



# U.S. Housing Market Conditions

May 2004

## SUMMARY

Overall, the economy and the housing sector performed superbly in the first quarter of 2004. Real growth in gross domestic product equaled 4.2 percent on an annualized basis. Although housing construction (residential fixed investment) was not a major contributor to the first quarter growth, it did increase 2.1 percent, and continues at a very high level. Employment continued to grow, with the addition of nearly 600,000 jobs in the first quarter. Interest rates were historically low; throughout the housing sector, new records were set and existing records challenged with exceptionally strong levels of single-family activity. Housing production levels were among the highest in a generation; sales records were set, affordability was very favorable, and homeownership continued at a record level.

## Housing Production

The pace of all housing production was exceptionally robust in the first quarter of 2004, reaching levels not experienced in the past two to three decades. Total housing permits in the last two quarters were the highest in 30 years. Housing starts for the past two quarters experienced a 26-year high. Finally, total completions are the highest since the third quarter of 1986. Single-family activity, which set one new record and two second highest records, led this housing production acceleration. With more than 1.5 million units, single-family permits set a new quarterly record; both single-family starts and completions were at the second highest level ever. The single exception to high production levels continues to be the manufactured housing sector, which experienced a 45-year-low level of shipments.

- Builders took out permits for 1,929,000 housing units at a seasonally adjusted annual rate (SAAR) during the first quarter of 2004, unchanged from the fourth quarter of 2003 but up 10 percent from

the first quarter of 2003. This quarterly level is the 10th highest in the 44-year history of this data series. Single-family permits were issued for 1,516,000 (SAAR) new housing units in the first quarter of 2004, up slightly from the fourth quarter of 2003 and up 13 percent from the first quarter of 2003. This quarterly value is the highest reported in the history of the single-family series.

- Construction was started on 1,944,000 (SAAR) new housing units in the first quarter, down 4 percent from the fourth quarter of 2003 but up 12 percent from the first quarter of 2003. This quarterly figure is the 17th highest in the 45-year series history. Single-family starts totaled 1,561,000 (SAAR) in the first quarter of 2004, down 6 percent from the all-time record set in the fourth quarter of 2003 but up 11 percent from the first quarter of 2003. The first quarter of 2004 was the second best quarter ever.
- In the first quarter of 2004, construction was completed on 1,728,000 (SAAR) new housing units, up 1 percent from the fourth quarter of 2003 and up 5 percent from the first quarter of 2003. Single-fami-

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ly completions totaled 1,451,000 (SAAR) in the first quarter, down 1 percent from the fourth quarter but up 11 percent from the first quarter of 2003. Single-family completions reached the second highest quarterly value in the 36 years this series has been published.

- Shipments of new manufactured housing units equaled 126,000 (SAAR) in the first quarter of 2004, unchanged from the fourth quarter of 2003 and down 7 percent from the first quarter of 2003. Not since the fourth quarter of 1959—45 years ago—have quarterly shipments been this low.

## Housing Marketing

Housing sales and marketing were at very high levels in the first quarter of 2004. New homes sales set a new quarterly record, and existing home sales were at the third highest level ever reported. In the first quarter, more than 7 million homes were sold. Home prices remained quite stable from the fourth quarter, with modest increases of 2 to 3 percent for new homes sales and minor 1- to 2-percent decreases for existing homes. New and existing home inventories remained low relative to sales, with inventories representing 3.7 (new) and 4.4 (existing) months of sales. Builders continue to be optimistic about the housing market prospects, although to a lesser degree than in the fourth quarter of 2003.

- Builders sold 1,166,000 (SAAR) new single-family homes in the first quarter of 2004, up 4 percent from the fourth quarter of 2003 and up 18 percent from the first quarter of 2003. This is a new quarterly record. In 19 of the past 20 months, the annual new home sales pace has been more than 1 million units.
- REALTORS® sold 6,203,000 (SAAR) existing homes in the first quarter of 2004, down 1 percent from the fourth quarter of 2003 but up 6 percent from the first quarter of 2003. The first quarter rate is the third highest quarterly value ever reported. The figures for the past 12 quarters have been the 12 highest quarterly existing home sales figures since data reporting started in 1968.
- The median new home price crossed the \$200,000 threshold. The median price for new single-family homes was \$204,300 in the first quarter of 2004, up 3 percent from the fourth quarter of 2003 and up 10 percent from the first quarter of 2003. The

average price in the first quarter was \$260,700, up 2 percent from the fourth quarter of 2003 and up 12 percent from the first quarter of 2003. The estimated price for a constant-quality house was \$228,300 in the first quarter, up 1 percent from the fourth quarter of 2003 and up 6 percent from the first quarter of 2003.

- The NATIONAL ASSOCIATION OF REALTORS® reported that the median price for an existing home in the first quarter of 2004 was \$170,800, down 1 percent from the fourth quarter of 2003 but up 6 percent from the first quarter of 2003. The average price for an existing home was \$218,400 in the first quarter of 2004, down 2 percent from the fourth quarter of 2003 but up 8 percent from the first quarter of 2003.
- At the end of the first quarter of 2004, 372,000 new homes were in the unsold inventory, down 1 percent from the end of the fourth quarter of 2003 but up 13 percent from the first quarter of 2003. This inventory will support 3.7 months of sales, down 0.3 month from the end of the fourth quarter and down 0.4 month from the end of the first quarter of 2003. The inventory of existing homes available for sale contained 2,390,000 homes at the end of the first quarter, up 4 percent from the fourth quarter and up 7 percent from the first quarter of 2003. This inventory will last 4.4 months at the current sales pace, up 0.1 month from the end of the fourth quarter and up 0.3 month from the end of the first quarter of 2003.
- The composite Housing Market Index of the National Association of Home Builders™ was 65 points in the first quarter of 2004, down from the 71 points reported in the fourth quarter of 2003 but up from the 59 points posted for the first quarter of 2003. All three components of the index—current sales expectations, future sales expectations, and prospective buyer traffic—showed declines from the fourth quarter but increases from the first quarter of 2003.



## Affordability

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American families' affordability situation improved in the first quarter of 2004, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. Lower interest rates and home prices, combined with higher incomes, pushed the index to 144.2 points in the first quarter, a 0.5-point increase from the fourth quarter but unchanged from the first quarter of 2003. This value indicates that a family earning the median income had 144.2 percent of the income needed to purchase a median-priced existing home, using standard underwriting guidelines. The median family income grew by 1 percent from the fourth quarter and 3 percent from the first quarter of 2003. The median price of existing homes fell by 0.8 percent from the fourth quarter but increased 6 percent from the first quarter of 2003. The mortgage interest rate on closed loans declined by 19 basis points from the fourth quarter and by 26 basis points from the first quarter of 2003. This favorable affordability climate certainly contributed to maintaining the record 68.6 percent homeownership rate set in the fourth quarter of 2003.

## Multifamily

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In the multifamily (5+ units) area, production was fairly high but high vacancies rates persist in the rental market. The multifamily sector has reasonably high levels of permit activity and more than 300,000 starts. In the first quarter of 2004, about

250,000 units were completed, an 11-percent increase from the fourth quarter of 2003. Rental activity is mixed. The absorption of new multifamily units has increased by 13 percentage points, but the rental vacancy rate is at an all-time high.

- In the first quarter of 2004, builders took out permits for 323,000 (SAAR) new multifamily housing units, down 4 percent from the fourth quarter of 2004 and down 1 percent from the first quarter of 2003.
- Builders started constructing 352,000 (SAAR) new multifamily housing units in the first quarter of 2004, up 3 percent from the fourth quarter and up 19 percent from the first quarter of 2003.
- In the first quarter of 2004, 256,000 (SAAR) new multifamily housing units were completed, up 11 percent from the fourth quarter but down 13 percent from the first quarter of 2003.
- A record 10.4 percent of rental units were vacant in the first quarter of 2004, topping the previous record of 10.2 percent set in the fourth quarter of 2003 and up a full percentage point from the first quarter of 2003.
- In the first quarter of 2004, the rental market absorbed 69 percent of the 37,400 new, unsubsidized, unfurnished multifamily housing units completed in the fourth quarter of 2003. The absorption rate is up 23 percent from the fourth quarter and up 21 percent from the first quarter of 2003.

# HOW MANY SECOND HOMES ARE THERE?

In recent years, many observers have noted a rapidly expanding market in second homes, while predicting that the real explosion in second home sales is yet to come. For example, *BusinessWeek* reports, "Low mortgage rates are stoking the boom, but there's more. A dreary stock market is prompting some to snap up second and even third homes to diversify their investments. Demographics is also a factor, with baby boomers hitting middle age, when people traditionally buy a second residence" (Scherreik 2002, 90). Yet relatively little information is available on the second home market. For example, one industry publication cites seemingly contradictory second home figures of 3.8 million and 6.4 million on the same page ([www.homeaccentstoday.com](http://www.homeaccentstoday.com)). Just how many are out there? This article discusses the mundane but difficult task of measuring the stock of second homes.

Survey researchers typically employ one of two methods to count the number of a second homes. In a sample of households, the survey can identify how many households include people who own second homes. Or in a sample of properties, the second homes can be identified by asking an informant (such as a neighbor) the status of a vacant unit—for example, if it is for rent or occasional use. Each measure defines the notion of a second home in different, but equally reasonable, ways. The intention here is not to offer a new, a priori definition, but rather to describe what can be (and has been) measured.

## Identifying Second Home Owners

From 1985 to 1995, the American Housing Survey (AHS) included questions about the ownership of second homes by household members.<sup>1</sup> Currently, the Survey of Income and Program Participation (SIPP) asks similar questions in its Real Estate, Shelter Costs, Dependent Care, and Vehicles Topical Module.<sup>2</sup> The Panel Study of Income Dynamics (PSID) also periodically has included such questions.<sup>3</sup>

At least two problems exist with interpreting second home ownership data from these surveys. First, the prop-

erty ownership questions often include properties that clearly are not second homes, such as vacant land. Second, because second home ownership is often a partnership or timeshare arrangement, the surveys identify the number of owners, not the number of properties.

The SIPP initially inquires about rental properties only and asks respondents to specify if the property is a "vacation home," "other residential property," "commercial property," or one of several other options. Questions later in the survey address nonrental real estate, asking whether the respondents "own other real estate such as a vacation home or undeveloped lot? Exclude rental property."<sup>4</sup> At the end of 2001, members of 8.1 million households indicated that they owned nonrental real estate (Beckett et al. 1988; Fitzgerald et al. 1998).<sup>5</sup> This figure is an overestimate of the number of second homes, however, because the SIPP definition includes nonrental properties such as vacant land, does not specifically rule out nonrental nonresidential real estate, and suffers from the fact that multiple people can report owning the same home due to partnerships and timeshares.

The 2001 PSID asks, "Do [you/you or your family] have any real estate other than your main home, such as a second home, land, rental real estate, or money owed to you on a land contract?" For those who respond yes, the survey then asks, "Does that include a second home?" In all, 17.5 million said that they owned some type of real estate, and 7.3 million households indicated that they owned second homes. As with the SIPP count, the PSID second home ownership count is subject to multiple owner bias. In addition, reason exists to suspect that the PSID overrepresents high-income households.<sup>6</sup>

The 1995 AHS determined that 9.1 million households owned additional residential housing, 3.1 million of these households stayed at least one night during the past year in other units they owned, and 1.9 million used their extra units for recreational purposes.<sup>7</sup> Because the 1995 AHS included information on multiple ownership, its findings illustrate the magnitude of difference between counts of owners and counts of properties. Of the 1.9 million households owning recreational units, only 1.6 million owned at least a half interest in the unit. Of the 3.1 million households that stayed at least one night in an extra unit (that is, in an additional residential unit beyond the primary residence), 2.8 million owned a majority interest.

One tentative conclusion is that the AHS figure of 1.6 million households owning at least 50 percent of a "recreational" unit is less than the actual number of households that own second homes. As already noted,





**Exhibit 1. Types and Quantities of Vacant and URE Units**

	American Housing Survey		Housing and Vacancy Survey	
	Number (1,000s)	Percent	Number (1,000s)	Percent
For rent	2,743	21.3	3,203	22.1
For rent or sale	172	1.3		
For sale	1,243	9.7	1,301	9.0
Rented, not yet occupied	268	2.1	437	3.0
Sold, not yet occupied	463	3.6	445	3.1
Other	2,293	17.8	2,579	17.8
Migratory	62	0.5	47	0.3
Second homes	5,610	43.6	6,459	44.6
Seasonal—summer	1,051	8.2	1,710	11.8
Seasonal—winter	443	3.4	599	4.1
Other seasonal	733	5.7	789	5.5
Occasional use	1,541	12.0	1,887	13.0
URE	1,842	14.3	1,474	10.2
Total vacant or URE	12,855		14,470	

URE = usual residence elsewhere.

Source: 2001 American Housing Survey National File; 2001 Housing and Vacancy Survey File

**Exhibit 2. Classification of Open-ended Responses Specifying Reason for “Other Vacant” Housing Unit**

	Number in Sample	Weighted*	
		Number (1,000s)	Percent
Occasional use	9	32	1.2
Owner away for long period (e.g., in military, in jail, overseas)	12	64	2.5
Owner died, moved in with children, or bankrupt, or court proceedings are ongoing	87	435	16.9
For sale, for rent, or sold and not yet occupied	6	36	1.4
Under renovation or to be put on market eventually	89	493	19.1
Military, student, or religious housing; not currently occupied	9	30	1.2
Abandoned or to be demolished	56	314	12.2
Former residence	11	50	1.9
Used for storage	55	228	8.9
Reason unclear (e.g., don’t know, held off market)	125	659	25.5
No response	41	238	9.2
Total	500	2,579	100.0

\* Weighted using Housing and Vacancy Survey (HVS) sample weights and benchmarked to 2003 total from Exhibit 1.

Source: Author’s classification of random sample of 500 cases from 2003 HVS File

the count of 1.6 million households is much lower than the SIPP and PSID estimates of 7 to 8 million; the difference appears too large for the previously mentioned biases to explain. The AHS figure is also less than that provided using the most straightforward definition of a second home: the 2.8 million units where the majority owners spent at least one night over the last year. The AHS last collected information about the ownership of extra properties in 1995 but continued to count the units themselves.

## Identifying Second Home Properties

Another way to calculate the number of second homes is to count all housing units, and then classify them into one of three categories: occupied, temporarily occupied by people whose usual residence is elsewhere (URE units), or vacant. To further classify vacant units into subcategories such as for rent, for sale, or occupied seasonally or occasionally, the interviewer can ask a neighbor or other informant. Exhibit 1 displays counts for the various types of unoccupied units from the AHS and the Housing and Vacancy Survey (HVS).<sup>8</sup> The AHS and HVS figures are roughly in line, especially when considered as a percentage of the total vacant and URE unit stock. The "Second Homes" section lists the seasonal, occasional use, and URE units often defined as "second homes" (Carliner 2002).<sup>9</sup> By this measure, the AHS counts 5.6 million second homes, and the HVS calculates 6.5 million.

One difficulty with interpreting Exhibit 1 is that many of the 2.3 million units classified as "other"—18 percent of all vacant units—may also be second homes. If all these "other" vacant units were second homes, the second home count would increase to nearly 8 million. Fortunately, the HVS includes an open-ended question to ascertain why the unit is vacant. Although the responses are not available to the public, the Census Bureau's internal files record them; these reasons can be examined to determine which vacant units classified as "other" can be considered second homes.

Exhibit 2 presents a new classification for the "other" vacant units' open-ended responses, based on a 500-case random sample drawn from the 2003 HVS for this article. The open-ended responses rarely contain any indication, even liberally interpreted, to categorize a unit as a second home, with only 1 percent of the units classified as "occasional use." Most units appear to require major renovations (12 percent abandoned and 19 percent undergoing renovations; distinguishing

between these two options can be difficult). More than one-quarter are in some uncertain state: 17 percent are in probate or not disposed of after the death or moving of an elderly owner, 9 percent are used for storage, 3 percent have an owner who is away for a long period, and 2 percent are listed only as a former residence. For 35 percent of the units, no or no useful response exists.

The credibility of the information source consulted to classify properties is a critical factor in determining the validity of a "second home" estimate based on counting properties. The respondent asked to classify a vacant unit for seasonal or occasional use may have limited information. In contrast, the validity of units classified as URE is very strong because the classifier was the owner or renter and was presumably well informed about the unit's status.

Exhibit 3 lists the types of people who classified vacant units as being for seasonal or occasional use. The interviewer contacted the owner, presumably the best source of information, in 31 percent of the cases. In about 15 percent of the cases, the respondent was a manager or real estate agent, both of whom would also be well informed. A neighbor was the information source in 28 percent of the instances. "Other," accounting for 24 percent of responses, is likely to be less reliable than the aforementioned respondents. Oddly, 1.5 percent of responses come from a "URE occupant," suggesting that these units should have been classified as URE rather than vacant, although they would still be second homes for the purpose of this study. Overall, approximately 64 percent of "second home" classifications were based on fairly credible informants—owners, renters, real estate agents, and property managers.

**Exhibit 3. Type of Respondent at Vacant Units for Seasonal or Occasional Use**

	Number (1,000s)	Percent
Owner	1,173	31.1
Manager	418	11.1
Neighbor	1,051	27.9
Real estate agent	136	3.6
URE occupant	55	1.5
Other	916	24.3
Don't know, no response	19	0.5
Total	3,768	100.0

URE = usual residence elsewhere.  
Source: 2001 American Housing Survey National File

## Reasons for Second Home Ownership

The purpose for owning the second unit is a refinement of the “second homes” estimate that some authors have reported. Since 1999, the AHS has included this question to determine the reason for second home ownership (for URE and seasonal/occasional use vacancies): “Which of the following reasons is why the owner owns this [housing unit]?”<sup>10</sup> Exhibit 4 cross-tabulates ownership reason with the various types of vacant and URE units for which this followup question was asked.

Although respondents can give multiple responses, the columns in Exhibit 4 show only one answer; columns (categories) on the left supersede categories on the right. For example, answers of both “recreational purposes” and “investment purposes” are coded as “recreational purposes” only. Only 10 percent of respondents, however, provided more than one answer. This low number may be due to the question’s wording, which is singular (“which of the following reasons *is*”), rather than plural, and therefore does not elicit many multiple responses.

Overall, 3.0 million second homes—53 percent of the total—are listed as owned for “recreational purposes.” These units surely would be classified as second homes by most. Interestingly, this number is not far different from the 1995 AHS figure of 2.8 million households

owning a majority interest in a second home in which they stayed for at least one night over the past year. Although these figures came from surveys administered 6 years apart, the stock of second homes grows relatively slowly.<sup>11</sup> Yet, these counts are almost twice the 1.6 million households that owned at least a half interest in a second home for recreational purposes in 1995.

Homes owned for recreational purposes appear to fit quite closely with the conventional notion of a second home. Whether the other categories of homes can also be considered second homes, however, is not as clear. Logically, a second home can also be inherited, used for investment purposes or additional income, or be for sale. As noted, although the “reason why” question allows multiple responses, it cannot be assumed that homes reported as for investment purposes only are not also second homes used for recreational purposes. Many respondents may provide a single response to minimize cognitive effort, especially when the question’s wording invites them to do so. In addition, a previous usual residence may be the former home of someone now mostly living in a resort area, and so ought to count as a second home.<sup>12</sup>

More than one-fifth of the reasons for owning an extra housing unit (22 percent) fall in the “other” category; these responses warrant a closer examination to determine if any of these units are second homes. In 2003, the AHS began collecting open-ended responses to the

**Exhibit 4. Type of Second Home and Reason for Ownership**

		Recreational Purposes	Investment Purposes	Previous Usual Residence	Inherited	Owner Wants To Sell	Some Other Reason*	Total
Occasional use	(1,000s) (%)	664 43.1	97 6.3	286 18.6	66 4.3	14 0.9	413 26.8	1,541 100
Seasonal—summer	(1,000s) (%)	791 75.3	52 5.0	31 3.0	29 2.8	4 0.4	143 13.6	1,051 100
Seasonal—winter	(1,000s) (%)	288 64.9	23 5.1	12 2.8	0 0.0	9 2.0	112 25.2	443 100
Other seasonal	(1,000s) (%)	311 42.4	49 6.7	96 13.1	50 6.9	4 0.6	222 30.3	733 100
URE	(1,000s) (%)	920 50.0	317 17.2	172 9.4	76 4.1	6 0.4	350 19.0	1,842 100
Total	(1,000s) (%)	2,974 53.0	538 9.6	599 10.7	222 4.0	38 0.7	1,240 22.1	5,610 100

\* Includes no response. URE = usual residence elsewhere.

Note: Multiple responses to reason for ownership are recoded to be mutually exclusive in the order in which they appear in the table, from left to right. Recreational Purposes supersedes all others.

Source: 2001 American Housing Survey National File



**Exhibit 5. Classification of Open-ended Responses Specifying “Other Reason” for Owning Vacant/URE Housing Unit**

	Number in Sample	Weighted*	
		Number (1,000s)	Percent
Recreational or occasional use	156	350	36.4
Owner away for long period (e.g., in military, in jail, overseas)	—	—	—
Owner died, moved in with children, or bankrupt, or court proceedings are ongoing	13	28	2.9
For sale, for rent, or sold and not yet occupied	8	19	2.0
Held for future use, under renovation or to be put on market eventually	20	43	4.5
Student, or religious; not currently occupied	17	44	4.6
Abandoned or to be demolished	6	15	1.6
Former residence, inherited, or came with property	25	54	5.6
Used for storage	16	34	3.6
Reason unclear (e.g., don’t know, held off market)	54	116	12.0
For business purposes (e.g., commuting, temporary housing, model home)	25	54	5.6
No response	92	204	21.3
<b>Total</b>	<b>432</b>	<b>962</b>	<b>100.0</b>

\* Weights are preliminary. URE = usual residence elsewhere.

Source: Author’s classification of respondents reporting only “other reason” for owning a vacant/URE unit in 2003 American Housing Survey National File

“other” category. Exhibit 5 reports on a new classification of the open-ended responses. Of the units in the “other” category, 36 percent were classified as being for recreational or occasional use—that is, second homes. Many open-ended responses simply repeat a vacancy category, such as “for winter use.” Perhaps a number of these units are occupied seasonally, but the respondents do not consider their time in the unit to be “recreational.” They may occupy the unit for an extended portion of the year, rather than for only a short vacation.<sup>13</sup> Overall, approximately 450,000 (36.4 percent of 1,240,000) of the units held for “other” reasons can be counted as second homes. This adjustment raises this second home estimate from 2,974,000 to 3,424,000.

## Conclusion

A simple and objective estimate of the number of second homes is the number of units occupied for at least one night in the past year by a household owning at least 50 percent of the title—2.8 million in 1995. This figure is similar to the 3.0 million units (URE or for

seasonal/occasional use) reported for recreational use in 2001 (PSID) despite the fact that “recreational” is a somewhat subjective classification. Adding to the 3.0 million an estimate of units owned for “other” reasons raises this figure to 3.4 million units. Finally, counting all the URE and seasonal or occasional use units totals 5.6 million. At the same time, other surveys indicate that 7 million households own at least a share in a second home (2001 PSID) or that 8 million own some nonrental real estate (2001 SIPP). The number of second homes seems to depend on what classification is being measured.

## Notes

<sup>1</sup> The American Housing Survey (AHS), a national survey conducted by the Census Bureau for the Department of Housing and Urban Development, is administered to about 48,000 housing units every 2 years and focuses on housing conditions. For a detailed description of the AHS, visit <http://www.census.gov/hhes/www/ahs.html>.

<sup>2</sup> The 2001 Survey of Income and Program Participation (SIPP) is a national panel survey conducted by the Census Bureau



that will follow 37,000 households for 3 years. For a detailed description of SIPP, visit <http://www.sipp.census.gov/sipp/intro.html>.

<sup>3</sup> The Panel Study of Income Dynamic (PSID) is a national panel survey conducted by the University of Michigan that has followed about 8,000 households since 1968. For a detailed description of the PSID, visit <http://psidonline.isr.umich.edu>.

<sup>4</sup> Strictly speaking, the SIPP question about nonrental real estate does not exclude nonresidential real estate, and it is possible that it captures some nonrental nonresidential real estate.

<sup>5</sup> An additional 3.9 million households indicated they owned some rental property, including 200,000 vacation homes. In all, 12 million indicated they owned some sort of residential property (rental or not).

<sup>6</sup> The PSID sample was drawn in 1968; several studies have documented that participants of low socioeconomic status were more likely than those of high socioeconomic status to drop out of the sample over time (Beckett et al. 1988; Fitzgerald et al. 1998). Although the sample weights are intended to account for this differential attrition, some reason exists for concern that the weights are inadequate. In particular, the PSID sample has poverty rates about a third lower than the Current Population Survey (CPS).

<sup>7</sup> These categories are not mutually exclusive.

<sup>8</sup> The Housing and Vacancy Survey (HVS) is conducted monthly in conjunction with the Current Population Survey (CPS) by the Census Bureau for the Bureau of Labor Statistics and is the primary source of U.S. vacancy statistics.

<sup>9</sup> The figures in this study differ from those published by the Census Bureau because of the treatment of seasonally occupied URE units. In this article, seasonal URE units are included in the URE category; usual Census Bureau practice is to group these units with seasonal vacant units.

<sup>10</sup> From 1985 to 1995, occupants who reported owning “extra” units were asked similar questions.

<sup>11</sup> From 1995 to 2001, the stock of seasonal/occasional/URE units declined by 4 percent in the AHS finding, and increased by 15 percent in the HVS results.

<sup>12</sup> Different analysts might debate which unit is the second home—the former residence or the resort-area unit. It is clear, however, that one of the pair should be counted, and counting the unit that is currently vacant or URE seems as reasonable as the opposite.

<sup>13</sup> The remaining responses are much like the open-ended responses to “other” vacant units: they are uninformative (e.g., “no response”), or they suggest the unit has fallen into disuse (e.g., “used for storage”) or is in transition (e.g., “in probate”).

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# National Data

## HOUSING PRODUCTION



### Permits<sup>★</sup>

Permits for construction of new housing units were unchanged in the first quarter of 2004, at a seasonally adjusted annual rate (SAAR) of 1,929,000 units, but were up 10 percent from the first quarter of 2003. One-unit permits, at 1,516,000 units, were unchanged from the level of the previous quarter but up 13 percent from a year earlier. Multifamily permits (five or more units in structure), at 323,000 units, were 4 percent below the fourth quarter of 2003 and a statistically insignificant 1 percent below the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,929	1,932	1,750	—	+ 10
<b>One Unit</b>	1,516	1,514	1,345	—	+ 13
<b>Two to Four</b>	90	82	79	+ 10	+ 15
<b>Five Plus</b>	323	336	326	– 4	– 1 <sup>**</sup>

<sup>★</sup>Components may not add to totals because of rounding. Units in thousands.

<sup>\*\*</sup>This change is not statistically significant.


Source: Census Bureau, Department of Commerce





## Starts\*

Construction starts of new housing units in the first quarter of 2004 totaled 1,944,000 units at a seasonally adjusted annual rate, a statistically insignificant 4 percent below the fourth quarter of 2003 but 12 percent above the first quarter of 2003. Single-family starts, at 1,561,000 units, were a statistically insignificant 6 percent lower than the previous quarter but 11 percent above the first quarter level of the previous year. Multifamily starts totaled 352,000 units, a statistically insignificant 3 percent above the previous quarter and a statistically insignificant 19 percent above the same quarter in 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,944	2,031	1,737	- 4**	+ 12
<b>One Unit</b>	1,561	1,656	1,405	- 6**	+ 11
<b>Five Plus</b>	352	343	296	+ 3**	+ 19**

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


\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



## Under Construction\*

Housing units under construction at the end of the first quarter of 2004 were at a seasonally adjusted annual rate of 1,229,000 units, a statistically insignificant 4 percent above the previous quarter and 17 percent above the first quarter of 2003. Single-family units stood at 841,000, a statistically insignificant 4 percent above the previous quarter and 16 percent above the first quarter of 2003. Multifamily units were at 362,000, up a statistically insignificant 5 percent from the previous quarter and up 19 percent from the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,229	1,182	1,053	+ 4**	+ 17
<b>One Unit</b>	841	811	724	+ 4**	+ 16
<b>Five Plus</b>	362	346	304	+ 5**	+ 19

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


\*\*This change is not statistically significant.

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



## Completions<sup>★</sup>

Housing units completed in the first quarter of 2004, at a seasonally adjusted annual rate of 1,728,000 units, were up a statistically insignificant 1 percent from the previous quarter and up 5 percent from the same quarter of 2003. Single-family completions, at 1,451,000 units, were down a statistically insignificant 1 percent from the previous quarter but up 11 percent from the rate of a year earlier. Multifamily completions, at 256,000 units, were a statistically insignificant 11 percent above the previous quarter but 13 percent below the same quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total</b>	1,728	1,715	1,647	+ 1 <sup>**</sup>	+ 5
<b>One Unit</b>	1,451	1,460	1,311	- 1 <sup>**</sup>	+ 11
<b>Five Plus</b>	256	230	295	+ 11 <sup>**</sup>	- 13

<sup>\*</sup>Components may not add to totals because of rounding. Units in thousands.


<sup>\*\*</sup>This change is not statistically significant.

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



## Manufactured (Mobile) Home Shipments<sup>★</sup>

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 126,000 units in the first quarter of 2004, which is unchanged from the previous quarter but 7 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Manufacturers' Shipments</b>	126	126	135	—	- 7

<sup>\*</sup>Units in thousands. These shipments are for HUD-code homes only and do not include manufactured housing units built to meet local building codes, which are included in housing starts figures.

Source: National Conference of States on Building Codes and Standards




# HOUSING MARKETING



## Home Sales★

Sales of new single-family homes totaled 1,166,000 units at a seasonally adjusted annual rate (SAAR) in the first quarter of 2004, up a statistically insignificant 4 percent from the previous quarter and up 18 percent from the first quarter of 2003. The number of new homes for sale at the end of March 2004 was 372,000 units, down a statistically insignificant 1 percent from the past quarter but up 13 percent from the first quarter of 2003. At the end of March, inventories represented a 3.7 months' supply at the current sales rate, down a statistically insignificant 8 percent from the end of the previous quarter and down 10 percent from the first quarter of last year.

Sales of existing single-family homes for the first quarter of 2004 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,203,000 (SAAR), down 1 percent from the fourth quarter of 2003 but up 6 percent from the first quarter of 2003. The number of units for sale at the end of the first quarter of 2004 was 2,390,000, 4 percent above the previous quarter and 7 percent above the first quarter of 2003. At the end of the first quarter, a 4.4 months' supply of units remained, 2 percent more than the previous quarter but 6 percent less than the first quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>New Homes Sold</b>	1,166	1,120	984	+ 4**	+ 18
<b>For Sale</b>	372	377	330	- 1**	+ 13
<b>Months' Supply</b>	3.7	4.0	4.1	- 8**	- 10
<b>Existing Homes</b>					
<b>Existing Homes Sold</b>	6,203	6,297	5,867	- 1	+ 6
<b>For Sale</b>	2,390	2,300	2,240	+ 4	+ 7
<b>Months' Supply</b>	4.4	4.3	4.7	+ 2	- 6

\*Units in thousands.

\*\*This change is not statistically significant.


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



## Home Prices

The median price of new homes during the first quarter of 2004 increased to \$204,300, up a statistically insignificant 3 percent from the previous quarter and up 10 percent from the first quarter of 2003. The average price of new homes sold during the first quarter of 2004 was \$260,700, up a statistically insignificant 2 percent from the fourth quarter of the past year and up 12 percent from the first quarter a year ago. The price adjusted to represent a constant-quality house was \$228,300, up a statistically insignificant 1 percent from the fourth quarter of 2003 and up 6 percent from the first quarter a year ago. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing single-family homes in the first quarter of 2004 was \$170,800, down 1 percent from the fourth quarter of 2003 but up 6 percent from the first quarter a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, \$218,400, decreased 2 percent from the previous quarter but was 8 percent greater than in the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$204,300	\$198,800	\$186,000	+ 3 **	+ 10
Average	\$260,700	\$256,000	\$233,100	+ 2 **	+ 12
Constant-Quality House <sup>1</sup>	\$228,300	\$225,000	\$215,800	+ 1 **	+ 6
Existing Homes					
Median	\$170,800	\$172,200	\$161,200	- 1	+ 6
Average	\$218,400	\$223,000	\$202,700	- 2	+ 8

\*\*This change is not statistically significant.

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




## Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the first quarter of 2004 shows that families earning the median income have 144.2 percent of the income needed to purchase the median-priced existing home. This figure is up 4 percent from the fourth quarter 2003 index but unchanged from the first quarter of 2003.

The first quarter increase in the housing affordability index is the result of changes in the marketplace. The national average home mortgage interest rate for existing single-family homes has decreased 19 basis points from the previous quarter to an interest rate of 5.64 percent. The median price of existing single-family homes fell to \$170,800, a slight decrease of 0.8 percent from the fourth quarter of 2003 but an increase of 6.0 percent from the first quarter of 2003. The median family income rose just 1.0 percent from the previous quarter and 3.0 percent from last year's first quarter.

The fixed-rate index increased 4 percent from the fourth quarter 2003 index but decreased 1 percent from the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Composite Index</b>	144.2	138.7	144.2	+ 4	—
<b>Fixed-Rate Index</b>	140.4	135.0	142.2	+ 4	- 1
<b>Adjustable-Rate Index</b>	156.7	150.2	156.8	+ 4	—

Source: NATIONAL ASSOCIATION OF REALTORS®






## Apartment Absorptions

In the fourth quarter of 2003, 37,400 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down a statistically insignificant 12 percent from the previous quarter and down a statistically insignificant 22 percent from the fourth quarter of 2002. Of the apartments completed in the fourth quarter of 2003, 69 percent were rented within 3 months. This absorption rate is 23 percent above the previous quarter and 21 percent above the same quarter of the previous year. The median asking rent for apartments completed in the fourth quarter was \$911, which is a statistically insignificant 1 percent below the previous quarter and a statistically insignificant 2 percent below a year earlier.

A total of 167,800 apartments was completed in 2003, 18 percent fewer than in 2002. Of these, 63 percent were absorbed within 3 months. This absorption rate is 7 percent higher than in the previous year. The median asking rent in 2003 was \$932, an increase of 2 percent over 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Apartments Completed*</b>	37.4	42.6	47.7	- 12**	- 22**
<b>Percent Absorbed Next Quarter</b>	69	56	57	+ 23	+ 21
<b>Median Rent</b>	\$911	\$921	\$928	- 1**	- 2**

\*Units in thousands.

\*\*This change is not statistically significant.

Sources: Census Bureau, Department of Commerce; and Office of Policy


Development and Research, Department of Housing and Urban Development



## Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the fourth quarter of 2003 totaled 139,000 at a seasonally adjusted annual rate, a statistically insignificant 6 percent above the level of the previous quarter but 16 percent below the fourth quarter of 2002. The number of homes for sale on dealers' lots at the end of the fourth quarter totaled 41,000 units, 11 percent below the previous quarter and 27 percent below the same quarter of 2002. The average sales price of the units sold in the fourth quarter was \$57,000, a statistically insignificant 4 percent above the previous quarter and 10 percent above the price in the fourth quarter of 2002.

In all of 2003, 135,000 units were placed for residential use, a 22-percent decrease from 2002. At the end of 2003, 38,000 units were on dealers' lots, 25 percent fewer than at the end of the previous year. The average sales price of units sold in 2003 was \$54,900, an increase of 7 percent over 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Placements*</b>	139	131	166	+ 6**	- 16
<b>On Dealers' Lots*</b>	41	46	56	- 11	- 27
<b>Average Sales Price</b>	\$57,000	\$55,000	\$52,000	+ 4**	+ 10

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


\*\*This change is not statistically significant.

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



## Builders' Views of Housing Market Activity

The National Association of Home Builders™ (NAHB) conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indexes of housing market activity. (The index values range from 0 to 100.) The first quarter 2004 value for the index of current market activity for single-family detached houses stood at 72, down 6 points from the fourth quarter but up 6 points from the first quarter of 2003. The index for future sales expectations, 73, was down 7 points from the fourth quarter value but up 10 points from the same quarter in 2003. Prospective buyer traffic had an index value of 49, which is down 1 point from the fourth quarter 2003 value but up 6 points from the 2003 first quarter level. NAHB combines these separate indexes into a single housing market index that mirrors the three components quite closely. In the first quarter, this index stood at 65, down 6 points from the fourth quarter 2003 level but up 6 points from the value in the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Housing Market Index</b>	65	71	59	– 8	+ 10
<b>Current Sales Activity—Single-Family Detached</b>	72	78	66	– 8	+ 9
<b>Future Sales Expectations—Single-Family Detached</b>	73	80	63	– 9	+ 16
<b>Prospective Buyer Traffic</b>	49	50	43	– 2	+ 14


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

# HOUSING FINANCE



## Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 5.60 percent in the first quarter of 2004, 32 basis points lower than in the previous quarter and 24 basis points lower than in the first quarter of 2003. Adjustable-rate mortgages (ARMs) in the first quarter of 2004 were going for 3.53 percent, 22 basis points below the previous quarter and 34 basis points below the first quarter of 2003. Fixed-rate, 15-year mortgages, at 4.90 percent, were down 35 basis points from the fourth quarter of the past year and down 30 basis points from the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Conventional Fixed-Rate 30-Year</b>	5.60	5.92	5.84	– 5	– 4
<b>Conventional ARMs</b>	3.53	3.75	3.87	– 6	– 9
<b>Conventional Fixed-Rate 15-Year</b>	4.90	5.25	5.20	– 7	– 6
<b>FHA Fixed-Rate 30-Year*</b>	NA	NA	NA	NA	NA


\*Mortgage loan interest rate data on FHA-insured loans are no longer collected by the Department of Housing and Urban Development.

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 297,200 (not seasonally adjusted) properties in the first quarter of 2004, up 11 percent from the previous quarter but down 31 percent from the first quarter of 2003. Total endorsements or insurance policies issued totaled 240,700, down 28 percent from the fourth quarter of 2003 and down 27 percent from the first quarter of 2003. Purchase endorsements, at 138,000, were down 25 percent from the previous quarter and down 17 percent from the first quarter of 2003. Endorsements for refinancing decreased to 102,700, a 31-percent decrease from the fourth quarter and down 37 percent from the first quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Applications Received</b>	297.2	268.3	431.5	+ 11	- 31
<b>Total Endorsements</b>	240.7	333.1	330.4	- 28	- 27
<b>Purchase Endorsements</b>	138.0	183.9	166.5	- 25	- 17
<b>Refinancing Endorsements</b>	102.7	149.2	163.9	- 31	- 37


\*Units in thousands of properties.

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



## PMI and VA Activity\*

Private mortgage insurers issued 431,500 policies or certificates of insurance on conventional mortgage loans during the first quarter of 2004, down 12 percent from the fourth quarter of 2003 and down 32 percent from the first quarter of 2003; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 83,000 single-family properties in the first quarter of 2004, down 28 percent from the previous quarter and down 28 percent from the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total PMI Certificates</b>	431.5	490.5	630.5	- 12	- 32
<b>Total VA Guaranties</b>	83.0	115.4	114.8	- 28	- 28

\*Units in thousands of properties.

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



## Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 4.49 percent at the end of 2003's fourth quarter, down 3 percent from the third quarter of 2003 and down 11 percent from the fourth quarter of 2002.

Delinquencies for subprime loans past due were at 11.59 percent, down 9 percent from the third quarter of last year and down 13 percent from the fourth quarter of the previous year. Ninety-day delinquencies for all loans were at 0.83 percent, down 7 percent from the third quarter of 2003 and down 9 percent from the fourth quarter a year ago. Subprime loans that were 90 days past due stood at 2.55 percent at the close of 2003, down 16 percent from 2003's third quarter and down 23 percent from the end of 2002. During the fourth quarter of 2003, 0.45 percent of all loans entered foreclosure, an increase of 2 percent from the third quarter of 2003 and an increase of 7 percent from the fourth quarter of the previous year. In the subprime category, 2.13 percent began foreclosure in the fourth quarter of 2003. This was an increase of 11 percent over the third quarter of 2003 and a 25-percent increase above the fourth quarter of 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Total Past Due (%) All Loans</b>	4.49	4.65	5.03	- 3	- 11
<b>Subprime Loans</b>	11.59	12.69	13.29	- 9	- 13
<b>90 Days Past Due (%) All Loans</b>	0.83	0.89	0.91	- 7	- 9
<b>Subprime Loans</b>	2.55	3.04	3.31	- 16	- 23
<b>Foreclosures Started (%) All Loans</b>	0.45	0.44	0.42	+ 2	+ 7
<b>Subprime Loans</b>	2.13	1.92	1.70	+ 11	+ 25

Note: The Mortgage Bankers Association has restated the historical time series of all delinquencies and foreclosures for all loans and conventional loans going back to 1998 based on an adjustment for the significant increase in the subprime share of conventional loans. Source: National Delinquency Survey, Mortgage Bankers Association






# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product<sup>\*</sup>

Residential Fixed Investment (RFI) for the first quarter of 2004 was at a seasonally adjusted annual rate of \$606.8 billion, 2 percent above the value from the fourth quarter of 2003 and 14 percent above the first quarter of 2003. As a percentage of the gross domestic product (GDP), RFI for the first quarter of 2004 was 5.3 percent, unchanged from the previous quarter but 0.3 percentage point above the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	\$11,447.8	\$11,262.0	\$10,735.8	+ 2	+ 7
<b>RFI</b>	\$606.8	\$596.9	\$534.4	+ 2	+ 14
<b>RFI/GDP (%)</b>	5.3	5.3	5.0	—	+ 6

<sup>\*</sup>Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

# HOUSING INVENTORY



## Housing Stock\*

At the end of the first quarter of 2004 the estimate of the total housing stock, 121,633,000 units, was up a statistically insignificant 0.2 percent from the fourth quarter of 2003 and increased a statistically insignificant 1.2 percent above 2003's first quarter level. The number of occupied units remained unchanged from 2003's fourth quarter but rose 0.4 percent above the first quarter of 2003. Owner-occupied homes were unchanged from the fourth quarter of 2003 but were up 1.4 percent above last year's first quarter. Rentals were also unchanged from the previous quarter but increased a statistically insignificant 1.7 percent from the first quarter of 2003. Vacant units were up 1.3 percent from last quarter and increased 6.2 percent from 2003's first quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	121,633	121,415	120,249	+ 0.2**	+ 1.2**
Occupied Units	105,870	105,858	105,407	—	+ 0.4
Owners	72,666	72,650	71,645	—	+ 1.4
Renters	33,204	33,208	33,762	—	– 1.7**
Vacant Units	15,763	15,557	14,842	+ 1.3	+ 6.2

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Vacancy Rates

The homeowner vacancy rate for the first quarter of 2004, at 1.7 percent, was down a statistically insignificant 0.1 percentage point from the fourth quarter of 2003 but was unchanged from the first quarter of 2003.

The 2004 first quarter national rental vacancy rate, at 10.4 percent, was up a statistically insignificant 0.2 percentage point from the previous quarter and up 1.0 percentage point from the same quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>Homeowner Rate</b>	1.7	1.8	1.7	– 6**	—
<b>Rental Rate</b>	10.4	10.2	9.4	+ 2**	+ 11


\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



## Homeownership Rates

The national homeownership rate was 68.6 percent in the first quarter of 2004, unchanged from last quarter but up 0.6 percentage point from the first quarter of 2003. The homeownership rate for minority households, at 50.8 percent, increased a statistically insignificant 0.2 percentage point from the fourth quarter of 2003 and increased 1.5 percentage points from the first quarter of 2003. The 63.3-percent homeownership rate for young married-couple households was up 1.4 percentage points from the fourth quarter of 2003 and increased 3.1 percentage points from 2003's first quarter.

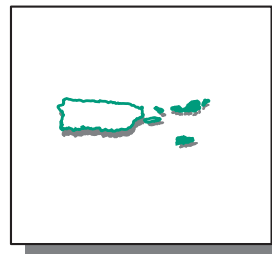
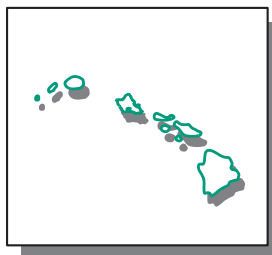
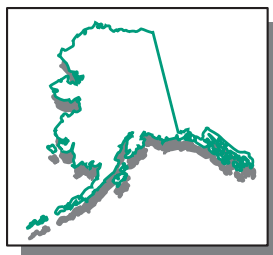
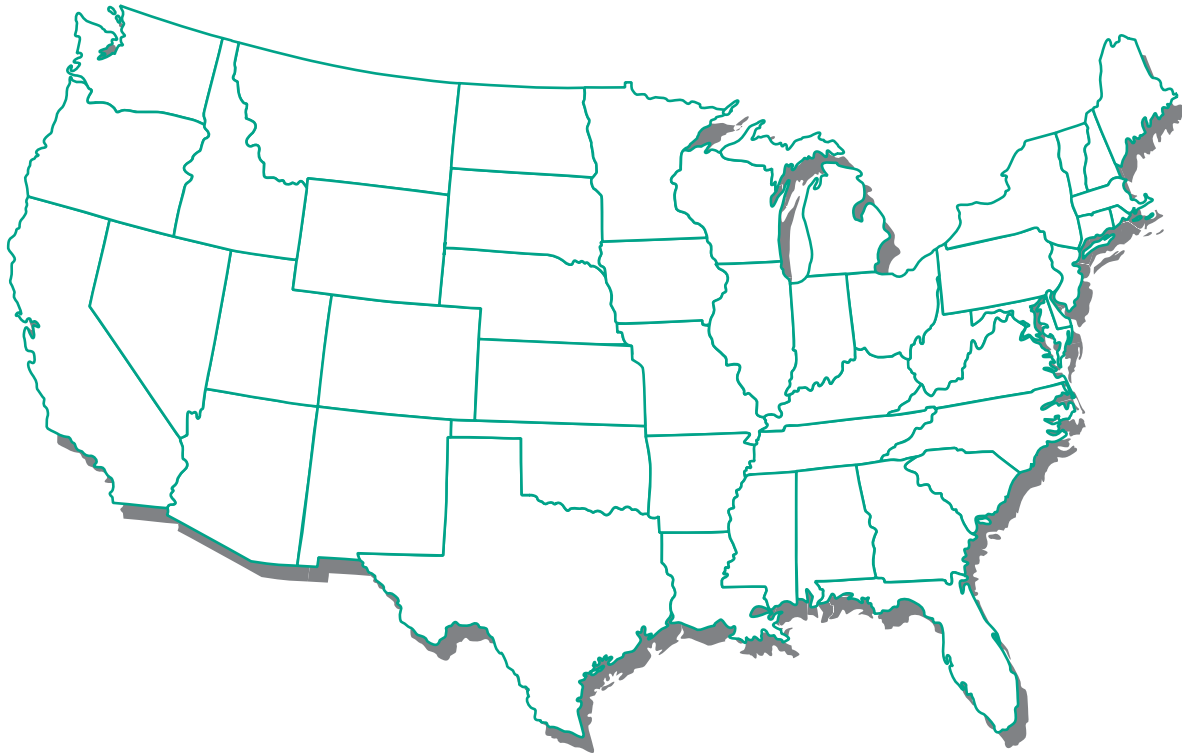
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>All Households</b>	68.6	68.6	68.0	—	+ 0.9
<b>Minority Households</b>	50.8	50.6	49.3	+ 0.4**	+ 3.0
<b>Young Married-Couple Households</b>	63.3	61.9	60.2	+ 2.3	+ 5.1

\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



# Regional Activity

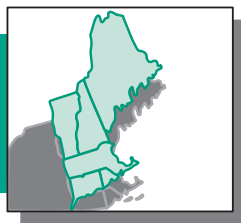


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



## Regional Reports

### NEW ENGLAND



Nonfarm wage and salary employment in the New England region declined by a net 18,500 jobs to 6,725,300 in the 12 months ending March 2004. This job loss rate has been declining over the past several quarters as the 38,000 job losses in Massachusetts and Connecticut that occurred over the past year have been partially offset by a gain of 19,800 jobs in the remaining states in the region: Maine, New Hampshire, Rhode Island, and Vermont. New Hampshire and Rhode Island gained 6,700 and 6,500 jobs respectively. In the goods-producing sector, only Rhode Island recorded job gains over the past year because of growth in the construction sector. In Massachusetts, a loss of 3,300 goods-producing jobs, or 0.7 percent, was the smallest percentage loss of the five states that suffered a reduction in goods-producing jobs. In Massachusetts, serious job losses in primarily durable goods manufacturing were partially offset by significant construction increases.

In the region overall, construction jobs increased by 11,800 during the year as residential markets continued to boom. During the past 3 years, virtually all the job losses in the service sectors have been in Massachusetts and Connecticut. Connecticut has recovered most of these lost jobs, resulting in a net loss of only 2,900 since March 2001. In Massachusetts, employment in the service sector for the 12 months ending March 2004 was 124,300 jobs below that for the comparable period in 2001. For the year ending March 2004, the most substantial service-producing job gains occurred in New Hampshire, where 9,800 jobs were created. Maine and Rhode Island created 5,400 and 4,800 service sector jobs, respectively, during the same period. The unemployment rate in New England was 5.3 percent in March 2004, down from 6.0 percent in March 2003. Unemployment rates in all six states decreased compared with last year, with Vermont having the lowest at 4.2 percent and Rhode Island the highest at 5.9 percent.

Despite the continuing job losses, Massachusetts and New Hampshire are beginning to experience a manufacturing employment recovery that is anticipated to spread through the region. Increased demand for electronic and technology products has resulted in a net gain of 800 manufacturing jobs since this sector bottomed out in September 2003. Local orders for electronic equipment and semiconductors have been very positive, and the Massachusetts manufacturing confidence index reached its highest level since 2000. Subsequent price increases are raising profits and will create more jobs.

Despite optimism in future employment growth, the office market in the Boston metropolitan area remains weak. The overall availability was down slightly to 23.3 percent, according to Spaulding & Slye Colliers. Suburban markets experienced a net increase in absorption, but vacant space increased by 724,000 square feet primarily because of the recent FleetBoston/Bank of America merger. The Manulife/John Hancock Financial Services merger and Fidelity Investments consolidations also are expected to affect the Boston office market. Local sources report that average asking rents have declined almost 40 percent during the past 3 years and now have settled in the range of \$28 to \$40 per square foot. Sources indicate that this market will probably not strengthen significantly until 2005.

Residential building activity in New England, as measured by building permits, was up more than 14 percent for the 12-month period ending March 2004 compared with the same period in 2003. Massachusetts, with 20,000 units, had the greatest increase at 20 percent, followed by Connecticut and Maine at 17 percent and 14 percent respectively. Single-family activity was up 7 percent, with all states recording increased activity. Maine had the highest percentage gain, albeit on a small base, of 19 percent.

The most dramatic gains were in the multifamily sector in which the number of units permitted was more than 13,000 for the 12-month period ending March 2003, a 46-percent increase over the same period a year ago. This significant increase reflects increased demand for condominiums and development of rental housing. Apartment development is proceeding in expectation of a return to tighter conditions, although rental markets have softened recently, and employment is still relatively sluggish. Condominium demand has increased as first-time buyers and middle-income households are being priced out of the single-family sales market. Empty nesters taking



advantage of the strong sales market and high prices are moving from single-family homes and subsequently increasing the demand for condominiums.

A number of larger corporate real estate entities have entered the Massachusetts rental markets to construct market-rate and affordable rental housing through the state's Chapter 40B program. Chapter 40B enables developers to acquire comprehensive permits in cities and towns that have less than the requisite 10 percent of their inventory in affordable units. New multifamily development in the region is concentrated in the Boston/eastern Massachusetts area; Hartford, New Haven, and Fairfield County areas of Connecticut; and the southern New Hampshire markets of Nashua and Manchester.

According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of existing home sales was up by 12 percent in the fourth quarter of 2003 compared with the same period in 2002. New Hampshire, Massachusetts, and Maine experienced the most significant increases at 15 percent, 14 percent, and 13 percent respectively. The median sales price of an existing home in the Boston metropolitan area for 2003 was \$412,800, behind only the three California markets of San Francisco, San Diego, and Orange County. According to the Office of Federal Housing Enterprise Oversight, prices continue to increase dramatically in New England, although the 10-percent relative price appreciation for the fourth quarter in 2003 over the same quarter in 2002 dropped below the increases in the Pacific and Mid-Atlantic regions. All the New England states experienced fourth quarter price appreciation rates in the top 16 rankings, with only Connecticut having a rate below 10 percent. The national appreciation rate for the fourth quarter of 2003 was 8 percent over the same quarter a year earlier. Rhode Island, with a 16-percent increase, leads the region and the nation in price appreciation.

Rental markets in New England have generally softened during the past quarter as job markets remain weak and winter seasonal factors limit mobility. Selective job growth starting late in the quarter, however, raises speculations that some rental markets may begin to strengthen. Recent 2003 rental vacancy rates released by the Census Bureau for states indicate that vacancy rates have increased but are still in a range considered reasonable for mobility in balanced markets. Five of six New England states are among the seven states with the lowest rental vacancy rates in the nation. Vermont had the lowest rate at 4.0 percent, increasing from 3.8 per-

cent in 2002. Both Massachusetts and Rhode Island had a 5.2-percent rate, and New Hampshire and Maine were at 6.0 percent and 6.1 percent respectively. New England's rental vacancy rate was about 5.2 percent for 2003, up from 4.7 percent in 2002. The national rental vacancy rate for 2003 was 9.8 percent, up from 8.9 percent in 2002.

Generally, conditions in the metropolitan Boston rental market can be characterized as balanced and favoring renters. The job losses since 2000, low mortgage interest rates, and an increasing supply of new high-end rental units over the past few years have caused conditions to ease and vacancy rates to double from the previously common 3 percent or less. Most sources indicate that the rental vacancy rate is probably around 6 percent, with newer Class A properties having somewhat higher rates. Rents have fallen for the past 2 years, though not dramatically. Rent concessions to maintain occupancy levels in existing developments are widespread and relatively substantial. Southern New Hampshire markets are also more competitive and conditions softer with several new projects in the market. Vacancy rates are increasing from the very low rates, below 2 percent, of several years ago, and rent increases are abating. Concessions such as free rent are becoming commonplace. The Hartford market is somewhat softer, but remains stable with an apartment vacancy rate of approximately 6 percent. The absorption of a recently opened rental development in downtown Hartford indicates the success of efforts to revitalize the Hartford city market.



For the 12 months ending March 2004, total non-farm employment in the New York/New Jersey region declined approximately 0.2 percent, or 26,100, to 12.4 million. In New York State, employment declined by 43,200 jobs, canceling out gains in New Jersey. During the 12 months ending March 2004, total nonfarm employment in New York was 8.4 million. New Jersey employment increased by 17,100 during the period. In New Jersey, employment in this sector totaled almost 4 million. Job losses in New York City continue to affect the state



total. During the period, total nonfarm employment in the city declined by 46,900. In March 2004, New York State's unemployment rate increased to 6.5 percent from 6.3 percent 1 year ago; in New Jersey, this rate declined from 6.1 percent to 5.2 percent.

The latest Federal Reserve Bank of New York "Beige Book" report indicated that the Manhattan hotel business improved during the first quarter of 2004. Annual revenues in the industry were approximately 30 percent higher than levels a year ago. This revitalization can be attributed to a combination of higher hotel occupancy and an estimated 5-percent increase in average room rates. Broadway theaters also posted increased revenues resulting from higher attendance levels. In western New York, Eastman Kodak Company announced plans to accelerate its cost-cutting efforts in the photographic film sector. Originally, the company projected eliminating 12,000 to 15,000 positions worldwide; up to 5,000 of these jobs may be in the Rochester, New York, metropolitan area.

Generally, major commercial real estate firms report that the demand for commercial office space has improved in New York and New Jersey but still remains soft because of excess existing inventory. Slight absorption rate improvements also occurred in the first quarter of 2004; however, many leasing firms continue to offer incentives and price concessions.

Prevailing low mortgage interest rates influenced sales housing markets in New York City and Northern New Jersey, which remained strong in the first quarter of 2004. Increasing demand and declining inventories resulted in significant increases in sales activity and prices in New York City's condominium and co-op housing markets. While rising demand has created bidding wars among some buyers, numerous potential buyers have been priced out of the market and are renting. As a result, the rental market is improving, and signs of moderate rent increases and reduced vacancy rates are becoming apparent.

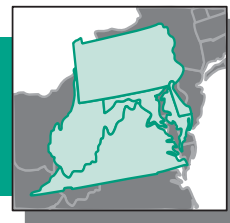
The low mortgage interest rates continue to have a positive effect on sales in Upstate New York markets. Most upstate sales markets registered continued increases in sales activity and prices into the first quarter of 2004. In some markets, the strong sales activity has resulted in softening conditions in the rental market as renters moved to homeownership. The strong sales demand, weak economic conditions, and low growth of new renter households resulted in higher rental vacancy rates in many upstate metropolitan housing market areas.

In the Albany-Schenectady-Troy metropolitan area, existing single-family sales activity during the first quarter of 2004 was up 11 percent over the same quarter in 2003. According to the Buffalo Niagara Association of REALTORS®, sales in the Buffalo-Niagara Falls metropolitan area during the first quarter of 2004 increased 7 percent over the first quarter of the previous year.

Between 2002 and 2003, however, the median sales price of an existing single-family home in New Jersey increased by 11 percent from \$246,300 to \$272,600. In 2003, median sales prices ranged from a low of \$159,000 in southern New Jersey to \$324,000 in Northern New Jersey housing markets.

Residential construction in the New York/New Jersey region, measured by the number of building permits, increased 7 percent. For the 12-month period ending March 2004, permits were issued for approximately 84,600 units compared with 79,280 in the previous comparable period. Single-family permit activity in the region increased only marginally to 46,449 homes. Multifamily activity in the region, however, increased 15 percent to 38,135 units, primarily because of significant increases in New Jersey.

## MID-ATLANTIC



During the 12 months ending March 2004, nonfarm employment in the Mid-Atlantic region remained relatively stable at approximately 13.4 million jobs. The decrease of 3,100 jobs in the region, compared with the previous 12-month period, minimally affected the total. Pennsylvania reported the highest number of jobs lost; a decline of more than 40,000 jobs in the manufacturing sector contributed to the overall loss of almost 35,700 jobs in the state during the period. Despite that decline, employment in Philadelphia remained unchanged. Concerns about impending large numbers of job losses in the city have been alleviated since all but one of the leading Center City employers indicated their intent to maintain their offices in the city after their current leases expire.

Gains in the education and health sector accounted for most of the 0.5-percent job growth in Maryland. In Virginia, the 0.7-percent growth was dispersed across all sectors except manufacturing and information. Jobs increased by 1 and 2 percent, respectively, in the Maryland and Northern Virginia suburbs of the Washington, D.C. metropolitan area, offsetting the slight decline in the District of Columbia. Almost one-half of the construction sector job growth in Virginia occurred in the Northern Virginia suburbs of Washington, D.C.

Unemployment rates declined in all states in the region but increased slightly in the District of Columbia. Overall, the region continues to maintain an unemployment rate of 4.8 percent, 1.1 percent below the national level. Rates were flat or declining in the major metropolitan areas, with rates ranging from a low of 3.3 percent in the Washington, D.C. metropolitan area to 5.5 percent in Philadelphia.

Building permits were issued for 120,659 single-family units during the 12 months ending March 2004, a 6-percent increase over the previous 12 months. The overall market for new homes remains strong. Only the District of Columbia reported a decline in the number of permits; however, single-family production in the District during the 12-month period ending March 2003 was much larger than the typical annual production. Delaware continued to register an increase in the production of single-family homes with a 25-percent increase in activity for the period. The Washington, D.C. area was the most active of the major metropolitan areas, with almost 6,500 single-family homes permitted during the first quarter of 2004.

The Maryland Association of REALTORS® reported that home sales for the 12 months ending February 2004 totaled 90,761, an increase of 9 percent over the comparable period a year earlier. The median existing home sales price rose 15 percent to \$205,100. Sales activity in the Baltimore metropolitan area paralleled that of the state's, evidenced by a 9-percent increase, total sales of 39,969, and a 10-percent increase in the median sales price to \$177,200.

In Pennsylvania, home sales for the year 2003, the most recent data available, increased 7 percent, with the average price up 12 percent over 2002. The Philadelphia and Reading metropolitan areas in the southeastern portion of the state continue to outperform all other areas of Pennsylvania. During 2003, they accounted for 43 percent of the home sales in Pennsylvania. Home sales prices in southeastern Pennsylvania were 16 percent higher than in the

comparable period ending in 2002 and 13 percent above the median sales price in the entire state.

Existing home sales in Virginia continued to increase. The Virginia Association of REALTORS® reported 118,598 sales during the 12 months ending February 2004. Sales increased 10 percent over the comparable period a year earlier, and the median sales price rose 8 percent to \$167,860. Existing home sales in the Richmond metropolitan area increased 11 percent. The volume of sales and prices in the Northern Virginia area continued to be the highest in the state. During the 12-month period noted, the area accounted for 32 percent of the sales in the state, and volume in the area was 11 percent over the previous comparable period. The median sales price in Northern Virginia rose almost 19 percent to \$328,735. Existing sales in the District of Columbia during the 12-month period ending March 2004 increased by 9 percent over the same period ending in 2003, and median sale prices increased 26 percent to \$330,000.

Construction of apartments in the Mid-Atlantic region, as measured by multifamily building permit activity, increased slightly in 2004. The 29,983 multifamily units permitted during the 12 months ending March 2004 were only 2 percent higher than in the comparable period ending in 2003. The Washington, D.C., and Philadelphia metropolitan areas permitted the largest numbers of multifamily units during the first quarter of 2004, with 2,150 and 1,452 multifamily units respectively.

Although rental market conditions have tightened in the largest metropolitan areas in the region, the volume of new units in the potential supply remains unchanged. According to Delta Associates, the overall vacancy rate for Class A garden apartments at the end of March 2004 in the Philadelphia metropolitan area was 5 percent, down from 7.5 percent in March 2003. Approximately 3,300 garden units in the metropolitan area are currently under construction and in planning and are projected to be available in the next 36 months. Recent experience indicates that a portion of these rental units will switch to condominium units for sale, given the continued attractiveness of that market in the metropolitan area. Overall vacancies in Class A high-rise properties in Philadelphia's Center City declined to 7.6 percent from 8.7 percent in 2003. Approximately 600 properties are in active marketing and pre-leasing. The reported absorption rate for recently completed developments in Center City declined from 15 units per month at the end of 2003 to 10 units per month

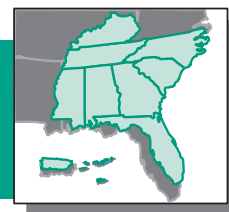


at the end of the first quarter 2004. An additional 600 units are in marketing and under construction in the Manayunk neighborhood of the city, a National Historic District located only 7 miles from Center City. The location of several new office buildings, trendy shopping areas, and restaurants, Manayunk is competing with Center City to attract young professionals. The pipeline of high-rise units in planning and expected to be available during the next 36 months consists of 600 units in Center City and 150 in Manayunk.

In the Baltimore metropolitan area, the pipeline remains essentially unchanged with 3,400 rental units under construction or planned for over the next 3 years. The market is tighter in the counties south of the city, where apartment vacancy rates of 2 and 3 percent are typical. In the areas north and west of the city, vacancy rates are in the 9- to 10-percent range. Rates have declined in the city, although the monthly absorption rate for development of seven units a month remains unchanged since last year. An estimated 16,400 units in the downtown Baltimore pipeline may enter the market in the next 36 months.

The overall vacancy rate in existing Class A garden-type developments in the Washington metropolitan area suburbs was slightly higher than a year ago. The rate increased from 7.4 percent to 8.7 percent when approximately 3,000 new units came on the market. An estimated 12,500 garden apartment units, either currently under construction or in planning, are expected to come on the market in the Washington suburbs in the next 36 months. Slightly more than half are located in the Northern Virginia market. Also, an additional 13,000 units in mid-rise and high-rise buildings are reported to be in development in the Maryland and Northern Virginia suburbs. Approximately two-thirds of these are located in Northern Virginia. The vacancy rate in Class A high-rise developments in the Northern Virginia market declined from 6.3 percent at the end of March 2003 to 3.3 percent at the end of the first quarter 2004, but significant concessions of up to 20 percent of the rent were also prevalent in the marketing of new units. Vacancy rates in Montgomery County remain high, and absorption rates have declined. Delta Associates reports a first quarter overall vacancy rate in high-rise developments in the Bethesda area of 31.2 percent because of 800 new units in lease-up. The rate in Class A high-rise developments in the District of Columbia as of March was 22.7 percent, reflecting approximately 1,000 new units on the market. At 1,300 units, the pipeline of units in planning remains relatively unchanged.

## SOUTHEAST/ CARIBBEAN



Employment in the Southeast/Caribbean region during the first quarter of 2004 showed encouraging signs that the region may be gaining momentum, though not all areas or sectors are yet benefiting from an improving economy. Nonfarm employment for the 12 months ending March 2004 was 25,264,400, an increase for the region of 117,900 jobs. Comparatively strong growth in Florida and Puerto Rico and more modest growth in South Carolina and Tennessee offset losses in the remaining five states. The states that lost employment, however, recorded losses of only 0.5 percent or less for the period. All areas in the region registered growth in the service-providing sector, leading to an overall increase for the region of 110,600, or 1 percent. Conversely, all areas recorded losses in manufacturing employment, resulting in a total decrease of 125,500, or 4 percent, for the region.

Nonfarm employment in Florida increased by 118,900, or 1.7 percent, to 7,320,000 for the 12 months ending March 2004. Increased employment from the non-manufacturing sector more than made up for continued decreases in manufacturing employment. The unemployment rate declined to 5.0 percent for the same period, down from 5.4 percent a year ago. The labor force is showing very small increases (less than 1 percent annually), indicating that increases in employment are largely responsible for the decline in the unemployment rate, and the gain in employment has not yet stimulated significant increases in the labor force statewide. Increased tourism in the Orlando metropolitan area is largely responsible for the increase in nonfarm employment, up 2.1 percent for the 12 months ending March 2004, to 930,100 jobs.

Puerto Rico's economy is stabilizing and expected to grow faster this year. Estimates indicate the island's gross domestic product will grow between 2.7 and 3.1 percent in 2004, up from 2.0 percent in 2003. Retail trade is becoming firm, while tourism also shows signs of life, resulting in rising hotel occupancy rates and new jobs. After contracting somewhat in 2002, construction is expected to continue to be the single largest driver of the economy this year,



expanding by almost 9 percent. Although the economy remains fragile, the Virgin Islands finished last year on a high note. In the third quarter, employment expanded at the fastest rate in 2.5 years and should post another substantial gain in the fourth quarter. Leisure and hospitality, other services, and government lead the sectors in increased payrolls in recent months.

Georgia nonfarm employment slipped slightly during the 12 months ending March 2004 compared with the preceding 12-month period. The decrease was 2,500 jobs, or 0.1 percent. The Atlanta metropolitan area lost 5,650 jobs, or 0.3 percent, while the remainder of Georgia's metropolitan areas grew by rates of 1 percent or less, except for Athens, where employment remained virtually unchanged. The largest decline in nonfarm employment occurred in North Carolina, with a 0.5-percent reduction to 3,807,600 jobs for the 12 months ending March 2004; job losses have slowed, however, since the 2001 recession. Only one of the three largest metropolitan areas in the state registered a gain in employment for the 12-month period. Employment in the Raleigh-Durham metropolitan area increased by a slight 0.3 percent to 683,200, up from 681,300 for the previous 12 months. North Carolina continues to lose manufacturing jobs, though the rate of loss has slowed. For the 12 months ending March 2004, manufacturing employment declined 6.0 percent compared with a 7.4-percent decline the previous year.

New home construction and existing home sales continued to show strength throughout the region. The number of new single-family units authorized by building permits in the eight contiguous Southeastern states increased by almost 17 percent during the 12-month period ending March 2004 compared with the preceding 12 months. All states in the region enjoyed double-digit increases in single-family permits except North Carolina and Georgia, which experienced increases of 6 and 9 percent respectively. Increases in Florida and Mississippi exceeded 20 percent. Metropolitan areas experiencing large increases in new home activity included Birmingham and Orlando, both with more than a 25-percent increase in single-family permits.

Anticipation of a rise in interest rates helped increase the already high volume of sales activity in the region, particularly during March. Multiple listing service (MLS) data published by the North Carolina Association of REALTORS® indicate that existing sales volume for the first 3 months of 2004 was up 19 percent over the same period in 2003, with 16 of the

17 reported areas showing increases. The number of homes sold in the Atlanta area during the quarter was up 14 percent over last year, according to the Georgia MLS. The Greater Nashville Association of REALTORS® reported an almost 18-percent increase in residential sales during the first quarter of 2004. According to the Knoxville Area Association of REALTORS®, the number of single-family units sold in the area increased by 15 percent.

Local sources indicate the number of housing units sold and the price of existing homes rose in recent months in Puerto Rico. Of the 7,900 units sold in new developments last year, 1,650 were in the \$150,000 to \$200,000 price range, while 735 sold for more than \$300,000. Most of these high-priced homes were located in new developments in Guaynabo, San Juan, Caguas, Rio Grande, Carolina, Dorado, and Gurabo, cities in the San Juan metropolitan area. The local real estate market is forecast to remain strong, driven by increasing residential demand as vacant land suitable for development becomes scarce, especially in the San Juan metropolitan area.

New apartment construction activity was mixed in the region during the 12 months ending March 2004. Significant increases were reported over the preceding 12-month period in Alabama, Tennessee, and South Carolina, while Georgia and Kentucky reported large decreases. Birmingham and Nashville metropolitan areas reported substantial percentage increases in multifamily permits, where activity was down considerably in the preceding 12-month period. Permit activity was off in several metropolitan areas, including Atlanta, Memphis, and Charlotte, in response to soft market conditions.

Apartment occupancy in the Raleigh-Durham market, as reported by Carolinas Real Data, improved from 87.4 percent in January 2003 to 89.8 percent in January 2004. Net absorption for the 12 months totaled approximately 3,800 units compared with 3,600 units for the 12 months ending January 2003. The number of units under construction as of January 2004 increased 21 percent to 3,342. With this volume of activity, occupancy rates are expected to remain around 90 percent during the coming year, and conditions will stay competitive. Carolinas Real Data's March 2004 report for the Charleston, South Carolina apartment market indicates continued improvement with occupancy rates above 92 percent.

In the Lexington, Kentucky market, data from RentStats America, Inc., indicate occupancy in the



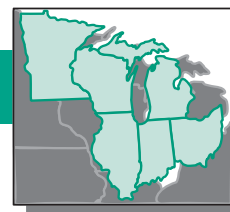
metropolitan area has remained relatively unchanged from a year ago. In March 2004, overall apartment occupancy was 90.5 percent, down slightly from 90.8 percent in March 2003. According to RentStats, the primary reason listed for move-outs was homeownership, indicating the strong competition local apartments are facing from the sales market.

In the Year End 2003 Atlanta Apartment Market Tracker, Dale Henson Associates, Inc., reported average occupancy of 89.9 percent in the nine Atlanta area counties surveyed, a marginal increase from the 89.4 percent rate reported at the end of 2002. The improved occupancy was due in part to the 29-percent drop in new unit delivery. For 2003, approximately 9,000 units came on the market compared with more than 12,600 during the previous year. The number of units absorbed during 2003 also was more than double that of 2002. The number of starts during 2003 was 6,750, 14 percent fewer than in 2002 and the lowest level of the past 10 years. Forecasts indicate continued restraint in construction starts, which is expected to result in improved occupancy rates of approximately 91 percent by the end of 2004.

The Memphis area apartment market showed improvement during the first quarter of 2004, according to the latest Multifamily Market Index released by CB Richard Ellis—Memphis. Overall occupancy increased from 90.5 percent during fourth quarter 2003 to 91.1 percent for first quarter 2004. During the quarter, 445 units were absorbed compared with 165 completions. CB Richard Ellis estimates that approximately 1,600 units will be completed in the Memphis area during 2004 compared with 619 units completed during 2003.

The fourth quarter 2003 Greater Nashville Apartment Association survey found overall occupancy in conventional apartment properties was 92.3 percent, just below the 92.5-percent rate posted during the same quarter last year. The association reported 231 units were completed during 2003 in the Nashville area, down significantly from the 1,484 units completed the previous year. During the fourth quarter of 2003, 1,747 units were under construction or in lease-up, and 2,240 units were in planning. Activity is accelerating in areas that have experienced recent rapid population and employment growth. During the first 3 months of 2004, more than 800 apartment units were permitted in Murfreesboro, with a similar number being planned.

## MIDWEST



Nonfarm employment in the Midwest region declined by 28,000 jobs, or 0.1 percent, in the 12 months ending March 2004. The rate of decline represents a significant improvement compared with the 1-percent decline, or a loss of 198,000 jobs, in the previous 12-month period. The manufacturing sector continued to account for the largest number of losses; Ohio, Illinois, and Michigan together lost 75,000 jobs in this sector. Minnesota's medical technology manufacturing sector continues to expand and add workers, with 5,000 new jobs forecast in the state over the next 3 years. The University of Michigan forecast employment growth in Michigan to average 85,000 jobs annually during the next 2 years, boosted by the services, trade, and transportation sectors. In Ohio, private surveys of business conditions in the Cleveland and Cincinnati metropolitan areas indicate strengthening economies during the first quarter of 2004 compared with the first quarter of 2003. Benefiting from the national economic recovery, Chicago's railroad industry plans to hire 500 workers in 2004 to handle increased freight traffic and replace retiring employees. The unemployment rate in the region was 5.8 percent in March 2004, down from 6.1 percent in March 2003. Rates for individual states ranged from a high of 6.9 percent in Michigan to a low of 4.7 percent for Minnesota.

Existing sales housing markets in 2003 continued to show strength throughout the region because of low mortgage interest rates. Sales activity in the Midwest reached a record 1.1 million existing homes last year. The Illinois Association of REALTORS® reported that 2003 was an exceptional year for sales of existing homes, and activity in 2004 will likely continue to be strong. Reflecting the strong demand for existing homes in the first quarter of 2004, the homeownership rate was a record 72.6 percent. In Chicago, DePaul University's 2004 Economic Forecast Summit expects existing home sales in the metropolitan area to hold steady at the high level of activity for 2003. The robust outlook this year is attributable in part to the continued increase in homeownership among immigrants and other first-time buyers taking advantage of favorable

mortgage rates. The Ohio Association of REALTORS® also described the marketplace in 2003 as “extraordinary,” with sales of existing homes up 10 percent to 232,100. Statewide sales activity in the first 3 months of 2004 was up 12 percent from the same period last year. The Michigan Association of REALTORS® also expects existing sales activity in 2004 to remain strong, following record sales of 180,000 homes in 2003. Sales activity in the first 2 months of 2004 held steady at 14,000 existing homes compared with 14,500 in the first 2 months of 2003.

In 2003, single-family building permits were issued for 220,500 units in the Midwest, the highest level in the past 20 years. Home construction in the first 3 months of 2004 continued strong, with building permits for single-family homes up 12 percent to 42,600 units compared with the first 3 months in 2003. Single-family activity was up in all states of the region except Minnesota, where permits were unchanged from the high level of activity in the first 3 months of 2003. The Wisconsin Builders Association reported that 2003 was a big year for new home construction, and builders in the state expect construction in 2004 will begin on another 25,000 to 27,000 single-family units. The Building Industry Association of Southeast Michigan also reported that 2003 was a strong year for home construction in the Detroit-Ann Arbor area. Suburban Oakland and Macomb Counties accounted for approximately one-half of the 22,600 new homes that started construction in the area. Detroit area builders took out permits for approximately 5,000 new homes in the first 3 months of 2004, up 23 percent from the first quarter of 2003.

In Minnesota, the Builders Association of the Twin Cities reported that strong demand for new homes in all price ranges pushed residential construction in the metropolitan area to a record 19,000 new homes in 2003, up 11 percent from 2002. Minneapolis-St. Paul area builders expect home construction will remain robust in 2004 because of the strengthening local economy and increased consumer confidence. Building permits in the first quarter were issued for 3,462 new homes compared with 3,637 units in the first 3 months of 2003. Indianapolis also had another solid year for new home construction in 2003 with 13,000 single-family permits, equal to the 2002 high level of permit activity. New homes priced from \$125,000 to \$225,000 in Marion and Hamilton Counties accounted for one-third of the area’s new home sales last year. Builders expect single-family permit levels in 2004 will stay in the 13,000 to 14,000 range.

Despite the continued slowdown in Chicago’s economy in 2003, new home sales in the metropolitan area remained solid throughout the year. Contracts were signed for a record 27,500 new homes in 2003, the third consecutive year that new sales exceeded 25,000 homes. The median sales price of new single-family homes was \$245,000, up 8 percent from 2002. Much of the area’s strength in new sales and home construction comes from suburban Chicago. In Will County, where population growth has averaged 5 to 6 percent annually since 2000, a record 8,600 new single-family homes started construction in 2003. In the city of Chicago, residential construction activity was strong in revitalizing inner-city neighborhoods and downtown Chicago, where record numbers of new townhomes and condominiums entered the market last year. One of the biggest residential projects planned for Chicago is redevelopment of ABLA public housing units into mixed-income housing, which is expected to start construction in June 2004 using \$44 million in HOPE VI funds provided by HUD. When completed around 2010, Roosevelt Square will include 3,000 new sales and rental units for market-rate and subsidized tenants.

The market for all types of housing for seniors has been active in the Midwest. The American Seniors Housing Association’s 2003 Construction Report ranked Illinois, Wisconsin, and Ohio in the top 10 states for construction of senior housing, with Michigan, Minnesota, and Indiana not far behind. In Illinois, developer response to the state’s Supportive Living Facility Program for frail seniors has been very strong. More than 2,000 units were constructed in the state during the past 5 years, and applications were received for another 3,500 units. Minneapolis-St. Paul developers continue to show strong interest in senior housing cooperatives, with nearly a dozen senior co-ops likely to enter the market in the next 2 years.

Multifamily building permits in the Midwest continued to slow in the first 3 months of 2004. Permits were issued for 63,950 multifamily units in the 12 months ending March 2004, down 1 percent from the previous 12-month period. In Illinois, multifamily activity was up 15 percent because suburban Chicago continued to exhibit strength in sales of new condominiums and townhomes. Wisconsin and Ohio showed declines in activity of 20 and 8 percent respectively, which offset gains in Indiana, Michigan, Minnesota, and Illinois.

Apartment markets in Illinois for the first quarter of 2004 were mixed. Downtown Chicago’s rental market remains soft with flat rents, widespread conces-



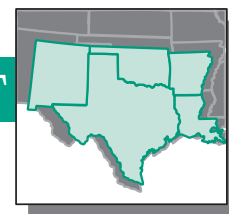
sions, and occupancy around 90 percent. Contributing to the weak downtown apartment market is the growing inventory of unsold condominiums offered for rent, according to Appraisal Research Counselors' 2004 Residential Market Overview. In suburban Chicago, first quarter occupancy increased to 92 percent, up from 90 percent in the first quarter of 2003. All three submarkets in Lake, northwest Cook, and DuPage Counties recorded higher occupancy in the past 12 months, as employment in these areas increased moderately. The western suburbs showed the biggest improvement in apartment occupancy, increasing to 92 percent compared with 89 percent in the first quarter of 2003. Springfield's rental market is experiencing balanced-to-soft conditions. The overall vacancy rate in the metropolitan area is 8 percent, which increases to 12 percent in the city's east side area. Vacancies are concentrated in mid-priced to higher priced apartments, which rent for \$800 to \$900 a month or more.

Ohio's major apartment markets in the first quarter of 2004 underwent balanced-to-soft conditions, according to Marcus & Millichap's 2004 Annual Report. Cincinnati's strengthening economy and smaller pipeline of new apartments could bring vacancies down to the 8- to 9-percent range in 2004 compared with 10 percent in 2003. Only 600 new apartment units are expected to enter Cincinnati's market this year, down 50 percent from 2003. Columbus's balanced-to-soft apartment market condition, with a vacancy rate of 8 percent, is likely to continue because of excess supply and continued development. The city of Columbus continues to encourage residential development in the growing downtown market. A large number of rental and condominium units are slated to come online toward the end of 2004 and into 2005. Cleveland's rental market in 2004 is likely to benefit from the strengthening local economy. Apartment vacancies in the metropolitan area are expected to decline to around 6 percent this year compared with 7 percent in 2003.

Minnesota's apartment markets in the first quarter of 2004 were softer than a year earlier. In the Twin Cities area, vacancies were in the 7- to 8-percent range, up from the 6- to 7-percent range in the first quarter of 2003. Milwaukee area apartment vacancies in 2004 are expected to hold steady at 10 percent because of the slow local economy. Detroit's apartment market in 2004 will likely remain soft because of the flat local economy. One owner of 10,000 new and existing apartments in the metropolitan area reported that first quarter vacancies exceeded 10 percent, unchanged from the first quarter of 2003. In

Indianapolis, CB Richard Ellis reported that fewer apartment projects are in the pipeline for completion in 2004, which should allow vacancies to decline over the next 12 months. Apartment vacancy rates in 2003 were in the 10- to 11-percent range for properties with 100 or more units.

## SOUTHWEST



Economic conditions in the region continue to improve based on recent re-benchmarked employment data. The rate of job loss has slowed significantly over the past 12 months. Nonfarm employment in the Southwest for the 12 months ending March 2004, declined by only 56,000, or 0.3 percent, compared with 100,000 in the previous 12 months ending March 2003. Increases in education and health services and government employment partially offset the significant continued drop in the manufacturing and transportation/trade/utilities sectors. The region's overall decline in employment resulted from continued economic weakness in Oklahoma and Texas. Over the past 4 years, employment has continued to increase, however, in New Mexico. Louisiana has recorded employment increases since the fourth quarter of 2002. The decline in employment in Arkansas has slowed significantly and may end some time during the second or third quarter of the year. The weaker economy has slowed the rate of population growth in the region. According to the most recent data from the Census Bureau, net migration to the region totaled more than 540,000 people between April 2000 and July 2003. Louisiana is the only state in the region to record a net out-migration. The continued population migration reflects the belief that when the recovery is under way this region will improve soonest and fastest, leading the national growth.

Single-family construction in the Southwest continues at a record pace. Single-family building permit activity during the 12 months ending March 2004 was up 11 percent or more in every state in the region. Texas and New Mexico are on target to set records for the 3rd straight year. Regionwide, permits were issued for 189,582 single-family homes over the 12-month period, an increase of 13 percent compared with a year earlier.



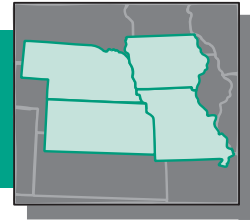
A record 217,000 existing homes were sold in Texas over the past 12 months based on multiple listing service data, an increase of 8.4 percent over the previous 12 months. The average price is up 2.9 percent to \$160,200. The strongest demand has been for homes priced less than \$200,000. Homes listed above that price remain on the market longer. Low mortgage rates and strong demand have also encouraged existing homeowners to sell and move up. As a result, the average number of listings during the past 12 months was up 14 percent over the previous 12 months. With the higher sales levels, the average time on the market has not increased significantly in most areas. In the Fort Worth area, listings increased almost 30 percent over the year ending March 2004 because of several factors, including the high level of new construction and existing homeowners wanting to move up and take advantage of the low interest rates. In Albuquerque, the sales market is tightening, and listings declined 30 percent in the past year as of the first quarter of 2004.

Rental market conditions remain soft in the major metropolitan areas throughout the Southwest. Many rental markets registered declines in occupancy and in average rents. In the Austin, Dallas-Fort Worth, and Houston areas, local sources report overall apartment occupancy rates of approximately 88 percent. In the San Antonio metropolitan area, occupancy is estimated to be just above 90 percent. With the high volume of apartment construction under way in the Dallas-Fort Worth and Houston metropolitan areas, the soft market conditions can be expected to become even more competitive, and occupancy rates will decline further before any significant improvement occurs.

As a result of the softer market and increasingly competitive conditions, indicators suggest that developers finally have begun to cut back on new multifamily construction activity. For the region, multifamily permits were issued for 37,951 units during the past 12 months, a decline of 9 percent compared with the 41,500 units for the 12 months ending March 2003.

Despite the weaker economy and relatively soft rental market, the demand for rental properties remains high. High-quality rental developments are selling for prime prices. Apartment development continues at a relatively high level as well, as affordable money (financing) is readily available due to low rates and the attractiveness of real estate over other investment opportunities. In addition, the expectation that the region's economy is turning around spawns the attitude that it is better to buy or build now.

## GREAT PLAINS



The economy of the Great Plains region has remained flat during the past 2 years, averaging 6.3 million nonfarm employees in the 12-month period ending March 2004 and during the same period a year earlier. Employment was up 1 percent in wholesale and retail trade, construction, health care, and finance and insurance. The unemployment rate averaged 4.6 percent during the current period compared with 4.8 percent a year earlier.

Missouri was the only state in the region to record a decline. Among the metropolitan areas, employment increased by 1 percent in Kansas City and Des Moines through February 2004 while holding relatively steady in St. Louis.

Economic conditions should continue improving through the remainder of the year. The rate of job losses in manufacturing slowed significantly throughout the region, down only 0.2 percent through March 2004 compared with a 3-percent annual decline in the sector in 2003 and 2002. Manufacturing jobs increased 3.5 percent in Kansas City during the current period with notable improvement in St. Louis. The St. Louis metropolitan area has been hit hard in this sector, but the rate of loss has slowed to less than 1 percent, in part because Boeing Aircraft, the second leading employer in St. Louis, is spending more than \$400 million dollars in the area to meet new defense manufacturing contracts.

Despite flat employment conditions, residential construction remained strong regionwide. Approximately 54,500 single-family permits were issued over the 12-month period through March 2004, up 15 percent compared with 2003. Des Moines recorded a 30-percent increase with 4,200 permits issued. New construction in the area is occurring primarily in the western suburbs. Activity also was up 30 percent in Omaha, increasing to 5,000 permits. In Kansas City, 11,000 single-family permits were issued, an increase of 10 percent. New residential construction in Kansas City is occurring primarily in southern and western Johnson County and southern Jackson County. Activity in St. Louis increased 11 percent to 12,500 permits, with new building occurring prima-



rily in Warren, Lincoln, and St. Charles Counties. Springfield, Missouri experienced a 10-percent increase in permits, with new home construction taking place primarily in southwestern Greene and northern Christian Counties. Activity increased 3 percent in Wichita as well, despite severe problems in the Wichita economy.

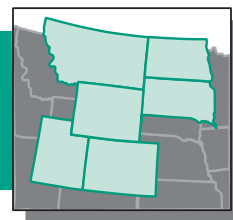
Existing home sales in Kansas City were up 2 percent to 70,000 units sold over the 12-month period ending March 2004 compared with 2003. The median sales price in the Kansas City area was \$145,500, up 3 percent during this period. Home sales in St. Louis rose 3 percent to 69,000, while the median sales price in the area increased 7 percent to \$123,000. Omaha experienced a 5-percent growth in existing sales, with an average sales price of \$132,000, up 8 percent over the past year. Existing sales of homes also rose in Des Moines, with 18,000 units sold for the year through March, up 20 percent from 2003. The median sales price increased 4 percent.

Home prices have continued to appreciate in the region, but at a lower rate than previously. The Office of Federal Housing Enterprise Oversight (OFHEO) home price indexes indicate that prices are increasing at a slower rate in the Great Plains than in the nation as a whole. The OFHEO data for 2003 indicate an annual rate of increase of 5.5 percent in St. Louis, 5 percent in Kansas City, 4 percent in Des Moines, and 3 percent in Omaha, compared with a nearly 7-percent increase nationwide.

Multifamily permit activity declined by 9 percent in the region with 14,000 permits issued during the 12-month period ending March 2004 compared with 2003. The decline in multifamily activity occurred as the rental market softened because of an oversupply of rental units and as former renters became homeowners. Declines occurred in all major metropolitan areas in the region except Kansas City. In St. Louis, multifamily permit activity decreased 30 percent to 1,900 units permitted, while declines also occurred in Des Moines and Springfield, down 40 percent and 50 percent respectively. In Kansas City, however, the issuance of permits climbed by more than 70 percent and accounted for more than one-third of all activity in the region during this period. Most of these permits were issued for southern Johnson and Jackson Counties, two areas that already have experienced a great deal of multifamily development. Absorption of these units will be slow, based on the absorption record over the past 3 years for recently completed units in these areas.

Despite an overall decline in multifamily activity, rental vacancies continue to remain relatively high in most metropolitan areas. The rental vacancy rate in the St. Louis metropolitan area has remained relatively unchanged at 9 percent for each of the past 2 years. The vacancy rate in Kansas City has improved somewhat, averaging approximately 9 percent through March compared with a 12-percent vacancy rate a year ago. The rental vacancy rate in the area, however, is unlikely to improve further in the near future because of the increase in multifamily permit activity in the area over the past year. Omaha's rental vacancy rate has averaged 7.5 percent over the past year, while rates increased to 6 percent in Lincoln. In Des Moines, the rental vacancy rate inched up to 6 percent compared with approximately 3.5 percent 2 years ago. The vacancy rate in Wichita has remained at 8 percent for the past 2 years. Reflecting highly competitive rental markets, property managers in most metropolitan areas in the region are offering rental concessions. In Kansas City and St. Louis, concessions of 2 to 3 months' free rent are common with a 1-year lease.

## ROCKY MOUNTAIN



Utah and Wyoming appear poised to lead the Rocky Mountain region to economic recovery as both states registered an increase in job growth in the first quarter of 2004. Average payroll employment in Utah for the 12 months ending March 2004 was up a modest 0.5 percent from the average of 1 year ago, but this change was significant compared to the losses recorded for most of 2003. Similarly, the 12-month average in Wyoming was up 1.3 percent from a year ago, after remaining below 1 percent for all of 2003. Steady, if modest, gains in Montana, North Dakota, and South Dakota helped brighten the first quarter job picture for the region. In Colorado, economic improvement appears stalled. The 12-month average for employment in the state as of March 2004 was down 1.3 percent from 1 year ago. While this rate reflects an improvement from the rate of loss that peaked at 2.5 percent in the latter part of 2002, a sustained recovery here remains elusive. Low unemployment rates dominate the region, and all states had rates below the national average, although the

recent improvement in the rate in Colorado came primarily from a drop in the labor force. In March 2004, North Dakota's rate of 3.0 percent was the lowest in the region, and Utah recorded the highest at 5.0 percent.

Rising energy prices continue to boost oil and gas exploration efforts throughout the region. North Dakota and South Dakota farmers are also benefiting from increased attention to alternative fuels such as ethanol and bio-diesel. Agricultural conditions for most of the region appear favorable, but the persistent threat of drought clouds the outlook. In northern Colorado, Pioneer Hi-Bred International, Inc., established a laboratory near Greeley to study the effects of drought on its corn seed. Colorado's ski season ended on a disappointing note because a warm March kept many Front Range skiers home. Utah fared much better, and the 2003-04 season in this state is expected to set a record for skier visits. The summer tourism industry is viewing the upcoming season with trepidation; many operators are concerned that the recent upward spiral in gasoline prices will limit summer automobile trips to the region.

Colorado and Utah continue to dominate the residential building activity numbers for the region. Total permit activity in Colorado in the first quarter of 2004 was 15 percent ahead of the total during the first quarter of 2003. Utah's total was virtually unchanged. The combined effect of these changes, a dip in Montana, and increases in the remaining states resulted in an overall 11 percent gain. Single-family activity was up 15 percent and was only partially offset by a 4-percent cutback in the multifamily sector.

Fourth quarter data from the Mortgage Bankers Association show an increase in single-family foreclosure rates in Rocky Mountain states, although most of this change results from inclusion of an expanded number of subprime loans in its survey. Utah continues to post the highest delinquency (5.3 percent) and foreclosure rates (1.7 percent) in the region. Delinquency rates in the remaining states are in the 2- to 3.5-percent range, and foreclosure rates range from 0.6 percent in North Dakota and Wyoming to 1 percent in Colorado. All but Utah's rates are below the U.S. average.

A first quarter renter vacancy survey of Colorado communities conducted by the state Division of Housing reveals high vacancy rates across the state. Rates have been increasing in most areas for the past 2 to 3 years, and softening markets have prevailed in

many areas during this time. Even the normally tight resort markets have eased. Vacancy rates in Aspen, Vail, and Steamboat Springs all stayed in double digits during the first quarter of 2004. The Front Range saw a similar proliferation of vacancy rates above 10 percent. Most areas on the Western Slope have been spared this surge in renter vacancies; however, markets here have not received the same attention from developers as areas in the mountains and along the Front Range. This survey also found little change in the average rent for the state over the previous year because of a combination of modest gains in some smaller markets that were offset by declines in many Front Range areas and some resort areas.

The release of the fourth quarter 2003 OFHEO House Price Index revealed substantial variation among Rocky Mountain states. Annual increases in Montana, Wyoming, and North Dakota hovered near the national average of 8.0 percent, while South Dakota's increase was lower but still close to the middle of the states in the region. In contrast, Utah plummeted to last among the ranking of the 50 states and the District of Columbia, with a meager gain of 1.6 percent from 1 year ago. Similarly, Colorado's 2.7-percent increase placed it third from the bottom.

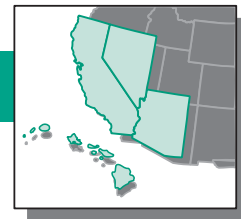
The signs of the beginnings of a recovery in the major metropolitan areas in the region are becoming clearer in Colorado Springs and Salt Lake City. The economy in the Denver-Boulder area, however, is still struggling. The Colorado Springs economy is showing signs of stabilizing following a volatile year stemming from the departure of 12,000 Army personnel to the Middle East. Nonfarm employment broke into positive territory for each month during the first quarter of 2004 for the first time in more than 2 years. As the soldiers return during March and April of 2004, civilian employment will get a boost. The rental market has already experienced the effects of returning troops and their families. A first quarter 2004 apartment survey conducted by Doug Carter, LLC, reports a 10.6-percent vacancy rate, down from the fourth quarter of 2003 rate of 12.8 percent and 12.5 percent posted a year ago. The existing sales market remains relatively balanced but competitive. The Pikes Peak Association of REALTORS® reports that sales activity during the first quarter of 2004 is up 8.7 percent from last year's record pace, and the average single-family home sales price increased by 3.0 percent to \$217,500. At the end of March 2004, the number of active listings decreased by 7.6 percent from 1 year ago, which is still up 20 percent from 2 years ago.



The economy of the Salt Lake City area has established a firm turning point. Led by solid gains in the construction, services, and retail trade sectors, non-farm employment recorded its 5th straight month of increases compared with the same period last year. The outlook is for increasing growth over the next 2 years. Local officials, however, are concerned about the long-term status of Hill Air Force Base, which will be competing with other U.S. logistics bases to remain open. In data tracked by the Wasatch Front multiple listing service, existing home sales for the 3 months ending March 2004 increased by nearly 5 percent to \$188,484 in Salt Lake County. Davis County showed an average price increase of 3.1 percent to \$164,551, while Weber County prices fell by 5 percent.

In the Denver-Boulder area, the average nonfarm job total for the 12 months ending March 2004 was off 2.1 percent from a year ago. In contrast, resident employment turned positive beginning in mid-2003, offering some sign that a recovery is under way. The rental markets in the Denver-Boulder metropolitan area remain soft but are on the upswing from the bottom of the current cycle. The Apartment Association of Metro Denver's rental vacancy survey indicated a 10.5-percent vacancy rate in first quarter 2004, down considerably from a 13.1-percent rate posted a year ago. Concessions remain widespread but are becoming less aggressive as occupancy rates increase. Apartment construction activity remains concentrated in downtown Denver and northern suburbs, which are areas with renter vacancy rates above the metropolitan average. Continued improvement in the rental market is expected throughout 2004; full market recovery, however, will depend on significant improvements on the employment front. The sales market still favors buyers, but a surge in March closings pushed sales activity for the first quarter up almost 10 percent from the first quarter of 2003. Listings are down from their recent peak but remain 4 percent above the level of 1 year ago.

## PACIFIC



The gradual improvement in the economy of the Pacific region during 2003 continued during the first quarter of 2004. Regional nonfarm employment gained 50,000 jobs in the 12 months ending March 2004, representing a 0.3-percent increase and a notable improvement over the previous 12-month period in which the region lost 54,100 jobs. Gains in service-producing sectors, such as business, health, and education services, barely exceeded losses in manufacturing and information technology, although the rate of decline diminished in these latter areas. Employment in California was down 27,000 jobs, or 0.2 percent, in the 12 months ending March 2004. Employment declined in the Bay Area, but both Southern California and the Central Valley continued with steady, moderate gains. Nonfarm employment in Hawaii rose by 9,000 jobs, with the most rapid growth occurring on the islands of Maui and Hawaii. Arizona employment rose 1.3 percent in the 12 months ending March 2004 with the addition of 30,000 jobs, most of which were in the construction, leisure, and hospitality sectors that reached record employment levels. Las Vegas drove employment growth in Nevada during the past year. The state grew by 38,000 jobs, and more than 80 percent were in the Las Vegas area, one of the strongest labor markets in the nation.

The regional unemployment rate strengthened to 6.4 percent during the 12 months ending March 2004, down from 6.5 percent in the previous 12-month period. Hawaiian jobless numbered just 4.3 percent of the labor force, and Nevada and Arizona unemployment stood at 5 percent and 5.4 percent, respectively, all below the national level. The California unemployment rate averaged 6.7 percent in the 12 months through March 2004, virtually unchanged from a year earlier.

Growing economic activity, favorable financial conditions, and anticipation of possible higher interest rates fueled continued strong home sales during the first quarter. The California Association of REALTORS® reported an annualized rate of 598,400 resales during the first quarter of 2004, up 4 percent over the year. The median sales price rose to nearly



\$410,000. Prices continue to increase by double-digits in many markets, reflecting the extremely limited inventory of available resales that are at record low levels statewide. Total new and existing home sales rose 7 percent in Southern California in the first quarter of 2004, according to DataQuick. Honolulu and Phoenix resales in the first quarter exceeded the year-earlier period by 11 percent and 20 percent respectively.

Builders responded to the strong demand for homes in the region, and single-family activity moved further into record-setting territory with 252,200 new units permitted in the 12 months ending March 2004, a 13-percent increase. In Arizona and Nevada, production gained 20 and 23 percent, respectively, in the 12 months through March 2004. These two faster-growing states accounted for more than 40 percent of the region's new home construction. California's single-family production rose 13 percent to 144,000 units in that period. Unsold inventory of new homes was very low around the region.

Rental market conditions in the Pacific region were mixed during the first quarter. Southern California rental markets remained balanced to tight because of continued job growth and restrained rental production. Vacancies in some higher end units completed during the quarter accounted for the increase in the overall rental vacancy rate of 5 percent in Los Angeles and Orange Counties, up from 4.5 percent a year ago. San Diego and Riverside-San Bernardino County rental markets were still balanced with a 6-percent vacancy rate, although newly completed luxury apartment units maintained higher vacancies. Vacancies in Ventura County and the South Coast portion of Santa Barbara County remained in the 4-percent range because of low apartment production. Most Southern California counties registered rent gains of between 3 and 4 percent from the first quarter of 2003 to the first quarter of 2004, according to RealFacts. In the Southern California area, rents increased most rapidly in Riverside-San Bernardino, up 6 percent during the past 12 months. Rent gains in this market area were also the highest among markets in the western United States during this period.

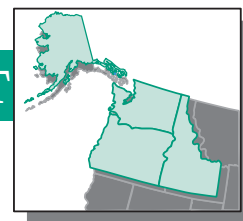
The Phoenix rental vacancy rate declined to 9 percent in the first quarter of 2004, 1 percentage point lower than a year ago, according to the Arizona Real Estate Center. The area experienced its strongest first quarter absorption since 1998 due, in part, to strong winter visitation. Average asking rents gained less than 0.5 percent in the last four quarters, a

slight improvement from essentially flat rents in the preceding comparable period.

The Las Vegas rental market remained balanced, averaging a 6.8-percent rental vacancy rate during the first quarter, as measured by CB Richard Ellis, compared with 8.7 percent in the first quarter of 2003. Conditions improved because of strong absorption and a reduced level of completions. Advertised rents increased about 3 percent over the period, although concessions of 1 free month's rent with a 12-month lease are still common. The Honolulu rental market remained in balance with an estimated rental vacancy rate of approximately 7 percent.

Multifamily production activity in the Pacific region rose 13 percent on an annual basis to 70,300 units in the 12 months ending March 2004. California recorded 50,300 units, a 19-percent gain that reflected the strong demand for rental units in most of the state. Multifamily activity in Nevada and Arizona remained level over the past year with 9,000 and 9,400 units recorded respectively. Multifamily production in Hawaii fell 9 percent to 1,600 units in the last 12 months compared with a high base level in the previous period.

## NORTHWEST



The economy in the Northwest region continued to improve slowly during the first quarter of 2004. Nonfarm wage and salary employment averaged 5.1 million jobs for the 12-month period ending March 2004, an increase of 0.2 percent, or 10,500 jobs, compared with the comparable period ending March 2003. Alaska led the region, registering an increase of 1.5 percent in nonfarm employment due to gains in health services, construction, and local government. Employment in Washington rose by 0.4 percent, a notable increase compared with the previous 1-year period's decline of nearly 1 percent. Construction, retail trade, and professional and business services sectors led gains in Washington. The manufacturing sector in Washington declined by more than 10,000 jobs over the past 12 months, resulting primarily from layoffs at Boeing, which totaled 7,300 jobs lost throughout the state during 2003. Gains in Idaho tapered to 0.6 percent, down from 0.7 percent in the



comparable period the year before. Weakness in manufacturing employment, particularly the wood products and machinery sectors, dampened growth in Idaho. Oregon was the only state to experience an employment decline in the region, down 0.6 percent, or 8,900 jobs. Losses occurred primarily in the manufacturing of semiconductor and electronic components, general merchandise stores, and the trade/transportation/utilities sector. The regional unemployment rate averaged 7.3 percent for the 12 months ending March 2004, up slightly from 7.2 percent a year ago. Unemployment rates ranged from 5.2 percent in Idaho to 8.0 percent in Oregon.

The home sales market in the Northwest region continued to exhibit strength during the first quarter of 2004. In Washington, sales and price gains were exceptionally strong in the Puget Sound area. In the Seattle metropolitan area, existing home sales for the 12-month period ending March 2004 were up 20 percent compared with the previous 12-month total. Existing home sales in the Tacoma and Bremerton metropolitan areas both rose 12 percent to a total of 12,000 and 3,900 respectively. The Bremerton metropolitan area led the Puget Sound region with a 14-percent increase in the median sales price to \$190,400, followed by the Seattle metropolitan area with a 12-percent gain to \$278,500. The median sales price rose 6 percent in the Tacoma metropolitan area to \$181,000. Realtors reported that multiple offers for homes listed near the median sales price were typical throughout Puget Sound market areas, particularly in Seattle. Because of the competitive nature of the market, closing prices are often significantly higher than the asking prices.

The demand for homes also remained strong in markets throughout Idaho, Oregon, and Alaska. In western Oregon's major markets, total sales rose 11 percent on an annual basis for the 12-month period ending March 2004, for a total of 57,500 closings. The median sales price for Oregon's major western market areas rose by 7 percent to \$176,300. The Portland metropolitan area registered a 12-percent increase in existing homes sold, and the median sales price rose 3 percent to \$184,350. In Idaho, the Boise metropolitan area recorded 11,200 sales closed during the past 12 months, a 10-percent increase compared with the previous period. The median sales price in Boise was \$134,100, 6 percent above that a year earlier. In Alaska, total sales of new and existing single-family homes in the Anchorage metropolitan area totaled 3,243, up 5 percent over the past 12 months, and the average sales price rose 7 percent to \$238,600 over the same period.

Single-family building activity in the Northwest region totaled 67,400 homes for the 12-month period ending March 2004, up 3 percent compared with the comparable period a year earlier. Idaho was the most active state in the region with a 19-percent increase in the number of homes permitted. Single-family permit issues rose 11 percent in Alaska, 1 percent in Oregon, and declined 1 percent in Washington to 34,150 homes.

Rental market conditions in the region remained competitive during the first quarter of 2004. In the Seattle metropolitan area, the estimated rental vacancy rate was 7.4 percent as of March 2004, according to the Dupre + Scott Apartment Vacancy Report, down from 7.8 percent in March 2003. Overall average rents dropped 1.5 percent in the Seattle area to \$840 per month and declined 3.6 percent in the Everett area to \$746 per month. Vacancy rates rose in the Tacoma and Olympia metropolitan areas, partially as a result of military deployments affecting soldiers stationed at Fort Lewis. The rental vacancy rate rose from 6.7 percent to 8 percent in the Tacoma area and from 4 percent to 5.1 percent in the Olympia area. The Bremerton metropolitan area rental vacancy rate was 5.6 percent; the overall average rent rose 6 percent during the past year to \$731, indicating continued strong demand for rental units. Rental concessions were common throughout the Puget Sound area, ranging from 75 percent of properties in the Seattle metropolitan area to 40 percent of properties in the Olympia area. In eastern Washington, rental market conditions were mixed. The market remained balanced in the Spokane area with a rental vacancy rate of 5.5 percent, but conditions were extremely competitive in the Tri-Cities metropolitan area. The Tri-Cities rental vacancy rate was an estimated 10 percent as of March 2004, up from 4 percent in March 2003. The addition of approximately 800 new rental units in the market beginning in September 2002 was the primary reason for the increased vacancies. With several hundred additional units planned for this area and the specter of layoffs at Hanford totaling 4,000 starting within the next 2 years, the Tri-Cities market area appeared set for another relatively long period of competitive rental market conditions.

Slow economic conditions, competition from the housing sales market, and new rental units entering the market caused vacancies to increase in the Portland and Boise areas. In the Portland-Vancouver metropolitan area, the rental vacancy rate rose 1 percentage point during the past year to 9 percent. Rental market conditions were even more competi-

tive in the Boise area, where the estimated rental vacancy rate was 12 percent as of the first quarter of 2004, up from 8.5 percent in the first quarter of 2003. The Anchorage metropolitan area's rental market reflected strong demand resulting from stable employment growth and steady in-migration. The overall rental vacancy rate was an estimated 5.5 percent, and the average two-bedroom rent was \$844 per month in 2003, according to the Alaska Housing Finance Corporation, up 6 percent compared with the 2002 average.

Multifamily building activity totaled 19,950 units in the Northwest region for the 12 months ending March 2004, compared with 18,800 units in the same period the previous year. The regional increase in multifamily activity was attributable to Alaska and Oregon where multifamily units permitted rose by 29 percent and 25 percent respectively. Multifamily activity declined in the remainder of the region, down 6 percent in Idaho and 5 percent in Washington.

## Housing Market Profiles

### Bellingham, Washington

The Bellingham metropolitan area economy continued to perform well during the first quarter of 2004, although the annual rate of employment growth slowed slightly. For the 12 months ending March 2004, employment grew at an annual rate of 2.3 percent compared with 2.7 percent in the comparable period a year ago. During the past 12 months, construction, wholesale trade, and retail trade experienced employment gains. The manufacturing sector lost 200 jobs net due to the loss of 400 jobs at the Intalco Works plant in Ferndale. The unemployment rate averaged 5.9 percent for the 12 months ending March 2004, compared with 6.1 percent for the 12 months ending March 2003. The unemployment rate averaged 6.3 percent in 2002 and 6.1 percent in 2003.

According to the Census Bureau, population growth between July 2002 and July 2003 measured 1.4 percent, down from 2 percent in the previous 1-year period. Approximately three-fourths of the population growth during the year ending July 1, 2003 is estimated to be the result of net in-migration. The high quality of life in the area continues to attract active retirees, families, and college students. Enrollment at Western Washington University totaled 12,700 students in the fall of 2003.

The continued strong demand in the sales market reflects the steady population growth and low mortgage interest rates. Existing and new residential sales through the Bellingham multiple listing service totaled 3,035 in 2003, a 9-percent increase over 2002. The average sales price rose 12 percent in 2003 to \$210,150. Total sales for the 12 months ending March 2004 indicated that demand remained strong through the first quarter of 2004, with sales up 9 percent and the average sales price up 13 percent from the previous 12-month period. Realtors reported strong demand from families and active retirees. New home demand is just as strong. Single-family building permit activity for the 12 months ending March 2004 increased 24 percent to 1,400 homes. The most active communities in the metropolitan area were the unincorporated areas of Whatcom County and the city of Bellingham. Because of land constraints, however, single-family permits accounted for only 26 percent of the total units permitted during the past year in the city of



Bellingham, compared with 62 percent in the metropolitan area overall.

Continued in-migration and steadily increasing enrollment at Western Washington University resulted in a strong demand for rental units from 2000 through mid-2003. Production did not keep pace with demand, however, and rental market conditions grew extremely tight in the Bellingham area. At one point, the rental vacancy rate fell below 3 percent. During the second half of 2003, market conditions eased as new units entered the market, and the rental vacancy rate increased to an average of 6 percent. In the first quarter of 2004, market conditions again grew tighter, and the apartment vacancy rate declined to an estimated 4 percent, according to the Dupre + Scott Apartment Vacancy Report. The average rent remained essentially unchanged at \$664. Property managers reported that units with rents less than \$1,000 were leasing at a brisker pace than last year, but market conditions for units priced above this level were still relatively competitive.

In the Bellingham area, multifamily building permit activity totaled 860 units for the 12 months ending March 2004, reflecting the solid demand for rental units. More than 90 percent of the market area's multifamily activity occurs in the city of Bellingham. Planned projects include a 100-unit complex in the popular Fairhaven District near downtown Bellingham.

## Eagle County, Colorado

Eagle County is centrally located in the Rocky Mountains about 100 miles west of Denver and 100 miles east of Grand Junction. The area is home to two major ski areas, Vail and Beaver Creek, which are the dominant influence on the local economy. The center of economic activity is along the Interstate 70 corridor from Vail to Gypsum, commonly referred to as "Vail Valley." This 50-mile stretch accounted for nearly all the county's growth over the past decade. Driven by strong national and state economies, total employment grew at a 7-percent average annual rate during the past decade. The county population of 41,659 in the 2000 Census was nearly double that recorded in 1990. The current population is estimated to be 47,700, an annual average gain of 3.4 percent since the 2000 Census, well below the 6.6-percent annual gain of the past decade. The relatively slower population growth since 2000 reflects the general economic slowdown and its effect on tourism.

The rapid growth of the 1990s ended abruptly with the recession beginning in 2001 and the September 11 terrorist attacks; both events resulted in travel and tourism declines. Area businesses reduced their workforces, especially seasonal workers; the economic uncertainty registered in the residential and nonresidential real estate markets. Construction employment fell by 11 percent in 2002 and 14 percent in 2003, while total employment declined in 2002 and grew by 1.6 percent in 2003. As the national economy recovered, renewed tourism growth in 2003 helped stabilize the local economy. Because of workforce mobility and strong preferences to live in Eagle County, the unemployment rate remained low. In March 2004, this rate fell to 3.4 percent from the 4.3 percent recorded 1 year earlier.

Although the outlook is for continued economic improvement, this growth will not match the levels of the 1990s. The upturn, however, will result in increased residential and nonresidential construction, which is expected to be the primary factor in employment growth. Employment also will get a major boost from \$1 billion of redevelopment projects slated to start construction in the area over the next 4 years. Projects include construction of a \$40 million conference center and \$45 million of improvements in the Lionshead gondola area.

Developers are expected to redevelop several older condominium and commercial buildings in the heart of Vail, including the Crossroads Shopping Center and the buildings surrounding the Vista Bahn express lift. As a result of renewed tourism and a strengthened construction sector, total employment is expected to grow by 2.5 to 3 percent a year over the next 2 years. In-migration will gradually increase but will remain well below the average recorded during the 1990s.

Building activity in recent years slowed from the record set during the 1990s. The average number of new units in Eagle County fell from approximately 900 a year during the 1990s to approximately 600 annually since the beginning of 2000. About 60 percent of total permit activity since 2000 has been single-family homes, with the remainder comprising townhouses, condominiums, and apartment units. Most of the recent single-family and condominium construction is sales housing built in the unincorporated subdivision areas of the county and the towns of Avon, Eagle, and Gypsum. Nearly all recent apartment development has involved the combined efforts of non-profits, government agencies, and private



developers. These deed-restricted projects have used primarily county 63-20 bonds and low-income housing tax credits that target households of workers employed in the county.

A dramatic cutback in new home construction in 2003 and low mortgage interest rates have enhanced the existing home sales market. The Vail Board of REALTORS® reported that sales activity in 2003 was up 11 percent over 2002, and the average sales price of all units increased by 6 percent to more than \$680,400. The average price of a single-family home was \$921,700, \$456,200 for condominiums, and \$445,200 for townhouses. February 2004 marked the 7th straight month that sales surpassed those posted in the same month a year earlier. The Eagle County Assessor's office reported more than 300 sales of homes priced higher than \$1 million in 2003. The sales market in 2004 is expected to exceed last year's performance.

The rental market has exhibited signs of recovery from the soft conditions experienced in early 2003, when a large volume of new rental units came on the market during a period of slow employment growth. According to the latest Eagle County Housing Department apartment survey, the apartment vacancy rate at the end of 2003 was 7.8 percent, an improvement from the rates of less than 2 percent the previous several years. The market is stronger in the communities of Vail and Avon because of their proximity to the ski areas and the concentration of employment.

## Fort Wayne, Indiana

Fort Wayne is the second largest metropolitan area in Indiana, comprising Adams, Allen, DeKalb, Huntington, Wells, and Whitley Counties. Located in the northeastern part of the state, approximately 120 miles from Indianapolis, Fort Wayne is one of the few metropolitan areas in Indiana to experience population growth since the 2000 Census. Between 1990 and 2000, the population increased by almost 1 percent annually, to 504,481. Since then, population growth has slowed; in 2003, the population was estimated to be 512,580.

The area's economy has recently started to rebound from several years of job losses in the manufacturing, transportation, and financial activities sectors. In the 12 months ending March 2004, total employment increased by 1.1 percent over the previous 12 months. The unemployment rate, which rose slightly to 5.4 percent in the 12 months ending March

2004, is attributable primarily to growth in the labor force.

Most of the job losses have been in the manufacturing sector. Since 1999, when manufacturing accounted for 28 percent of the area's employment, almost 15,000 manufacturing jobs were eliminated, and it is unlikely that many will be restored. Manufacturing remains the dominant employment sector for the area, however, accounting for 22 percent of area employment, and is diversified among multiple industries, such as metals, electrical equipment, and transportation equipment. The leading employer in Fort Wayne remains General Motors, which employs more than 3,000 people at a southwest Allen County truck plant. Currently many small, more efficient manufacturing facilities are being developed to replace older, larger plants. Although net job loss continues, most analysts agree that these changes are necessary if these firms are to remain competitive. For example, Steel Dynamics, a mini-mill operation that opened its first mill in 1993, is now expanding its second mill and hiring an additional 50 employees.

In the service-producing sectors, growth in education and healthcare sector employment outpaced area population growth, as Fort Wayne became a regional healthcare and higher education center. The second and third leading private employers in the area are Parkview Health Systems and Lutheran Health Network. Both companies opened new facilities in northern Allen County and expanded existing hospitals. The two area colleges, Indiana University-Purdue University Fort Wayne and Ivy Tech State College, increased staff by almost 2 percent in the past year to serve growing enrollment.

Recent job losses in Fort Wayne's core industries have not curtailed single-family development. Development remained apace through the first quarter of 2004 to match the 2,712 new homes built in 2003. Most new single-family development is concentrated along I-69 in the suburban areas of Aboite Township in southwest Allen County, Perry Township in northwest Allen County, and Butler Township in De Kalb County.

According to the local associations of REALTORS®, existing home sales in the first quarter of 2004 increased 4.4 percent over the same quarter a year ago. If this momentum continues, 2004 sales will exceed the 7,160 sales in 2003. A median sales price of \$93,200 in 2003 made Fort Wayne one of the most affordable housing markets in Indiana. Sales prices have increased, but only moderately, in most areas of the Fort Wayne mar-



ket. Relatively lower development costs coupled with low interest rates have enabled builders to respond to the strong demand for moderately priced new homes.

Despite economic uncertainty, multifamily rental development has increased over the past 2 years. Activity in 2001 and 2002 averaged less than 300 units annually. In 2003, an estimated 600 units were built, and more than 700 units are expected to enter the market in 2004, according to CB Richard Ellis. Properties under construction include high-end luxury properties and a number of small properties developed using low-income housing tax credits. Overall, average occupancy remains at approximately 89 percent. Although some properties report higher occupancy rates than last year, the market overall has remained weak, and concessions are widespread.

## McAllen-Edinburg-Mission, Texas

The economy in the McAllen-Edinburg metropolitan area is based in agriculture, international trade, tourism, and manufacturing. This area is the regional healthcare and trade center of the Lower Rio Grande Valley. The government sector employs the largest number of workers with more than 46,000 employees, followed by the trade/transportation/utilities sector with about 36,000 workers. The local unemployment rate has remained very high during the past 4 years; the average rate for 2003 was 13.6 percent. Average nonfarm employment for 2003 totaled 175,200, a gain of 4.2 percent, or 7,000 jobs, over 2002. Substantial job gains occurred in the service-providing, trade/transportation/utilities, educational/health service, and government sectors. Manufacturing, information, financial activities, professional/business services, and other services sectors, however, posted job losses. Employment gains have continued through the first quarter of 2004. For the 12-month period ending March 2004, average nonfarm employment increased to 176,900.

The metropolitan area was the fourth fastest growing area in the nation during the 1990s because of strong in-migration, stimulated by sustained employment growth. The population grew at an annual average rate of approximately 4.8 percent between 1990 and 2000 and reached 569,463 by the 2000 Census. Continued employment growth since 2000 has resulted in steady in-migration. According to the most recent Census Bureau estimate, the area's population on July 1, 2003, was 635,540, indi-

cating an annual average gain of approximately 3.6 percent since 2000.

Steady in-migration has created a sustained demand for housing in recent years. Since 2000, permit activity has averaged approximately 5,700 single-family homes and 1,040 multifamily units annually. In 2003, 6,143 single-family permits were issued, down only 4 percent from 2002 levels. Multifamily unit permits in 2003 totaled 1,310, compared with 1,059 units in 2002. In the first quarter of 2004, 1,803 single-family homes and 552 multifamily units were issued permits. If the current pace of activity continues, a record may be set this year.

The McAllen-Edinburg metropolitan area includes many colonias. Portions of the colonias have been designated an Empowerment Zone (EZ) in Round I of the Empowerment Zone/Enterprise Community Initiative. The Department of Agriculture Office of Community Development Benchmark Management System indicated that through May 2003, the EZ received more than \$410 million from governmental, nonprofit, private, and other sources. As part of its American Dream Commitment, Fannie Mae recently announced a \$4 billion affordable housing commitment to the colonias to provide affordable homeownership and rental opportunities to more than 50,000 individuals and families.

Two major influences on the metropolitan housing market are the 16,000 students enrolled at the University of Texas-Pan American (UTPA) and "Winter Texans." An estimated 15,400 UTPA students live in housing units, almost all rentals, in the market area. Winter Texans, according to the Real Estate Center at Texas A&M University, are people who arrive in the area after October and stay no more than 5 months; many are retirees. Local sources report that an estimated 74 percent of the approximately 100,000 Winter Texans who come to the area annually live in recreational vehicles or manufactured homes.

Manufactured homes are an important part of the housing inventory, providing an affordable alternative for local residents and second homes for Winter Texans. Between 1990 and 2000, more than 10,300 manufactured homes were added to the housing inventory, or 16 percent of all housing production. Since 2000, an estimated 1,100 manufactured homes have been added annually. The current total of approximately 28,400 manufactured homes represents 12.9 percent of the housing inventory in the metropolitan area.

Between 1990 and 2000, approximately 8,000 new rental units were added to the market. Since 2000, an additional 3,600 rental units have been added. This large increase in inventory was readily absorbed, and the market remains balanced. As of March 2004, Apartment MarketData Research Services reported an apartment occupancy rate of 94.5 percent.

Sustained population growth, along with low mortgage interest rates, has created a strong, stable sales market. Economy.com reports that the metropolitan area enjoys an affordable housing market with an existing home price of about \$72,400. Numerous down payment assistance programs are available to help potential homebuyers, primarily first-time purchasers. The strong demand from first-time buyers has helped maintain the sales market.

## Morgantown, West Virginia

The Morgantown Housing Market Area (HMA), coterminous with Monongalia County, is located approximately 75 miles south of Pittsburgh, Pennsylvania. According to the 2000 Census, Morgantown, the largest city in the county, had a population of 26,809. The HMA is the center of economic and financial activity in this part of the state. Between 1990 and 2000, the population rose to 81,866 persons, an annual growth rate of 0.8 percent. The annual rate of population growth has remained relatively constant since 2000 and is expected to continue at this level for the next 24 months. In the city of Morgantown, the population is expected to increase slightly because of increased enrollment at West Virginia University (WVU). By 2005, the total population of Monongalia County is estimated to be 85,550.

Founded in 1867, WVU is the leading employer in the Morgantown HMA, with an annual operating budget of approximately \$483 million. Approximately 4,800 full-time and 800 part-time faculty and staff are employed at the Morgantown campus, where approximately 24,500 students are enrolled. The university has recently invested more than \$150 million in new buildings and expansion projects, including a student recreation center, a new Foundation Office building located near the city's "wharf district," and a Life Sciences building. The overall economic impact of WVU on the local economy is estimated to be almost \$1 billion annually, including more than \$430 million in employee compensation and in excess of \$25 million in state tax revenues.

Other principal employers in the area include health-related providers such as Monongalia General Hospital and Ruby Memorial Hospital. The National Institute for Occupational Safety and Health research center is also located in Morgantown. Mylan Pharmaceuticals, one of the area's top manufacturing operations, employs about 950 people in generic drug production.

During the past 3 years, employment levels in the area have been very stable. The service-producing sector accounts for more than 90 percent of total employment in the HMA. Most of the county's employment growth and its economic stability can be attributed to WVU's professional and administrative support and student spending in the retail sector.

The economic outlook in the area is favorable. Nonfarm employment increased by 1,000 jobs to 46,240 in the 12 months ending March 2004. The unemployment rate for this period was 3.1 percent compared with 3.0 percent a year earlier.

The growing economy and population, along with favorable mortgage rates, continue to support new housing activity. According to data provided by the North Central West Virginia Real Estate Information Network, the sales market for existing homes remains strong. Several adverse weather-related factors contributed to a sales volume downturn in the first quarter of 2004, when 133 units were sold, compared with 235 units in the same quarter of 2003. Overall home sales in 2003 totaled 1,169, a healthy increase over the 723 homes sold in 2002. In 2003, the average sales price was \$165,000, up more than 13 percent from the average of \$145,500 reported for 2002.

Multifamily construction activity has been relatively modest yet steady in the HMA since 2000, ranging from 50 to 75 units annually, comparable to the annual average construction reported during the 1990s. Market conditions, as expected, are tightest in neighborhoods nearest the WVU campus. Most of the larger multifamily properties require 12-month student leases, and the university's professional schools maintain active summer academic programs that create a year-round demand for graduate student housing. These factors temper the typical seasonal swings in vacancy rates associated with a college housing market.



## Nassau-Suffolk, New York

The population of the Nassau-Suffolk metropolitan area increased by approximately 145,000 between the 1990 and 2000 Censuses, an annual growth rate of 0.6 percent. Growth in Suffolk County during the period was double the growth rate in Nassau County.

During the 12 months ending in March 2004, the local economy has shown signs of improvement. Nonfarm employment increased by 0.7 percent, or 8,900 jobs, for the 12-month period compared with no change during the previous 12 months. Employment increased by 2.7 percent, or 5,000 jobs, in the educational and health sector, the largest gain for the period. This sector includes the two leading employers on Long Island: North Shore-Long Island Jewish Health System and the State University of New York at Stony Brook. Others sectors registering significant job gains were local government, with 4,300, and the trade/transportation/utilities sector, with 3,000. The sectors losing the most jobs were manufacturing and information, incurring losses of 3,500 and 2,900, respectively. In March 2004, the unemployment rate remained unchanged at 4.3 percent.

Very tight market conditions exist in the metropolitan area for rental and sales housing; household growth, however, continues to exceed the increase in housing supply. Between 1990 and 2000, the number of households in the area increased by 6,050 annually while the housing supply grew by approximately 5,300. Residential building permit activity in the Nassau-Suffolk area totaled 4,230 in the 12 months ending March 2004, a 15-percent decrease from the 12 months ending March 2003. Activity in Suffolk County accounted for almost 80 percent of all activity in the metropolitan area during the past 24 months.

During the 12 months ending March 2004, the median sales price increased, but at a lower rate than in the same period a year earlier. The median home sales price grew 11 percent in Nassau County and 16 percent in Suffolk County for the 12 months ending March 2004, compared with 16 percent and 18 percent, respectively, for the comparable period ending March 2003. The median price in March 2004 was \$405,000 in Nassau County and \$330,000 in Suffolk County.

The vacancy rate for Class A apartments at the end of 2003 in the Nassau-Suffolk market was reported to be 3 percent. Despite building permits for rental housing being issued at levels not seen since the 1970s, the market has remained tight due to

increasingly strong demand. Rents in the market area average \$1,700 for a one-bedroom apartment and \$2,500 for a two-bedroom unit. The town of Brookhaven is currently reviewing a plan for a mixed-use development that would add approximately 800 rental apartments and 525 units of sales housing. Two hundred of the units will be age-restricted housing for seniors.

A major development, Heartland Town Square, is being proposed for the grounds of the former Pilgrim State Psychiatric Center in Brentwood. Initial development could begin within a year. The mixed-use project is expected to include approximately 9,000 residential units, comprising sales and rental housing. A two-bedroom condominium is expected to sell for \$385,000, and a two-bedroom apartment will rent for \$2,500. This project also will have 3 million square feet of office space and 1 million square feet of retail space.

In the past year, the office space market also has tightened slightly. The overall office vacancy rate was 10.1 percent in the first quarter of 2004 compared with approximately 10.9 percent at the end of 2002. Developers have begun to take note of the improving conditions in the market.

## Sacramento, California

The Sacramento metropolitan area includes Sacramento, Placer, El Dorado, and Yolo Counties. In January 2004, the area's population totaled 2,010,500 persons, representing an average annual gain of 3 percent since the 2000 Census, compared with a 2-percent annual gain from 1990 to 2000. Since 2000, Placer County has grown at nearly twice the rate of the other counties in the metropolitan area, due to the availability of land for development in the cities of Lincoln, Folsom, Rocklin, and Roseville. The metropolitan area population growth resulting from net migration averaged 17,950 persons annually between 1990 and 2000. Because of the relatively affordable housing, compared to the San Francisco Bay Area, population increased 245 percent—43,950 people annually—from 2000 to 2003. As of January 2004, the number of households reached 733,850, an average annual increase of 18,300 since 2000, or 2.7 percent per year.

During the 2001 recession and subsequent slow recovery period, the area's nonagricultural wage and salary employment expanded by 11,500 jobs annually between 2000 and 2003, less than half the annual rate of 26,850 recorded from 1996 to 2000. For the



year ending March 2004, the areas's nonagricultural wage and salary employment averaged 845,775, an increase of 1.2 percent, or 10,017 jobs, compared with the previous 12-month period. The increases in these employment sectors—2.7 percent in goods-producing, 2.4 percent in trade, and 3.6 percent in education and health care—drove employment growth. Weaknesses in manufacturing, information technology, and government employment, however, partially offset these gains. The unemployment rate averaged 5.5 percent, up slightly from 5.3 percent in the previous 12-month period. The area's economy is expected to continue to improve gradually this year, and more rapid job growth is projected in 2005.

Employment at the University of California at Davis (UCD), California State University at Sacramento (CSUS), and the state government in Sacramento remained stabilizing influences on the local economy, though it currently is constrained by the state's budget problems. Enrollment at UCD and CSUS totaled 30,229 students and 28,735 students, respectively, as of the fall of 2003, levels comparable with the previous enrollment year. Recent changes in the Sacramento area's economic base include the opening of two casinos: Cache Creek Casino Resort in Yolo County in early 2004, with the potential to employ 2,200 workers, and Thunder Valley Casino in 2003, located in Placer County and employing 1,800. Other service sectors, such as health, education, and trade, remained stable or grew slightly during the past year. A genome center at UCD costing \$95 million will open in 2004, significantly expanding the university's role as a research center in biotechnology. Intel, with approximately 7,000 employees in the metropolitan area, plans to add an as-yet undetermined number of workers in the Folsom area.

The Sacramento area's single-family sales market continued to be tight due to low interest rates, expanding employment, and increased in-migration. The owner vacancy rate was approximately 1.8 percent in the first quarter of 2004, slightly higher than the 1.3-percent vacancy rate in 2000. According to The Gregory Group, 5,178 new homes were sold in the metropolitan area during the quarter, up 6 percent from the first quarter a year ago. Sacramento County sales increased by 60 percent to 2,914 units this quarter over the same quarter in 2003. Placer County new home sales totaled 1,032 units this quarter, a decrease of 3.2 percent from 1,066 units a year ago. The decrease occurred partially because of a lack of inventory available for sale. In the first quarter, the unsold inventory of new homes in Placer County was 884 units, down 59 percent from

2,141 units a year ago. DataQuick reported that approximately 50,000 existing homes were sold in the Sacramento metropolitan area in 2003, nearly the same volume sold in 2002. The median sales price ranged from a low of \$254,000 in Sacramento County, where approximately 70 percent of the sales occurred, to a high of \$329,000 in Placer County, with an estimated 10 percent of the sales.

The supply of single-family units as measured by building permits increased between 2000 and 2003, but stabilized in the first quarter of 2004. From 2000 to 2001, an annual average of 14,100 permits was issued; in the 2002 to 2003 period, an annual average of 17,800 permits was issued. For the 12 months ending March 2004, single-family permits totaled 18,453, essentially unchanged from the previous 12-month period. Approximately 53 percent of the permits issued in the past 12 months occurred in Sacramento County, mainly in the Natomas area, Rancho Cordova, Laguna Creek, and Rancho Murieta. About 30 percent of the building activity took place in Placer County, primarily in the Roseville and Rocklin areas. Yolo and El Dorado Counties accounted for the remaining activity in the metropolitan area. Construction on approximately 1,700 condominium units was expected to start during the current quarter.

The Sacramento area's rental market remained balanced this quarter, due to increased in-migration, but vacancy rates varied throughout the metropolitan area. Regional Economic Information System data indicated that the Sacramento market's rental vacancy rate was 7.2 percent for the first quarter of 2004, and that average rents increased by 1.5 percent from the same quarter a year ago. Balanced-to-tight conditions were evident in the more affordable Class B and C units. In Placer County, where higher rents prevailed, the vacancy rate was 7.5 percent. Multifamily building permits rose rapidly during the 2001 to 2003 period, averaging 4,500 units annually, an increase over the 3,540-unit annual average recorded for the 1998 to 2001 period. For the year ending March 2004, multifamily permits totaled 5,145, a 37-percent gain over the total issued in the 12 previous months. Developer optimism increased the price of multifamily-zoned land in the 24-unit and over category from an average of \$67,000 per unit in 2002 to \$73,500 per unit in 2003, or by approximately 10 percent. The rental market will likely tighten as the economy improves and higher single-family prices make rentals comparatively more attractive.



## Salem, Oregon

Sales housing market conditions reflected a strong demand for homes in the Salem metropolitan area during the past year. Low interest rates and affordable house prices influenced first-time homebuyers and move-up buyers, who purchased homes at a near record pace. Salem's rental housing market remained competitive. Competition from the sales housing market and a sluggish local economy resulted in a softer rental market, flat rents, and rising vacancy rates.

Based on a Census Bureau estimate, the population of the Salem metropolitan area was 362,990 as of July 1, 2003. Since the 2000 Census, the population grew by 4,900 persons annually, with nearly half—2,800—moving there from other areas. Despite only modest job growth in the area since 2000, the rate of in-migration remained relatively strong, primarily because of the lack of job opportunities in surrounding rural areas and the area's attractive quality of life.

Labor market conditions remained stable over the past year. Nonagricultural employment in the Salem metropolitan area totaled 137,750 for the 12-month period ending March 2004, virtually unchanged from a year ago. Gains in manufacturing, professional/business services, and educational services were offset by layoffs in state and local governments and other sectors. The unemployment rate averaged 7.5 percent for the 12-month period ending in March 2004, compared with 6.5 percent for the 12-month period ending a year ago.

Demand for homes pushed sales figures to record levels. New and existing home sales totaled 6,745 during the 12-month period ending April 2004, up 10 percent from the previous year, according to data from the Willamette Valley multiple listing service. The median sales price of a home rose 3 percent to \$147,600 over the same period a year ago. New construction sales were also strong, totaling 802 homes for the 12-month period ending March 2004, a 10-percent increase over the year ending March 2003. The average new home price in the Salem area was \$184,850, up 6 percent from a year ago. New homes constructed during the past year typically consisted of three bedrooms and a total of 1,750 square feet on a 7,500-square-foot lot. In March 2004, the average construction cost for new homes, including land, was up 7 percent from a year ago and up 11 percent from the 12-month period ending March 2002. In response to record sales and rising prices, new listings rose 17 percent from a year ago.

Single-family permit activity for the 12 months ending March 2004 totaled 1,480 homes, an 11-percent decline but still considered a healthy level of activity. If interest rates remain relatively low, single-family construction is expected to be strong in 2004, continuing as one of the bright spots in the local economy.

Strong competition from the sales market and a sluggish economy maintained balanced but competitive rental market conditions in the Salem metropolitan area. The Miles Report's 2004 winter survey of approximately 13,500 units indicated a vacancy rate of 5.6 percent compared with 4.5 percent a year ago. The survey reported that landlords cited competition from the sales housing market as the primary reason for increased vacancies and flat rents. Rents averaged \$425 for a studio, \$521 for a one bedroom/one-bath unit, \$625 for a two-bedroom/two-bath unit, and \$695 for a three-bedroom/one-and-a-half-bath unit. Despite the competitive market conditions, Salem multifamily rental property sales were stronger for apartments than any other commercial property during 2003. Total apartment sales in 2003 were up 30 percent over the total sold in 2002.

Multifamily building permit activity for the 12 months ending March 2004 totaled 220 units compared with 530 units in the 12 months ending March 2003. In March 2004, an estimated 250 apartments were under construction, with 170 in one project—the most amenity-rich and expensive rental apartment complex built in the area to date. The overall outlook for the Salem rental market is for competitive conditions to continue through 2004 because of continued competition from home sales and slow economic growth.

## San Francisco Bay Area, California

The San Francisco Bay Area, encompassing the nine counties surrounding the bay, had an estimated population of 7 million people in March 2004. Over the past 4 years, the Bay Area population grew by 3.5 percent, or 238,000 people. The Oakland and San Jose metropolitan areas accounted for 54 and 18 percent, respectively, of the growth; the San Francisco metropolitan area accounted for 5 percent. Net natural increase accounted for 95 percent of the Bay Area's population change since 2000. Weak economic conditions and the high cost of housing have resulted in very low net in-migration.

Since peaking at 3.5 million nonagricultural jobs in 2000, employment in the Bay Area has been problematic. In the first quarter of 2004, nonagricultural

employment totaled 3.18 million, a 2.8 percent decline, or a loss of 91,000 jobs, compared with the same period in 2003. Job losses were widespread; manufacturing, professional/business services, and trade/transportation/utilities accounted for three-fourths of the decline, or 67,500 jobs. Local governments challenged by large budget deficits reduced employment by 3.4 percent. State and federal government employment also declined over the past year. The two strongest industry segments were educational and health services, and financial activities. The unemployment rate declined from 6.6 percent to 6.2 percent for the 12-month period ending in March 2004. Much of the improvement is due to the continued decline in the labor force.

Supported by low mortgage rates and high demand, the sales market continued to be the strongest performing segment in the San Francisco Bay Area economy. According to DataQuick, in the 12 months ending March 2004, sales of new and existing homes and condominiums totaled 125,200, an increase of 14 percent, or 15,500 units, from the previous 12 months. This volume surpassed the record set in 1999, when 123,300 new and existing homes were sold. The median sales price of new and existing homes was estimated to be \$447,200, an increase of 8.5 percent over the prior period. Realtors reported that many buyers rushed to purchase homes because they expected higher mortgage rates and prices in the near future.

The strong demand for homes stepped up single-family building permit activity. In the 12-month period ending March 2004, single-family permits totaled 16,170, a 19-percent gain over the previous period. The Oakland metropolitan area accounted for approximately half of the total single-family permits in the Bay Area in the past 12 months.

Multifamily building activity remained relatively stable over the past year. Multifamily permits totaled 9,284 units in the past 12 months, compared with an annual average of 10,187 units from 2000 through 2003. The San Jose metropolitan area accounted for 40 percent of the multifamily unit permits in the Bay Area for the period, and the San Francisco metropolitan area accounted for another 30 percent.

Competitive rental market conditions prevailed during the first quarter of 2004. With record-low mortgage rates, the sales market has drawn tenants from the rental market. In addition, continued job losses during much of the past 4 years and little in-migration have created softer conditions. At the height of the economic boom in 2000, the overall apartment

vacancy rate in the Bay Area was an extremely tight 1.6 percent in larger, high-amenity apartments, according to RealFacts. Vacancies increased almost every quarter thereafter, and the rate peaked at 6.2 percent in the second quarter of 2003. In the first quarter of 2004, the apartment vacancy rate declined slightly to 6 percent. In the San Jose metropolitan area, where the economic decline has been most severe, the vacancy rate in the first quarter was 6.6 percent. The average rent for higher priced properties in San Jose was \$1,284, compared with \$1,372 a year ago. The county of San Francisco remained the most expensive rental market in the Bay Area, with an average rent of \$1,760.

## York, Pennsylvania

The York metropolitan area economy registered relatively healthy gains in the latter half of the 1990s, as growth in service-providing industries more than compensated for declines in the manufacturing sector. The economy has been weaker since 2000, but stable. In the 12 months ending February 2004, average nonfarm employment declined 0.3 percent, or 500 jobs, from the previous 12-month period. Despite the declines in manufacturing, this sector plays an essential role in the local economy. Harley-Davidson (motorcycles), York International Corporation (heating and air conditioning systems), and Susquehanna Pfaltzgraff Company (ceramic tableware) are major companies in a highly diverse manufacturing base. The health services sector, which includes WellSpan Health, the area's leading employer, has grown steadily since 1990, adding an average of 600 jobs annually. Unemployment rates have risen since 2000, but unemployment remains relatively low, averaging 4.9 percent for the 12 months ending February 2004.

The metropolitan area's population increased by 4,225, or 1.2 percent annually, from 1990 to 2000. During this period, the population of the city of York remained nearly unchanged. Sections of the area are becoming bedroom communities for the adjacent metropolitan areas of Harrisburg and Baltimore because of the affordable home prices and reasonable commuting distances. In 2000, approximately 23,750 workers commuted to jobs outside the area, 39 percent more than in 1990. The fastest growing municipalities, including Manchester, York, and Windsor Townships, are located in the suburban area around the city of York. In-migration from Harrisburg is most notable in the northern portion of the county, in Fairview and Newberry



Townships. Southern York County has also experienced an influx of new residents from Baltimore, creating bedroom communities in Penn and West Manheim Townships.

Housing production in the York area has paralleled national trends. Since 2000, single-family building permit activity has increased to an average of 2,060 homes annually. Multifamily activity in the York area historically has been relatively small in comparison. From 1990 through 1995, permit activity averaged 180 units annually. From 1996 through 2002, activity averaged 295 units, a robust increase over the previous 5 years. A 268-unit rental development of townhomes and garden apartments is currently under construction in Windsor Township; its completion is expected by the fall of 2005.

The sales market is strong in the city of York and its surrounding suburbs. According to the REALTORS® Association of York and Adams Counties, the number of new and existing home sales in the metropolitan area increased an average of 8 percent annually—from 4,298 in 2000 to 5,368 in 2003. In 2003, the average price of a home in the York metropolitan area was \$137,665, an increase of 5 percent annually over the 2000 average price of \$117,357.

The York metropolitan area rental market currently is balanced overall; however, softer and more com-

petitive conditions exist in some segments. Older upscale developments in the suburbs are experiencing increased competition from newer developments. In the 2000 Census, the rental vacancy rate in York County was 7.4 percent and 12.8 percent in the city of York. Since 2000, vacancies have increased, with lower interest rates enabling a sizeable portion of the rental market to become first-time homebuyers. Gross rents average approximately \$630 for a one-bedroom apartment, \$790 for a two-bedroom rental, and \$990 for a three-bedroom unit.

Downtown York is beginning to generate interest as a new housing development site in response to activities such as the renovation of the Strand-Capitol Performing Arts Center, the development of three new nightclubs and bars, and plans for other new restaurants and nightclubs. Two new developments in the city of York are expected to provide upscale homeownership opportunities for young professionals and empty nesters. A warehouse, being converted to commercial space and 15 loft condominiums, is selling two- and three-level condominiums for \$250,000 to \$400,000. In addition, 12 townhomes and a rehabilitated carriage house are being developed, with prices ranging from \$260,000 for interior homes and \$275,000 for end units.



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

HUD Region and State	2004 Through March			2003 Through March			Ratio: 2003/2004 Through March		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	2,182	1,652	530	1,717	1,282	435	1.271	1.289	1.218
Maine	1,373	1,260	113	1,073	984	89	1.280	1.280	1.270
Massachusetts	3,797	2,740	1,057	3,101	2,230	871	1.224	1.229	1.214
New Hampshire	1,675	1,260	415	1,264	1,077	187	1.325	1.170	2.219
Rhode Island	461	413	48	382	338	44	1.207	1.222	1.091
Vermont	612	444	168	428	385	43	1.430	1.153	3.907
<b>New England</b>	<b>10,100</b>	<b>7,769</b>	<b>2,331</b>	<b>7,965</b>	<b>6,296</b>	<b>1,669</b>	<b>1.268</b>	<b>1.234</b>	<b>1.397</b>
New Jersey	7,879	4,600	3,279	6,210	4,337	1,873	1.269	1.061	1.751
New York	9,373	4,630	4,743	8,825	3,893	4,932	1.062	1.189	0.962
<b>New York/New Jersey</b>	<b>17,252</b>	<b>9,230</b>	<b>8,022</b>	<b>15,035</b>	<b>8,230</b>	<b>6,805</b>	<b>1.147</b>	<b>1.122</b>	<b>1.179</b>
Delaware	1,926	1,813	113	1,226	1,191	35	1.571	1.522	3.229
District of Columbia	494	91	403	619	46	573	0.798	1.978	0.703
Maryland	5,904	5,066	838	6,330	4,855	1,475	0.933	1.043	0.568
Pennsylvania	11,393	8,421	2,972	7,969	6,283	1,686	1.430	1.340	1.763
Virginia	14,920	11,599	3,321	13,441	10,794	2,647	1.110	1.075	1.255
West Virginia	1,261	1,107	154	859	828	31	1.468	1.337	4.968
<b>Mid-Atlantic</b>	<b>35,898</b>	<b>28,097</b>	<b>7,801</b>	<b>30,444</b>	<b>23,997</b>	<b>6,447</b>	<b>1.179</b>	<b>1.171</b>	<b>1.210</b>
Alabama	8,298	5,905	2,393	5,689	4,844	845	1.459	1.219	2.832
Florida	56,739	40,736	16,003	46,208	33,789	12,419	1.228	1.206	1.289
Georgia	25,769	21,625	4,144	22,423	18,284	4,139	1.149	1.183	1.001
Kentucky	5,159	4,636	523	4,585	3,723	862	1.125	1.245	0.607
Mississippi	3,307	2,744	563	2,523	2,215	308	1.311	1.239	1.828
North Carolina	22,132	18,178	3,954	16,958	14,307	2,651	1.305	1.271	1.492
South Carolina	9,587	8,257	1,330	8,471	7,287	1,184	1.132	1.133	1.123
Tennessee	11,492	9,170	2,322	7,943	7,201	742	1.447	1.273	3.129
<b>Southeast/Caribbean</b>	<b>142,483</b>	<b>111,251</b>	<b>31,232</b>	<b>114,800</b>	<b>91,650</b>	<b>23,150</b>	<b>1.241</b>	<b>1.214</b>	<b>1.349</b>
Illinois	11,960	9,359	2,601	10,766	8,115	2,651	1.111	1.153	0.981
Indiana	8,089	6,666	1,423	6,909	5,891	1,018	1.171	1.132	1.398
Michigan	9,572	8,261	1,311	8,362	7,045	1,317	1.145	1.173	0.995
Minnesota	5,864	4,643	1,221	5,836	4,606	1,230	1.005	1.008	0.993
Ohio	10,088	8,872	1,216	9,178	8,013	1,165	1.099	1.107	1.044
Wisconsin	6,726	4,803	1,923	6,961	4,234	2,727	0.966	1.134	0.705
<b>Midwest</b>	<b>52,299</b>	<b>42,604</b>	<b>9,695</b>	<b>48,012</b>	<b>37,904</b>	<b>10,108</b>	<b>1.089</b>	<b>1.124</b>	<b>0.959</b>
Arkansas	3,269	2,365	904	2,985	2,005	980	1.095	1.180	0.922
Louisiana	4,636	4,019	617	3,943	3,738	205	1.176	1.075	3.010
New Mexico	3,511	3,130	381	3,173	2,575	598	1.107	1.216	0.637
Oklahoma	4,035	3,135	900	4,229	2,989	1,240	0.954	1.049	0.726
Texas	42,259	34,898	7,361	40,786	30,283	10,503	1.036	1.152	0.701
<b>Southwest</b>	<b>57,710</b>	<b>47,547</b>	<b>10,163</b>	<b>55,116</b>	<b>41,590</b>	<b>13,526</b>	<b>1.047</b>	<b>1.143</b>	<b>0.751</b>
Iowa	2,983	2,139	844	2,687	1,989	698	1.110	1.075	1.209
Kansas	2,585	2,329	256	2,818	2,154	664	0.917	1.081	0.386
Missouri	6,529	5,332	1,197	5,572	4,584	988	1.172	1.163	1.212
Nebraska	1,811	1,593	218	1,820	1,625	195	0.995	0.980	1.118
<b>Great Plains</b>	<b>13,908</b>	<b>11,393</b>	<b>2,515</b>	<b>12,897</b>	<b>10,352</b>	<b>2,545</b>	<b>1.078</b>	<b>1.101</b>	<b>0.988</b>
Colorado	9,929	8,356	1,573	8,666	7,124	1,542	1.146	1.173	1.020
Montana	564	380	184	820	405	415	0.688	0.938	0.443
North Dakota	353	245	108	260	169	91	1.358	1.450	1.187
South Dakota	1,160	881	279	729	576	153	1.591	1.530	1.824
Utah	4,814	3,952	862	4,784	3,780	1,004	1.006	1.046	0.859
Wyoming	531	416	115	386	340	46	1.376	1.224	2.500
<b>Rocky Mountain</b>	<b>17,351</b>	<b>14,230</b>	<b>3,121</b>	<b>15,645</b>	<b>12,394</b>	<b>3,251</b>	<b>1.109</b>	<b>1.148</b>	<b>0.960</b>
Arizona	18,207	16,666	1,541	14,662	13,574	1,088	1.242	1.228	1.416
California	47,474	35,982	11,492	45,443	32,477	12,966	1.045	1.108	0.886
Hawaii	2,402	1,351	1,051	1,918	1,376	542	1.252	0.982	1.939
Nevada	10,693	9,060	1,633	10,002	7,284	2,718	1.069	1.244	0.601
<b>Pacific</b>	<b>78,776</b>	<b>63,059</b>	<b>15,717</b>	<b>72,025</b>	<b>54,711</b>	<b>17,314</b>	<b>1.094</b>	<b>1.153</b>	<b>0.908</b>
Alaska	385	303	82	458	268	190	0.841	1.131	0.432
Idaho	3,064	2,614	450	2,800	2,336	464	1.094	1.119	0.970
Oregon	5,338	4,430	908	6,141	4,479	1,662	0.869	0.989	0.546
Washington	9,672	7,718	1,954	9,859	8,051	1,808	0.981	0.959	1.081
<b>Northwest</b>	<b>18,459</b>	<b>15,065</b>	<b>3,394</b>	<b>19,258</b>	<b>15,134</b>	<b>4,124</b>	<b>0.959</b>	<b>0.995</b>	<b>0.823</b>
<b>United States</b>	<b>444,236</b>	<b>350,245</b>	<b>93,991</b>	<b>391,197</b>	<b>302,258</b>	<b>88,939</b>	<b>1.136</b>	<b>1.159</b>	<b>1.057</b>

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



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

CBSA *	CBSA Name	2004 Through March		
		Total	Single Family	Multi-family**
12060	Atlanta-Sandy Springs-Marietta, GA	17,611	14,599	3,012
26420	Houston-Baytown-Sugar Land, TX	13,429	10,615	2,814
38060	Phoenix-Mesa-Scottsdale, AZ	13,255	11,897	1,358
19100	Dallas-Fort Worth-Arlington, TX	11,890	10,509	1,381
40140	Riverside-San Bernardino-Ontario, CA	11,557	9,958	1,599
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	10,438	4,368	6,070
33100	Miami-Fort Lauderdale-Miami Beach, FL	10,247	5,675	4,572
16980	Chicago-Naperville-Joliet, IL-IN-WI	9,156	7,058	2,098
29820	Las Vegas-Paradise, NV	8,768	7,692	1,076
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	8,596	6,446	2,150
31100	Los Angeles-Long Beach-Santa Ana, CA	8,455	4,435	4,020
36740	Orlando, FL	7,827	6,036	1,791
45300	Tampa-St. Petersburg-Clearwater, FL	6,576	5,577	999
40900	Sacramento--Arden-Arcade--Roseville, CA	5,696	4,884	812
16740	Charlotte-Gastonia-Concord, NC-SC	4,989	4,264	725
42660	Seattle-Tacoma-Bellevue, WA	4,851	3,596	1,255
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	4,818	3,366	1,452
15980	Cape Coral-Fort Myers, FL	4,665	2,978	1,687
33460	Minneapolis-St. Paul-Bloomington, MN-WI	4,489	3,395	1,094
34980	Nashville-Davidson--Murfreesboro, TN	4,446	3,247	1,199
19740	Denver-Aurora, CO	4,336	3,509	827
19820	Detroit-Warren-Livonia, MI	4,319	3,540	779
12420	Austin-Round Rock, TX	4,250	3,175	1,075
27260	Jacksonville, FL	4,148	3,390	758
41180	St. Louis, MO-IL	3,692	3,009	683
39580	Raleigh-Cary, NC	3,597	2,854	743
41740	San Diego-Carlsbad-San Marcos, CA	3,594	2,048	1,546
41700	San Antonio, TX	3,555	3,116	439
26900	Indianapolis, IN	3,231	2,756	475
42260	Sarasota-Bradenton-Venice, FL	3,093	2,390	703
28140	Kansas City, MO-KS	3,039	2,656	383
18140	Columbus, OH	3,016	2,492	524
41860	San Francisco-Oakland-Fremont, CA	2,855	1,877	978
17140	Cincinnati-Middletown, OH-KY-IN	2,786	2,428	358
38900	Portland-Vancouver-Beaverton, OR-WA	2,769	2,311	458
14460	Boston-Cambridge-Quincy, MA-NH	2,654	1,555	1,099
36420	Oklahoma City, OK	2,480	1,867	613
32820	Memphis, TN-MS-AR	2,426	2,146	280
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,403	2,027	376
32580	McAllen-Edinburg-Pharr, TX	2,355	1,803	552
13820	Birmingham-Hoover, AL	2,283	1,588	695
40060	Richmond, VA	2,204	1,833	371
37340	Palm Bay-Melbourne-Titusville, FL	2,164	1,472	692
10740	Albuquerque, NM	2,121	1,809	312
46060	Tucson, AZ	2,081	1,975	106
31140	Louisville, KY-IN	1,963	1,808	155
12580	Baltimore-Towson, MD	1,949	1,684	265
19660	Deltona-Daytona Beach-Ormond Beach, FL	1,861	1,131	730
44700	Stockton, CA	1,735	1,664	71
14260	Boise City-Nampa, ID	1,732	1,552	180

\* Based on Office of Management and Budget's metropolitan and micropolitan statistical area definitions announced on June 6, 2003.

\*\* Multifamily is two or more units in structure.

CBSA = Core Based Statistical Area.

Source: Census Bureau, Department of Commerce



# Historical Data



**Table 1. New Privately Owned Housing Units Authorized:\* 1966–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											
1966	971.9	563.2	36.3	24.7	347.7	775.2	196.8	209.8	250.9	331.1	180.2
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,857.3	1,440.4	40.9	41.6	335.4	1,670.4	218.8	174.6	359.9	838.1	484.7
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Jan	1,777	1,406	87		284	NA		157	354	796	470
Feb	1,786	1,319	78		389	NA		170	308	777	531
Mar	1,688	1,311	71		306	NA		150	324	777	437
Apr	1,724	1,332	82		310	NA		152	341	784	447
May	1,803	1,349	84		370	NA		166	343	819	475
Jun	1,823	1,427	77		319	NA		158	379	843	443
Jul	1,800	1,434	77		289	NA		161	364	810	465
Aug	1,901	1,484	84		333	NA		189	377	866	469
Sep	1,875	1,487	88		300	NA		164	384	841	486
Oct	1,981	1,539	81		361	NA		187	382	885	527
Nov	1,863	1,473	88		302	NA		180	378	812	493
Dec	1,953	1,530	77		346	NA		199	356	911	487
2004											
Jan	1,932	1,507	98		327	NA		188	355	884	505
Feb	1,909	1,517	77		315	NA		181	338	886	504
Mar	1,946	1,523	96		327	NA		204	357	910	475

\*Authorized in permit-issuing places.

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

Source: Census Bureau, Department of Commerce

<http://www.census.gov/indicator/www/newresconst.pdf>



**Table 2. New Privately Owned Housing Units Started: 1966–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											
1966	1,164.9	778.6	34.6	26.5	325.1	787.7	377.1	206.5	288.3	472.5	197.6
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,848.4	1,498.5	15.7	17.8	316.6	1,517.5	330.3	163.9	372.5	838.4	473.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Jan	1,828	1,509	NA		278	NA		145	349	820	514
Feb	1,640	1,312	NA		298	NA		142	279	759	460
Mar	1,742	1,393	NA		313	NA		155	351	814	422
Apr	1,627	1,357	NA		239	NA		150	319	724	434
May	1,745	1,389	NA		329	NA		151	357	791	446
Jun	1,844	1,499	NA		317	NA		162	353	822	507
Jul	1,890	1,533	NA		321	NA		186	392	866	446
Aug	1,831	1,490	NA		309	NA		152	401	848	430
Sep	1,931	1,547	NA		339	NA		186	428	861	456
Oct	1,977	1,640	NA		308	NA		154	389	908	526
Nov	2,054	1,674	NA		343	NA		193	414	897	550
Dec	2,061	1,655	NA		377	NA		170	399	963	529
2004											
Jan	1,938	1,569	NA		339	NA		149	327	941	521
Feb	1,887	1,515	NA		339	NA		183	349	871	484
Mar	2,007	1,599	NA		377	NA		174	386	945	502

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

Source: Census Bureau, Department of Commerce  
<http://www.census.gov/indicator/www/newresconst.pdf>



**Table 3. New Privately Owned Housing Units Under Construction: 1970–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											
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
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,150.0	776.4	10.4	13.9	349.0	940.4	201.0	129.9	234.6	484.9	300.5
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Jan	1,054	721	NA		307	NA		126	218	436	274
Feb	1,052	719	NA		307	NA		121	217	437	277
Mar	1,053	724	NA		304	NA		124	214	441	274
Apr	1,046	724	NA		298	NA		122	211	436	277
May	1,044	721	NA		299	NA		118	210	439	277
Jun	1,058	732	NA		302	NA		119	211	444	284
Jul	1,073	741	NA		308	NA		124	212	455	282
Aug	1,097	755	NA		318	NA		123	219	467	288
Sep	1,117	768	NA		325	NA		127	225	479	286
Oct	1,132	780	NA		328	NA		126	228	488	290
Nov	1,153	792	NA		336	NA		126	235	493	299
Dec	1,182	811	NA		346	NA		129	240	504	309
2004											
Jan	1,199	823	NA		350	NA		130	238	519	312
Feb	1,209	827	NA		356	NA		132	235	526	316
Mar	1,229	841	NA		362	NA		135	240	535	319

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development  
<http://www.census.gov/indicator/www/newresconst.pdf>



**Table 4. New Privately Owned Housing Units Completed: 1970–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											
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
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,677.7	1,386.2	13.9	17.7	260.1	1,381.5	297.1	153.4	333.0	756.6	434.8
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Jan	1,647	1,314	NA		284	NA		140	282	795	430
Feb	1,672	1,326	NA		321	NA		210	309	732	421
Mar	1,621	1,293	NA		281	NA		118	348	729	426
Apr	1,680	1,371	NA		270	NA		149	359	766	406
May	1,742	1,385	NA		325	NA		191	349	746	456
Jun	1,663	1,363	NA		274	NA		156	332	744	431
Jul	1,678	1,415	NA		234	NA		138	352	720	468
Aug	1,573	1,325	NA		228	NA		151	326	695	401
Sep	1,709	1,406	NA		259	NA		145	355	729	480
Oct	1,717	1,473	NA		223	NA		154	317	772	474
Nov	1,699	1,451	NA		225	NA		160	314	800	425
Dec	1,730	1,456	NA		241	NA		149	333	828	420
2004											
Jan	1,710	1,437	NA		260	NA		132	377	723	478
Feb	1,724	1,457	NA		236	NA		142	377	759	446
Mar	1,749	1,459	NA		271	NA		141	326	826	456

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development  
<http://www.census.gov/indicator/www/newresconst.pdf>



**Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1976–Present**



Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1976	246	250	17	52	115	67	\$12,300	67
1977	266	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	291	16	53	178	44	\$32,800	70
1995	340	319	15	58	203	44	\$35,300	83
1996	363	338	16	59	218	44	\$37,200	89
1997	354	336	14	55	219	47	\$39,800	91
1998	373	374	15	58	250	50	\$41,600	83
1999	348	338	14	54	227	44	\$43,300	88
2000	251	281	15	50	177	39	\$46,400	59
2001	193	192	12	38	113	30	\$48,900	56
2002	169	172	12	33	100	27	\$51,300	51
2003	131	135	11	24	75	25	\$54,900	38
Monthly Data (Seasonally Adjusted Annual Rates)								
2002								
Nov	150	152	12	30	85	25	\$53,300	54
Dec	144	153	11	29	89	24	\$52,000	53
2003								
Jan	140	151	14	29	84	23	\$54,700	50
Feb	137	109	4	20	64	22	\$53,700	51
Mar	129	138	8	20	80	30	\$51,500	50
Apr	130	138	9	23	82	24	\$53,600	49
May	129	135	11	24	77	23	\$54,300	49
Jun	131	127	7	22	75	23	\$54,400	48
Jul	137	123	10	24	67	22	\$55,900	49
Aug	130	131	14	27	66	23	\$53,900	48
Sep	130	138	12	23	73	30	\$54,800	46
Oct	126	141	11	26	76	28	\$56,800	44
Nov	126	142	13	25	79	25	\$56,600	42
Dec	125	134	13	26	70	25	\$57,700	41
2004								
Jan	123	131	8	33	68	23	\$56,700	40
Feb	123	111	8	18	62	23	\$59,000	40
Mar	132	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: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development

<http://www.census.gov/ftp/pub/const/www/mhsindex.html> (See Current Tables, Monthly Tables.)



**Table 6. New Single-Family Home Sales: 1970–Present\***

Period	Sold During Period					For Sale at End of Period						Months' Supply at Current U.S. Sales Rate
	U.S.	North- east	Mid- west	South	West	U.S.	North- east	Mid- west	South	West	U.S.	
Annual Data												
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	416	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	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
	Monthly Data											(Seasonally Adjusted)
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)						
2003												
Jan	1,009	89	176	466	278	347	36	77	163	71	343	4.1
Feb	935	50	181	442	262	339	34	73	162	70	343	4.5
Mar	1,008	83	166	503	256	330	30	74	157	69	341	4.1
Apr	1,004	70	174	468	292	339	29	76	162	72	341	4.1
May	1,081	73	162	525	321	341	30	79	161	71	344	3.9
Jun	1,200	85	194	552	369	342	29	84	162	67	343	3.5
Jul	1,145	75	223	542	305	342	29	84	159	69	341	3.6
Aug	1,190	74	255	548	313	342	28	84	163	68	345	3.5
Sep	1,129	91	193	520	325	350	27	88	165	69	350	3.8
Oct	1,149	92	199	540	318	368	29	92	171	76	361	3.9
Nov	1,084	84	158	523	319	367	29	95	169	75	364	4.1
Dec	1,127	90	186	520	331	377	29	97	172	79	369	4.0
2004												
Jan	1,141	103	222	538	278	375	27	95	175	77	372	3.9
Feb	1,128	103	179	514	332	363	25	93	173	73	371	3.8
Mar	1,228	78	188	613	349	372	26	97	175	74	378	3.7

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development  
<http://www.census.gov/construction/housing/newresalesindex.html>





**Table 7. Existing Single-Family Home Sales: 1969–Present\***

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
<b>Annual Data</b>							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,812	577	992	1,431	813	1,470	NA
1996	4,196	584	986	1,511	1,116	1,910	NA
1997	4,382	607	1,005	1,595	1,174	1,840	NA
1998	4,970	662	1,130	1,868	1,309	1,910	NA
1999	5,205	656	1,148	2,015	1,386	1,730	NA
2000	5,152	643	1,119	2,015	1,376	1,840	NA
2001	5,296	638	1,158	2,114	1,386	1,840	NA
2002	5,566	656	1,217	2,203	1,490	2,130	NA
2003	6,100	692	1,322	2,436	1,651	2,300	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>							
<b>2003</b>							
Jan	5,940	700	1,210	2,440	1,590	2,290	4.6
Feb	5,910	690	1,300	2,330	1,590	2,150	4.4
Mar	5,750	650	1,260	2,300	1,550	2,240	4.7
Apr	5,770	650	1,270	2,290	1,560	2,490	5.2
May	5,870	670	1,320	2,310	1,570	2,360	4.8
Jun	5,920	660	1,310	2,330	1,620	2,500	5.1
Jul	6,190	700	1,350	2,480	1,670	2,360	4.6
Aug	6,390	720	1,380	2,560	1,730	2,430	4.6
Sep	6,680	740	1,430	2,650	1,850	2,400	4.3
Oct	6,390	740	1,360	2,580	1,700	2,460	4.6
Nov	6,130	710	1,270	2,450	1,690	2,480	4.9
Dec	6,370	720	1,360	2,550	1,740	2,300	4.3
<b>2004</b>							
Jan	6,000	630	1,180	2,600	1,590	2,200	4.4
Feb	6,130	720	1,270	2,490	1,660	2,280	4.5
Mar	6,480	720	1,350	2,580	1,830	2,390	4.4

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

Source: NATIONAL ASSOCIATION OF REALTORS®

<http://www.realtor.org/research.nsf/pages/EHSPage>



**Table 8. New Single-Family Home Prices: 1964–Present**

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House <sup>1</sup>
<b>Annual Data</b>							
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	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
1996 <sup>2</sup>	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
<b>Quarterly Data</b>							
<b>2003</b>							
Q1	186,000	208,100	178,200	165,800	253,700	233,100	215,800
Q2	191,800	279,900	176,500	164,600	245,600	241,000	215,800
Q3	191,900	259,400	184,000	163,400	272,200	248,100	222,300
Q4	198,800	290,000	189,600	169,400	272,800	256,000	225,000
<b>2004</b>							
Q1	204,300	287,700	194,200	166,400	285,900	260,700	228,300

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

<sup>2</sup>Effective with the release of the first quarter 2001 New Home Sales Price Index in April 2001, the Census Bureau began publishing the Fixed-Weighted Laspeyres Price Index on a 1996 base year. (The previous base year was 1992.) "Constant-quality house" data are no longer published as a series but are computed for this table from price indexes published by the Census Bureau.

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development  
[http://www.census.gov/const/quarterly\\_sales.pdf](http://www.census.gov/const/quarterly_sales.pdf) (See Table Q6.)



**Table 9. Existing Single-Family Home Prices: 1968–Present**

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
<b>Annual Data</b>						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,900	139,100	87,900	96,000	147,000	136,800
1995	113,100	136,900	93,600	97,800	148,300	139,100
1996	115,800	127,800	101,000	103,400	147,100	141,800
1997	121,800	131,800	107,000	109,600	155,200	150,500
1998	128,400	135,900	114,300	116,200	164,800	159,100
1999	133,300	139,000	119,600	120,300	173,900	168,300
2000	139,000	139,400	123,600	128,300	183,000	176,200
2001	147,800	146,500	130,200	137,400	194,500	185,300
2002	158,100	164,300	136,000	147,300	215,400	201,600
2003	170,000	190,500	141,300	157,100	234,200	216,200
<b>Monthly Data</b>						
<b>2003</b>						
Jan	160,200	179,900	132,300	149,100	218,600	204,200
Feb	161,300	177,600	134,300	154,900	213,200	202,700
Mar	162,100	177,100	137,400	151,000	219,800	205,100
Apr	163,700	178,700	136,500	151,900	227,200	209,100
May	166,400	179,800	138,600	154,000	229,700	212,900
Jun	175,000	188,800	147,400	163,500	242,000	223,200
Jul	181,600	196,300	147,500	177,200	243,100	228,200
Aug	177,200	196,400	149,700	164,900	240,400	224,100
Sep	171,800	196,700	143,700	158,600	231,900	216,700
Oct	171,800	197,100	140,300	156,800	238,000	218,100
Nov	169,900	194,500	141,100	156,500	229,400	214,600
Dec	174,800	197,800	141,900	160,000	251,200	224,300
<b>2004</b>						
Jan	170,200	216,900	134,300	155,500	239,900	218,000
Feb	168,100	206,000	136,700	152,200	239,600	215,900
Mar	174,100	213,000	140,200	158,700	244,500	222,800

Source: NATIONAL ASSOCIATION OF REALTORS®

<http://www.realtor.org/research.nsf/pages/EHSPage?OpenDocument>



**Table 10. Repeat Sales House Price Index: 1975–Present**

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
<b>Annual Average</b>										
1975	62.7	69.1	69.6	69.6	69.7	58.8	65.2	64.2	55.2	45.5
1976	66.6	71.4	70.9	71.1	72.5	63.7	69.2	68.7	60.1	53.4
1977	73.9	76.7	75.4	75.7	79.1	70.9	76.6	76.6	68.6	66.2
1978	83.7	87.6	81.1	83.8	87.8	81.4	87.6	87.1	80.7	79.0
1979	94.9	100.0	94.4	93.3	96.0	94.1	97.1	97.4	94.9	91.3
1980	102.5	104.5	103.5	102.0	100.5	103.3	103.0	100.7	102.4	104.1
1981	108.0	112.0	107.8	109.1	104.4	112.3	101.9	103.4	110.8	112.3
1982	111.3	117.0	112.3	114.6	106.4	123.0	102.7	99.8	117.3	114.6
1983	115.4	130.8	118.9	118.5	111.2	126.2	107.5	102.5	119.8	116.2
1984	120.8	154.5	133.7	123.5	114.8	125.3	111.6	104.9	119.7	120.4
1985	128.0	187.0	151.6	129.3	119.9	124.9	116.3	109.1	122.5	125.9
1986	137.9	228.4	176.0	137.2	126.2	126.0	121.1	115.9	126.5	133.6
1987	148.8	268.5	208.1	146.3	133.0	118.6	125.8	125.2	126.2	145.8
1988	158.3	287.1	229.0	156.7	137.1	112.2	128.4	134.4	124.3	166.4
1989	167.3	289.1	234.9	165.2	140.4	112.7	131.5	142.6	125.5	198.9
1990	171.6	277.6	233.9	168.6	142.8	114.1	133.8	149.4	128.4	216.7
1991	173.7	263.7	232.1	171.1	146.5	116.7	137.0	155.3	133.1	219.3
1992	177.5	260.3	236.7	175.4	151.8	120.9	141.4	161.6	139.7	218.8
1993	180.5	259.3	239.5	178.5	157.3	125.1	146.2	167.4	149.1	214.0
1994	183.9	256.3	237.3	180.5	165.1	129.2	154.2	175.9	163.5	209.1
1995	188.8	259.1	237.7	184.7	173.3	132.5	161.6	185.1	175.4	209.5
1996	195.4	266.1	242.4	191.0	181.5	136.9	169.1	195.2	184.9	213.0
1997	202.3	274.7	246.3	197.2	189.1	140.7	176.6	205.0	192.9	219.9
1998	212.7	291.2	256.5	206.8	198.6	147.6	185.3	214.6	201.9	235.3
1999	223.5	316.0	268.1	215.7	205.5	154.3	196.5	224.8	210.4	249.5
2000	239.1	354.3	287.9	228.2	212.1	162.1	210.1	237.5	223.3	274.6
2001	258.1	394.1	312.9	246.3	223.4	172.2	225.7	251.0	239.4	304.0
2002	276.5	439.4	344.0	264.1	230.7	178.8	240.3	262.7	250.1	332.3
2003	295.6	480.3	375.9	283.3	239.7	185.7	253.3	273.3	260.9	366.1
<b>Quarterly Data</b>										
<b>2002</b>										
Q4	284.3	456.7	356.9	271.8	234.6	182.3	245.6	266.5	254.6	345.9
<b>2003</b>										
Q1	288.0	464.8	363.2	275.5	236.5	183.6	247.9	268.8	256.4	352.8
Q2	291.5	471.8	368.8	279.5	238.4	184.8	250.0	270.9	258.3	358.1
Q3	296.1	481.0	376.5	284.0	240.1	186.0	253.8	273.6	261.3	366.5
Q4	306.9	503.8	395.1	294.3	243.9	188.6	261.5	280.1	267.5	387.2

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight

<http://www.ofheo.gov/HPI.asp> (See approximately page 40 of pdf; varies with each issue.)

**Table 11. Housing Affordability Index: 1972–Present**



Period	U.S.				Affordability Indexes *		
	Median Existing Price	Mortgage Rate <sup>1</sup>	Median Family Income	Income To Qualify	Composite	Fixed	ARM
<b>Annual Data</b>							
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	\$109,900	7.47	\$38,782	\$29,419	131.8	122.2	149.5
1995	\$113,100	7.85	\$40,611	\$31,415	129.3	123.7	140.0
1996	\$115,800	7.71	\$42,300	\$31,744	133.3	129.6	142.9
1997	\$121,800	7.68	\$44,568	\$33,282	133.9	130.8	145.2
1998	\$128,400	7.10	\$46,737	\$33,120	141.1	139.7	151.0
1999	\$133,300	7.33	\$48,950	\$35,184	139.1	136.3	150.4
2000	\$139,000	8.03	\$50,732	\$39,264	129.2	127.6	141.3
2001	\$147,800	7.03	\$51,407	\$37,872	135.7	135.7	145.5
2002	\$158,100	6.55	\$52,103	\$38,592	135.0	132.7	148.3
2003	\$170,000	5.74	\$53,463	\$38,064	140.5	127.6	142.6
<b>Monthly Data</b>							
<b>2003</b>							
Jan	\$160,200	5.96	\$52,811	\$36,720	143.8	141.8	155.8
Feb	\$161,300	5.93	\$52,929	\$36,864	143.6	141.6	156.2
Mar	\$162,100	5.80	\$53,048	\$36,528	145.2	143.3	158.3
Apr	\$163,700	5.72	\$53,166	\$36,576	145.4	143.3	158.0
May	\$166,400	5.62	\$53,285	\$36,768	144.9	143.2	155.7
Jun	\$175,000	5.40	\$53,404	\$37,728	141.6	139.9	154.1
Jul	\$181,600	5.39	\$53,522	\$39,120	136.8	135.3	148.5
Aug	\$177,200	5.66	\$53,641	\$39,312	136.4	133.5	149.0
Sep	\$171,800	5.94	\$53,759	\$39,312	136.7	133.8	149.3
Oct	\$171,800	5.83	\$53,878	\$38,832	138.7	135.2	150.7
Nov	\$169,900	5.85	\$53,996	\$38,496	140.3	136.5	151.0
Dec	\$174,800	5.82	\$54,115	\$39,456	137.2	133.3	148.9
<b>2004</b>							
Jan	\$170,200	5.70	\$54,395	\$37,920	143.4	139.6	155.2
Feb	\$168,100	5.74	\$54,517	\$37,632	144.9	142.3	157.1
Mar	\$174,100	5.48	\$54,639	\$37,872	144.3	139.2	157.9

\*The composite affordability index is the ratio of median family income to qualifying income. Values over 100 indicate that the typical (median) family has more than sufficient income to purchase the median-priced home.

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

Source: NATIONAL ASSOCIATION OF REALTORS®

<http://www.realtor.org/research.nsf/pages/HousingInx>





**Table 12.** Market Absorption of New Rental Units and Median Asking Rent: 1970–Present



Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
<b>Annual Data</b>			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	104,000	81	\$576
1995	155,000	72	\$655
1996	191,300	72	\$672
1997	189,200	74	\$724
1998	209,900	73	\$734
1999	225,900	72	\$791
2000	226,200	72	\$841
2001	193,100	63	\$881
2002	204,100	59	\$918
2003	167,800	63	\$932
<b>Quarterly Data</b>			
<b>2002</b> Q4	47,700	57	\$928
<b>2003</b> Q1	37,600	62	\$913
Q2	50,200	63	\$991
Q3	42,600	56	\$921
Q4	37,400	69	\$911

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development  
<http://www.census.gov/hhes/www/soma.html>



**Table 13. Builders' Views of Housing Market Activity: 1979–Present**

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
Monthly Data (Seasonally Adjusted)				
2003				
Jan	64	69	68	51
Feb	62	69	66	43
Mar	52	59	56	35
Apr	52	57	62	35
May	57	62	69	40
Jun	62	67	70	47
Jul	65	69	74	51
Aug	71	77	78	55
Sep	68	73	78	51
Oct	72	78	82	52
Nov	70	78	81	47
Dec	70	77	77	52
2004				
Jan	68	76	76	51
Feb	64	71	73	46
Mar	64	70	70	49
Apr	69	76	76	48

Source: Builders Economic Council Survey, National Association of Home Builders  
<http://www.nahb.org/generic.aspx?genericContentID=372> (See HMI Release.)



**Table 14. Mortgage Interest Rates, Average Commitment Rates, and Points: 1973–Present**



Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate*	Points <sup>1</sup>	Rate	Points	Rate	Points	Rate	Points
<b>Annual Data</b>								
1973	7.41	5.4	8.04	1.0	NA	NA	NA	NA
1974	8.85	4.6	9.19	1.2	NA	NA	NA	NA
1975	8.64	4.4	9.04	1.1	NA	NA	NA	NA
1976	8.50	3.2	8.88	1.2	NA	NA	NA	NA
1977	8.27	2.7	8.84	1.1	NA	NA	NA	NA
1978	9.10	3.6	9.63	1.3	NA	NA	NA	NA
1979	10.00	4.5	11.19	1.6	NA	NA	NA	NA
1980	12.36	5.7	13.77	1.8	NA	NA	NA	NA
1981	15.17	5.1	16.63	2.1	NA	NA	NA	NA
1982	14.83	4.1	16.09	2.2	NA	NA	NA	NA
1983	12.24	4.4	13.23	2.1	NA	NA	NA	NA
1984	13.21	3.8	13.87	2.5	NA	NA	11.49	2.5
1985	11.96	2.8	12.42	2.5	NA	NA	10.04	2.5
1986	9.75	2.2	10.18	2.2	NA	NA	8.42	2.3
1987	9.67	2.8	10.20	2.2	NA	NA	7.82	2.2
1988	10.25	1.5	10.33	2.1	NA	NA	7.90	2.3
1989	10.08	1.6	10.32	2.1	NA	NA	8.80	2.3
1990	9.92	1.8	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	0.9	9.25	2.0	NA	NA	7.10	1.9
1992	8.29	1.2	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.46	0.4	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.42	0.6	8.35	1.8	7.86	1.8	5.33	1.5
1995	8.28	0.5	7.95	1.8	7.49	1.8	6.07	1.5
1996	8.03	0.5	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.90	0.4	7.59	1.7	7.13	1.7	5.60	1.4
1998	7.12	0.3	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.53	0.5	7.44	1.0	7.06	1.0	5.98	1.0
2000	NA	NA	8.05	1.0	7.72	1.0	7.04	1.0
2001	NA	NA	6.97	0.9	6.50	0.9	5.82	0.9
2002	NA	NA	6.54	0.6	5.98	0.6	4.62	0.7
2003	NA	NA	5.83	0.6	5.17	0.6	3.76	0.6
<b>Monthly Data</b>								
<b>2003</b>								
Jan	NA	NA	5.92	0.6	5.30	0.6	3.99	0.7
Feb	NA	NA	5.84	0.6	5.22	0.6	3.86	0.6
Mar	NA	NA	5.75	0.6	5.07	0.6	3.76	0.7
Apr	NA	NA	5.81	0.6	5.12	0.6	3.80	0.6
May	NA	NA	5.48	0.6	4.86	0.7	3.66	0.6
Jun	NA	NA	5.23	0.6	4.63	0.6	3.52	0.6
Jul	NA	NA	5.63	0.5	4.97	0.5	3.57	0.6
Aug	NA	NA	6.26	0.7	5.59	0.7	3.79	0.7
Sep	NA	NA	6.15	0.6	5.46	0.6	3.86	0.6
Oct	NA	NA	5.95	0.6	5.27	0.6	3.74	0.6
Nov	NA	NA	5.93	0.6	5.27	0.7	3.75	0.7
Dec	NA	NA	5.88	0.7	5.20	0.6	3.75	0.6
<b>2004</b>								
Jan	NA	NA	5.71	0.7	5.02	0.7	3.63	0.7
Feb	NA	NA	5.64	0.7	4.94	0.7	3.55	0.7
Mar	NA	NA	5.45	0.7	4.74	0.7	3.41	0.6

\*Mortgage loan interest rate data on FHA-insured loans are no longer collected by the Department of Housing and Urban Development.

<sup>1</sup>Annual data for the FHA rate are based on the most active (modal) quote and the secondary market discount (excluding origination fee) until 1994. Subsequent annual and monthly data are based on the average rate quoted and the primary market discount (excluding origination fee).

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

<http://www.freddiemac.com/pmms/pmms30.htm>

**Table 15.** Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982–Present



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
<b>Annual Data</b>								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
<b>Monthly Data</b>								
<b>2003</b>								
Jan	6.05	0.38	6.11	26.1	5.22	0.32	5.26	29.9
Feb	6.02	0.31	6.06	26.2	5.15	0.34	5.19	29.9
Mar	5.89	0.27	5.93	26.0	5.00	0.32	5.04	29.8
Apr	5.84	0.33	5.89	26.1	4.98	0.32	5.02	29.7
May	5.70	0.33	5.75	26.1	4.93	0.45	4.99	29.7
Jun	5.47	0.32	5.52	26.2	4.65	0.36	4.70	29.9
Jul	5.46	0.36	5.51	26.2	4.67	0.43	4.73	29.3
Aug	5.82	0.40	5.88	26.2	4.85	0.39	4.91	29.8
Sep	6.10	0.42	6.17	26.1	5.09	0.48	5.16	29.8
Oct	6.03	0.41	6.09	26.5	5.08	0.32	5.13	29.6
Nov	6.03	0.50	6.11	26.7	5.13	0.40	5.18	29.9
Dec	5.98	0.52	6.06	26.6	5.00	0.52	5.07	29.8
<b>2004</b>								
Jan	5.88	0.49	5.95	26.3	4.91	0.46	4.98	29.9
Feb	5.86	0.37	5.92	26.4	4.94	0.46	5.01	30.0
Mar	5.76	0.37	5.82	25.8	4.66	0.35	4.71	29.8

Source: Federal Housing Finance Board  
<http://www.fhfb.gov/MIRS/mirstbl2.xls>



**Table 16.** FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1970–Present

Period	FHA *			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
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	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,281	2,493,435
Monthly Data					
2003					
Jan	133,457	128,086	68,243	38,416	187,832
Feb	132,646	100,166	50,483	36,890	175,756
Mar	165,414	102,141	47,798	39,528	266,862
Apr	164,847	118,371	54,723	43,260	210,743
May	169,232	117,375	55,048	41,655	237,288
Jun	191,678	113,803	52,779	44,506	244,281
Jul	182,142	112,372	50,741	48,070	207,341
Aug	122,824	122,090	51,822	51,399	232,473
Sep	103,675	135,048	61,965	54,178	240,384
Oct	109,969	127,268	66,132	51,538	200,827
Nov	81,974	107,924	59,993	32,213	144,485
Dec	76,308	97,926	57,780	31,628	145,163
2004					
Jan	82,241	81,917	49,212	30,557	126,677
Feb	91,903	78,492	44,458	24,469	137,948
Mar	123,094	80,329	44,321	27,925	166,898

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

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



**Table 17. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present \***



Period	Construction of New Rental Units <sup>1</sup>			Purchase or Refinance of Existing Rental Units <sup>2</sup>			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities <sup>3</sup>		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
<b>Annual Data</b>									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004 (3 mos.)	34	5,819	398.1	133	13,672	365.4	40	4,093	182.5

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

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

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

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

Source: Office of Multifamily Housing Development (FHA F-47 Data Series), Department of Housing and Urban Development



**Table 18. Mortgage Delinquencies and Foreclosures Started: 1986–Present\***

Period	Delinquency Rates												Foreclosures Started					
	Total Past Due						90 Days Past Due											
	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans
		All Conv.	Prime Only	Sub-Prime Only				All Conv.	Prime Only	Sub-Prime Only				All Conv.	Prime Only	Sub-Prime Only		
Annual Averages																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998 <sup>1</sup>	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.77	3.51	2.52	12.42	12.15	7.97	0.90	0.59	0.30	3.18	2.64	1.75	0.42	0.34	0.20	1.68	0.89	0.48
Quarterly Data (Seasonally Adjusted)																		
2002 Q4	5.03	3.70	2.65	13.29	11.45	7.82	0.91	0.60	0.30	3.31	2.39	1.65	0.42	0.34	0.19	1.70	0.86	0.43
2003 Q1	4.92	3.59	2.62	12.40	11.65	7.89	0.89	0.60	0.29	3.38	2.34	1.64	0.41	0.33	0.21	1.43	0.87	0.48
Q2	5.03	3.63	2.60	12.99	12.59	8.24	0.98	0.65	0.31	3.74	2.75	1.82	0.36	0.28	0.18	1.24	0.81	0.45
Q3	4.65	3.52	2.45	12.69	12.13	7.74	0.89	0.58	0.31	3.04	2.68	1.76	0.44	0.36	0.20	1.92	0.98	0.48
Q4	4.49	3.31	2.40	11.59	12.23	7.99	0.83	0.53	0.30	2.55	2.77	1.78	0.45	0.39	0.20	2.13	0.91	0.49

\*All data are seasonally adjusted.

NA = not applicable.

<sup>1</sup> The Mortgage Bankers Association has restated the historical time series of all delinquencies and foreclosures for all loans and conventional loans back to 1998 based on an adjustment for the significant increase in the subprime share of conventional loans.

Source: National Delinquency Survey, Mortgage Bankers Association

<http://www.mbaa.org/marketdata> (See Residential Mortgage Delinquency Report.)



**Table 19. Expenditures for Existing Residential Properties: 1968–Present**

Period	Total Expenditures	Maintenance and Repairs¹	Improvements					
			Total	Additions and Alterations²				Major Replacements³
				Total	To Structures		To Property Outside Structure	
				Additions³	Alterations⁴			
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	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
Quarterly Data (Seasonally Adjusted Annual Rates)								
2002								
Q3	173,800	45,000	128,800	89,500	NA	NA	NA	39,300
Q4	175,700	52,800	122,900	86,400	NA	NA	NA	36,500
2003								
Q1	179,700	53,200	126,500	90,200	NA	NA	NA	36,300
Q2	173,200	41,000	132,200	91,900	NA	NA	NA	40,300
Q3	187,400	45,300	142,100	97,600	NA	NA	NA	44,500

<sup>1</sup>Maintenance and repairs are incidental costs that keep a property in ordinary working condition.

<sup>2</sup>Additions and alterations to property outside the structure include walks, driveways, walls, fences, pools, garages, and sheds.

<sup>3</sup>Additions refer to actual enlargements of the structure.

<sup>4</sup>Alterations refer to changes or improvements made within or on the structure.

<sup>5</sup>Major replacements are relatively expensive and are not considered repairs; they include furnaces, boilers, roof replacement, and central air conditioning.

Source: Census Bureau, Department of Commerce

<http://www.census.gov/const/www/c50index.html>



**Table 20.** 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 in 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	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993	225,067	150,911	140,123	10,788	74,156
1994	258,561	176,389	162,309	14,081	82,172
1995	247,351	171,404	153,515	17,889	75,947
1996	281,115	191,113	170,790	20,324	90,002
1997	289,014	198,063	175,179	22,883	90,951
1998	314,607	223,983	199,409	24,574	90,624
1999	350,562	251,272	223,837	27,434	99,290
2000	374,457	265,047	236,788	28,259	109,410
2001	388,705	279,772	249,086	30,686	108,933
2002	421,521	298,450	265,889	32,561	123,071
2003	465,818	340,639	306,553	34,086	125,179
Monthly Data (Seasonally Adjusted Annual Rates)					
2003					
Jan	450,039	323,568	290,124	33,444	NA
Feb	448,535	322,841	289,137	33,704	NA
Mar	447,147	321,672	288,244	33,428	NA
Apr	443,880	320,300	287,623	32,677	NA
May	444,858	324,217	290,608	33,609	NA
Jun	444,440	326,310	292,863	33,447	NA
Jul	457,079	333,435	299,408	34,027	NA
Aug	466,782	340,218	305,801	34,417	NA
Sep	475,716	346,377	312,069	34,308	NA
Oct	487,541	359,091	324,356	34,735	NA
Nov	496,988	367,367	332,810	34,557	NA
Dec	501,366	373,440	339,332	34,108	NA
2004					
Jan	503,842	376,342	341,691	34,651	NA
Feb	503,695	376,838	341,616	35,222	NA
Mar	507,194	381,631	345,465	36,166	NA

Source: Census Bureau, Department of Commerce  
<http://www.census.gov/const/C30/PRIVSAHIST.xls>

**Table 21.** Gross Domestic Product and Residential Fixed Investment: 1960–Present



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
<b>Annual Data (Current Dollars in Billions)</b>			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,100.8	469.2	4.6
2002	10,480.8	503.7	4.8
2003	10,987.9	562.4	5.1
<b>Quarterly Data (Seasonally Adjusted Annual Rates)</b>			
<b>2003</b>			
Q1	10,735.8	534.4	5.0
Q2	10,846.7	543.2	5.0
Q3	11,107.0	575.1	5.2
Q4	11,262.0	596.9	5.3
<b>2004</b>			
Q1	11,447.8	606.8	5.3

Source: Bureau of Economic Analysis, Department of Commerce

<http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm> (See Table 3 in pdf.)





**Table 22. Net Change in Number of Households by Age of Householder: 1971–Present\***

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
<b>Annual Data</b>								
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 <sup>2</sup>	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 <sup>2</sup>	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 <sup>2</sup>	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 <sup>2</sup>	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 <sup>3</sup>	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002	2,880	(1)	105	329	127	411	1,260	648
<b>Quarterly Data</b>								
<b>2003</b>								
Q1	68	(203)	41	(180)	154	(35)	350	(60)
Q2	67	(85)	(13)	(65)	70	126	61	(27)
Q3	24	152	(71)	181	(424)	9	155	22
Q4	359	149	181	33	(107)	(136)	26	212
<b>2004</b>								
Q1	12	(198)	94	(256)	(153)	211	339	(25)

\*Units in thousands.

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

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

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

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

Source: Current Population Survey, Census Bureau, Department of Commerce (The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

**Table 23.** Net Change in Number of Households by Type of Household:  
1971–Present \*



Period	Total	Families <sup>4</sup>				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 <sup>r</sup>	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 <sup>2</sup>	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 <sup>r</sup>	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 <sup>r</sup>	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 <sup>3</sup>	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002	2,880	371	778	195	608	(106)	81	467	485
Quarterly Data									
2003									
Q1	68	17	(220)	(31)	(7)	(192)	(9)	362	147
Q2	67	87	(83)	33	(76)	128	23	(164)	121
Q3	24	(18)	339	(104)	(79)	246	(81)	(129)	(151)
Q4	359	148	167	87	4	(211)	(26)	227	(37)
2004									
Q1	12	(199)	(291)	129	240	(141)	15	105	153

\*Units in thousands.

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

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

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

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

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

Source: Current Population Survey, Census Bureau, Department of Commerce (The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)



**Table 24.** Net Change in Number of Households by Race and Ethnicity of Householder: 1971–Present \*

Period	Total	White, Non-Hispanic	Black, Non-Hispanic	Other Races, Non-Hispanic	Two or More Races <sup>4</sup>	Hispanics
<b>Annual Data</b>						
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 <sup>r</sup>	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 <sup>2</sup>	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 <sup>r</sup>	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 <sup>r</sup>	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 <sup>3</sup>	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002	2,880	1,442	(100)	702	NA	836
<b>Quarterly Data</b>						
<b>2003</b>						
Q1	68	(619)	(76)	(534)	1,121	176
Q2	67	(15)	(46)	(3)	(25)	156
Q3	24	(162)	7	136	25	19
Q4	359	105	(58)	10	(23)	324
<b>2004</b>						
Q1	12	98	66	55	37	(244)

\*Units in thousands.

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

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

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

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

<sup>4</sup>Beginning in 2003, the CPS respondents were able to select more than one race.

Source: Current Population Survey, Census Bureau, Department of Commerce (The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

**Table 25. Total U.S. Housing Stock: 1970–Present\***



Period	Total <sup>3</sup>	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
<b>Annual Data</b>										
1970 <sup>1</sup>	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 <sup>1</sup>	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 <sup>2</sup>	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 <sup>1</sup>	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
<b>Quarterly Data</b>										
<b>2003</b>										
Q1	120,249	3,523	116,726	11,319	3,553	1,242	6,524	105,407	71,645	33,762
Q2	120,643	3,565	117,078	11,603	3,627	1,249	6,727	105,475	71,740	33,735
Q3	121,030	3,735	117,295	11,796	3,713	1,411	6,672	105,499	72,178	33,321
Q4	121,415	3,750	117,665	11,807	3,809	1,331	6,667	105,858	72,650	33,208
<b>2004</b>										
Q1	121,633	3,696	117,937	12,067	3,904	1,273	6,890	105,870	72,666	33,204

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

<sup>1</sup>Decennial Census of Housing.

<sup>2</sup>American Housing Survey estimates are available in odd-numbered years only after 1981.

<sup>3</sup>Annual Housing Survey estimates through 1981 based on 1970 census weights; 1983 to 1989 estimates based on 1980 census weights; 1991 and 1995 estimates based on 1990 census weights. No reduction in nation's housing inventory has ever occurred; apparent reductions are due to changes in bases used for weighting sample data.

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

<http://www.census.gov/hhes/www/hvs.html> (See Table 4.)



**Table 26. Rental Vacancy Rates: 1979–Present**

Period						Regions				Units in Structure		
	All Rental Units	Inside MSAs	In Central Cities	Suburbs	Outside MSAs	North-east	Mid-west	South	West	One	Two or More	Five or More
<b>Annual Data</b>												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	9.0	8.8	9.2	8.2	10.6	5.8	10.1	11.8	6.9	8.1	9.7	10.5
<b>Quarterly Data</b>												
<b>2003</b>												
Q1	9.4	9.3	9.4	9.2	10.1	6.0	10.2	12.4	7.3	8.1	10.3	10.8
Q2	9.6	9.4	9.8	8.9	10.9	6.8	10.6	12.3	7.2	8.2	10.6	11.3
Q3	9.9	9.7	10.2	9.2	10.9	6.6	11.0	12.4	8.1	8.6	10.9	11.5
Q4	10.2	10.1	10.4	9.7	10.6	6.9	11.3	12.9	8.0	8.7	11.2	11.9
<b>2004</b>												
Q1	10.4	10.3	10.8	9.7	11.0	7.9	12.3	12.7	7.6	9.1	11.4	11.7

Source: Census Bureau, Department of Commerce

<http://www.census.gov/hhes/www/hvs.html> (See Tables 2 and 3.)



**Table 27. Homeownership Rates by Age of Householder: 1982–Present**



Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
<b>Annual Data</b>								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	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
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002	67.9	23.0	39.0	55.0	68.6	76.3	81.1	80.5
<b>Quarterly Data</b>								
<b>2003</b>								
Q1	68.0	22.0	38.9	56.5	67.8	76.5	81.4	80.2
Q2	68.0	23.2	39.6	55.6	67.8	76.3	81.6	80.2
Q3	68.4	23.3	40.2	56.6	68.8	76.5	81.1	80.7
Q4	68.6	22.8	40.6	57.3	69.0	77.2	81.3	80.8
<b>2004</b>								
Q1	68.6	23.6	40.0	56.4	68.8	77.0	81.7	80.7

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

Source: Census Bureau, Department of Commerce

<http://www.census.gov/hhes/www/hvs.html> (See Table 7.)



**Table 28. Homeownership Rates by Region and Metropolitan Status:  
1983–Present**



Period	Total	Region				Metropolitan Status <sup>3</sup>		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 <sup>1</sup>	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 <sup>2</sup>	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
Quarterly Averages of Monthly Data								
2003								
Q1	68.0	64.2	72.9	69.9	62.8	51.9	74.7	75.6
Q2	68.0	64.2	72.8	69.9	63.2	52.0	74.6	75.9
Q3	68.4	64.4	73.5	70.0	63.8	52.3	75.3	75.4
Q4	68.6	64.7	73.5	70.5	63.8	53.1	75.2	75.5
2004								
Q1	68.6	65.1	73.5	70.3	63.7	52.6	75.3	76.1

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

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

<sup>3</sup>From 1983 and 1984 the metropolitan data reflect 1970 definitions. From 1985 to 1994 the metropolitan data reflect 1980 definitions. Beginning in 1995, the metropolitan data reflect 1990 definitions.

Source: Current Population Survey, Census Bureau, Department of Commerce (The annual data come from two sources: For years 1983 to 1993, the source is the Current Population Survey March Supplement; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

<http://www.census.gov/hhes/www/hvs.html> (See Table 6.)

**Table 29. Homeownership Rates by Race and Ethnicity: 1983–Present**



Period	Non-Hispanic			Hispanic
	White	Black	Other	
March Supplemental Data				
1983 <sup>1</sup>	69.1	45.6	53.3	41.2
1984 <sup>r</sup>	69.0	46.0	50.9	40.1
1985	69.0	44.4	50.7	41.1
1986	68.4	44.8	49.7	40.6
1987	68.7	45.8	48.7	40.6
1988 <sup>r</sup>	69.1	42.9	49.7	40.6
1989	69.3	42.1	50.6	41.6
1990	69.4	42.6	49.2	41.2
1991	69.5	42.7	51.3	39.0
1992	69.6	42.6	52.5	39.9
1993 <sup>2</sup>	70.2	42.0	50.6	39.4
Annual Averages of Monthly Data				
1994	70.0	42.5	50.8	41.2
1995	70.9	42.9	51.5	42.0
1996	71.7	44.5	51.5	42.8
1997	72.0	45.4	53.3	43.3
1998	72.6	46.1	53.7	44.7
1999	73.2	46.7	54.1	45.5
2000	73.8	47.6	53.9	46.3
2001	74.3	48.4	54.7	47.3
2002	74.7	48.2	55.0	47.0
2003	75.4	48.8	56.7	46.7
Quarterly Averages of Monthly Data				
2003				
Q1	75.0	48.4	56.6	46.7
Q2	75.2	48.0	56.3	46.2
Q3	75.7	48.7	56.4	46.1
Q4	75.5	50.1	57.3	47.7
2004				
Q1	75.5	49.9	60.1	47.3

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

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

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

Source: Current Population Survey, Census Bureau, Department of Commerce (The annual data come from two sources: For years 1983 to 1993, the source is the Current Population Survey March Supplement; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)



**Table 30. Homeownership Rates by Household Type: 1983–Present**

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 <sup>1</sup>	75.0	80.8	38.3	67.5	44.5
1984 <sup>1</sup>	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 <sup>1</sup>	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 <sup>2</sup>	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
Quarterly Averages of Monthly Data					
2003					
Q1	79.0	86.7	42.8	67.1	52.5
Q2	79.3	87.0	43.0	66.6	52.1
Q3	79.1	86.8	44.8	65.9	52.9
Q4	78.9	87.3	44.5	66.3	53.2
2004					
Q1	79.4	87.6	43.6	67.9	53.1

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

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

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

Source: Current Population Survey, Census Bureau, Department of Commerce (The annual data come from two sources: For years 1983 to 1993, the source is the Current Population Survey March Supplement; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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# 2003 Annual Index

The 2003 Annual Index contains entries published in *U.S. Housing Market Conditions* for the 1st, 2nd, 3rd, and 4th quarters of 2003, including National Data, Historical Data, and Regional Activities.

Regional Activities summarize housing market conditions and activities, including reports on regions (for example, Northwest, Great Plains) and selected housing markets (that is, profiles of selected cities).

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