except Wyoming. Colorado accounts for almost half the sales in the region, and it had the largest drop from 1 year ago (21.4 percent). The magnitude of this decline is overstated since activity in the fourth quarter of 1993 was unusually high; some decline was virtually inevitable. Continued declines in Denver area home sales in January and February kept the total sales for the first quarter of 1995 below that of 1 year ago, yet home sales in the Denver area in March 1995 were actually above the level of March 1994. This modest increase in March was due to an increase in condominium sales, many of which were likely enabled by the recent drop in mortgage interest rates.

Price increases have begun to slow with the easing of the pace of sales, but major markets are still posting annual gains close to, or above, 10 percent. The annual increase in the median existing home sales price in Salt Lake City is still almost 15 percent. Increases were smaller in Colorado Springs and Denver while Fargo's median price actually declined slightly.

Spotlight on

Rapid City, South Dakota

Rapid City's economy has become more diversified during the past several years and is less dependent on activities associated with Ellsworth AFB. Expansions of existing businesses and new firms locating to the area have built up the city's manufacturing and service base. Tourists, retirees, and workers from outside the area have been increasingly attracted to the area's amenities, including Mt. Rushmore National Monument and gaming in Deadwood, located 40 miles from Rapid City. Strong job growth continued last year as employment was up 4 percent. All sectors grew, but the strongest gains were in trade and services. Gains at many small firms have contributed to manufacturing employment growth, most notably in the electronic components and packaging container industries. Growth in manufacturing and tourist industries far outweighed the impacts of the loss of nearly 2,500 missile wing personnel at Ellsworth AFB during the past 3 years.

Prospects for future economic growth are good. The same factors that promoted the strong growth of the past several years are still in place. Absent the negative impacts from the downsizing at Ellsworth AFB, these factors should actually accelerate employment growth in the next few years. Large firms expecting to locate in the area this year will be in the financial services, hotel, and restaurant sectors. The regional medical center will also continue to expand. Construction projects put on hold at Ellsworth AFB last year will begin this year. Strength levels at the base are expected to remain stable for the foreseeable future.

The Black Hills area will receive an economic boost with construction of a $100 million limited stakes gambling resort in Deadwood. Linked to Rapid City by railroad, the hotel/conference center will break ground this month and is scheduled to be completed by 1997. The initial impact will be construction related, but following completion, the resort will greatly expand the area's tourist industry.

The sales market eased this past quarter because of higher interest rates and the uncertainty at Ellsworth AFB. While the market is still tight, new listings are significantly higher and sales activity declined during the first quarter of 1995. However, this trend had begun to reverse itself starting in March. Slightly declining interest rates and more certainty at the base gave the market a boost.

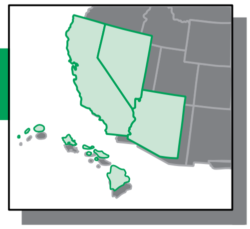
Prices of existing single-family homes continued to increase significantly despite the easing. At the end of the first quarter, the average sales price increased to nearly $83,000, about 12 percent over the average in the same period last year. Construction of single-family homes is expected to accelerate in 1995, after dipping slightly in 1994. Building activity will remain below the levels recorded in the mid-1980s. Most new homes are being built in the $120,000 to $170,000 price range, although a few have been priced as low as $90,000. New homes in the $375,000 to $750,000 range have begun to appear in the area for the first time.

The townhouse market has also strengthened. New units are generally built in the $100,000 to $140,000 range and are aimed at higher income retired households. As single-family home prices increase, demand from first-time buyers for more modestly priced townhomes should increase. Mobile home placements on private land are expected to diminish because of the lack of lots. The total sales market should continue to strengthen this year because of strong economic growth and expected stable interest rates. By the end of the year, activity is expected to exceed last year's performance.

The rental market is tight. Overall vacancies are low. Rent increases continue in the $10 to $25 range. There are a few vacancies in older, less desirably located projects, but well located, newer projects are in high demand. These projects maintain full occupancy and have increased rents at the high end of the above range. An average two-bedroom apartment in newer projects (5 to 10 years old) rents for about $600.

Apartment construction is expected to surge in the first half of 1995. Because of a scheduled change in local taxes, developers have rushed to obtain building permits for their prospective projects. There will be a mix of low-income housing, elderly congregate, and higher end market-rate units with features such as underground heated parking, elevators, and washers and dryers in each unit. Typical rents for these upscale two-bedroom units range from $800 to $850. If the expected acceleration of employment growth occurs, demand should support the absorption of these units.

PACIFIC



Employment in the Pacific region advanced by 2 percent from the first quarter of 1994 to the first quarter of 1995. Gains ranged from a low of 1 percent in Hawaii to 7.6 percent in Nevada. California continues its modest recovery with 146,000 jobs added in the past 12 months, primarily in southern California. The unemployment rate fell to 7.6 percent as of March.

Arizona maintained a 6-percent rate of growth in employment, adding nearly 100,000 jobs in the past 12 months. The unemployment rate is currently 5.1 percent. Tourism is very strong and growth in business and health services is robust. The State was recently projected to be number one in employment growth in the Nation over the next 2 years. The job increases in recent years have made Arizona the country's third fastest growing State from 1990 to 1994. About two-thirds of the job growth has occurred in the Phoenix area.

Nevada had the fastest growing economy in the country last year with a 9.7-percent employment increase as the new huge casino-hotels staffed up in Las Vegas. New gaming and commercial projects totalling in the billions of dollars are expected to sustain rapid growth.

Single-family permit activity in the first quarter of 1995 was down everywhere but Hawaii. Permits were down in Nevada and Arizona by 20 and 25 percent, respectively, and every major metropolitan area in California showed substantial declines ranging from 15 to 25 percent. In Arizona multifamily activity continued to be strong with the number of units permitted up 27 percent in the first quarter. California even showed a modest 7-percent increase, but multifamily units were down 21 percent in Nevada.

Sales of new single-family homes were down considerably in California in the first quarter. The heavy rains and flooding disrupted production and discouraged traffic in many areas, and the sluggish job and income growth also sapped consumer confidence. Inventories rose compared to a year ago, especially in San Diego and Riverside County. In Orange County unsold inventories were up 22 percent in the past 12 months, in part due to uncertainty of the county government's bankruptcy.

California resales were down one-fifth through March compared to an unusually strong period a year earlier. According to the California Association of Realtors, inventory has greatly increased; there is currently a 15-month inventory in March 1995, up from a 9-month inventory a year earlier. Sales were down only slightly in Los Angeles and Riverside-San Bernardino. Statewide sales prices continued their long slide, off about 5 percent year to year.

Lower interest rates and pent-up demand from the rainy first quarter are expected to lead to an improved spring market. Existing sales were very good in 1994 in Arizona and Nevada, but early results show Phoenix area resales fell about 17 percent in the first 2 months of 1995 and sales in Las Vegas were off 5 percent through February. Median sales prices in both areas are holding steady at around $88,000 in Phoenix and $105,000 in Las Vegas.

The growing population and a lack of production have resulted in improvement in some California rental markets. The rental vacancy rate in the San Francisco Bay area is currently around 4.5 percent, but rent increases have been minimal. Orange County rental market conditions appear to be improving somewhat, with the south county area in better shape than the north. The Irvine Company, the county's largest single property holder, recently began raising rents by as much as 8 percent. The San Diego County rental market continues to tighten with the current vacancy rate at around 6 percent.

Sacramento remains moderately soft with an 8-percent vacancy rate. The Lancaster-Palmdale area (north Los Angeles County) remains very weak, with an estimated vacancy rate in rental units of around 20 percent.

Rental vacancies are up in Las Vegas from a year earlier due to new units entering the market, but the vacancy rate is still below 5 percent and rents have increased about 5 percent in the past 12 months. The Reno rental market is tight. The Honolulu rental market has softened because of the weak economy and military cutbacks. Phoenix and Tucson have balanced rental markets.

Spotlight on

Riverside-San Bernardino, California

The Riverside-San Bernardino metropolitan area is the twelfth largest metropolitan area in the Nation. Although agriculture remains an important source of employment for the area, much of the recent growth has been in the commercial, industrial, and tourism sectors.

Strong economic growth in southern California during the 1980s and relatively modest-cost housing encouraged in-migration to this region from neighboring Los Angeles and Orange Counties. However, growth has slowed considerably due to the economic downturn in recent years.

This area has witnessed a sharp decline in defense-related employment, both civilian and military. From 1990 to 1994, civilian defense employment fell by 41 percent, and is expected to continue to decline through 1995. As a result of base closures and realignments through 1997, the area is expected to lose an additional 3,200 civilian and military jobs.

The area's nondefense manufacturing sector has remained strong. From 1990 to 1994, this sector grew about 3 percent a year. The rate of growth is expected to continue because of planned expansions by such companies as Fender Guitar; International Rectifier, a major producer of semiconductors; Mattel; Fisher Price; and U.S. Electricar.

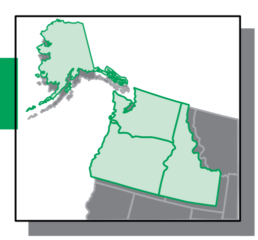
The unemployment rate during the first quarter of 1995 for the two-county area is estimated to be 8.4 percent, down from 10.4 percent in the first quarter of 1994.

As a result of the recession and defense-sector cutbacks, existing home sales plunged from 53,778 in 1989 to 31,181 in 1993, a decline of over 42 percent. Record inventories of unsold new homes resulted in a substantial decline in single-family construction from a high of 43,500 units in 1988 to a low of 12,400 units in 1994. The decline continued in the first quarter of 1995 with single-family permits down 26 percent from the comparable period of the previous year.

Local sources feel the sales housing market is starting to turn around. The economy is recovering, interest rates have fallen in recent months, new home prices have fallen 10 to 15 percent, and existing home prices are down 7 percent. Homes in the area are now considered a bargain compared to Los Angeles County. Existing homes average nearly $100,000 less than Los Angeles County and new homes sell for an average of $60,000 less. With the lower levels of production, the unsold inventory of new units has fallen over 17 percent since 1992. First-time buyers, with support from low-cost government financing programs, make up the largest population in the new home market.

Overall the rental market is soft and multifamily permit activity is almost nonexistent. The hardest hit submarkets are those close to the closed military bases, with vacancy rates approaching 20 percent in San Bernardino and 15 percent in Riverside. Rents continue to fall, and concessions are widespread.

NORTHWEST



Economic activity in the Northwest escalated during the first quarter of the year. The growth in the high-tech, construction, banking, utilities, and insurance sectors offset the continued decline in the aerospace industry. Wage and salary employment for the first quarter of 1995 was 176,725 jobs above the first quarter of 1994. Growth rates this quarter were greatest in Idaho (6.2 percent) and Oregon (4.8 percent). There was a significant decline in the regional unemployment rate, which fell to 5.7 percent in the first quarter, down from 6.5 percent in the first quarter of 1994.

Just after it was announced that 6,500 more jobs would be cut at Boeing this year and that possibly 4,700 jobs would be eliminated at the Hanford Reservation in the Tri-Cities (Richland-Kennewick-Pasco MSA), Washington received good news this quarter. The Naval bases in the Puget Sound region will experience enormous growth during the next 4 years. The Navy is planning to bring 14 more ships, aircraft squadrons, and several commands into the area. Incoming military and civilian personnel and their families will add an additional 18,000 to 22,000 people in Kitsap County in the Bremerton MSA, 14,000 to 16,000 in Snohomish County, and 2,500 to 3,000 in Island County; the latter two are in the Seattle PMSA. It is estimated that by 1997, the direct Navy payroll in the Puget Sound region will total at least $1.6 billion annually. The Navy will spend an additional $1 billion on construction projects and an estimated $100 million more per year on goods and services. There will be a strong impact on the housing market in each of these areas. The Navy projects a substantial shortfall of affordable housing units within a 1 hour's commute of the Puget Sound Naval Shipyard in Bremerton and the Naval Station in Everett. The Navy has about 1,000 housing units under construction in Bremerton and less than 100 in Everett.

For the first quarter of 1995, residential building activity in the Northwest was 13.4 percent below the first quarter of 1994. The number of single-family building permits issued (11,452) fell 16.4 percent compared to the same period a year ago. Speculative housing construction was down throughout the region as inventories rose, particularly in Boise, Spokane, and the Tri-Cities. Multifamily permit activity, however, remained strong, with a total of 3,733 units permitted in the first quarter, about equal to the same level for the first 3 months of 1994.

Home sales in the Northwest continued to decline for the second straight quarter as the reduction in interest rates had no discernible impact on sales activity. For the first quarter of 1995 compared to the first quarter of 1994, new and existing home sales were down in every metropolitan area in the region except Anchorage (+12 percent) and Olympia (+6 percent). In Washington there were significant declines in Tacoma (41 percent), Spokane (36 percent), the Tri-Cities (33 percent), and Seattle (9 percent). In Oregon home sales fell 31 percent in Eugene, 23 percent in Medford, 20 percent in Portland, and 8 percent in Salem. Sales in Boise were also down by 27 percent.

Sales prices continued on the upswing in Idaho and Oregon but remained virtually flat in Washington. Seattle recorded a 1.7-percent increase to $149,300 while Tacoma had a 5.6-percent decline to $119,500.

FHA single-family mortgage insurance activity remained strong in 1994 but declined during the first 3 months of 1995. In 1994 50,700 homes were insured, representing an annual increase of 8 percent. However, nearly 70 percent of FHA activity in 1994 occurred during the first 6 months of the year. Higher mortgage interest rates caused a sharp decline in FHA activity during the remainder of the year. Only 4,916 units were insured during the first quarter of 1995, down 71 percent from the same period a year ago.

Rental market conditions were tight to balanced in most of the major market areas in the Northwest. The rental vacancy rate was below 4.5 percent in Eugene-Springfield, Salem, Portland, and Bellingham. Vacancy rates rose during the quarter in Tacoma (7.4 percent) and Fairbanks (8.2 percent). The softening in the Fairbanks area market was primarily seasonal, while military transfers, new home purchases, and an increased supply of single-family rentals caused vacancies in Tacoma. Boise and Spokane show strong signs of being oversupplied with new rental housing. Since there is still an abundance of units under construction in both of these areas, market conditions are expected to remain relatively soft in 1995, with downward pressures on rents.

Spotlight on

Bremerton, Washington

The Bremerton metropolitan area (Kitsap County) is located along Puget Sound to the west of Seattle. The Bremerton economy accounts for 3 percent of the State's nonagricultural wage and salary employment. An average of 69,032 persons were employed in the Bremerton MSA during the first quarter of 1995, approximately 1,000 more than in 1994. This gain follows the 1992 through 1994 period when the employment level remained relatively flat. The unemployment rate for the first quarter was 6.0 percent, slightly above the average a year ago of 5.7 percent.

The U.S. Department of Defense (DoD) is the single largest employer, with over 18,000 civilian employees and contractors and nearly 14,000 military personnel at the Puget Sound Naval Shipyard, the Bangor Naval Submarine Base, the Naval Strategic Weapon Facility, and the Naval Undersea Warfare Center at Keyport. DoD accounts directly for 36 percent of the county's work force. Through the Base Closure and Realignment Commission actions, the Bremerton area will eventually receive an influx of nearly 9,000 military personnel. Beginning late last year, several ships have arrived at their new homeport: the USS Rainier (667 personnel), the USS Arkansas (600 personnel), and the USS Parche (350 personnel). The carrier USS Abraham Lincoln (3,100 personnel) is scheduled to arrive later this year for a 1-year overhaul and could possibly be homeported at the Puget Sound Naval Shipyard. The carrier USS Carl Vinson with 3,000 personnel is expected to arrive during 1996 and may also be homeported there.

The Bremerton area's population stood at 213,200 in April 1994, an increase of 23,500 (12 percent) since the 1990 census. The local Economic Development Council's efforts have led to 425 contract awards for local businesses that created 405 jobs, a $3 million economic development loan program for small businesses, a 190-acre high-tech business park sponsored by the Port of Bremerton, and the identification of over 4,700 acres of industrial and commercial land designated for future development.

The sales housing market has remained stable in the Bremerton area. Total annual sales increased by 3.0 percent in 1994 compared to 1993. During the first quarter of 1995, sales declined by 6.5 percent from the first quarter of 1994. Median sales prices have continued to rise during the past 5 years. During the fourth quarter of 1994, the median sales price was $125,500, 5.2 percent above the fourth quarter of 1993.

Due to the expanding population and little new multifamily construction, the Bremerton area rental market experienced extremely low rental vacancy rates in 1991 and 1992. However, 1993 and 1994 brought over 1,000 new multifamily units onto the market, temporarily pushing vacancies into the 8-percent range. By the first quarter of 1995, though, the majority of new units had been absorbed and vacancies settled back to an estimated 5 percent. Absorption of the new units mainly occurred in late 1994 and early 1995 when newly transferred Navy personnel and their families began to arrive in the area.

The large influx of Navy personnel during the next few years will feed demand for new apartments. Part of this demand will be offset by the 690 family units and 310 bachelor units the Navy has under construction, all of which are scheduled to be completed by mid-1997. It is estimated that an additional 1,000 apartments will be needed in 1995 and 1996 to maintain a balanced market. There are 150 apartments under construction. Four projects totalling 503 units are in the planning stages and the developers expect to begin construction within the next year.

Historical Data

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1959	1,208.3	938.3	77.1	NA	192.9	NA	NA	222.4	285.8	355.8	344.3
1960	998.0	746.1	64.6	NA	187.4	NA	NA	199.0	228.3	283.0	287.7
1961	1,064.2	722.8	67.6	NA	273.8	NA	NA	229.4	226.1	299.4	309.4
1962	1,186.6	716.2	87.1	NA	383.3	NA	NA	242.5	238.3	342.8	363.0
1963	1,334.7	750.2	51.0	67.9	465.6	1,080.8	253.8	239.4	268.8	403.2	423.3
1964	1,285.8	720.1	49.1	51.7	464.9	1,034.4	251.4	243.4	286.9	401.4	354.2
1965	1,239.8	709.9	47.3	37.5	445.1	992.3	247.5	252.7	310.5	407.5	269.1
1966	971.9	563.2	36.3	24.7	347.7	775.2	196.8	209.8	250.9	331.1	180.2
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,374.6	1,066.6	30.8	32.0	245.3	1,140.7	234.0	136.6	305.7	591.1	341.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
January	1,392	1,133	60		199	NA		106	302	611	373
February	1,279	1,067	52		160	NA		106	281	558	334
March	1,331	1,073	60		198	NA		124	300	579	328
April	1,377	1,068	63		246	NA		136	300	597	344
May	1,383	1,099	68		216	NA		137	303	593	350
June	1,336	1,054	60		222	NA		140	290	564	342
July	1,347	1,035	63		249	NA		160	297	575	315
August	1,382	1,047	61		274	NA		138	311	589	344
September	1,416	1,052	63		301	NA		131	294	611	380
October	1,391	1,028	67		296	NA		127	327	587	350
November	1,355	1,011	69		275	NA		133	306	597	319
December	1,421	1,094	68		259	NA		158	340	617	306
1995											
January	1,302	999	69		234	NA		129	288	581	304
February	1,287	934	55		298	NA		115	282	547	343
March	1,231	909	67		255	NA		121	271	564	275

* Authorized in Permit-Issuing Places.
**Components may not add to totals because of rounding.
Units in thousands.
Source: Bureau of the Census, Department of Commerce

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1959	1,517.0	1,234.0	55.9	227.0	NA	1,054.9	462.1	268.7	367.4	511.4	369.5
1960	1,252.2	994.7	44.0	213.5	NA	864.5	387.7	221.4	292.0	429.4	309.4
1961	1,313.0	974.3	43.9	294.8	NA	913.6	399.4	246.3	277.7	472.7	316.3
1962	1,462.9	991.4	49.2	422.3	NA	1,034.1	428.8	263.8	289.6	531.2	378.3
1963	1,603.2	1,012.4	52.9	537.8	NA	1,125.4	477.8	261.0	329.2	586.2	426.8
1964	1,528.8	970.5	53.9	54.5	450.0	1,079.8	449.0	254.5	339.7	577.8	356.9
1965	1,472.8	963.7	50.8	35.8	422.5	1,011.9	460.9	270.2	361.5	574.7	266.3
1966	1,164.9	778.6	34.6	26.5	325.1	787.7	377.1	206.5	288.3	472.5	197.6
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
January	1,266	1,122	23		121	NA		89	251	554	372
February	1,318	1,112	32		174	NA		131	260	592	335
March	1,499	1,259	30		210	NA		137	349	641	372
April	1,463	1,209	31		223	NA		150	355	615	343
May	1,489	1,197	36		256	NA		135	323	684	347
June	1,370	1,174	18		178	NA		137	306	602	325
July	1,440	1,219	32		189	NA		131	340	600	369
August	1,463	1,174	40		249	NA		148	319	681	315
September	1,511	1,235	42		234	NA		136	337	659	379
October	1,451	1,164	39		248	NA		130	313	648	360
November	1,536	1,186	62		288	NA		159	380	661	336
December	1,545	1,250	33		262	NA		139	341	714	351
1995											
January	1,366	1,055	38		273	NA		117	288	621	340
February	1,315	1,041	44		230	NA		132	284	552	347
March	1,211	979	29		203	NA		137	268	531	275

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

Source: Bureau of the Census, Department of Commerce

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

		In Structures With				MSAs		Regions			
Period	**Total**	**1 Unit**	**2 Units**	**3 and 4 Units**	**5 Units or More**	**Inside**	**Outside**	**North-east**	**Mid-west**	**South**	**West**
Annual Data											
1969	884.8	349.6	23.0	26.2	486.0	NA	NA	158.7	210.5	335.2	180.3
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
January	712	572	19		121	NA		90	162	281	179
February	720	577	19		124	NA		91	163	285	181
March	731	584	18		129	NA		90	165	294	182
April	736	582	18		136	NA		92	168	294	182
May	746	581	18		147	NA		93	170	302	181
June	751	585	17		149	NA		95	169	305	182
July	757	585	17		155	NA		93	171	310	183
August	770	589	18		163	NA		94	173	320	183
September	773	590	19		164	NA		91	172	324	186
October	779	587	21		171	NA		93	174	325	187
November	787	587	23		177	NA		96	179	325	187
December	791	584	23		184	NA		98	179	328	186
1995											
January	792	578	22		192	NA		94	179	329	190
February	800	681	23		196	NA		96	180	327	197
March	774	558	22		194	NA		94	174	320	186

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

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

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1968	1,319.8	858.6	44.2	33.4	383.6	920.4	399.5	198.8	347.5	527.4	246.1
1969	1,399.0	807.5	44.0	35.4	512.1	1,009.4	389.6	219.8	344.7	553.1	281.4
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
Monthly Data (Seasonally Adjusted Annual Rates)											
1994											
January	1,231	1,085	31		115	NA		106	276	536	313
February	1,337	1,187	30		120	NA		115	311	543	368
March	1,266	1,106	42		118	NA		103	298	540	325
April	1,363	1,200	32		131	NA		124	300	610	329
May	1,438	1,245	39		154	NA		145	326	582	385
June	1,333	1,151	27		165	NA		122	317	572	322
July	1,280	1,157	24		99	NA		124	285	538	333
August	1,337	1,144	27		166	NA		146	307	546	338
September	1,400	1,158	36		206	NA		131	319	619	331
October	1,376	1,169	24		183	NA		127	307	622	320
November	1,371	1,136	34		201	NA		111	301	628	331
December	1,388	1,173	35		180	NA		120	326	612	330
1995											
January	1,436	1,209	45		182	NA		152	346	639	299
February	1,305	1,084	43		178	NA		134	308	664	299
March	1,433	1,204	37		192	NA		142	327	615	349

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

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

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

	Shipments*	Placed for Residential Use*					Average Price	For Sale*
Period	**U.S.**	**U.S.**	**Northeast**	**Midwest**	**South**	**West**		
Annual Data								
1974	329	332	23	68	171	70	$9,300	92
1975	213	229	15	49	111	55	$10,600	64
1976	246	250	17	52	115	67	$12,300	67
1977	277	258	17	51	113	78	$14,200	70
1978	276	280	17	50	135	78	$15,900	74
1979	277	280	17	47	145	71	$17,600	76
1980	222	234	12	32	140	49	$19,800	56
1981	241	229	12	30	144	44	$19,900	58
1982	240	234	12	26	161	35	$19,700	58
1983	296	278	16	34	186	41	$21,000	73
1984	295	288	20	35	193	39	$21,500	82
1985	284	283	20	39	188	37	$21,800	78
1986	244	256	21	37	162	35	$22,400	67
1987	233	239	24	40	146	30	$23,700	61
1988	218	224	23	39	131	32	$25,100	58
1989	198	203	20	39	113	31	$27,200	56
1990	188	195	19	38	108	31	$27,800	49
1991	171	174	14	35	98	27	$27,700	49
1992	211	212	15	42	124	30	$28,400	51
1993	254	243	15	45	147	36	$30,500	61
1994	304	285	16	53	174	42	$33,500	73
Monthly Data (Seasonally Adjusted Annual Rates)								
1994								
January	302	261	13	64	146	38	$33,300	65
February	298	283	14	57	172	39	$31,200	66
March	304	281	10	62	167	43	$31,900	67
April	292	283	14	52	175	42	$31,900	70
May	296	304	16	50	196	42	$32,000	70
June	295	276	12	50	173	41	$34,000	71
July	289	306	20	53	191	41	$32,500	72
August	295	258	17	50	152	40	$33,400	74
September	307	284	17	48	174	45	$34,600	74
October	314	308	20	52	188	48	$35,000	74
November	322	308	15	59	195	39	$34,700	72
December	347	319	16	64	191	47	$35,700	73
1995								
January	361	344	20	61	222	41	$35,400	73
February	335	NA	NA	NA	NA	NA	NA	NA

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

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

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

	Sold During Period					For Sale at End of Period						Month's Supply at Current U.S. Sales Rate
Period	**U.S.**	**North-east**	**Mid-west**	**South**	**West**	**U.S.**	**North-east**	**Mid-west**	**South**	**West**	**U.S.**	
Annual Data												
1963	560	87	134	199	141	265	48	57	85	73	NA	NA
1964	565	90	146	200	129	250	41	49	87	71	NA	NA
1965	575	94	142	210	129	228	47	50	75	55	NA	NA
1966	461	84	113	166	99	196	40	45	61	49	NA	NA
1967	487	77	112	179	119	190	36	48	65	40	NA	NA
1968	490	73	119	177	121	218	38	53	82	45	NA	NA
1969	448	62	97	175	114	228	39	52	85	53	NA	NA
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	413	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	294	191	340	55	63	140	82	NA	NA
	Monthly Data (Seasonally Adjusted Annual Rates)					**(Not Seasonally Adjusted)**					**(Seasonally Adjusted)**	
1994												
January	640	48	134	286	173	294	52	46	122	73	295	5.8
February	691	53	131	296	210	292	50	46	123	72	298	5.1
March	722	61	129	320	213	296	50	48	123	74	299	4.9
April	672	60	129	292	190	296	50	49	122	74	298	5.3
May	689	61	121	314	194	301	51	51	123	76	302	5.3
June	632	56	119	268	189	316	52	55	129	79	313	6.0
July	630	51	110	280	190	318	54	55	129	80	317	6.2
August	672	75	115	276	205	323	54	57	134	79	322	6.0
September	691	90	110	299	192	332	53	61	139	80	328	5.9
October	707	64	134	305	204	331	52	62	137	80	330	5.7
November	642	61	130	274	177	335	53	62	139	81	335	6.5
December	627	50	121	299	157	340	55	63	140	82	338	6.6
1995												
January	640	64	113	289	173	340	55	62	142	81	342	6.7
February	560	64	103	269	124	341	54	63	142	82	347	7.5
March	577	55	115	234	172	344	54	63	148	80	349	7.3

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

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

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

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1968	1,569	243	490	529	308	NA	NA
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
1994							
January	4,170	630	1,050	1,570	920	1,660	4.7
February	3,840	600	920	1,420	900	1,750	5.6
March	4,110	600	1,040	1,540	920	1,890	5.6
April	4,110	570	1,070	1,530	930	1,930	5.6
May	4,110	640	1,060	1,540	870	1,950	5.7
June	4,010	630	1,060	1,470	850	1,840	5.6
July	3,940	620	1,030	1,450	840	1,810	5.6
August	3,910	600	1,000	1,450	870	1,860	5.8
September	3,870	560	1,050	1,430	820	1,690	5.2
October	3,820	560	1,010	1,420	820	1,790	5.5
November	3,690	550	990	1,340	810	1,670	5.3
December	3,760	540	1,010	1,400	810	1,380	4.3
1995							
January	3,610	560	910	1,380	750	1,530	5.1
February	3,420	540	840	1,310	740	1,770	6.2
March	3,620	550	960	1,350	760	1,820	6.0

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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

Period	Median U.S.	Median Northeast	Median Midwest	Median South	Median West	U.S. Average Houses Actually Sold	U.S. Average Constant Quality House[1]
Annual Data							
1963	18,000	20,300	17,900	16,100	18,800	19,300	NA
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	65,500
1978	55,700	58,100	59,200	50,300	61,300	62,500	74,800
1979	62,900	65,500	63,900	57,300	69,600	71,800	86,000
1980	64,600	69,500	63,400	59,600	72,300	76,400	94,900
1981	68,900	76,000	65,900	64,400	77,800	83,000	102,500
1982	69,300	78,200	68,900	66,100	75,000	83,900	105,000
1983	75,300	82,200	79,500	70,900	80,100	89,800	107,600
1984	79,900	88,600	85,400	72,000	87,300	97,600	112,300
1985	84,300	103,300	80,300	75,000	92,600	100,800	114,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	120,100
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,200
1988	112,500	149,000	101,600	92,000	126,500	138,300	131,800
1989	120,000	159,600	108,800	96,400	139,000	148,800	136,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	138,700
1991	120,000	155,900	110,000	100,000	141,100	147,200	140,000
1992	121,500	169,000	115,600	105,500	130,400	144,100	142,600
1993	126,500	162,600	125,000	115,000	135,000	147,700	146,800
1994	130,000	169,000	132,900	116,900	140,400	154,500	152,900
Quarterly Data							
1993							
4th Quarter	127,000	162,600	124,400	115,000	135,200	148,300	146,600
1994							
1st Quarter	130,000	159,900	133,000	116,200	140,000	153,600	149,500
2nd Quarter	130,000	172,000	131,800	118,500	137,000	154,200	151,900
3rd Quarter	129,700	165,000	133,300	113,700	140,000	152,800	153,600
4th Quarter	132,000	169,000	130,000	117,900	148,000	156,100	155,700
1995							
1st Quarter	130,000	175,000	129,900	115,500	140,000	154,400	155,300

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

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

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

	Median					Average
Period	**U.S.**	**Northeast**	**Midwest**	**South**	**West**	**U.S.**
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,800	139,100	87,900	96,000	146,700	136,700
Monthly Data						
1994						
January	108,000	139,000	86,200	95,000	144,900	135,000
February	107,000	137,700	85,100	94,800	143,300	132,900
March	107,900	140,300	85,500	94,600	146,000	134,700
April	109,100	139,400	87,700	95,600	146,000	135,700
May	109,900	138,300	87,500	96,300	148,700	136,700
June	113,300	142,200	89,900	100,300	150,200	141,300
July	112,400	142,100	89,700	97,400	150,200	139,700
August	113,000	145,000	89,700	98,100	149,100	141,200
September	108,900	137,800	87,500	94,500	146,600	135,800
October	107,500	135,100	87,300	94,200	140,300	133,000
November	108,700	135,500	87,000	94,500	146,700	133,200
December	109,100	134,600	89,100	94,200	144,800	135,600
1995						
January	108,100	135,200	88,700	93,200	143,300	135,300
February	107,000	137,000	86,900	92,300	144,400	133,400
March	107,900	136,700	88,000	92,600	141,900	134,500

Source: NATIONAL ASSOCIATION OF REALTORS®

Table 9. Housing Affordability Index: 1970–Present

	U.S.				Affordability Indexes*		
Period	**Median Existing Price**	**Mortgage Rate[1]**	**Median Family Income**	**Income To Qualify**	**Composite**	**Fixed**	**ARM**
Annual Data							
1970	$23,000	8.35	$9,867	$6,697	147.3	147.3	147.3
1971	$24,800	7.67	$10,285	$6,770	151.9	151.9	151.9
1972	$26,700	7.52	$11,116	$7,183	154.8	154.8	154.8
1973	$28,900	8.01	$12,051	$8,151	147.9	147.9	147.9
1974	$32,000	9.02	$12,902	$9,905	130.3	130.3	130.3
1975	$35,300	9.21	$13,719	$11,112	123.5	123.5	123.5
1976	$38,100	9.11	$14,958	$11,888	125.8	125.8	125.8
1977	$42,900	9.02	$16,010	$13,279	120.6	120.6	120.6
1978	$48,700	9.58	$17,640	$15,834	111.4	111.4	111.4
1979	$55,700	10.92	$19,680	$20,240	97.2	97.2	97.2
1980	$62,200	12.95	$21,023	$26,328	79.9	79.9	79.9
1981	$66,400	15.12	$22,388	$32,485	68.9	68.9	68.9
1982	$67,800	15.38	$23,433	$33,713	69.5	69.4	69.7
1983	$70,300	12.85	$24,580	$29,546	83.2	81.7	85.2
1984	$72,400	12.49	$26,433	$29,650	89.1	84.6	92.1
1985	$75,500	11.74	$27,735	$29,243	94.8	89.6	100.6
1986	$80,300	10.25	$29,458	$27,047	108.9	105.7	116.3
1987	$85,600	9.28	$30,970	$27,113	114.2	107.6	122.4
1988	$89,300	9.31	$32,191	$28,360	113.5	103.6	122.0
1989	$93,100	10.11	$34,213	$31,662	108.1	103.6	114.3
1990	$95,500	10.04	$35,353	$32,286	109.5	106.5	118.3
1991	$100,300	9.30	$35,939	$31,825	112.9	109.9	124.2
1992	$103,700	8.11	$36,812	$29,523	124.7	120.1	145.0
1993	$106,800	7.16	$36,959	$27,727	133.3	128.4	154.9
1994	$109,800	7.47	$38,105	$29,392	129.6	120.1	147.0
Monthly Data							
1994							
January	$107,900	6.89	$38,083	$27,260	139.7	133.8	162.1
February	$107,200	6.83	$38,197	$26,919	141.9	136.4	165.6
March	$107,900	7.01	$37,246	$27,594	135.0	129.4	156.8
April	$109,100	7.21	$37,341	$28,466	131.2	123.8	150.3
May	$109,900	7.52	$37,437	$29,566	126.6	117.4	146.4
June	$113,300	7.54	$37,532	$30,540	122.9	112.7	138.8
July	$112,400	7.68	$37,628	$30,713	122.5	112.8	138.4
August	$113,000	7.76	$37,723	$31,117	121.2	111.8	136.7
September	$108,900	7.74	$37,819	$29,930	126.4	116.0	141.0
October	$107,500	7.76	$37,914	$29,602	128.1	116.4	142.9
November	$108,700	7.72	$38,010	$29,817	127.5	113.6	141.3
December	$109,100	7.97	$38,105	$30,653	124.3	112.4	136.7
1995							
January	$108,100	7.94	$38,246	$30,285	126.3	112.0	138.2
February	$107,000	8.19	$38,387	$30,695	125.1	113.9	137.0
March	$107,900	8.24	$38,528	$31,099	123.9	115.7	136.9

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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

Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
Annual Data			
1970	328,400	73	$188
1971	334,400	68	$187
1972	497,900	68	$191
1973	531,700	70	$191
1974	405,500	68	$197
1975	223,100	70	$211
1976	157,000	80	$219
1977	195,600	80	$232
1978	228,700	82	$251
1979	241,200	82	$272
1980	196,100	75	$308
1981	135,400	80	$347
1982	117,000	72	$385
1983	191,500	69	$386
1984	313,200	67	$393
1985	364,500	65	$432
1986	407,600	66	$457
1987	345,600	63	$517
1988	284,500	66	$550
1989	246,200	70	$590
1990	214,300	67	$600
1991	165,300	70	$614
1992	110,200	74	$586
1993	77,200	75	$573
Quarterly Data			
1993			
4th Quarter	16,900	73	$564
1994			
1st Quarter	14,300	84	$577
2nd Quarter	24,700	83	$575
3rd Quarter	29,700	82	$595
4th Quarter	35,200	80	$583

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

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

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

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

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

Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		One-Year ARMs	
	Rate	Points[1]	Rate	Points	Rate	Points	Rate	Points
Annual Data								
1972	7.00	4.3	7.38	0.9	NA	NA	NA	NA
1973	7.41	5.4	8.04	1.0	NA	NA	NA	NA
1974	8.85	4.6	9.19	1.2	NA	NA	NA	NA
1975	8.64	4.4	9.04	1.1	NA	NA	NA	NA
1976	8.50	3.2	8.88	1.2	NA	NA	NA	NA
1977	8.27	2.7	8.84	1.1	NA	NA	NA	NA
1978	9.10	3.6	9.63	1.3	NA	NA	NA	NA
1979	10.00	4.5	11.19	1.6	NA	NA	NA	NA
1980	12.36	5.7	13.77	1.8	NA	NA	NA	NA
1981	15.17	5.1	16.63	2.1	NA	NA	NA	NA
1982	14.83	4.1	16.09	2.2	NA	NA	NA	NA
1983	12.24	4.4	13.23	2.1	NA	NA	NA	NA
1984	13.21	3.8	13.87	2.5	NA	NA	11.49	2.5
1985	11.96	2.8	12.42	2.5	NA	NA	10.04	2.5
1986	9.75	2.2	10.18	2.2	NA	NA	8.42	2.3
1987	9.67	2.8	10.20	2.2	NA	NA	7.82	2.2
1988	10.25	1.5	10.33	2.1	NA	NA	7.90	2.3
1989	10.08	1.6	10.32	2.1	NA	NA	8.80	2.3
1990	9.92	1.8	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	0.9	9.25	2.0	NA	NA	7.10	1.9
1992	8.29	1.2	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.46	0.4	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.42	0.6	8.35	1.8	7.86	1.8	5.33	1.5
Monthly Data								
1994								
January	7.50	0.1	7.06	1.7	6.57	1.7	4.21	1.4
February	7.00	0.4	7.15	1.8	6.66	1.7	4.20	1.5
March	7.50	0.6	7.68	1.7	7.18	1.7	4.55	1.5
April	8.50	0.5	8.32	1.8	7.80	1.7	4.96	1.5
May	8.50	0.4	8.60	1.8	8.08	1.7	5.46	1.5
June	8.50	0.4	8.40	1.8	7.91	1.8	5.45	1.5
July	9.00	0.2	8.61	1.8	8.10	1.8	5.52	1.5
August	8.50	1.1	8.51	1.8	8.02	1.8	5.53	1.5
September	8.50	1.1	8.64	1.8	8.13	1.8	5.54	1.5
October	9.00	0.7	8.93	1.8	8.39	1.8	5.79	1.5
November	9.00	1.6	9.17	1.8	8.64	1.9	6.10	1.5
December	9.50	0.2	9.20	1.8	8.80	1.8	6.66	1.5
1995								
January	9.50	0.3	9.15	1.8	8.80	1.8	6.82	1.5
February	9.00	0.7	8.83	1.9	8.46	1.8	6.68	1.5
March	9.00	0.4	8.46	1.8	8.06	1.8	6.45	1.5

[1] Excludes origination fee.

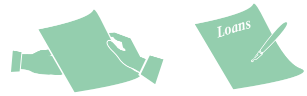
Source: Federal Home Loan Mortgage Corporation (Conventional), and Office of Housing, Department of Housing and Urban Development (FHA)

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

Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
Monthly Data								
1994								
January	7.13	1.12	7.32	25.7	5.46	0.90	5.59	27.8
February	7.06	0.97	7.22	25.3	5.26	1.07	5.42	28.8
March	7.26	1.08	7.43	26.0	5.42	0.97	5.56	28.8
April	7.61	1.08	7.80	25.7	5.79	1.04	5.95	29.2
May	8.06	1.28	8.28	25.2	5.95	1.03	6.10	29.2
June	8.24	1.14	8.43	25.9	6.22	1.06	6.38	29.2
July	8.31	1.24	8.53	25.8	6.33	1.03	6.49	29.5
August	8.41	1.07	8.60	26.5	6.44	1.04	6.59	29.3
September	8.44	1.14	8.64	25.9	6.51	1.02	6.66	29.5
October	8.57	1.09	8.76	26.1	6.58	1.00	6.73	29.3
November	8.74	1.15	8.94	26.0	6.61	0.97	6.76	29.3
December	8.82	1.36	9.06	25.6	6.83	1.33	7.03	29.6
1995								
January	9.02	1.33	9.25	25.9	6.95	0.94	7.09	29.6
February	8.96	1.34	9.19	26.5	7.18	0.97	7.33	29.3
March	8.79	1.03	8.96	27.0	7.18	0.88	7.32	29.4

Source: Federal Housing Finance Board

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



Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1968	751,982	425,339	NA	211,025	NA
1969	788,874	450,079	NA	213,940	NA
1970	941,566	475,176	NA	167,734	NA
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,931	1,148,696
Monthly Data					
1994					
January	109,899	107,983	50,218	46,434	113,545
February	128,604	133,487	56,254	50,390	89,832
March	138,575	155,130	67,167	59,924	99,833
April	94,642	129,819	56,857	50,512	105,507
May	82,139	127,225	59,711	51,064	107,949
June	77,223	122,697	66,992	55,533	101,786
July	63,984	96,606	61,209	44,445	99,263
August	69,382	98,072	69,674	50,346	101,784
September	57,421	77,760	58,370	45,805	86,457
October	52,999	64,091	50,565	30,278	87,062
November	47,338	57,134	47,735	27,919	77,874
December	39,260	47,681	41,735	24,281	77,804
1995					
January	41,390	49,288	44,218	23,630	68,884
February	49,733	40,230	36,771	19,318	51,103
March	70,797	42,307	38,868	19,947	63,013

* These operational numbers differ slightly from adjusted accounting numbers.

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

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

Period	Construction of New Rental Units[1]			Purchase or Refinance of Existing Rental Units[2]			Congregate Housing, Nursing Homes, Assisted Living, and Board and Care Facilities[3]		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995 (3 mos.)	10	1,808	90.9	31	4,647	117.9	22	2,625	165.7

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

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

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

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

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

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

Period	FHA Insured	VA Guaranteed	Private Insurance	Not Insured*	Totals
Annual Data (Current Dollars in Billions)					
1970	8.769	3.846	0.116	22.856	35.587
1971	10.994	6.830	3.526	36.438	57.788
1972	8.456	7.749	9.158	50.501	75.864
1973	5.185	7.577	12.627	53.737	79.126
1974	4.532	7.889	9.220	45.867	67.508
1975	6.265	8.836	10.024	52.788	77.913
1976	6.998	10.426	14.600	80.761	112.785
1977	10.469	14.882	21.595	115.027	161.973
1978	14.581	16.026	27.327	127.102	185.036
1979	20.710	18.876	25.327	122.178	187.091
1980	14.955	12.102	19.035	87.670	133.762
1981	10.538	7.534	18.079	62.061	98.212
1982	11.482	7.687	18.953	58.829	96.951
1983	28.753	18.880	42.363	111.867	201.863
1984	16.600	12.024	63.403	111.678	203.705
1985	28.767	15.246	50.475	195.296	289.784
1986	64.770	23.149	46.138	365.355	499.412
1987	77.822	30.176	44.475	354.758	507.231
1988	46.655	15.875	39.664	344.069	446.263
1989	45.108	13.681	37.117	357.001	452.907
1990	59.803	21.901	38.956	337.744	458.404
1991	46.914	15.285	53.997	445.878	562.074
1992	50.275	24.543	101.047	717.817	893.681
1993r	83.457	41.023	136.767	758.615	1,019.861
1994	95.248	48.512	131.402	497.959	773.121
Quarterly Data					
1993					
4th Quarter	23.269	13.050	40.718	215.077	292.114
1994					
1st Quarter	29.782	14.296	35.374	182.069	261.521
2nd Quarter	29.220	13.558	36.197	135.336	214.311
3rd Quarter	22.254	12.768	32.518	92.125	159.665
4th Quarter	13.992	7.89	27.313	88.429	137.624

* Includes Farmers Home Administration backed loans.

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

r–Revised.

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

Period	One-to Four-Unit Buildings	Five-Unit Buildings and Greater	Totals
Annual Data (Current Dollars in Billions)			
1970	35.6	8.8	44.4
1971	57.8	12.5	70.2
1972	75.9	15.4	91.3
1973	79.1	14.0	93.1
1974	67.5	12.3	79.8
1975	77.9	10.6	88.6
1976	112.8	12.3	125.1
1977	162.0	15.8	177.8
1978	185.0	16.4	201.4
1979	187.1	15.2	202.3
1980	133.8	12.5	146.2
1981	98.2	12.0	110.2
1982	97.0	11.6	108.6
1983	201.9	21.4	223.3
1984	203.7	27.6	231.3
1985	289.8	31.9	321.7
1986	499.4	49.9	549.3
1987	507.2	45.1	552.3
1988	446.3	38.2	484.4
1989	452.9	31.1	484.1
1990	458.4	32.6	491.0
1991	562.1	25.5	587.6
1992	893.7	25.7	919.4
1993r	1,019.9	31.7	1,051.6
1994	773.1	31.3	804.4
Quarterly Data			
1993			
4th Quarter	292.1	11.1	303.3
1994			
1st Quarter	261.5	7.6	269.1
2nd Quarter	214.3	9.6	223.9
3rd Quarter	159.7	7.2	166.8
4th Quarter	137.6	7.0	144.6

Source: HUD Survey of Mortgage Lending Activity
r–Revised

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

Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Other Lenders	Totals
Annual Data (Current Dollars in Billions)						
1970	7.8	2.1	14.8	8.9	1.9	35.6
1971	12.6	3.5	26.6	12.5	2.6	57.8
1972	17.7	5.1	36.7	13.3	3.0	75.9
1973	18.8	5.9	38.4	12.7	3.3	79.1
1974	16.1	3.9	30.9	13.0	3.5	67.5
1975	14.5	4.3	41.2	14.0	3.9	77.9
1976	24.5	6.4	61.9	15.7	4.2	112.8
1977	36.7	8.7	86.3	25.7	4.7	162.0
1978	43.9	9.4	90.0	34.4	7.3	185.0
1979	41.4	9.0	82.8	45.3	8.6	187.1
1980	28.8	5.4	61.1	29.4	9.0	133.8
1981	21.7	4.0	42.0	24.0	6.5	98.2
1982	25.2	4.0	34.8	28.0	5.0	97.0
1983	44.8	10.8	81.5	59.8	5.0	201.9
1984	41.9	12.7	96.2	47.6	5.3	203.7
1985	57.0	7.5	109.3	110.0	6.0	289.8
1986	108.6	31.1	176.1	176.0	7.6	499.4
1987	124.6	34.2	174.5	167.1	6.8	507.2
1988	101.9	28.4	160.4	148.0	7.5	446.3
1989	121.2	23.2	134.5	166.5	7.5	452.9
1990	153.3	18.0	121.0	161.2	5.0	458.4
1991	153.3	18.5	121.9	263.9	4.4	562.1
1992	232.1	34.2	184.5	437.6	5.2	893.7
1993r	269.0	39.4	179.3	526.5	5.6	1,019.9
1994	206.1	27.5	123.1	408.1	8.2	773.1
Quarterly Data						
1993						
4th Quarter	83.5	12.0	53.7	141.4	1.4	292.1
1994						
1st Quarter	64.1	7.9	35.5	152.0	1.9	261.5
2nd Quarter	55.8	7.8	34.4	114.4	1.9	214.3
3rd Quarter	45.0	6.4	27.8	78.1	2.5	159.7
4th Quarter	41.2	5.5	25.5	63.6	1.9	137.6

Source: HUD Survey of Mortgage Lending Activity
r–Revised

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

Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Private Mortgage-Backed Conduits	Federal Credit Agencies	Mortgage Pools	Other Lenders	Totals
Annual Data (Current Dollars in Billions)									
1970	6.6	3.3	17.4	-0.6	0.1	5.1	1.7	1.1	34.8
1971	11.8	5.2	31.6	0.5	0.1	3.7	3.8	0.9	57.5
1972	16.5	7.6	43.4	0.4	0.2	3.2	4.6	0.9	76.8
1973	17.7	7.7	41.5	-0.9	0.0	5.4	3.7	1.7	76.8
1974	14.9	4.7	32.7	-1.0	0.0	8.7	5.6	1.8	67.4
1975	11.8	5.2	43.7	0.3	0.0	6.9	10.7	1.6	80.1
1976	21.3	8.1	65.3	0.6	0.1	1.4	15.8	2.0	114.7
1977	32.6	11.4	86.5	2.4	0.1	4.8	22.1	2.4	162.3
1978	38.8	11.9	85.2	3.2	0.1	14.5	21.8	4.7	180.2
1979	37.0	11.1	76.3	6.5	0.0	14.4	27.2	7.8	180.3
1980	25.6	5.7	58.0	1.3	0.0	11.5	23.5	12.2	137.9
1981	20.3	3.8	39.6	1.7	0.0	9.8	18.3	7.4	101.0
1982	19.2	3.2	4.2	3.3	3.0	13.9	54.2	4.6	105.7
1983	33.5	10.6	64.3	2.8	5.5	18.9	81.4	6.8	223.6
1984	34.4	13.1	86.7	3.2	7.7	19.2	59.9	7.1	231.3
1985	41.6	0.3	64.4	2.8	7.9	25.6	107.4	7.8	257.8
1986	80.4	21.8	81.2	11.0	16.2	24.8	252.5	10.0	497.9
1987	95.5	25.0	115.2	-11.8	21.2	20.4	225.0	9.2	499.7
1988	86.7	22.1	112.1	5.0	23.4	25.7	142.5	9.8	427.2
1989	103.6	12.2	72.0	20.2	16.4	25.8	192.1	11.1	453.3
1990	117.8	9.4	49.9	-0.9	20.1	39.0	229.7	7.5	472.5
1991	112.6	12.0	51.6	11.3	38.8	45.0	271.7	6.4	549.3
1992	172.4	21.9	71.9	-0.4	78.2	76.2	463.2	6.2	889.5
1993r	192.1	23.7	90.1	-0.5	90.6	107.4	561.8	4.4	1,069.6
1994	168.1	16.7	79.1	-24.0	61.9	84.1	353.3	8.1	747.2
Quarterly Data									
1993									
4th Quarter	54.7	9.7	27.2	-3.6	26.1	37.4	178.3	1.2	331.2
1994									
1st Quarter	37.6	3.3	15.2	-11.9	30.4	23.0	145.3	1.3	244.3
2nd Quarter	43.2	4.6	23.3	-9.1	14.3	22.9	96.7	1.8	197.8
3rd Quarter	42.8	4.8	21.6	-3.5	9.1	20.1	62.1	2.6	159.5
4th Quarter	44.4	4.1	19.0	0.5	8.0	18.1	49.2	2.3	145.6

Source: HUD Survey of Mortgage Lending Activity
r–Revised

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

Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due							
	All	Conv.	FHA	VA	All	Conv.	FHA	VA	All	Conv.	FHA	VA
Annual Data												
1984												
1st Quarter	5.39	3.62	6.92	6.02	0.86	0.56	1.08	1.01	0.19	0.13	0.23	0.23
2nd Quarter	5.49	3.70	7.08	6.16	0.87	0.57	1.11	1.01	0.22	0.15	0.25	0.24
3rd Quarter	5.93	4.05	7.65	6.71	0.91	0.61	1.18	1.05	0.24	0.18	0.28	0.27
4th Quarter	5.81	4.00	7.48	6.65	0.92	0.59	1.19	1.08	0.20	0.16	0.26	0.22
1985												
1st Quarter	6.08	4.08	7.89	6.96	0.95	0.59	1.23	1.17	0.24	0.17	0.30	0.27
2nd Quarter	5.81	4.02	7.52	6.58	0.90	0.56	1.19	1.10	0.23	0.17	0.28	0.26
3rd Quarter	5.76	4.06	7.25	6.47	0.94	0.62	1.18	1.12	0.23	0.17	0.28	0.26
4th Quarter	5.69	4.01	7.19	6.52	0.96	0.65	1.21	1.15	0.22	0.17	0.27	0.25
1986												
1st Quarter	5.74	4.05	7.44	6.68	0.98	0.67	1.26	1.18	0.24	0.18	0.30	0.27
2nd Quarter	5.69	3.92	7.29	6.63	1.04	0.71	1.32	1.25	0.25	0.18	0.31	0.29
3rd Quarter	5.51	3.72	7.08	6.63	1.02	0.67	1.30	1.29	0.27	0.20	0.32	0.31
4th Quarter	5.31	3.49	6.83	6.36	0.99	0.61	1.29	1.24	0.26	0.19	0.33	0.31
1987												
1st Quarter	5.23	3.40	6.73	6.31	1.01	0.65	1.28	1.27	0.26	0.19	0.31	0.31
2nd Quarter	5.06	3.34	6.53	6.20	0.95	0.65	1.19	1.17	0.25	0.18	0.32	0.29
3rd Quarter	4.69	2.85	6.35	6.04	0.85	0.57	1.11	1.07	0.26	0.15	0.35	0.32
4th Quarter	4.89	3.01	6.62	6.27	0.89	0.55	1.18	1.16	0.27	0.18	0.36	0.35
1988												
1st Quarter	4.88	2.93	6.66	6.26	0.87	0.54	1.17	1.13	0.27	0.17	0.36	0.33
2nd Quarter	4.90	2.95	6.71	6.36	0.88	0.53	1.21	1.19	0.27	0.16	0.36	0.32
3rd Quarter	4.70	2.87	6.39	6.00	0.83	0.53	1.10	1.09	0.27	0.17	0.36	0.31
4th Quarter	4.69	2.99	6.47	6.27	0.83	0.55	1.09	1.14	0.27	0.19	0.38	0.31
1989												
1st Quarter	4.74	2.97	6.61	6.43	0.82	0.52	1.12	1.13	0.29	0.18	0.41	0.37
2nd Quarter	4.56	2.90	6.28	6.17	0.79	0.51	1.07	1.11	0.30	0.19	0.43	0.40
3rd Quarter	4.91	3.14	6.94	6.47	0.78	0.50	1.08	1.06	0.28	0.18	0.39	0.35
4th Quarter	5.03	3.11	7.12	6.74	0.76	0.46	1.07	1.04	0.28	0.18	0.40	0.35
1990												
1st Quarter	4.54	2.84	6.48	6.17	0.70	0.38	1.04	1.03	0.31	0.21	0.44	0.39
2nd Quarter	4.52	2.87	6.54	6.19	0.70	0.37	1.10	1.04	0.31	0.21	0.41	0.38
3rd Quarter	4.83	3.13	6.84	6.58	0.71	0.41	1.10	1.03	0.33	0.21	0.47	0.44
4th Quarter	4.75	3.12	6.85	6.46	0.73	0.41	1.16	1.06	0.29	0.21	0.41	0.40
1991												
1st Quarter	5.13	3.42	7.29	6.69	0.78	0.47	1.17	1.05	0.31	0.24	0.42	0.38
2nd Quarter	5.26	3.44	7.55	7.04	0.79	0.46	1.21	1.09	0.34	0.26	0.43	0.40
3rd Quarter	4.87	3.02	7.22	6.73	0.82	0.44	1.31	1.16	0.35	0.28	0.44	0.45
4th Quarter	4.85	3.16	7.17	6.62	0.81	0.46	1.29	1.13	0.35	0.31	0.43	0.44
1992												
1st Quarter	4.69	3.08	7.05	6.54	0.80	0.47	1.32	1.13	0.33	0.26	0.42	0.41
2nd Quarter	4.69	3.06	7.12	6.51	0.83	0.49	1.38	1.17	0.33	0.25	0.43	0.40
3rd Quarter	4.60	2.90	7.19	6.53	0.83	0.48	1.39	1.20	0.33	0.25	0.45	0.38
4th Quarter	4.29	2.76	8.91	6.25	0.76	0.45	1.31	1.09	0.34	0.26	0.48	0.41
1993												
1st Quarter	4.30	2.73	6.94	6.27	0.78	0.45	1.34	1.13	0.31	0.22	0.47	0.43
2nd Quarter	4.31	2.69	7.30	6.44	0.79	0.46	1.44	1.16	0.33	0.25	0.48	0.42
3rd Quarter	4.19	2.68	7.06	6.23	0.77	0.47	1.38	1.17	0.31	0.24	0.46	0.38
4th Quarter	4.09	2.51	7.24	6.25	0.75	0.41	1.44	1.16	0.31	0.22	0.49	0.43
1994												
1st Quarter	4.12	2.62	7.25	6.29	0.76	0.43	1.45	1.19	0.31	0.22	0.51	0.43
2nd Quarter	4.21	2.71	7.39	6.40	0.82	0.51	1.50	1.23	0.35	0.25	0.56	0.49
3rd Quarter	3.90	2.47	6.97	6.00	0.74	0.44	1.41	1.16	0.35	0.22	0.62	0.53
4th Quarter	4.19	2.64	7.43	6.36	0.73	0.42	1.43	1.14	0.32	0.22	0.54	0.47

* All data are seasonally adjusted.

Source: National Delinquency Survey, Mortgage Bankers Association

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

Period	Total Expenditures	Maintenance and Repairs	Improvements					
			Total	Additions and Alterations				Major Replacements
				Total	To Structures		To Property Outside Structure	
					Additions	Alterations		
Annual Data (Millions of Dollars)								
1968	12,703	5,186	7,517	5,314	1,261	3,077	976	2,202
1969	13,535	5,479	8,055	5,885	1,094	3,409	1,382	2,170
1970	14,770	5,895	8,875	6,246	1,411	3,539	1,296	2,629
1971	16,299	6,361	9,939	6,818	1,685	3,699	1,433	3,120
1972	17,498	6,717	10,781	7,526	1,378	4,447	1,701	3,255
1973	18,512	7,924	10,588	7,386	1,360	4,694	1,332	3,202
1974	21,114	8,491	12,622	8,060	1,529	4,836	1,695	4,563
1975	25,239	9,758	15,481	10,997	1,971	6,844	2,182	4,484
1976	29,034	11,379	17,665	12,314	3,493	6,367	2,454	5,341
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	69,894	28,894	40,890	27,822	6,007	14,486	7,329	13,067
1985	80,267	35,358	44,909	28,775	3,966	17,599	7,211	16,134
1986	91,274	35,941	55,303	38,608	7,377	21,192	10,040	16,695
1987	94,082	38,229	55,583	39,978	9,557	21,641	8,779	15,875
1988	101,117	40,885	60,232	43,339	11,333	22,703	9,303	16,893
1989	100,891	42,689	58,202	39,786	6,828	23,129	9,828	18,415
1990	106,773	51,305	55,468	37,253	8,561	21,920	6,771	18,215
1991	97,528	49,840	47,688	30,944	7,914	16,076	6,954	16,744
1992	103,734	45,154	58,580	40,186	6,783	22,700	10,704	18,393
1993	108,304	41,699	66,606	45,797	12,757	24,782	8,259	20,809
Quarterly Data (Seasonally Adjusted Annual Rates)								
1993								
3rd Quarter	111,100	41,200	69,900	50,200	NA	NA	NA	19,700
4th Quarter	113,000	42,700	70,300	50,700	NA	NA	NA	19,600
1994								
1st Quarter	108,500	40,300	68,300	51,500	NA	NA	NA	16,800
2nd Quarter	115,500	43,800	71,700	50,300	NA	NA	NA	21,400
3rd Quarter	113,800	43,000	70,800	47,000	NA	NA	NA	23,900

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

Additions refer to actual enlargements of the structure.

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

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

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

Source: Bureau of the Census, Department of Commerce

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

Period	Total	New Housing Units			Improvements
		Total	1 Unit Structures	2 or More Unit Structures	
Annual Data (Current Dollars–Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,521	94,649	72,203	22,447	30,872
1984	153,849	113,826	85,605	28,221	40,023
1985	158,474	114,662	86,123	28,539	43,812
1986	187,148	133,192	102,154	31,038	53,956
1987	194,656	139,915	114,463	25,452	54,741
1988	198,101	138,947	116,649	22,298	59,154
1989	196,551	139,202	116,898	22,304	57,349
1990	182,856	127,987	108,737	19,250	54,869
1991	157,835	110,592	95,444	15,148	47,243
1992	187,869	129,600	116,505	13,094	58,269
1993	210,454	144,070	133,282	10,788	66,384
1994	237,766	167,452	153,690	13,762	NA
Monthly Data (Seasonally Adjusted Annual Rates)					
1994					
January	229,800	160,800	149,900	10,900	NA
February	233,300	164,200	152,900	11,400	NA
March	236,800	167,000	155,000	12,000	NA
April	238,000	168,400	156,800	12,600	NA
May	241,100	170,100	156,800	13,300	NA
June	240,700	168,900	155,800	13,100	NA
July	237,800	168,800	155,500	13,300	NA
August	236,900	167,900	154,200	13,800	NA
September	238,500	168,900	153,500	15,500	NA
October	239,100	168,200	153,200	15,000	NA
November	241,300	169,400	153,100	16,300	NA
December	243,800	171,100	154,000	17,000	NA
1995					
January	244,600	169,900	152,800	17,100	NA
February	244,800	170,500	153,100	17,400	NA
March	240,100	164,900	146,200	18,700	NA

Source: Bureau of the Census, Department of Commerce

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

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1959	494.2	28.1	5.7
1960	513.3	26.3	5.1
1961	531.8	26.4	5.0
1962	571.6	29.0	5.1
1963	603.1	32.1	5.3
1964	648.0	34.3	5.3
1965	702.7	34.2	4.9
1966	769.8	32.3	4.2
1967	814.3	32.4	4.0
1968	889.3	38.7	4.4
1969	959.5	42.6	4.4
1970	1,010.7	41.4	4.1
1971	1,097.2	55.8	5.1
1972	1,207.0	69.7	5.8
1973	1,349.6	75.3	5.6
1974	1,458.6	66.0	4.5
1975	1,585.9	62.7	4.0
1976	1,768.4	82.5	4.7
1977	1,974.1	110.3	5.6
1978	2,232.7	131.6	5.9
1979	2,488.6	141.0	5.7
1980	2,708.0	123.3	4.6
1981	3,030.6	122.5	4.0
1982	3,149.6	105.7	3.4
1983	3,405.0	152.0	4.5
1984	3,777.2	178.9	4.7
1985	4,038.7	185.9	4.6
1986	4,268.6	216.6	5.1
1987	4,539.9	225.2	5.0
1988	4,900.4	232.0	4.7
1989	5,250.8	230.9	4.4
1990	5,546.1	215.3	3.9
1991	5,724.8	189.6	3.3
1992	6,020.2	223.8	3.7
1993	6,343.3	250.6	4.0
1994	6,736.9	282.3	4.2
Quarterly Data (Seasonally Adjusted Annual Rates)			
1994			
1st Quarter	6,574.7	277.1	4.2
2nd Quarter	6,689.9	283.6	4.2
3rd Quarter	6,791.7	283.4	4.2
4th Quarter	6,897.2	288.0	4.2
1995			
1st Quarter	6,982.9	284.6	4.1

Source: Bureau of Economic Analysis, Department of Commerce

Table 24. Total U.S. Housing Stock: 1970–Present*

Period	Total[4]	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual Data										
1970[1]	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980[2]	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1982	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1984	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1986	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1988	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990[3]	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
Quarterly Data										
1994										
1st Quarter[5]	110,263	3,044	107,219	9,237	2,915	895	5,429	97,982	62,522	35,459
2nd Quarter	110,470	3,161	107,309	9,039	2,859	909	5,271	98,270	62,684	35,586
3rd Quarter	111,266	3,065	108,201	9,274	2,798	933	5,543	98,927	63,391	35,536
4th Quarter	111,806	2,845	108,961	9,368	2,864	1,076	5,428	99,593	63,947	35,646
1995										
1st Quarter	112,359	3,186	109,173	9,401	2,882	1,003	5,516	99,772	64,050	35,722

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

[1] Census of Housing 1970

[2] Census of Housing 1980

[3] Census of Housing 1990

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

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

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

Table 25. Rental Vacancy Rates: 1979–Present

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

Source: Bureau of the Census, Department of Commerce

Table 26. Homeownership Rates by Age of Householder: 1982–Present

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.7	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993*	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
Quarterly Data								
1994								
1st Quarter	63.8	14.5	34.1	50.0	64.4	75.0	79.3	77.4
2nd Quarter	63.8	14.9	33.9	49.6	64.6	75.2	79.1	77.2
3rd Quarter	64.1	15.0	33.4	51.2	64.3	75.5	79.4	77.2
4th Quarter	64.2	15.2	35.1	51.5	64.7	74.9	79.2	77.7
1995								
1st Quarter	64.2	NA	NA	NA	NA	NA	NA	NA

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

Source: Bureau of the Census, Department of Commerce

1994 Annual Index

The 1994 Annual Index contains entries for the National Data, Regional Activity*, Historical Data, and Appendix† sections published in *U.S. Housing Market Conditions* for the 1st, 2nd, 3rd, and 4th Quarters of 1994.

* Regional Activity provides summaries of housing market conditions and activities including profiles of regions (e.g., Northwest, Great Plains) and selected housing markets (i.e., spotlight on selected cities).

† The Appendix includes vacancy rate results from postal surveys; information on Fair Market Rents (FMRs) for selected market areas and regional updating factors for FMRs; and a table of program beneficiaries by State.

Note: Page numbers follow the Quarter.

1st Quarter (1Q)	May 1994 issue
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