



U.S. Housing Market Conditions

August 2004

SUMMARY

In the second quarter of 2004, real gross domestic product (GDP) grew at an annualized rate of 3.0 percent. Housing construction (residential fixed investment) grew 15.4 percent in the second quarter and raised the overall growth rate of the economy by 0.81 percent or about a quarter of total growth. Employment grew by more than a quarter million jobs in the quarter, and unemployment remained low. Although interest rates increased in the second quarter, they remain at historically low levels. Housing production broke or seriously challenged records. Total production reached levels not experienced in the past 20 to 30 years. Single-family permits and single-family completions set quarterly records, while starts reached their second highest level ever. New and existing home sales crossed a threshold as they exceeded 8 million units for the first time. Both new and existing home sales set new quarterly records in the second quarter. This high level of single-family activity pushed the homeownership rate to a new quarterly record: 69.2 percent of American households owned their own homes. The multifamily sector continued to have production levels of about 300,000 even though the rental vacancy rate was near a record high and the absorption rate for new apartments was very low.

Housing Production

Housing production broke records in the second quarter of 2004. Total housing permits exceeded the annual rate of 2 million housing units, a level of permit activity not seen in more than 30 years. Housing starts declined slightly in the second quarter, but total starts in the three previous quarters were the highest in the past 20 years. Single-family housing activity was very robust in the second quarter of 2004. Single-family permits set a new quarterly record with more than 1.5 million issued, single-family starts were at the second best quarterly level ever, and completions set a new record. The only negative aspect of housing production continued to be the performance of the manufactured housing sector.

- Builders took out permits for 2,009,000 housing units at a seasonally adjusted annual rate (SAAR) in the second quarter of 2004, up 4 percent from the first quarter of 2004 and up 9 percent from the second quarter of 2003. Total permits have not exceeded 2 million since the fourth quarter of 1972; the second quarter figure for total permits is the eighth highest quarterly value in 44 years. Single-family permits averaged 1,555,000 (SAAR) in the second quarter of 2004, up 2 percent from the first quarter of 2004 and up 10 percent from the second quarter of 2003, setting a new single-family record for this 44-year-old data series.
- Construction was started on 1,912,000 (SAAR) new housing units in the second quarter of 2004, down 2 percent from the first quarter but up 10 percent from the second quarter of 2003. The last three quarters have experienced the highest levels of total starts in 20 years. Single-family starts averaged 1,583,000 (SAAR) housing units in the second quarter of 2004, up 1 percent from the first quarter of 2004 and up 11 percent from the second quarter of 2003. The second quarter of 2004 is the second best quarter in the 45-year history of this data series.

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- Construction was completed on 1,905,000 (SAAR) new housing units, up 9 percent from the first quarter of 2004 and up 13 percent from the second quarter of 2003. This is the highest quarterly value for total completions in 25 years. Single-family completions averaged 1,567,000 (SAAR) in the second quarter of 2004, up 7 percent from the first quarter of 2004 and up 15 percent from the second quarter of 2003, a new single-family record for this 36-year-old series.
- Shipments of new manufactured housing totaled 127,000 (SAAR) in the second quarter of 2004, up 1 percent from the first quarter but down 2 percent from the second quarter of 2003, nearly an all-time low for manufactured home shipments; only the first quarter of 2004 and the fourth quarter of 2003 had fewer shipments.

Housing Marketing

Housing marketing was outstanding in the second quarter of 2004; both new home sales and existing home sales set quarterly records. In the second quarter, total sales exceeded 8 million homes. Prices for new homes were steady during the quarter while the prices of existing homes increased 8 percent. Inventories of both new and existing homes increased slightly but were very low with regard to the level of sales. Builders were much more optimistic in the second quarter and were upbeat with regard to current and future sales and buyer traffic.

- Builders sold 1,287,000 (SAAR) new single-family homes in the second quarter of 2004, up 8 percent from the first quarter of 2004 and up 18 percent from the second quarter of 2003, setting a new quarterly record. New home sales have been at an annual pace of more than 1 million units for the past 16 months.
- REALTORS® sold 6,797,000 (SAAR) existing homes in the second quarter of 2004, up 10 percent from the first quarter of 2004 and up 16 percent from the second quarter of 2003, a new quarterly record. In addition, the past 11 quarters have been the highest in the 36-year history of this data series.
- The median price for new homes was \$212,900 in the second quarter of 2004, unchanged from the previous quarter but up 11 percent from the second quarter of 2003. The average price was \$263,100, unchanged from the first quarter but up 9 percent

from the second quarter of 2003. It is estimated that a constant-quality home would have cost \$233,600 in the second quarter, up 1 percent from the first quarter and up 8 percent from the second quarter of 2003.

- According to the NATIONAL ASSOCIATION OF REALTORS®, the median price for existing homes in the second quarter was \$183,800, 8 percent above the first quarter's median price and 9 percent above the second quarter of 2003. The average price of existing homes in the second quarter was \$236,300, up 8 percent from the first quarter of 2004 and up 10 percent from the second quarter of 2003.
- The inventory of new homes available for sale was 377,000 homes at the end of the second quarter of 2004, up slightly (1 percent) from the first quarter of 2004 and up 10 percent from the second quarter of 2003. This inventory would last 3.4 months at the current sales pace, 0.2 month less than in the first quarter of 2004 and 0.1 month less than in the second quarter of 2003.
- REALTORS® estimate that the inventory of existing homes available for sale at the end of the second quarter was 2,400,000 homes, up 2 percent from the first quarter of 2004 but down 4 percent from the second quarter of 2003. This inventory would support 4.1 months of sales at the current pace, down 0.3 month from the end of the first quarter and down 1 month from the end of the second quarter of 2003.
- The National Association of Home Builders' Housing Market Index gauges the attitudes and expectations of homebuilders. The composite index was 69 in the second quarter of 2004, up 3 index points from the first quarter of 2004 and up 12 index points from the second quarter of 2003. All three components of the index—current sales expectations, future sales expectations, and prospective buyer traffic—increased from both the first quarter of 2004 and the second quarter of 2003.

Affordability

The ability of the typical American family to purchase their own home remained very favorable in the second quarter. While housing affordability declined in the second quarter, it was from the second best quarterly value ever reported, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that a family earning the median income had 133.8 percent of the income



needed to purchase the median-priced existing home using standard lending guidelines. The value of the affordability index was 10.4 percentage points below the first quarter and 10.2 percentage points below the second quarter of 2003. This decline is attributable to the 7.6-percent increase in the median price of existing homes and the 9-basis-point increase in the mortgage interest rate, offsetting the 0.7-percent increase in the median family income. This favorable affordability level may largely explain the increase in the homeownership rate, which set a new record in the second quarter of 2004, when 69.2 percent of all households owned their own homes, up 0.6 percentage point from the first quarter of 2004 and up 1.2 percentage points from the second quarter of 2003.

Multifamily Units

The performance of the multifamily (5 or more units) sector was somewhat mixed. Production in the second quarter of 2004 was generally higher with permits up 10 percent and completions up 21 percent from the first quarter of 2004; however, multifamily starts posted a 16-percent decline. Yet the absorption of new rental units declined by 2 percentage points, and the rental vacancy rate declined but was still near the all-time high.

- Builders took out permits for 360,000 (SAAR) new multifamily units in the second quarter of 2004, up 10 percent from the first quarter of 2004 and up 5 percent from the second quarter of 2003.

- Construction was started on 288,000 (SAAR) new multifamily housing units in the second quarter of 2004, down 16 percent from the first quarter of 2004 and down 3 percent from the second quarter of 2003.
- In the second quarter of 2004, construction was completed on 314,000 (SAAR) new multifamily housing units, up 21 percent from the first quarter of 2004 and up 10 percent from the second quarter of 2003.
- The rental vacancy rate for the second quarter of 2004 was 10.2 percent, down 0.2 percentage point from the record-high rate set in the first quarter of 2004 but up 0.6 percentage point from the second quarter of 2003.
- Market absorption of new rental apartments decreased slightly in the second quarter of 2004 with 62 percent of new apartments leased, or absorbed, in the first three months following completion. This absorption rate declined 2 percentage points from the first quarter of 2004, and was unchanged from the second quarter of 2003. Absorption rates have averaged about 70 percent over the past 30 years; therefore, the current rates are significantly below normal.

HOUSING IN AMERICA: 2003 AMERICAN HOUSING SURVEY RESULTS

The American Housing Survey (AHS) is conducted every odd-numbered year for the nation, and surveys for 47 individual metropolitan areas are conducted every 4 to 6 years in the even-numbered years. The AHS has been a joint effort of the Department of Housing and Urban Development (HUD) and the Census Bureau since 1973. AHS national surveys provide information about U.S. housing during the 10-year span between the decennial censuses. Not only is the AHS more current and more frequent than the decennial census, it collects more information. The AHS is a representative sample of housing units in the United States and includes data on renters and homeowners, household composition and income, housing conditions and structural characteristics, neighborhoods, financing and housing costs, monthly housing expenses, and the overall availability of affordable housing. The national survey is conducted through personal visits to or telephone interviews with approximately 60,000 housing units every 2 years, and each metropolitan survey generally involves interviews or visits with up to 5,000 housing units every 4 to 6 years. A unique and important aspect of the AHS is that the survey revisits the same housing units each time, chronicling the history of America's housing. The survey adds newly constructed housing units each survey year so that the sample represents all housing in the United States.

HUD and the Census Bureau released the results from the 2003 national survey in microdata form in June 2004. The tabular report for 2003 will be available soon. These data are the basis for this article, which presents selected results from the 2003 survey describing the housing of American families. Because the AHS is a sample, the estimates are subject to sampling variability. This article also explains the many ways to access this rich data source. The Census Bureau is now conducting the 2004 metropolitan surveys in 12 areas: Atlanta, Cleveland, Denver, Hartford, Indianapolis,

Memphis, Oklahoma City, Pittsburgh, Sacramento, St. Louis, San Antonio, and Seattle. Those data will be available in early summer 2005.

Selected Housing and Family Information From the 2003 National AHS

The American housing stock consists of nearly 121 million housing units, of which approximately 15 million are vacant or for seasonal use. According to AHS data, American families are homeowners by a ratio of 2 to 1; generally live in single-family housing; occupy fairly new homes; live in suburbs of metropolitan areas; live in homes that have between four and six rooms, three or more bedrooms, one or more complete bathrooms, and few deficiencies; and pay approximately 21 percent of their incomes toward housing costs.

The composition of America's housing stock is shown in Exhibit 1. America's housing stock is estimated to be 120,777,000 units in 2003, up 1.4 percent from the 119,117,000 estimated in the 2001 AHS. Of these units, almost all (97.1 percent) are used year-round, and more than 9 percent are vacant. Of the 105,867,000 occupied units, 68.2 percent are owner occupied. This homeownership rate is an increase from the 68.0 percent rate of 2001.

Exhibit 1. Composition of the Housing Stock

Housing Type	Units	Percent
All types	120,777,000	100.0
Year round	117,219,000	97.1
Seasonal	3,558,000	2.9
Year round types	117,219,000	97.1
Occupied	105,867,000	87.7
Vacant	11,352,000	9.4
Occupied types	105,867,000	87.7
Owner occupied	72,254,000	59.8
Renter occupied	33,614,000	27.8

Exhibit 2 shows that the predominant type of American housing is the single-family unit, which accounts for 75.4 percent of the nation's housing stock. The most popular single-family unit is the detached unit, accounting for 74.8 million housing units (61.9 percent of the stock), followed by a manu-



factured (mobile) home (9.0 million housing units, or 7.4 percent of the stock) and the attached unit (7.2 million, or 6.0 percent of the stock).

Exhibit 2. Housing Stock by Type

Type of Housing Unit	Units	Percent
Single-family detached	74,813,000	61.9
Single-family attached	7,255,000	6.0
Multifamily	29,751,000	24.6
2–4 units	9,900,000	8.2
5–9 units	5,982,000	5.0
10–19 units	5,479,000	4.5
20–49 units	3,955,000	3.3
50 or more units	4,435,000	3.7
Manufactured (mobile)	8,958,000	7.4

Approximately 30 million housing units, or 25 percent of the total housing stock, are in multifamily buildings. The most prevalent multifamily size category is the two- to four-unit building, which includes approximately one-third of all multifamily units. Approximately 4 million housing units are in the largest (50 or more units) multifamily structures, representing approximately 15 percent of the multifamily housing stock.

As Exhibit 3 demonstrates, American housing stock is fairly new. Approximately 32 percent of the units have

Exhibit 3. Year Structure Built

Year Built	Units	Percent
2000–03	6,262,000	5.2
1995–99	8,881,000	7.4
1990–94	7,196,000	6.0
1985–89	8,879,000	7.4
1980–84	7,586,000	6.3
1975–79	12,324,000	10.2
1970–74	11,193,000	9.3
1960–69	15,484,000	12.8
1950–59	13,410,000	11.1
1940–49	8,123,000	6.7
1930–39	6,340,000	5.2
1920–29	5,470,000	4.5
Pre-1919	9,628,000	8.0

been built since 1980, and the median construction date is 1970. This median means that half of the housing units have been built within the past 33 years. Houses are also durable: 9.6 million units (8.0 percent of all housing units) were built in 1919 or earlier and are more than 80 years old.

Exhibit 4 shows that housing is generally located in metropolitan areas (91.2 million units, or 75.5 percent of the stock). In metropolitan areas, approximately three-fifths of these units are located in suburban areas outside central cities. Housing units located outside metropolitan areas account for nearly one-fourth (24.5 percent) of American housing. Since 2001, the proportion of units in nonmetropolitan areas has increased by 2.6 percentage points, although the relative shares of central city and suburban areas have remained stable.

Exhibit 4. Location

Location	Units	Percent
Metropolitan	91,185,000	75.5
Inside central cities	35,079,000	29.0
Suburban	56,105,000	46.5
Outside metropolitan areas	29,592,000	24.5
Northeast Region	22,602,000	18.7
Midwest Region	27,893,000	23.1
South Region	44,659,000	37.0
West Region	25,623,000	21.2

Regionally, the South has the greatest number (44.7 million) and percentage (37.0 percent) of housing units. The Northeast has the fewest, with 22.6 million units, or 18.7 percent of all housing units. These percentages are little changed from the 2001 AHS and show decreases in the West and Midwest of about 0.2 percentage point, no change in the Northeast, and an increase in the South of 0.4 percentage point.

Exhibit 5 shows the distribution of housing units by number of rooms per housing unit. The greatest number of housing units (28.0 million, or 23.2 percent) has five rooms; slightly fewer housing units have either four rooms (23.4 million, or 19.3 percent) or six rooms (24.6 million, or 20.4 percent). The size distribution of housing has not changed much from the size reported in the 2001 AHS, although the proportion of units with seven or more rooms has increased by 0.6 percentage point, at the expense of the units in the four- to six-room range.

The proportion of units with fewer than four rooms has remained constant at about 10.7 percent.

More than 70 million American homes (58.2 percent) have three or more bedrooms. Housing units containing three bedrooms are most popular and account for 48.8 million (40.4 percent) of all housing units (see Exhibit 6). Approximately 1.2 million housing units (1 percent) do not have a separate bedroom. The distribution is nearly unchanged from 2001 AHS results. Virtually all housing units (98.2 percent) have bathrooms; only 2.2 million households report having no bathrooms. More than 48 million households have one complete bathroom and nearly 53 million have two or more bathrooms—a slight increase in the number of bathrooms reported in the 2001 AHS. (See Exhibit 7.)

American housing units have few deficiencies—especially owner-occupied units. Exhibit 8 shows the incidence of selected deficiencies for all occupied housing units and then distinguishes between owner- and renter-occupied housing units. Of the approximately 106 million occupied units in the United States, about 1 million have holes in the floors; the incidence is lower for owner-occupied units (0.6 percent) than for renter-occupied units (1.7 percent). Open cracks or holes in interior walls are more prevalent—5.2 million occupied units reported this deficiency—and the incidence for renters (7.6 percent) is more than twice that of owners (3.7 percent). Electrical deficiencies are very rare: only 73,000 households reported no electrical wiring, and 640,000 reported exposed wiring. The lack of electrical outlets in one or more rooms occurs in

Exhibit 5. Number of Rooms

Rooms	Units	Percent
1	520,000	0.4
2	1,425,000	1.2
3	10,943,000	9.1
4	23,363,000	19.3
5	27,976,000	23.2
6	24,646,000	20.4
7	14,670,000	12.2
8	8,286,000	6.9
9	3,900,000	3.2
10 or more	5,048,000	4.2

1.5 million homes, and this deficiency, although uncommon for both renters and owners, is seen half again as frequently in rental units.

The distribution of monthly housing costs is shown in Exhibit 9. Housing costs for renters include contract rent, property insurance, and utilities; housing costs for owners include mortgage (or installment loan) payments, property insurance, real estate taxes, fees (association, condominium, or cooperative), park fees for manufactured (mobile) homes, land rents, routine maintenance, and utilities. For all housing units, the median monthly housing cost is \$691 per month, with owners having a cost of \$757 and renters having a cost of \$648. Median housing costs vary significantly among regions. The South has the lowest median monthly housing cost (\$602), the Midwest has the second lowest (\$638), the Northeast has the second highest (\$775), and the West has the highest (\$866). A higher percentage of owners (19.3 percent) have housing costs of \$1,500 or more per month compared with renters (3.9 percent). At the lower end of the distribution, 18.4 percent of owners have monthly costs of under \$300, while only 15.1 percent of renters pay this little. This difference may be explained by the fact that nearly 4 out of 10 owners have no mortgage debt and therefore no monthly mortgage expenses. Exhibit 9 also shows that 1.8 million households pay no cash rent for their housing units. Although

Exhibit 6. Number of Bedrooms

Bedrooms	Units	Percent
0	1,205,000	1.0
1	14,414,000	11.9
2	34,813,000	28.8
3	48,822,000	40.4
4 or more	21,523,000	17.8

Exhibit 7. Number of Bathrooms

Bathrooms	Units	Percent
0	2,243,000	1.9
1	48,162,000	39.9
1.5	17,645,000	14.6
2 or more	52,727,000	43.7



Exhibit 8. Selected Housing Deficiencies (Occupied Units)

Deficiency	All		Owner Occupied		Renter Occupied	
	Units	Percent	Units	Percent	Units	Percent
Holes in floors	976,000	0.9	420,000	0.6	556,000	1.7
Open cracks or holes (interior)	5,228,000	4.9	2,664,000	3.7	2,564,000	7.6
Broken plaster or peeling paint (interior)	2,339,000	2.2	1,102,000	1.5	1,236,000	3.7
No electrical wiring	73,000	0.1	44,000	0.1	29,000	0.1
Exposed wiring	640,000	0.6	388,000	0.5	252,000	0.8
Rooms without electrical outlets	1,487,000	1.4	838,000	1.2	649,000	1.9

Exhibit 9. Monthly Housing Costs (Occupied Housing Units)

Cost (\$)	All		Owner Occupied		Renter Occupied	
	Units	Percent	Units	Percent	Units	Percent
No cash rent	1,760,000	1.7	NA	NA	1,760,000	5.2
Less than 100	1,123,000	1.1	781,000	1.1	342,000	1.0
100–199	6,263,000	5.9	4,943,000	6.8	1,319,000	3.9
200–249	4,550,000	4.3	3,704,000	5.1	846,000	2.5
250–299	4,634,000	4.4	3,839,000	5.3	795,000	2.4
300–349	4,412,000	4.2	3,421,000	4.7	991,000	2.9
350–399	4,347,000	4.1	3,036,000	4.2	1,311,000	3.9
400–449	4,417,000	4.2	2,777,000	3.8	1,639,000	4.9
450–499	4,644,000	4.4	2,529,000	3.5	2,115,000	6.3
500–599	8,902,000	8.4	4,492,000	6.2	4,410,000	13.1
600–699	8,539,000	8.1	4,215,000	5.8	4,325,000	12.9
700–799	7,891,000	7.5	4,119,000	5.7	3,773,000	11.2
800–999	12,139,000	11.5	7,420,000	10.3	4,718,000	14.0
1,000–1,249	10,230,000	9.7	7,409,000	10.3	2,822,000	8.4
1,250–1,499	6,772,000	6.4	5,643,000	7.8	1,128,000	3.4
More than 1,500	15,245,000	14.4	13,925,000	19.3	1,319,000	3.9
All	105,867,000	100.0	72,254,000	100.0	33,614,000	100.0

absolute monthly housing costs indicate that renters pay less than owners do, the situation reverses when these absolute magnitudes are converted to fractions of income spent on housing. Overall, the median housing cost burden (proportion of income spent on housing) is 20.7 percent, but renters pay a median of 27.5 percent of their incomes, while owners pay 18.0 percent. As might be expected, median monthly housing costs increased by approximately 5 percent from costs reported in the 2001 AHS.

One new feature of the 2003 AHS is its use of race categories compatible with the 2000 decennial census. That census was the first in which respondents were allowed to indicate whether they are of more than one race. Because the AHS is a sample survey, its ability to produce statistically reliable estimates for extremely rare characteristics is limited. Accordingly, the AHS data set does not identify all 31 possible combinations of the five race categories, limiting it to only 17 (plus two composite categories). Exhibit 10 shows the distribution of householders by race and tenure. By far, the largest proportion of householders (98.9 percent) indicated only a single race. Of those that indicated more than one race, the most common was White with American Indian, Alaska Native, which includes 679,000 households, or 0.64 percent. The most common three-race combination was White with Black and American Indian,

Alaska Native, of which there are 67,000 households, or 0.06 percent. Note that estimates involving small proportions of the population are subject to relatively larger errors for statistical reasons. Thus, this exhibit should be used with caution.

The tables presented in this article have only skimmed the surface of the information available from the AHS. The hard-copy report will contain nearly 500 pages of detailed tables about America's housing units. In addition to including chapters on all housing units and occupied housing units, the report has separate chapters covering owner-occupied units, renter-occupied units, African-American households, Hispanic households, and elderly households. Each chapter contains a set of up to 25 tables covering general housing characteristics, height and condition of the buildings, size of the units and lots, equipment and plumbing, fuels, housing quality indicators, neighborhoods, household composition, recent movers, reasons for moving, income, housing costs, value, price, amount, and source of downpayments, number of rooms, square footage, detailed tenure, income details, detailed housing costs, value, structure type and climate, journey to work, and units in structure. In addition, the microdatabase can be used to create customized or user-specified tables and to perform multivariate analyses.

Exhibit 10. Race of Householder by Tenure (Occupied Units)

Race	All		Owner Occupied		Renter Occupied	
	Units	Percent	Units	Percent	Units	Percent
White only	87,512,000	82.66	63,141,000	87.39	24,370,000	72.50
Black only	13,005,000	12.28	6,192,000	8.57	6,813,000	20.27
American Indian, Alaska Native only	664,000	0.63	341,000	0.47	323,000	0.96
Asian only	3,177,000	3.00	1,810,000	2.51	1,367,000	4.07
Hawaiian, Pacific Islander only	294,000	0.28	147,000	0.20	147,000	0.44
Identified two-race combinations ¹	1,125,000	1.06	587,000	0.81	538,000	1.60
Identified three-race combinations ²	81,000	0.08	30,000	0.04	51,000	0.15
Other combinations of two to five races	10,000	0.01	5,000	0.01	5,000	0.02
All	105,867,000	100.00	72,254,000	100.00	33,614,000	100.00

¹ The two-race combinations identified by the AHS are White/Black; White/American Indian, Alaska Native; White/Asian; White/Hawaiian, Pacific Islander; Black/American Indian, Alaska Native; Black/Asian; Black/Hawaiian, Pacific Islander; American Indian, Alaska Native/Asian; and Asian/Hawaiian, Pacific Islander.

² The three-race combinations identified by the AHS are White/Black/American Indian, Alaska Native; White/Asian/Hawaiian, Pacific Islander; and White/American Indian, Alaska Native/Asian.



Accessing Housing Information

HUD and the Census Bureau have given high priority to making the AHS accessible. Users may download AHS information in tabular and microdata formats. A full array of media is used: the tabulations are available in hard copy, PDF file, CD-ROM, and downloadable Internet files; and the microdata files (in ASCII or SAS formats) are available on CD-ROM or are downloadable from the Internet. Copies of the printed versions are available from HUD USER (1-800-245-2691). The national AHS reports can be purchased from the Government Printing Office (202-512-1800), and the metropolitan area reports can be obtained from the Census Bureau (301-763-4636). Both the Census Bureau and HUD maintain Internet sites, and HUD operates an AHS electronic mailing list for the AHS user community. The URL for the HUD AHS website is www.huduser.org/datasets/ahs.html. The following items are available for downloading:

- The 2003 microdata files in SAS and ASCII formats.
- Summary statistics for the 2003 AHS.
- Line-by-line comparisons of 1997, 1999, and 2001 estimates and the 2003 initial estimates for a wide array of housing and occupant characteristics.
- The codebook for the survey, which has been revised for the 2003 survey and released as a PDF file.
- Links to the Census Bureau website.
- Microdata in downloadable format for the 1995, 1997, 1999, 2001, and 2003 national surveys and the 1995, 1996, 1998, and 2002 metropolitan surveys.

- Information for ordering reports and documents from HUD USER (P.O. Box 23268, Washington, DC 20026-3268).

The URL of the Census Bureau AHS website is www.census.gov/hhes/www/ahs.html. This site provides the following items:

- PDF file versions of AHS national and metropolitan reports from 1975 through 2002. The 2003 national report will be added as soon as it is released.
- Other AHS and housing reports.
- Internet access to the microdata files for extracts and analyses using automated systems. The national surveys for 1997, 1999, 2001, and 2003 and the metropolitan surveys for 1998 and 2002 are available through the FERRETT system, which allows users to download SAS data sets and ASCII extracts. User-specified tables can also be created through FERRETT. The 1993 and 1995 national surveys are available for extracting and downloading through the Data Extraction System.
- A description of the surveys, historical changes in the surveys, definitions of concepts and variables, sample design and sizes, estimation weights, and survey results in brief formats.
- Information for ordering reports and documents from Customer Services (Census Bureau, Washington, DC 20233-8500).

HUD operates an Internet mailing list to provide information and to create a forum for exchange of information within the AHS user community. Subscription instructions can be found at www.huduser.org/emaillists/ahslist.html.

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National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were up 4 percent in the second quarter of 2004, at a seasonally adjusted annual rate (SAAR) of 2,009,000 units, and were up 9 percent from the second quarter of 2003. One-unit permits, at 1,555,000 units, were up 2 percent from the level of the previous quarter and up 10 percent from a year earlier. Multifamily permits (five or more units in structure), at 360,000 units, were 10 percent above the first quarter of 2004 and 5 percent above the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	2,009	1,934	1,838	+ 4	+ 9
One Unit	1,555	1,518	1,415	+ 2	+ 10
Two to Four	95	89	82	+ 6 ^{**}	+ 15
Five Plus	360	326	341	+ 10	+ 5

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the second quarter of 2004 totaled 1,912,000 units at a seasonally adjusted annual rate, a statistically insignificant 2 percent below the first quarter of 2004 but 10 percent above the second quarter of 2003. Single-family starts, at 1,583,000 units, were a statistically insignificant 1 percent higher than the previous quarter and 11 percent above the second quarter level of the previous year. Multifamily starts totaled 288,000 units, a statistically insignificant 16 percent below the previous quarter and a statistically insignificant 3 percent below the same quarter in 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,912	1,943	1,745	- 2**	+ 10
One Unit	1,583	1,570	1,420	+ 1**	+ 11
Five Plus	288	342	296	- 16**	- 3**

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


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Under Construction*

Housing units under construction at the end of the second quarter of 2004 were at a seasonally adjusted annual rate of 1,221,000 units, unchanged from the previous quarter but 15 percent above the second quarter of 2003. Single-family units stood at 844,000, unchanged from the previous quarter but 15 percent above the second quarter of 2003. Multifamily units were at 348,000, down a statistically insignificant 3 percent from the previous quarter but up 15 percent from the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,221	1,226	1,061	—	+ 15
One Unit	844	840	735	—	+ 15
Five Plus	348	360	302	- 3**	+ 15

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


**This change is not statistically significant.

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



Completions*

Housing units completed in the second quarter of 2004, at a seasonally adjusted annual rate of 1,905,000 units, were up a statistically insignificant 9 percent from the previous quarter and up 13 percent from the same quarter of 2003. Single-family completions, at 1,567,000 units, were up a statistically insignificant 7 percent from the previous quarter and up 15 percent from the rate of a year earlier. Multifamily completions, at 314,000 units, were a statistically insignificant 21 percent above the previous quarter and 10 percent above the same quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,905	1,742	1,685	+ 9**	+ 13
One Unit	1,567	1,461	1,366	+ 7**	+ 15
Five Plus	314	259	287	+ 21**	+ 10

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


**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 127,000 units in the second quarter of 2004, which is 1 percent above the previous quarter but 2 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	127	126	130	+ 1	- 2

*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 1,287,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 2004, up 8 percent from the previous quarter and up 18 percent from the second quarter of 2003. The number of new homes for sale at the end of June 2004 was 377,000 units, up a statistically insignificant 1 percent from the past quarter and up 10 percent from the second quarter of 2003. At the end of June 2004, inventories represented a 3.4 months' supply at the current sales rate, down a statistically insignificant 6 percent from the end of the previous quarter and down a statistically insignificant 3 percent from the second quarter of last year.

Sales of existing single-family homes for the second quarter of 2004 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,797,000 (SAAR), up 10 percent from the first quarter of 2004 and up 16 percent from the second quarter of 2003. The number of units for sale at the end of the second quarter of 2004 was 2,400,000, 2 percent above the previous quarter but 4 percent below the second quarter of 2003. At the end of the second quarter, a 4.1 months' supply of units remained, 7 percent less than the previous quarter and 20 percent less than the second quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,287	1,197	1,093	+ 8	+ 18
For Sale	377	375	342	+ 1**	+ 10
Months' Supply	3.4	3.6	3.5	- 6**	- 3**
Existing Homes					
Existing Homes Sold	6,797	6,203	5,853	+ 10	+ 16
For Sale	2,400	2,350	2,500	+ 2	- 4
Months' Supply	4.1	4.4	5.1	- 7	- 20

*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 second quarter of 2004 increased to \$212,900, unchanged from the previous quarter but up 11 percent from the second quarter of 2003. The average price of new homes sold during the second quarter of 2004 was \$263,100, up less than 1 percent from the previous quarter and up 9 percent from the second quarter a year ago. The price adjusted to represent a constant-quality house was \$233,600, up a statistically insignificant 1 percent from the first quarter of 2004 and up 8 percent from the second 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 second quarter of 2004 was \$183,800, up 8 percent from the first quarter of 2004 and up 9 percent from the second quarter a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, \$236,300, increased 8 percent from the previous quarter and was 10 percent greater than in the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$212,900	\$212,700	\$191,800	—	+ 11
Average	\$263,100	\$262,900	\$241,000	—	+ 9
Constant-Quality House ¹	\$233,600	\$232,300	\$215,800	+ 1 **	+ 8
Existing Homes					
Median	\$183,800	\$170,800	\$168,400	+ 8	+ 9
Average	\$236,300	\$219,000	\$215,100	+ 8	+ 10

**This change is not statistically significant.

¹Effective 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 second quarter of 2004 shows that families earning the median income have 133.8 percent of the income needed to purchase the median-priced existing home. This figure is down 7 percent from the first quarter 2004 index and down 7 percent from the second quarter of 2003.

The second-quarter housing affordability index is the result of changes in the marketplace. The national average home mortgage interest rate for existing single-family homes has increased 9 basis points from the previous quarter to an interest rate of 5.73 percent. The median price of existing single-family homes increased to \$183,767, a gain of 8 percent from the first quarter of 2004 and an increase of 9 percent from the second quarter of 2003. The median family income rose just 0.7 percent from the previous quarter and 3 percent from last year's second quarter.

The fixed-rate index decreased 8 percent from the first quarter 2004 index and decreased 9 percent from the second quarter of 2003. The adjustable-rate index declined 8 percent from the first quarter of 2004 and 7 percent from the second quarter of the past year.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	133.8	144.2	144.0	- 7	- 7
Fixed-Rate Index	128.6	140.4	142.1	- 8	- 9
Adjustable-Rate Index	144.7	156.8	155.9	- 8	- 7

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the first quarter of 2004, 33,900 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 10 percent from the first quarter of 2003. Of the apartments completed in the first quarter of 2004, 62 percent were rented within 3 months. This absorption rate is a statistically insignificant 3 percent below the previous quarter but unchanged from the same quarter of the previous year. The median asking rent for apartments completed in the first quarter was \$939, which is a statistically insignificant 1 percent above the previous quarter and a statistically insignificant 3 percent above a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	33.9	38.5	37.6	- 12**	- 10**
Percent Absorbed Next Quarter	62	64	62	- 3**	—
Median Rent	\$939	\$929	\$913	+ 1**	+ 3**

*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 first quarter of 2004 totaled 121,000 at a seasonally adjusted annual rate, 14 percent below the level of the previous quarter and 11 percent below the first quarter of 2003. The number of homes for sale on dealers' lots at the end of the first quarter totaled 39,000 units, a statistically insignificant 2 percent above the previous quarter but 20 percent below the same quarter of 2003. The average sales price of the units sold in the first quarter was \$57,000, a statistically insignificant 1 percent above the previous quarter and 6 percent above the price in the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	121	141	136	- 14	- 11
On Dealers' Lots*	39	38	49	+ 2**	- 20
Average Sales Price	\$57,000	\$57,000	\$54,000	+ 1**	+ 6

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

**This change is not statistically significant.


Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders™ (NAHB) 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 second quarter 2004 value for the index of current market activity for single-family detached houses stood at 75, up 3 points from the first quarter and up 13 points from the second quarter of 2003. The index for future sales expectations, 75, was up 2 points from the first quarter value and up 8 points from the same quarter in 2003. Prospective buyer traffic had an index value of 52, which is up 3 points from the first quarter 2004 value and up 11 points from the 2003 second quarter level. NAHB combines these separate indexes into a single housing market index that mirrors the three components quite closely. In the second quarter, this index stood at 69, up 3 points from the first quarter level and up 12 points from the value in the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	69	66	57	+ 5	+ 21
Current Sales Activity—Single-Family Detached	75	72	62	+ 4	+ 21
Future Sales Expectations—Single-Family Detached	75	73	67	+ 3	+ 12
Prospective Buyer Traffic	52	49	41	+ 6	+ 27


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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac increased to 6.13 percent in the second quarter of 2004, 53 basis points higher than the previous quarter and 62 basis points higher than the second quarter of 2003. Adjustable-rate mortgages (ARMs) in the second quarter of 2004 were going for 3.88 percent, 35 basis points above the previous quarter and 22 basis points above the second quarter of 2003. Fixed-rate, 15-year mortgages, at 5.49 percent, were up 59 basis points from the first quarter of this year and up 62 basis points from the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.13	5.60	5.51	+ 9	+ 11
Conventional ARMs	3.88	3.53	3.66	+ 10	+ 6
Conventional, Fixed-Rate, 15-Year	5.49	4.90	4.87	+ 12	+ 13
FHA, Fixed-Rate, 30-Year*	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 262,500 (not seasonally adjusted) properties in the second quarter of 2004, down 12 percent from the previous quarter and down 50 percent from the second quarter of 2003. Total endorsements or insurance policies issued totaled 230,600, down 4 percent from the first quarter of 2004 and down 34 percent from the second quarter of 2003. Purchase endorsements, at 128,500, were down 7 percent from the previous quarter and down 21 percent from the second quarter of 2003. Endorsements for refinancing decreased to 102,000, a 1-percent decrease from the first quarter and a 45-percent decrease from the second quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	262.5	297.2	525.8	- 12	- 50
Total Endorsements	230.6	240.7	349.5	- 4	- 34
Purchase Endorsements	128.5	138.0	162.6	- 7	- 21
Refinancing Endorsements	102.0	102.7	187.0	- 1	- 45


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 481,700 policies or certificates of insurance on conventional mortgage loans during the second quarter of 2004, up 12 percent from the first quarter of 2004 but down 30 percent from the second quarter of 2003; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 79,800 single-family properties in the second quarter of 2004, down 4 percent from the previous quarter and down 38 percent from the second quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	481.7	431.5	692.3	+ 12	- 30
Total VA Guaranties	79.8	82.9	129.4	- 4	- 38

*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 4.33 percent at the end of 2004's first quarter, down 4 percent from the fourth quarter of 2003 and down 11 percent from the first quarter of 2003.

Delinquencies for subprime loans past due were at 11.19 percent, down 3 percent from the fourth quarter of 2003 and down 10 percent from the first quarter of the previous year. Ninety-day delinquencies for all loans were at 0.83 percent, unchanged from the fourth quarter of 2003 but down 7 percent from the first quarter a year ago. Subprime loans that were 90 days past due stood at 2.65 percent in the first quarter of 2004, up 4 percent from 2003's fourth quarter but down 22 percent from the first quarter of 2003. During the first quarter of 2004, 0.46 percent of all loans entered foreclosure, an increase of 2 percent from the fourth quarter of 2003 and an increase of 12 percent from the first quarter of the previous year. In the subprime category, 1.99 percent began foreclosure in the first quarter of 2004. This was a decrease of 7 percent over the fourth quarter of 2003 but a 39-percent increase above the first quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.33	4.49	4.85	– 4	– 11
Subprime Loans	11.19	11.59	12.40	– 3	– 10
90 Days Past Due (%)					
All Loans	0.83	0.83	0.89	—	– 7
Subprime Loans	2.65	2.55	3.38	+ 4	– 22
Foreclosures Started (%)					
All Loans	0.46	0.45	0.41	+ 2	+ 12
Subprime Loans	1.99	2.14	1.43	– 7	+ 39

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*

Residential Fixed Investment (RFI) for the second quarter of 2004 was at a seasonally adjusted annual rate of \$658.5 billion, 5 percent above the value from the first quarter of 2004 and 19 percent above the second quarter of 2003. As a percentage of the gross domestic product (GDP), RFI for the second quarter of 2004 was 5.7 percent, 0.3 percentage point above the previous quarter and 0.6 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
GDP	11,649.3	11,472.6	10,884.0	+ 2	+ 7
RFI	658.5	624.6	553.8	+ 5	+ 19
RFI/GDP (%)	5.7	5.4	5.1	+ 6	+ 12

*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock*

At the end of the second quarter of 2004, the estimate of the total housing stock, 122,002,000 units, was up a statistically insignificant 0.3 percent from the first quarter of 2004 and up a statistically insignificant 1.1 percent above 2003's second quarter level. The number of occupied units increased a statistically insignificant 0.2 percent from 2004's first quarter and rose 0.6 percent above the second quarter of 2003. Owner-occupied homes increased a statistically insignificant 1.1 percent from the first quarter of 2004 and were up 2.4 percent above last year's second quarter. Rentals decreased a statistically insignificant 1.8 percent from the previous quarter and decreased 3.3 percent from the second quarter of 2003. Vacant units were up 1.1 percent from last quarter and increased 5.1 percent from 2003's second quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	122,002	121,633	120,643	+ 0.3**	+ 1.1**
Occupied Units	106,066	105,870	105,475	+ 0.2**	+ 0.6
Owner Occupied	73,449	72,666	71,740	+ 1.1**	- 2.4
Renter Occupied	32,617	33,204	33,735	- 1.8**	- 3.3
Vacant Units	15,936	15,763	15,168	+ 1.1	+ 5.1

*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 second quarter of 2004, at 1.7 percent, was unchanged from the first quarter of 2004 and was unchanged from the second quarter of 2003.

The 2004 second quarter national rental vacancy rate, at 10.2 percent, was down a statistically insignificant 0.2 percentage point from the previous quarter but was up a statistically insignificant 0.6 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
Homeowner Rate	1.7	1.7	1.7	—	—
Rental Rate	10.2	10.4	9.6	– 2**	+ 6**


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate was 69.2 percent in the second quarter of 2004, up 0.6 percentage point from last quarter and up 1.2 percentage point from the second quarter of 2003. The homeownership rate for minority households, at 51.0 percent, increased a statistically insignificant 0.2 percentage point from the first quarter of 2004 and increased 2.1 percentage points from the second quarter of 2003. The 64.0-percent homeownership rate for young married-couple households was up 0.7 percentage point from the first quarter of 2004 and increased 2.0 percentage points from 2003's second quarter.

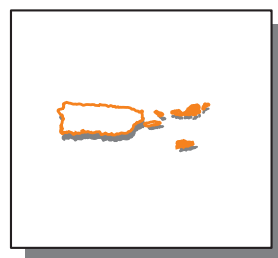
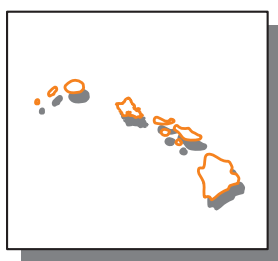
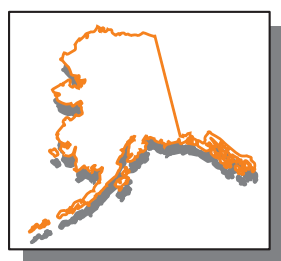
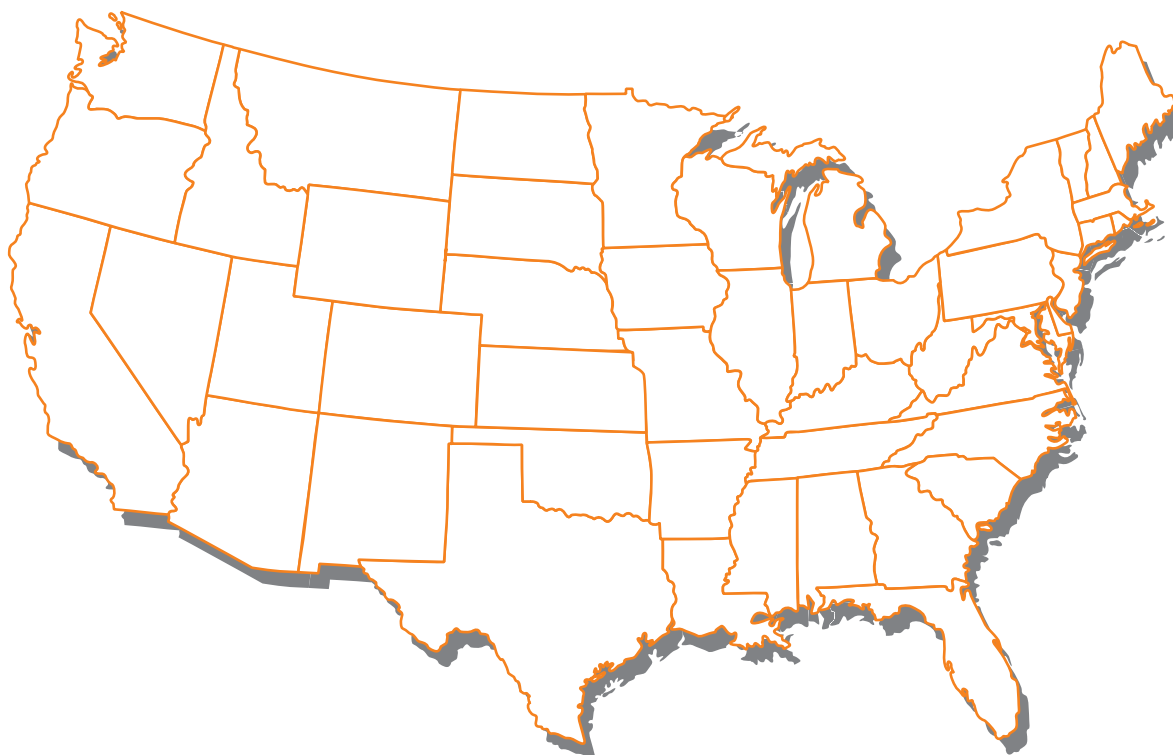
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	69.2	68.6	68.0	+ 0.9	+ 1.8
Minority Households	51.0	50.8	48.9	+ 0.4**	+ 4.3
Young Married-Couple Households	64.0	63.3	62.0	+ 1.1	+ 3.2

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity

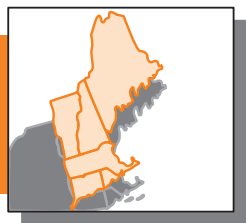


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included 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



In the 12 months ending June 2004, nonfarm employment in the New England states declined by only 3,700 jobs to 6,919,400, the smallest annual decline in the region since the recent peak employment level in December 2000. Job losses in Massachusetts and Connecticut during the past year still overshadow job increases in the other states in the region. New Hampshire and Maine experienced job increases of 7,400 and 5,500 respectively. Each state except Rhode Island lost jobs in the goods-producing sector. Construction job gains in Rhode Island, however, more than made up for all manufacturing losses; in the rest of the region, 40 percent of the manufacturing job losses were offset by gains in construction jobs. Connecticut suffered the largest decline in manufacturing jobs, losing 5,900 jobs since June 2003. Service sector jobs increased by 22,600 jobs, or 0.4 percent, in the region; however, this gain was partially balanced by continued service sector losses in Massachusetts that totaled 17,500 jobs between June 2003 and June 2004. New Hampshire and Maine together increased service sector employment by 16,000 jobs.

In June 2004, the unemployment rate for New England was 4.9 percent, down from 5.5 percent in June 2003. New Hampshire had the lowest unemployment rate, 3.9 percent, and Rhode Island had the highest unemployment rate, 5.7 percent. Rhode Island was the only state in the nation with a higher unemployment rate in June 2004 than a year earlier.

During the first six months of 2004, 1.0 million square feet of office space was absorbed in the Greater Boston market; local sources are hopeful that the commercial real estate markets are on their way back to equilibrium. The office vacancy rate is 15.8 percent with rents ranging from \$33 to \$44 per square foot in Boston. The anticipated office job growth necessary to significantly impact the market is a few years off.

In the 12 months ending June 2004, residential building activity in New England, as measured by author-

ized building permits, was up about 19 percent compared with the same period a year ago. The number of permits issued in Massachusetts and Maine increased 29 and 25 percent, respectively, due to expanded multifamily unit development in the Boston metropolitan area and a strong seasonal inventory throughout Maine. Level numbers of single-family unit permits in 2003 and 2004 resulted in only a 6-percent increase in residential activity in New Hampshire. In the 12-month period ending June 2004, single-family home construction in the region grew slightly more than 10 percent compared with the same period a year earlier. Massachusetts issued the largest number of single-family unit permits during this period, 13,758, which represented one-third of the regional total. Maine experienced the largest percentage increase—25 percent—in single-family unit activity. Multifamily unit construction grew 55 percent in the past 12 months; Massachusetts led the region with an 83-percent increase in units permitted for a total of 7,020. Vermont and Connecticut also enjoyed significant increases, 65 and 57 percent, respectively. The Boston, Hartford, and Burlington metropolitan areas are supporting most of this new construction. The percentage increases for multifamily production in the first 6 months of 2004 indicate a slowdown in multifamily unit development, particularly in Massachusetts and Connecticut where rental markets have softened slightly in the past several years.

According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of existing home sales in New England, excluding Vermont for which data was not available, increased by 12 percent in the first quarter of 2004 compared with the first quarter of 2003. Rhode Island, with a 4.6-percent gain, was the only state whose increased sales rate was below the 12- to 14-percent range. Despite limited inventories, lower interest rates continue to spur sales activity. The median sales price for existing homes in the three largest New England markets of Boston, Hartford, and Providence were \$347,100, \$212,300, and \$239,900, respectively. At 5.3 percent, Boston's annual rate of appreciation is in a downward trend from the double-digit increases of several years ago. Hartford and Providence, however, continue to experience price appreciation increases that exceed 10 percent, with 16.4- and 12.5-percent gains, respectively. According to the Office of Federal Housing Enterprise Oversight (OFHEO), prices continue to rise in New England but at lower rates than in the recent past. In the fourth quarter of 2003, Connecticut was the only state in the region that experienced a price appreciation rate of less than 10 percent. For the first quarter of 2004, Rhode Island had the third highest annualized appreciation rate nation-

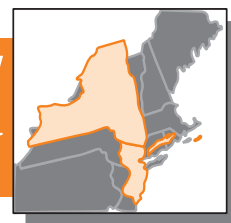
wide, 14.8 percent, behind Hawaii and Nevada, and was the only state in the region with an annualized appreciation rate that exceeded 10 percent. The rates in the region's other five states were in the 9- to 10- percent range. The New England metropolitan area with the highest rate of appreciation was New Bedford, Massachusetts, at 16.5 percent; the lowest rate, 6.9 percent, occurred in Stamford-Norwalk, Connecticut.

During the second quarter of 2004, more existing single-family homes were sold in Rhode Island than in any 3-month period since the Rhode Island Association of REALTORS® began keeping statewide records in 1979. In the 12 months ending June 2004, sales increased to more than 2,800 homes, a 15.8-percent increase compared with the same period a year ago. The median sales price in Rhode Island also rose by 13.4 percent from \$227,000 to \$257,500 during the same period. Sources indicate that in-migration, second home seekers, some recent positive publicity concerning life in Rhode Island, and the threat of rising interest rates are the factors driving increased sales and pricing levels.

According to Reis, Inc., New England's major rental markets have tightened slightly in the second quarter of 2004. The Boston metropolitan rental market has softened considerably over the past several years as job losses, out-migration, and historically lower interest rates reduced rental demand and significant amounts of inventory were added to the market. Preliminary data from Reis indicates that in the second quarter of 2004, the rental vacancy rate was 5.1 percent, an increase from 4.8 percent for the same quarter a year ago but a decline from 5.5 percent in the first quarter of 2004. An "asked rent" index that has been negative for several years increased by 0.5 percent from the first quarter of 2004 to the second quarter. These positive indicators will prove prophetic only if job creations can help absorb the rental inventory additions that will enter the market in the next several years. The Fairfield County rental market, which includes the Stamford, Danbury, and Bridgeport metropolitan areas, experienced one of the largest drops in vacancies, from 4.2 percent in the second quarter of 2003 to 3.9 percent 12 months later due to a modest job recovery and limited additions to the rental inventory. The county's rent index also increased 0.6 percent from the first quarter of 2004 to the second quarter, after several years of significant declines. Reis reports that the Hartford metropolitan area rental market has also tightened from a 4.8-percent vacancy rate in the first quarter of 2004 to 4.5 percent in the second quarter; a year ago, however, the vacancy rate was about 3 percent. The Hartford asked rent index, although only 50

to 55 percent of the rents in Boston and Stamford, also increased slightly, 0.2 percent, from the first to the second quarter of 2004. In Hartford, the downtown Civic Center is currently being demolished to be replaced by the \$160 million "Hartford 21" development project that will feature 262 luxury apartments in a 36-story tower, 50,000 square feet of first class office space, and more than 50,000 square feet of ground-level retail and restaurant space. This project is an integral part of Hartford's downtown revitalization that is anticipated to increase the downtown resident population by several thousand in the next few years.

NEW YORK/ NEW JERSEY



For the 12-month period ending June 2004, total nonfarm employment in the New York/New Jersey region increased by 21,200 jobs to 12,425,300, which represented a nominal gain of approximately 0.2 percent. In New York, total nonfarm employment declined by 14,600 jobs to 8,419,300. Employment in New York continues to be adversely affected by New York City's loss of 27,600 jobs during the 12 months ending June 2004. Total nonfarm employment in the city declined to 3,530,900 jobs. Through June 2004, total nonfarm employment in New Jersey increased by 35,800 jobs to an employment level of 4,006,000, primarily due to gains in the service-providing sector.

As of June 2004, the unemployment rate in New York fell to 6.2 percent from the 6.3-percent rate of 1 year ago. Although New York City continues to sustain job losses, the unemployment rate in the city declined from 7.9 percent to its current 7.4-percent rate due to a declining rate of job losses and gradually improving economic conditions. New Jersey's unemployment rate decreased to 4.7 percent in June 2004 from 5.9 percent a year ago. The unemployment rate in New Jersey currently remains significantly below the national average of 5.6 percent.

According to the most recent Federal Reserve Bank of New York "Beige Book," hiring in the security and financial sectors in New York City is increasing and bonuses are estimated at 30 percent above last year's levels. In addition, the Federal Reserve Bank reported that occupancy levels at Manhattan hotels are



approaching a 4-year high of 90 percent, even with room rates 10 percent higher than last year's. Tourism in the city has also increased and Broadway theaters have posted revenue gains approximately 9 percent above the previous year. New York City's economy will also get a projected boost of more than \$250 million from the Republican National Convention in August 2004.

Major commercial real estate firms indicate that demand for commercial office space has improved in New York and New Jersey. Positive absorption is reported to have occurred in both states during the first 6 months of 2004. Law firms and companies engaged in financial services are expanding; currently these industries are the most active in the market. Cushman & Wakefield, a worldwide commercial real estate firm, indicated a net absorption of almost 3 million square feet of commercial office space in Manhattan during the first half of 2004, which resulted in the overall vacancy rate for commercial office space in Manhattan declining from 12.5 to 11.8 percent. Average asking rents in Manhattan increased minimally to almost \$41.00 per square foot by mid-year.

Citicorp, one of New York City's largest private employers, announced plans to build a new facility to accommodate its existing work force and future growth. The bank intends to build a 14-story, 475,000-square-foot office building in Long Island City, adjacent to its existing 1-million-square-foot tower, to accommodate 1,500 workers. With the new building's completion, the total number of Citicorp employees will rise to about 6,300. To accommodate this growth, the company is moving approximately 1,600 technology jobs out of Manhattan to a site in Warren, New Jersey, in Somerset County, along with 700 jobs obtained by consolidating workers already working in New Jersey.

In Jersey City, New Jersey, the investment firm of Goldman Sachs commenced relocation of its equity trading division from lower Manhattan to its newly constructed 42-story, 1.4-million-square-foot office tower on the waterfront. Although final staffing levels are indefinite, preliminary relocation has already increased the city's employment base by 1,100 jobs.

During the second quarter of 2004, Douglass Elliman, a prominent real estate firm, reported that the median sales price of a Manhattan apartment increased by 21 percent to \$1.05 million compared with a year ago. The listing inventory of apartments for sale in the city declined 14 percent to approximately 5,200 units. Higher demand coupled with decreasing supply has

continued to sustain price inflation and maintain market conditions favorable to sellers. Apartments with park views, special amenities, or in desirable neighborhoods are attracting numerous offers. During the first half of 2004, the average price of a city co-op increased by 19 percent to \$858,000.

Preliminary statistics reported by the New York State Association of REALTORS® revealed extremely strong sales housing market growth during 2004. Through the first quarter of 2004, the median sales price of an existing single-family home in New York increased by 24.5 percent, from \$192,000 to \$238,960 compared with a year earlier. Statewide, existing single-family housing sales volume during the first quarter of 2004 grew by 4.5 percent to approximately 18,200 units. Despite an expected increase in residential mortgage interest rates, sales housing markets in Upstate New York remain strong. Coupled with improving national economic conditions, most upstate sales housing markets continued to exhibit price appreciation and higher sales volume into the second quarter of 2004.

In the Albany-Schenectady-Troy, New York metropolitan area, existing single-family sales activity increased in all counties except Montgomery County. Through May 2004, the median sales price of an existing home in the metropolitan area increased between 10 and 55 percent compared with a year ago. The most active single-family housing markets were in Albany and Saratoga Counties. In Albany County, the median sales price increased 10 percent to \$155,500. Saratoga County, the most affluent county in the metropolitan area, evidenced 16-percent price appreciation, with the median sales price increasing to almost \$207,000.

According to the Buffalo Niagara Association of REALTORS® statistics, the median sales price of a single-family home in the Buffalo-Niagara Falls metropolitan area increased 6.2 percent during the first 6 months of 2004 to \$96,300. The number of sales in this period remained relatively stable at approximately 3,100 sales. Although real estate listings increased significantly during the second quarter of 2004, supply still remains limited. This is particularly true for well-maintained homes in desirable neighborhoods. Local real estate sources report a shortage of quality homes priced between \$125,000 and \$200,000. Well-maintained residential properties are reportedly being sold very quickly, often generating several offers.

For the 6-month period through June 2004, the median sales price of an existing single-family home in the Rochester, New York metropolitan area increased by 2

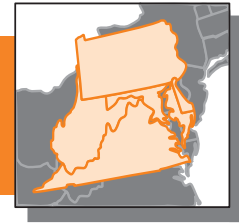
percent to \$100,000. Total existing single-family housing sales increased 5.6 percent over the first 6 months of 2003.

Housing sales statistics for the second quarter of 2004 are currently unavailable for New Jersey. Through the first quarter of 2004, however, the sales housing market remained strong. During this period, the statewide median sales price of an existing home in New Jersey increased by 9.2 percent to \$283,800. Housing affordability, however, remains a problem as more than 50 percent of the existing sales were for houses priced between \$200,000 and \$500,000. Median sales prices ranged from a low of \$162,000 in southern New Jersey to \$353,500 for the more affluent Northern New Jersey housing market area. For the entire state, first quarter sales transactions increased 7.3 percent to 30,700 units compared with first quarter 2003 levels.

Of the 64 major housing market areas evaluated by Reis, Inc., during the second quarter of 2004, Long Island, central New Jersey, and New York City had some of the lowest apartment rental vacancy rates. These areas registered vacancy rates significantly less than the U.S. average rental vacancy rate of 6.8 percent for the same period. The New York and central New Jersey housing markets had the lowest vacancy rate, 3.2 percent, of all major market areas tracked by Reis. These areas also had considerably higher asking rents compared with the \$922 average asking rent for the United States. Rents averaged approximated \$1,400 per month for Long Island and \$2,200 per month for New York City. During the second quarter of 2004, monthly rents increased by 2 percent to approximately \$1,000 per month in central New Jersey; the overall rental vacancy rate increased slightly to 3.8 percent.

Residential housing construction activity in the New York/New Jersey region for the 12 months ending June 2004 increased to 87,764 units, almost 12 percent. Single-family residential building permits authorized in the region remained relatively stable during this period, increasing slightly to 46,887 units. Multifamily housing permits in the two-state region, however, increased by 24 percent from 32,957 to 40,877 units. Although multifamily housing development remained stable in New York, a significant increase in multifamily housing construction occurred in New Jersey. Multifamily housing construction permits in New Jersey increased to 12,869 units, more than 50 percent, during the 12-month period ending June 2004 compared with a year ago.

MID-ATLANTIC



During the 12 months ending June 2004, nonfarm employment in the Mid-Atlantic region increased by less than 0.5 percent and remained at approximately 13.4 million jobs. Increases of 48,400 jobs in Virginia and almost 20,000 jobs in Maryland offset the declines of 23,000 and 4,500 jobs in Pennsylvania and West Virginia respectively. Job losses in Pennsylvania continued to be concentrated in the manufacturing sector; in West Virginia, job losses were disbursed throughout the economy. The 11,600 job losses in the manufacturing; trade, transportation, and utilities; and professional and business services sectors in the Pittsburgh metropolitan area accounted for more than 50 percent of losses in Pennsylvania. Virginia was the only state reporting a higher than 1-percent gain in jobs. In the 12-month period ending June 2004, 25 percent of the job increases in Virginia were attributed to the business and professional sector. Northern Virginia, with a 2.7-percent increase in jobs, was the most active area in the region.

Unemployment rates continued to decline throughout the region except in Washington, D.C., where rates continued to increase. For the 12 months ending June 2004, the region's overall unemployment rate of 4.7 percent continued to be more than 1 percent below the national level of 5.8 percent. In the major metropolitan areas, unemployment rates remained flat or declined slightly ranging from a low of 2.4 percent in the Northern Virginia suburbs of Washington, D.C., to 5.4 percent in Philadelphia.

During the 12 months ending June 2004, building permits for single-family units were issued for 121,996 units across the region, a 5-percent increase over the comparable 12 months ending in 2003. The market for new homes remains strong with local sources indicating that an average 1-percent increase in the interest rate has not deterred buyers. Maryland reported a 10-percent decrease in the number of single-family permits. In the District of Columbia, the almost 40-percent decline in the number of single-family unit permits during this period reflects the impact of the much larger than typical production of single-family units in the 12 months ending June 2003. Single-family production in Delaware continues to increase as devel-



opment extends into its two southern counties (the state has only three counties). The number of permits issued during the current 12-month period in Delaware were 23 percent higher than the same period a year ago.

Existing home sales in the region continue to outpace the performance of previous years with no discernable impact from the increase in mortgage rates. The Virginia Association of REALTORS® reported sales of 128,026 homes during the 12 months ending May 2004, a 12-percent gain over the same period ending May 2003. The median price of all existing homes sold during the 12-month period ending May 2004 also rose by 12 percent to \$155,200. Existing home sales in Northern Virginia increased by almost 12 percent; prices over this period, however, increased by nearly 23 percent. Northern Virginia continued to be the most active and the most expensive segment of the existing home sales market in the state. During the 12-month period ending May 2004, 30 percent of sales in the state were in Northern Virginia with the median price at \$358,600.

Existing home sales continue to be strong in Maryland. According to the Maryland Association of REALTORS®, sales for the 12 months ending May 2004 totaled 93,673, an increase of 11.7 percent over the same period a year ago. The median sale price of an existing home rose during the current period by almost 19 percent to \$218,000. In the Baltimore metropolitan area, sales activity rose by 11.3 percent over the previous 12 months, slightly less than the increase for the entire state. Sales totaled 41,094, and the median sales price rose by 16.7 percent to \$186,200. During the 12 months ending March 2004, the most recent data available, 50,125 existing homes were sold in Pennsylvania, an increase of 8.5 percent over the same period a year ago. The average price increased by only 3 percent during this period. Sales in the Philadelphia and Reading metropolitan areas comprised 43 percent of the sales in the state. This southeast portion of the state continues to be the strongest area for existing sales. For the 12 months ending March 2004, prices in this area were 3 percent higher than in the comparable period ending in 2003; the median sales price of \$181,300 was 6 percent higher than the median sales price in the state.

The number of apartments constructed in the Mid-Atlantic region, as measured by multifamily building permit activity, increased slightly in 2004. The 30,254 multifamily unit permits authorized during the 12 months ending June 2004 were 7 percent more than the number issued for the comparable period in 2003. Pennsylvania permitted 9,300 units, 42 percent more than in 2003, and Delaware quadrupled its 2003 total

of 300 units to 1,200. During the first 6 months of 2004, Washington, D.C., and Philadelphia were the most active metropolitan areas, authorizing approximately 5,500 and 2,650 multifamily units, respectively.

Rental market conditions continued to tighten in the region's largest metropolitan areas; however, not all the 36-month pipelines are shrinking. In the Baltimore metropolitan area, the pipeline has increased to 4,580 units planned for or actually under construction over the next 3 years. According to Delta Associates, the market has tightened in all the counties surrounding the city. Overall vacancy rates in the counties south of the city are 1.8 percent; in the northern and western suburbs, the vacancy rate has tightened from 11 percent a year ago to 6 percent in June 2004. The apartment vacancy rate in Class A rentals in Baltimore city increased to 14 percent as 400 units began marketing in the second quarter of 2004. The 36-month pipeline in the city remains constant at approximately 1,600 units.

According to Delta Associates, the overall vacancy rate for Class A garden apartments in the Philadelphia metropolitan area at the end of June 2004 was 6.8 percent, a decrease from the June 2003 rate of 7.5 percent but an increase from the 5 percent reported in March 2004. Approximately 2,300 units began leasing during the second quarter of 2004, bringing the total of all units in lease-up to 5,200. The 36-month pipeline has decreased to 2,400 units as projects moved into occupancy or switched to condominiums for sale. In the center city Philadelphia submarket, overall vacancy rates continued to decline. The 6-percent overall vacancy rate in June 2004 declined from the 10-percent rate reported in June 2003. The 36-month pipeline decreased to 2,200 units.

Rental market conditions in the Washington metropolitan area differ between the city and the suburbs. In June 2004, the overall vacancy rate in existing Class A garden-type developments in the Maryland suburbs of the Washington metropolitan area was lower than a year ago, decreasing from 6.6 to 5.2 percent. The number of units marketing in the Montgomery County submarket, however, has caused rates to remain around 30 percent. Delta Associates reports almost 4,600 new units marketing in the Maryland suburbs with approximately 3,100 in Montgomery County. A 36-month pipeline of 7,400 units, with 4,300 in Montgomery County, will keep vacancy rates higher in this submarket than in the remainder of the metropolitan area. Vacancy rates in Northern Virginia submarkets have become tighter as absorption rates have remained high. Vacancy rates in the Maryland and Virginia suburbs of the Washington area are estimated

to have declined from 6.7 percent in June 2003 to 5.5 percent in June 2004. Another 2,300 rental units are expected to enter the market over the next 3 years in this area. Conditions in D.C. remain somewhat soft. As of June 2004, the overall vacancy rate in Class A high-rise developments in Washington, D.C., remains high at 26 percent. Approximately 1,600 units are marketing, and the pipeline of units in planning has declined to approximately 900 units.

SOUTHEAST/ CARIBBEAN



Employment trends throughout the Southeast/Caribbean were mixed during the second quarter of 2004. For the 12 months ending June 2004, total nonfarm employment expanded by 196,150 jobs, or 0.8 percent, to 25,346,500 compared with the same period a year ago. All states except Alabama experienced at least some small employment gains. Alabama averaged 1,876,400 jobs, down 3,100 from the same period a year ago. Losses in Alabama were in the manufacturing sector, which posted a decline of 11,700 jobs. Florida experienced the largest employment increase with more than 139,400 jobs, for a statewide total of 7,361,700 jobs. Manufacturing employment continued to decline in all states, declining by more than 98,000 jobs to 2,958,400. The service-providing sector, however, added almost 268,500 jobs. All states experienced growth in this sector, with Florida leading the region at 2 percent. In the region overall, the unemployment rate declined from 6.0 percent to 5.6 percent. During the same period, the size of the labor force increased, indicating that employment is increasing rapidly enough to absorb the increased numbers in the labor force.

Reports from throughout Florida indicate a significant rebound in tourism, a key component of the state's economy. In the Orlando metropolitan area, nonfarm employment for the 12 months ending in June 2004 increased by 2.2 percent to 933,600 jobs. The Tampa metropolitan area experienced an increase in nonfarm employment of 18,500, or 1.5 percent, to a total of 1,233,100 jobs. Tourism in this area is also reported to be bouncing back briskly. Over the last 6 months, resort tax receipts have exceeded year 2000 levels in Hillsborough County. For May 2004, Tampa

International Airport reported a 17-percent increase in departing passengers compared with May 2003, making it the busiest May ever.

During the year ending June 2004, Georgia employment rates increased slightly, by 0.4 percent, compared with the preceding 12-month period. Nonfarm employment in Tennessee, Mississippi, and North Carolina increased 0.5 percent in the same period. South Carolina reported a slightly higher job gain of 0.7 percent. Kentucky's nonfarm employment remained virtually unchanged during the 12 months ending June 2004. Knoxville and Nashville led Tennessee's metropolitan areas with growth rates of 1.7 and 1.2 percent respectively. In the Memphis metropolitan area, total nonfarm employment increased 0.5 percent in the past 12 months. Memphis, a major transportation hub, is expected to benefit from a resurgence in the freight industry. Transportation companies expect dramatic growth in second quarter earnings as demand for freight capacity outpaced supply. Increased employment by trucking and railroad companies is likely to occur as many firms find themselves too understaffed to handle increased demand. Employment in the Nissan plant in Canton, Mississippi, rose to a total of 11,910 workers. In June 2004, the Mississippi Gaming Commission approved a casino project in Tunica, in the northwest corner of the state, about 40 miles southwest of Memphis. The \$900 million facility will create 3,000 jobs.

Employment in Puerto Rico increased by 1.1 percent to 1,003,000 in the 12 months ending June 2004 compared with the same period a year ago. The government's planned \$6 billion project for modernizing and expanding Puerto Rico's infrastructure is expected to boost construction and have a significant impact on the local economy. About \$1.8 billion is designated for upgrading public housing, roads and highways, and government buildings; \$700 million for special housing; and \$500 million for improvements to the sewage system. Puerto Rico, however, continues to experience higher inflation than the mainland; consumer prices rose by more than 7 percent in 2003.

Demand for single-family homes remains strong in the Southeast. In the 12 months ending June 2004, more than 454,900 single-family units were authorized, an increase of almost 20 percent from the previous year. All states experienced increases in single-family home permits, with Florida reporting the largest gain, 27 percent. In Alabama and Georgia, single-family activity was up 20 and 15 percent respectively. In the Orlando metropolitan area, the number of single-family units authorized in the 12-month period ending June 2004



was 26,288, 32.5 percent higher than a year ago. During the past 12 months, single-family permits in the Birmingham metropolitan area increased to 6,280, or 31 percent, compared with 4,792 for the same period last year.

For the 12 months ending June 2004, the number of existing single-family homes sold increased markedly in many states and metropolitan areas in the Southeast. According to the Florida Association of REALTORS®, sales of existing homes in Florida rose by 21 percent. In the Orlando metropolitan area, the inventory of existing homes for sale is reported to be at its lowest point in several months, and multiple bidders on individual properties are not uncommon. Data available from the Alabama Real Estate Research and Education Center indicate that single-family home sales totaled 21,541 statewide from January through May 2004 compared with 17,615 for the same 5 months in 2003, a 22-percent increase. Multiple listing service data published by the North Carolina Association of REALTORS®, Inc., indicate that existing home sales volume for the first 6 months of 2004 was up 24 percent over the same period in the previous year. The Mississippi Gulf Coast multiple listing service reported that 3,941 single-family units were sold during the 12 months ending May 2004, which represents a 31-percent increase over the same period a year ago. In the Birmingham metropolitan area, the number of existing home sales increased 12 percent compared with the same period a year earlier. According to the Memphis Area Association of REALTORS®, sales during the first half of 2004 were up 14 percent over the same period in 2003. The Georgia multiple listing service indicated that existing home sales in the 20-county Atlanta metropolitan area during the first half of 2004 totaled 32,756, a 12.6-percent over the same period last year.

Across the region, multifamily construction trends were mixed. In the 12 months ending June 2004, building permits were issued for 114,287 units, an increase of 12 percent compared with the same period a year ago. Increases occurred in all states except Georgia and Mississippi. In Alabama, which experienced the largest percentage increase, the number of units authorized grew by 98 percent to 5,868. Multifamily unit permits in Florida rose 10 percent to 59,968 for the same period. Although not tracked separately, condominiums now constitute a significant share of multifamily unit permits in Florida's metropolitan areas. The number of multifamily permits in Mississippi decreased by 11 percent, to 1,561, during the past 12 months from a year ago.

In the Orlando metropolitan area, 6,530 multifamily units were permitted during the 12 months ending in

June 2004, close to the volume during the period a year earlier. With the reduced construction of rental units in recent years, occupancy rates in Orlando apartments have improved. The Charles Wayne Consulting, Inc., survey of apartment projects in the Orlando metropolitan area reported that occupancy levels fell to a low of 89.3 percent in March 2002. As apartment production declined and the local economy improved, occupancy rates rose to 91.6 percent in March 2004. The number of rental units under construction decreased to 4,688 from 5,822 1 year ago. According to M/PF Research, apartment vacancy rates in the Tampa metropolitan area declined over the 12 months ending March 2004 to 5.6 percent, a 2.9-percentage point drop, as the number of new units completed also declined. Increases in new inventory are expected to remain below demand over the next year, and the vacancy rate will continue to decline. The number of multifamily units authorized in the Tampa metropolitan area dropped to 6,027 in the year ending June 2004, down from 9,585 a year ago.

From 2001 until the middle of 2003, multifamily construction in Birmingham played a much smaller role than it does currently. In 2001 and 2002, permits were issued for only 476 and 259 units of multifamily housing respectively; only 121 multifamily units were authorized during the first 6 months of 2003. Since last July, however, permits have been issued for 1,503 multifamily units in the Birmingham metropolitan area, including 929 since January 1, 2004; this number of multifamily unit permits is the highest 12-month total since 1996 and exceeds the annual average number of this type of permit—1,331—posted during the last half of the 1990s.

Total building activity in Puerto Rico, as measured by the number of unit permits, increased from 17,528 in July 2003 to 18,646 in June 2004, a 6.4-percent increase. Construction of single-family and multifamily condominium units for sale, 862 and 256 units respectively, was responsible for the overall increase. The growth in total building activity during the period is primarily due to still attractive mortgage interest rates of about 6.5 percent.

Second quarter 2004 data from Reis, Inc., and the Greater Nashville Apartment Association indicate a generally balanced apartment market for the Nashville metropolitan area. Both sources report near 93-percent occupancy. Yet construction has picked up considerably. During the 12 months ending June 2004, 3,083 multifamily unit permits were authorized in the Nashville metropolitan area, an increase of 181 percent over the number issued during the preceding 12 months.

Although high by comparison with recent years, the current construction level is below the peak construction year of 1998 when 4,500 units were completed.

Reduced production levels have contributed to an improvement in the Memphis apartment market. Second quarter 2004 data from Reis indicates that the vacancy rate fell to 9.7 percent from 10.1 percent the previous quarter, and is expected to continue to decline. The number of multifamily units issued permits in the Memphis metropolitan area in the 12 months ending June 2004 declined by 12 percent to 1,214 units.

According to Reis, 1,918 apartment units were absorbed in Atlanta during the second quarter of 2004, reducing the vacancy rate to 10.8 percent, an improvement from the first quarter's 11.2 percent and the 11.1-percent rate the same quarter a year ago. The still soft market, however, continued to put downward pressure on rents. During the 12 months ending June 2004, 12,700 multifamily unit permits were issued in the Atlanta metropolitan area, a 7-percent over the preceding 12 months.

MIDWEST



In the second quarter of 2004, economic conditions in the Midwest continued to improve slowly. During the 12 months ending June 2004, employment in the region increased by 76,000 jobs to 24 million. Increases in the construction, health and education, business services, and leisure and hospitality sectors offset declines in manufacturing and government. Economic performance varied widely in the individual states over the past 12 months. Wisconsin registered a 2-percent increase, or 55,000 jobs, while Michigan suffered a loss of 33,000 jobs, or 1 percent. Illinois, Indiana, and Minnesota recorded employment gains ranging from 10,000 to 35,000 jobs, offsetting Ohio's loss of 19,000 jobs. Cleveland and Cincinnati's manufacturing sectors showed signs of increasing strength in the second quarter of 2004, with new orders and production up from the second quarter of 2003. In Milwaukee, the ongoing \$300 million redevelopment of Pabst Brewing's former flagship brewery into new apartments and shopping, office, and entertainment facilities

is expected to create 3,000 permanent jobs in the city by 2005.

The market for existing home sales in the region remained strong in the first half of 2004, with first-quarter sales reaching an annual rate of 1.1 million homes, equal to 2003's record sales. Preliminary information suggests that sales activity in the second quarter was robust in most states. The Ohio Association of REALTORS® reported that low mortgage rates, a recovering economy, and increased consumer confidence continued to boost existing home sales throughout the state. Statewide sales of existing homes in the first 6 months of 2004 were up 11 percent to 65,000 compared with the same period in 2003. In the Columbus and Cincinnati areas, sales activity increased by 15 and 12 percent respectively. Illinois is experiencing one of its best sales housing markets in a decade. Existing home sales in the first 6 months of June 2004 were 7 percent ahead of the same period in 2003. The Chicago Association of REALTORS® reported that 2004 should be another robust year for the sales market because of the continued strong demand for existing homes by first-time and move-up buyers throughout the metropolitan area. In the Peoria and Rockford areas, existing sales activity through June was up 12 and 7 percent, respectively. Michigan real estate agents also are optimistic about 2004 because of brisk sales activity in most of the state's markets. In the Detroit-Ann Arbor and Grand Rapids areas, existing home sales in the first 5 months of 2004 increased by 10 percent compared with the same period in 2003.

In the second quarter of 2004, home construction activity continued at a strong pace in most of the Midwest's major markets. Construction increased in all states. Building permits were issued in the region for 226,400 single-family homes in the 12 months ending June 2004, up 8 percent from the previous 12-month period. In Illinois, the Homebuilders Association of Greater Chicago expects 2004 to be another record year for residential construction and new home sales. Approximately 30,000 new homes were forecast to start construction in the metropolitan area in 2004 compared with 28,500 in 2003. New home sales in suburban Chicago remained strong during the second quarter. Sales contracts through June were up 11 percent because demand for new condominium units continued to show strength. In downtown Chicago, developer interest is strong because of increased demand for luxury housing. The \$700 million Trump Tower, for which construction is expected to start in September 2004, sold 500 of the 700 residential units in the past 12 months at prices between \$500,000 and \$2 million. Outside the downtown area, the city's new housing sales market is also



vigorous. In the Englewood neighborhood, one of Chicago's poorest communities, new single-family homes are selling for \$140,000; only 10 years ago, existing homes rarely sold for more than \$50,000. The biggest residential development planned for Englewood in nearly a century will start construction this summer, when construction for the first of 550 new single-family homes priced between \$165,000 and \$360,000 is expected to break ground.

Detroit-Ann Arbor builders reported that residential construction activity in the first 6 months of 2004 continued at a brisk pace throughout the metropolitan area. Encouraged by strong sales of new homes in all price ranges, builders took out permits for 11,600 new homes, up 12 percent from the first 6 months a year ago. Indianapolis area builders expect 2004 to be another good year for new home sales and residential construction because of the strengthening local economy. Reflecting builder optimism, the number of permits for new homes in the 12-month period ending June 2004 totaled 13,000, equal to the high level of permit activity in the previous 12 months. Minneapolis-St. Paul area builders also are optimistic about new home sales and residential construction in 2004 because of increased consumer confidence and stronger job growth than last year. Building permits in the metropolitan area were issued for 8,200 new homes in the first 6 months of 2004, down 4 percent from the first half of 2003, but still one of the highest levels of permit activity in the past 10 years.

Multifamily building permits in the region totaled 60,000 units in the 12 months ending June 2004, down 6 percent from last year; activity varied widely by state. In Illinois, multifamily activity was up 3 percent to 16,100 units because condominium construction in suburban Chicago remained strong. Minnesota also showed a 5-percent gain in multifamily activity, and with Illinois partly offset Wisconsin's 24-percent decline in activity. Activity fell by 9 percent in Ohio and Indiana. Multifamily building permits in Michigan totaled 7,500 units through June 2004, equal to last year's level.

According to Village Green Properties, Detroit area apartment vacancies in 2004 are likely to remain in the 10-percent range but the apartment market should begin to tighten in 2005 when Detroit's economy is expected to strengthen. In the second quarter of 2004, Chicago's soft apartment market is beginning to show signs of strengthening, according to one property manager of 11,000 new and existing units in the metropolitan area. Apartment vacancies were in the 5- to 8-percent range compared with 10 percent or higher in the same quarter last year. Rents were up 1 to 2 per-

cent annually, and concessions were less prevalent than in 2003. In the city of Chicago, strong demand for affordable apartments continues to boost neighborhood revitalization. One of the largest rental projects to start construction in Woodlawn is South Park Plaza, with 248 units for families earning between \$30,000 and \$60,000 a year. HUD is helping to finance this project's construction with FHA mortgage insurance.

Ohio's major rental markets should tighten in 2004, according to Marcus & Millichap's second quarter Apartment Research Report. Cleveland's strengthening economy is expected to boost demand for rental housing in 2004 and increase rents 1 to 2 percent. In Columbus and Cincinnati, apartment vacancies are likely to decline and rents increase moderately because of the continued economic recovery and anticipated slowdowns in apartment construction. In Columbus, the expected cutback in apartment construction will likely occur outside the downtown market, where developers continue to show strong interest in new rental and sales housing. Approximately 1,000 residential units could start construction this year in the city's downtown and immediately surrounding neighborhoods.

Minneapolis-St. Paul's apartment market also showed moderate improvement in the second quarter of 2004, according to GVA Marquette Advisors. Rents in the Twin Cities area averaged \$850 a month, up 1 percent from the second quarter of 2003. The same source reported that apartment vacancies in the metropolitan area held steady in the 6- to 7-percent range. Downtown Minneapolis' tightening apartment market recorded vacancies in the 5- to 6-percent range in the second quarter of 2004, down from 8 to 9 percent last year. The planned redevelopment of Minneapolis' vacant Sears Company complex into new healthcare, residential, office, hotel, and retail facilities is expected to have a significant impact on the city's Phillips neighborhood. The \$170 million project currently under construction will add 2,000 jobs to the low-income community and provide approximately 375 new apartments and homes.

Indianapolis' apartment market in 2004 is expected to remain soft with vacancies in the 10- to 11-percent range. Despite the overall soft market, apartment developers in the metropolitan area plan to start approximately 2,000 units in 2004, the same high level of construction activity as last year. Downtown Indianapolis is experiencing increased demand for new apartments as Eli Lilly Company continues its expansion with a \$500 million biotechnology center. Downtown Milwaukee also continues to attract devel-

opers, fueled by strong demand from empty nesters and single professionals. More than a dozen residential projects were under construction in the second quarter of 2004. The \$250 million Park East project is the largest mixed-use project planned for downtown. Approximately 500 new apartments and condominiums for sale are expected to start construction this year, and another 1,500 residential units are planned for the area.

SOUTHWEST



Over the past 12 months, economic conditions in the region continued to improve as the rate of job loss slowed significantly. Nonfarm employment averaged 14.7 million jobs for the 12 months ending June 2004, a decrease of only 7,300 jobs compared with the same period ending June 2003. Most job losses were in the manufacturing sector. These losses were almost completely offset by increases in the education, health services, and leisure and hospitality sectors.

Nonfarm employment in Texas is poised to increase in the next quarter because only 4,700 jobs were lost over the past 12 months. As projected last quarter, Arkansas employment shifted to the positive side during the second quarter of 2004; Arkansas joined Louisiana and New Mexico in recording job gains over the past 12 months. The economy in Oklahoma continues to struggle with a net loss of 21,300 jobs since June 2003, a slight improvement compared with the 27,400 jobs lost in the previous 12 months.

Unemployment throughout the region has declined somewhat to 6.2 percent for the 12 months ending June 2004, but is still well above the levels of 2 years ago. The unemployment rate decreased in Texas and Louisiana from a year ago, remained the same in New Mexico and Oklahoma, and edged up slightly in Arkansas.

During the 12 months ending June 2004, strong single-family home building activity led to a 5-percent increase in total building permits issued in the region, or 242,258 units, compared with the same period a year earlier. The single-family unit increase of 12 percent more than offset the 15-percent decline in multi-

family units permitted. Single-family home construction in the Southwest continues at a record pace; permits were issued for 193,122 homes in the region over the 12-month period ending June 2004. Texas and New Mexico are building single-family units at a pace to set records, as they have the past 2 years; the number of permits issued in the past 12 months are up 12 and 17 percent, respectively. In 2003, more than 133,000 single-family unit permits were issued in Texas and more than 11,800 were authorized in New Mexico.

Building activity in Texas is clearly outpacing that in other Southwest region states, even when considering Texas' portion of the region. In the past 3 years, 74 percent of all the units in the region for which building permits were issued were located in Texas, even though the state has only 64 percent of the region's population and jobs. These construction numbers indicate that Texas can look forward to continuing to lead the region in growth.

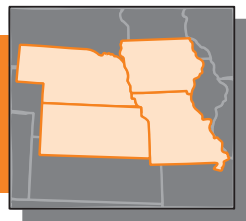
Among the region's metropolitan areas, more than 45 percent of all the unit permits in Arkansas issued in the first half of 2004 were located in the Fayetteville-Springdale-Rogers area, although only 23 percent of Arkansas' population resides there. This fast growing area is home to the headquarters of Wal-Mart and Tyson Foods. The Little Rock-North Little Rock metropolitan area also has been issued a disproportionate share of building permits; it represents only 14 percent of the Arkansas population but in the first 6 months of 2004 has received 35 percent of the residential unit permits. In Oklahoma, Oklahoma City has been granted 60 percent of all the unit permits, yet only 32 percent of Oklahoma's population lives in this metropolitan area. These areas are clearly growth centers in their states.

Now that interest rates have begun to increase, there appears to be a rush to lock in mortgages at the current rates. In the 12 months ending June 2004, a record 226,700 homes were sold in Texas, according to multiple listing service data, an increase of 13 percent over the previous 12 months. The average price is up 4 percent to \$162,300, and the strongest demand continues to be for homes priced less than \$200,000. As with new single-family home permits, the initial increase in interest rates has spurred record numbers of households to purchase homes while interest rates are still well below normal levels. For the 12-month period ending June 2004, inventory levels for the sales market in Texas are more than 11 percent higher compared with the 12 months ending June 2003. The average time on the market for homes has also increased slightly in the 12 months ending June 2004.



Soft rental market conditions in the larger metropolitan areas throughout the Southwest are finally cooling the level of multifamily unit construction. For the region, multifamily unit permits were issued for 49,426 units during the 12 months ending in June 2004, a decline of 15 percent compared with the 57,967 units for the same period ending June 2003. Most of the decline occurred in metropolitan areas where builders are responding to soft rental markets; however, permits in the Houston and Dallas areas continue to be issued at high levels despite these rental market conditions. Concern about the soft markets has not yet disappeared; the number of multifamily unit permits issued continues to exceed the quantity authorized from July 2001 to June 2002. Several rental markets continue to register declines in occupancy and in average rents; in other areas, however, rents are beginning to increase slightly and occupancy levels are not changing. In the Austin, Dallas-Fort Worth, and Houston areas, local sources report overall apartment occupancy rates of approximately 87 to 89 percent. In the San Antonio metropolitan area, occupancy has remained just above 91 percent. With the large volume of apartment construction under way in the Dallas-Fort Worth and Houston metropolitan areas, occupancy rates are expected to continue to decline. Local sources report occupancy levels exceeding 92 percent for Oklahoma City and Albuquerque. Throughout the region, economic growth is expected, and the builders driving the housing markets anticipate job and household growth of significant proportions.

GREAT PLAINS



As of the second quarter of 2004, the economy in the Great Plains appears to have stabilized. The region averaged 6.4 million nonfarm employees over the 12-month period ending June 2004 compared with 6.3 million for the same period a year earlier. A small number of jobs were lost in the goods-producing sector but these losses were offset by gains in service-providing jobs, primarily in the finance and insurance sector, with a 2-percent increase, and wholesale and retail trade, which experienced a 1-percent gain. Jobs in construction rose 2 percent, with increases occurring primarily in residential construction. The unemployment

rate averaged 4.9 percent in the region over this period compared with 5.1 percent a year earlier. During this period, the unemployment rate declined to 3.8 percent in Nebraska, 4.3 percent in Iowa, 5 percent in Kansas, and 5.3 percent in Missouri.

The manufacturing sector continues to improve throughout the region. The rate of job loss slowed to less than 1 percent, averaging 806,000 jobs during the 12 months through June 2004, compared with a 2- to 3-percent rate of decline the previous year.

Manufacturing jobs in the Kansas City metropolitan area increased by 4 percent during this period. Manufacturing employment decreased by less than 1 percent in St. Louis over the past 12 months; the low rate of decline, however, is a major improvement from the 6-percent drop the previous year. Increased employment in the transportation equipment sector reduced manufacturing job losses in the area; most of the job increases occurred at Boeing Aircraft's defense manufacturing plants. Boeing currently is spending more than \$400 million dollars in the area to meet new defense manufacturing contracts.

Residential construction remained strong in the region with 50,000 single-family permits issued over the 12-month period through June 2004, up 15 percent compared with the same period in 2003. Total single-family activity was up 33 percent in Iowa, 20 percent in Kansas, 14 percent in Missouri, and 13 percent in Nebraska.

The existing home sales market continued to exhibit strength in the Great Plains with increased sales volumes and prices in all major metropolitan areas. Existing home sales in the Kansas City area were up 7 percent to 27,000 units for the 12-month period ending June 2004 compared with June 2003, and the average sales price rose to \$143,000, a 3-percent increase, during this period. Existing home sales prices in St. Louis rose 6 percent to \$132,000. In Omaha, existing home sales were up approximately 7 percent, and the average sales price increased 10 percent to \$141,102.

Although home prices have continued to appreciate in the region, the rate of appreciation has slowed in every state over the past year. 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 United States overall. OFHEO home price indexes through June 2004 indicate an annual rate of increase of 4 percent in Iowa, 3 percent in Kansas, 3 percent in Missouri, and 2 percent in Nebraska compared with approximately 7 percent nationwide.

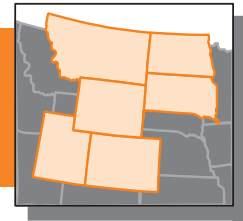
In the 12-month period ending June 2004, multifamily permit activity decreased 5 percent in the region with 13,000 permits issued compared with the same period a year earlier. The regionwide decline was the direct result of a 23-percent drop in multifamily permit activity in Missouri. Activity increased by nearly 45 percent in Kansas, 7 percent in Iowa, and 2 percent in Nebraska.

Rental market conditions remain soft in most metropolitan areas. The vacancy rate in the Kansas City area has improved, averaging 9 percent through June 2004 compared with 12 percent a year ago. Because of the increase in multifamily permit activity in this area over the past year, however, the rental vacancy rate in the area is not likely to improve in the near future. The Johnson County, Kansas submarket continues to have the softest conditions in the Kansas City area, particularly in the cities of Overland Park and Olathe with 11- and 9-percent vacancy rates, respectively. In the Northland submarket, north of the Missouri River, vacancy rates have climbed to nearly 11 percent. Currently, rent increases are practically nonexistent throughout the area. Rental concessions range from 1 to 3 months free rent. The strongest submarket continues to be Downtown Kansas City, bordered by the Missouri River to the north and Country Club Plaza to the south; this submarket has a 6-percent vacancy rate.

In Omaha, the rental vacancy rate has averaged 7 percent over the past year. The North and South Omaha submarkets have experienced vacancy rates of nearly 8 percent; in the Southwest Suburban and Sarpy County submarkets, vacancy rates have averaged approximately 5.5 percent. New rental and condominium activity is also occurring in downtown Omaha. The Riverfront Place, currently under development, will contain nearly 50 units priced at \$200,000. An 83-unit development was also recently proposed in the Old Market area. Prices in this project would range from \$200,000 to \$250,000.

The rental vacancy rate in the St. Louis metropolitan area has remained relatively unchanged over the past year at nearly 9 percent. Rent increases in the area have been minimal, averaging less than 2 percent a year. According to Kramer and Associates, the St. Charles County submarket has the highest vacancy rate at 12 percent.

ROCKY MOUNTAIN



The economy in the Rocky Mountain region continued to improve modestly in the second quarter of 2004. During the 12-month period ending June 2004, increases in average nonfarm employment were recorded for the first time in more than 2 years. All states but Colorado posted gains, led by Wyoming, Utah, and Montana with growth rates of 1 percent or more. Improvement appears to have begun to show signs in Colorado. Nonfarm employment increased for the third straight month compared with the same period last year. Low unemployment rates continue across the region; the rate in each state was well below the 5.6-percent national rate. In June 2004, the rate of 3.1 percent in North Dakota tied for the lowest in the nation; South Dakota and Wyoming were not far behind with 3.4 and 3.6 percent, respectively. The unemployment rates in Utah, Montana, and Colorado were less than 5 percent. Over the last 12 months, Colorado and Utah experienced the greatest improvements in unemployment rates in the region.

In Utah better-than-expected nonfarm employment growth is a result of an improving national economy that helped revive the advanced technology sector. Low interest rates have boosted construction, and a weaker U.S. dollar has enhanced the ability of Utah companies to sell products and services overseas. These factors helped increase the June 2004 employment total for the state by 20,900 jobs compared with a year ago. Nearly all major employment sectors showed improvement; the greatest increases occurred in professional and business services, education and health services, construction, retail trade, and leisure and hospitality. The strong performance of professional and business services, accounting for 35 percent of the job gains, indicates that the economic outlook has improved enough for many employers to hire more workers. Although many jobs in this sector are temporary and pay below average wages, others are in higher paying professional positions.

Residential building activity in the Rocky Mountain region showed strong growth during the first 6 months of 2004. The total number of permits issued through June 2004 in the region increased 18 percent compared with the same period last year. Colorado led the region in permit volume, accounted for 72 percent of the increase in building activity across the region, and



experienced a 24-percent increase in construction overall. This activity is a welcome turnaround from the large construction cutbacks recorded in Colorado in 2002 and 2003. Residential construction rose by 34 percent in North Dakota, 31 percent in South Dakota, 15 percent in Wyoming, and 7 percent in Utah. Montana was the only state where single-family and multifamily building activity declined, by 9 and 27 percent, respectively, from the first half of 2003.

Home prices have continued to appreciate; however, the release of the first quarter 2004 Office of Federal Housing Enterprise Oversight (OFHEO) House Price Index revealed that in the Rocky Mountain region states, price increases are mostly below the national rate of 7.7 percent. Only Montana's 9.2-percent increase exceeded the U.S. rate; Utah and Colorado, at 2 and 2.9 percent, respectively, ranked near or at the bottom of the list. Both states experienced rapid price increases in the 1990s, but the loss of advanced technology jobs this decade has strained the existing sales market. The low rate of appreciation reflects the time needed to adjust to these factors. In contrast, Montana, North Dakota, South Dakota, and Wyoming experienced modest past price increases when job losses, relative to those in Colorado and Utah, were not as great.

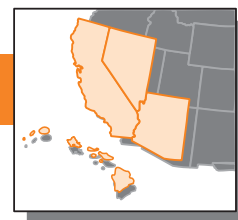
In the first quarter of 2004, home sales activity was mixed across the region. The NATIONAL ASSOCIATION OF REALTORS® reported that activity in Montana, North Dakota, South Dakota, and Utah declined from the same period a year ago, but rose by 24 percent in Wyoming and 5 percent in Colorado.

In Colorado Springs, a combination of low interest rates and an improving economy continues to maintain a balanced existing sales market. For the 12-month period ending June 2004, resales were up 3.3 percent, and the average sales price increased by 7.3 percent compared with the same period in 2003. The rental market is improving but remains soft. Tenure shifts of renters to homeownership and the persisting impacts from overbuilding in previous years continue to influence the market. Army personnel returning to Fort Carson from the Middle East in March and April 2004 helped the market partially recover from the extremely soft conditions of 2003. A survey conducted by Doug Carter, LLC, of properties built after 1980 revealed that in the second quarter of 2004, the apartment vacancy rate was 10.1 percent, an improvement from the 14-percent rate recorded a year ago. This survey also noted that rent increases have resumed in some properties and concessions are being reduced. The outlook for the remainder of 2004 and 2005 is mixed. A sharp decline in the number of multifamily

permits issued in the past 18 months will keep supply in check and help the market continue to improve. Orders have been issued, however, for redeployment of most of the Army personnel at Fort Carson again starting in October 2004. Although the impact will not be as great as the 2003 deployment, the loss of military personnel and payroll will slow the recovery.

In the Salt Lake City area, the sales and rental markets continue to improve. According to the Wasatch Front multiple listing service, existing home sales for the first 6 months of 2004 were up 8 percent, and the average sales price was up by 4 percent, the highest increase in 6 years, to \$179,500. Property values have remained somewhat flat over the past few years. The Salt Lake City rental market is improving but remains highly competitive. A survey EquiMark Properties, Inc., conducted in June 2004 reported a 9.4-percent vacancy rate, an improvement from the 9.9 percent recorded 6 months ago. The average monthly rent of \$633 is unchanged from last year, which is an improvement from the 2.4-percent decline that occurred between 2002 and 2003. The rental market should continue to improve with a strengthening economy, a restrained level of new units coming to market, and likely higher mortgage interest rates.

PACIFIC



In the 12 months ending June 2004, nonfarm employment in the Pacific region rose a modest 0.6 percent, or 110,500 jobs, a moderate, but significant, improvement compared with the same period a year earlier when the region lost 12,300 jobs. Business and health services, construction, international trade, and tourism sectors continued to strengthen. The manufacturing sector has been adding jobs slowly for 6 months after nearly 4 years of decline. In the 12-month period ending June 2004, Nevada led the regional recovery, registering nearly 43,000 new jobs, a 4-percent gain. Arizona added 40,600 jobs, three-quarters of which were in the Phoenix area. The Las Vegas and Phoenix areas continue to be among the fastest growing employment centers in the nation.

Employment in California registered a net increase of 17,000 jobs, a 0.1-percent increase compared to the

same period a year ago. Economic expansion continues to be focused on Southern California and the Central Valley. In the San Francisco Bay Area, employment continues to decline but the rate of loss is starting to slow. The long-suffering technology sector has been experiencing a recovery, and job levels are beginning to stabilize as well. Buoyed by expanding tourism from Asia and the U.S. mainland, Hawaii employment rose 1.8 percent, or by 10,000 jobs.

Labor markets tightened throughout most of the region in the second quarter of 2004. The unemployment rate in the four states improved to 6.2 percent during the 12 months ending June 2004 compared with 6.5 percent in the previous 12-month period. The Hawaii unemployment rate of 4 percent was the lowest in the region and among the lowest in the nation. Joblessness in Nevada and Arizona, at 4.7 and 5.2 percent, respectively, fell at least 0.5 percentage point in both states from the period ending June 2003. The California unemployment rate dipped to 6.5 percent from 6.8 percent in the previous year. Orange and San Diego Counties were among a handful of large labor markets to register jobless rates less than 4 percent.

Economic expansion, continued population growth, and low mortgage rates supported strong home sales. According to the California Association of REALTORS®, California recorded an annualized total of 633,700 resales in the first half of 2004, a 7.4-percent increase over the record pace of 2003. The median existing home sales price for the period was 25 percent higher, totaling \$461,700. Resale listings remain close to all-time low levels, but home price levels are beginning to attract potential listings to the marketplace. Home sale totals, new and existing, in the Bay Area rose 20 percent in the first half of 2004 and in Santa Clara County jumped 40 percent, reflecting growing anticipation of a technology-sector recovery.

In the 12 months ending June 2004, the strong demand for homes fueled continued growth in single-family unit building activity in the region; the number of home permits rose 16 percent to 265,800 units over the year ending June 2004. California builders were issued 148,000 single-family home permits in the 12-month period ending June 2004, an 11-percent gain compared with the same time a year ago; if this pace continues, it will be the ninth consecutive 12-month span in which single-family production increased. Arizona recorded 72,100 single-family home permits, a 26-percent gain. Home construction activity in Hawaii and Nevada rose 17 and 29 percent, respectively, in this period. Arizona and Nevada home building is increasing at a pace that will easily set new single-

family unit production records this year in both states. Yet in virtually all major markets, new home availability remains extremely low. Phoenix, Riverside-San Bernardino, and Las Vegas are three of the nation's top six new home markets this year and account for nearly half of the Pacific region's home production.

Rental markets strengthened a bit in the second quarter of 2004 in most major regional markets due in part to improving economic conditions, reduced apartment production, and the rapid escalation of home prices. The San Francisco Bay Area rental market remained balanced, with rental vacancies in the 5- to 6-percent range. The San Jose area rental market tightened with a vacancy rate of 5.4 percent from 6 percent a year earlier primarily due to the recent drop in apartment completions. Rental markets were somewhat tight in the North Bay area. At larger, higher priced rental properties, apartment managers maintained reasonable numbers of vacancies by lowering average rents by 2 to 3 percent compared with the previous year.

The rental vacancy rates throughout Southern California remained balanced to tight. The vacancy rates for lower to medium-price range rentals in Southern California were less than 4 percent. Most new apartments in Southern California are in the higher end price range because of the steep price for land zoned for multifamily units. The rental market in Los Angeles and Orange Counties remained balanced with vacancy rates of 5 percent. In Riverside, San Bernardino, and San Diego Counties, vacancy rates of 6 percent continued to support a balanced rental market. The low level of new apartment construction in the South Coast portion of Santa Barbara County and Ventura County has kept the rental market tight and vacancy rates at less than 4 percent. The lack of additional units and strong demand has put upward pressure on rents.

The Arizona State University apartment survey reported during the second quarter of 2004 that the Phoenix rental market remained very competitive with a 9-percent rental vacancy rate. This rate was unchanged from the first quarter but was an improvement from the higher than 10-percent rate of the second quarter in 2003. Net move-outs were relatively minimal in the second quarter. High vacancy rates have kept rent increases to less than 1 percent in the last 12 months. Concessions remain widespread in the area, averaging 1 month or more free rent on a 12-month lease.

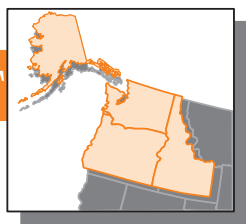
Rapid job and population gains, moderate apartment construction levels, and the conversion of some apartments to condominiums have led to a considerable tightening of the Las Vegas rental market. According to



CB Richard Ellis, second-quarter vacancy rates of only 6 percent prevail in the area, a significant improvement from the 8.5-percent rate recorded 1 year earlier. Class A properties have as few as 5 percent of the units vacant, while older, less competitive properties have vacancy rates ranging from 5 to 7 percent. Concessions are commonplace, typically one-half to a full month free rent on a 12-month lease. Despite the improving occupancy situation, rents are up only about 1 percent in the last 12 months, with limited increases reflecting the constrained renter household income levels in this service-based economy.

Regional multifamily building permit activity continued to expand generally around the region. In the 12 months ending June 2004, activity rose 11 percent in the region to 73,600 units. California multifamily activity increased 12 percent to 52,500 units compared with the previous 12-month period as builders responded to the strong rental demand in Southern California. The 9,700 multifamily units authorized in Arizona during the same period was down, reflecting the very competitive market conditions in the Phoenix and Tucson areas. In Nevada, multifamily permit activity rose 7 percent to 9,200 units.

NORTHWEST



During the second quarter of 2004, the Northwest region's economy gained momentum. For the 12-month period ending June 2004, nonfarm employment rose 0.7 percent, an increase of 38,000 jobs, to an average of 5.13 million jobs. Alaska led the region in employment growth with a 1.3-percent increase from gains in the educational and healthcare services; trade, transportation, and utilities; and leisure and hospitality sectors. Idaho followed with a 1-percent increase, also a result of strength in educational and healthcare services, professional and business services, and construction. Idaho's durable goods sector continued to struggle, however, down by 2,200 jobs over the past year, two-thirds of which were in computers and electronics. Washington recorded a 0.9-percent gain due to strength in construction, information services, financial activities, profession-

al and business services, and government. Employment at Boeing stabilized during the past 6 months. The company recently received a contract that could add up to 1,200 jobs in the Renton and Kent areas south of Seattle. Because many had speculated that the Renton plant would be closed in the next 5 years, this was especially positive news. In Oregon, hiring in construction, mining, food manufacturing, wholesale and retail trade, and healthcare services resulted in a 0.2-percent gain in nonfarm employment. The regional unemployment rate averaged 6.9 percent for the 12 months ending June 2004, down from 7.4 percent a year ago. The unemployment rate was 5 percent in Idaho, 6.9 percent in Washington, and 7.6 percent in Oregon and Alaska.

The demand for homes remained high in the Northwest in the second quarter of 2004. In the Seattle metropolitan area, existing home sales rose 11 percent to 21,064 in the first half of 2004, according to data from the Northwest multiple listing service. Sales were up 12 percent in the Bremerton area, 14 percent in the Olympia area, and 3 percent in the Tacoma metropolitan area. Markets popular with retirees on the Olympic Peninsula were especially active, and total sales closed were typically 20 percent above a year ago. Median sales prices were also on the rise throughout Washington. In the Seattle metropolitan area, median sales prices appreciated 11 percent, and closing prices rose 10 and 9 percent, respectively, in the Olympia and Tacoma areas. In the Bremerton area, the median sales price rose 14 percent to \$198,500 through the first 6 months of 2004. Median sales prices reached approximately \$292,700 in the Seattle area, \$190,500 in the Tacoma area, and \$200,000 in the Olympia area during the same period.

Sales markets in Idaho, Oregon, and Alaska were equally strong during the first half of 2004. New and existing sales in major western Oregon markets rose 9 percent compared with the first 6 months of 2003, and the median home sales price increased 8 percent to \$192,200. Sales were strongest in Eugene-Springfield, up 13 percent, and Clark County, up 12 percent. Median sales price appreciation rose at the fastest pace in Jackson and Clark Counties, up 13 and 11 percent, respectively. In the Portland metropolitan area, sales from January to June 2004 totaled 18,835, a 9-percent increase, and the median sales price increased 8 percent to \$194,500. In the Boise metropolitan area, existing home sales rose 14 percent, and the median sales price increased 9 percent to \$140,750. Sales were strongest in Ada County, up 18 percent. New construction prices rose 14 percent and 11 percent, respectively, in Ada and Canyon

Counties. Materials cost appreciation, strong demand, and a preference for larger homes contributed to the rapid home price appreciation in the Boise area. Based on Anchorage multiple listing service data, sales of new and existing homes in the Anchorage metropolitan area declined 2 percent compared with the first 6 months of 2003, when sales reached record levels. The average selling price rose 12 percent to \$252,110, indicating that market conditions were still strong overall in Anchorage.

In the first 6 months of 2004, single-family building activity in the Northwest totaled 36,030 homes, up 12 percent compared with the same period a year earlier. Idaho registered the largest increase in activity, up 32 percent to 6,670 homes permitted. Single-family permits rose 2 percent in Alaska, 5 percent in Oregon, and 11 percent in Washington, where 18,250 homes were authorized. In the central Washington town of Roslyn, 100 miles southeast of Seattle, a new resort-style development began selling home sites during the second quarter of 2004. When completed over the next 9 years, the development could include up to 3,785 single-family homes, cabins, and condominiums. Home site prices range between \$125,000 and \$400,000; the developers expect that the minimum land and home investment by buyers will be approximately \$450,000. The public golf course will be ready for use soon. The second phase of development includes a gated community with a private golf course; home sites are projected to be priced between \$300,000 and \$700,000.

Rental market conditions in the region remained largely competitive during the first quarter of 2004. In some of the softer market areas, such as the Puget

Sound region, vacancy rates declined slightly, but at the expense of reduced asking rents and increased concessions. The estimated rental vacancy rate was 7.3 percent in the Seattle area and 8 percent in the Tacoma area. In the Portland metropolitan area, the rental vacancy rate declined 1 percentage point to 7.5 percent compared with the second quarter a year ago. Market conditions were similar in other Oregon metropolitan areas, including Salem, Eugene-Springfield, and Medford, where vacancy rates ranged between 6.5 and 8.5 percent, and rents were flat or down compared with last year. In the Bend area, older units experienced higher vacancy rates of 9 percent, and rents declined. Units constructed since 1990, however, had a vacancy rate of 6 percent; rents in these units rose slightly over the past year. In the Boise metropolitan area, during the second quarter of 2004, the vacancy rate declined from 9 percent to 8.2 percent, largely due to rents that fell below last year's levels. With the exception of soft market conditions in Jerome and Rupert Counties in south central Idaho, the remaining rental markets in Idaho were tight to balanced. The Alaska State Housing Finance Corporation survey reported that the Anchorage rental market remained balanced with an estimated rental vacancy rate of 5.2 percent, down from 6 percent a year ago. The average monthly rent in Anchorage rose 4 percent from \$802 to \$831 over the same period.

Multifamily unit building activity declined 11 percent in the first half of 2004 compared with the first 6 months of the previous year. Of the estimated 9,100 units permitted, almost half—4,300—were issued in Washington, 2,900 in Oregon, 1,060 in Idaho, and 800 in Alaska.



Housing Market Profiles

Denver-Boulder, Colorado

During the second quarter of 2004, the Denver-Boulder area reported persistent job gains instead of the losses of the past 3 years. By June 2004, the nonfarm employment total reflected an increase over the same time a year ago for the first time since August 2001. The number of jobs remains below the pre-recession peak, and the average for the 12 months ending June 2004 is still less than the average of last year at this time; but the return to positive job growth is a welcome change hailed by local analysts. The principal of Development Research Partners, a local economic consulting firm, can now use the word recovery when referring to the local Denver-Boulder economy. Even the chief economist for Vectra Bank declared that Colorado had finally "emerged" from the recession earlier this year. By June 2004, the unemployment rate had declined to 5.3 percent, well below the 6.6-percent peak reached in June 2003.

The local telecommunications industry continues to suffer. Various hiring announcements have appeared recently in local newspapers, but the number of jobs in this industry remains below the total from a year ago. In contrast, the air transportation sector has improved with expansions at major airlines and discount carriers. Passenger traffic at Denver International Airport set a new record in May 2004, and the year-to-date total is up more than 20 percent from the same period in 2003. The number of visits to ski resorts for the 2003-04 season declined from last year, but visits to all resort areas were ahead of the previous year's numbers. Most other recent job gains have occurred in professional, business, and health services; employers in the manufacturing and construction sectors, however, continue to lay off workers. Boulder's high-technology sector is attempting a comeback, but renewed hiring at some firms has not been enough to bring the nonfarm employment total in Boulder back to last year's level.

A major cutback in apartment construction in 2002 and 2003 pulled total residential building activity back to about 18,000 units during 2003, a considerable decline from its recent surge to more than 28,000 units in both 2000 and 2001. During the first half of 2004, an unexpected increase in building activity put the permit total more than 25 percent ahead of the pace set during the first half of 2003. Virtually all this recent increase has occurred in the single-family and

condominium sectors, however, as apartment permit activity remains less active. Despite the cutbacks noted previously, 2,700 apartment units are currently under construction.

A boom in existing home sales that began in March 2004 slowed only slightly by the end of the second quarter. The Denver Board of REALTORS® reports that existing home sales during the first 6 months of 2004 were up 16 percent from the same period in 2003. A 19-percent surge in single-family, detached unit sales accompanied a more modest 7-percent increase in condominium contracts. Although the number of existing homes for sale continues to set a record each month, the rate of increase has slowed. In June 2004, the total of 28,000 Denver metropolitan area listings is 6 percent higher than the total at this time a year ago and more than double the pre-recession level. Nevertheless, this latest increase appears less significant when compared to increases of 23 percent in June 2003, 28 percent in June 2002, and 60 percent in June 2001. The average existing home price also continues to climb. The 5.6-percent increase for the first half of 2004 is above the 2.9-percent annual increase in the first half of 2003 but is well below the double-digit gains of recent years. During the first 6 months of 2004, the average existing single-family home price in the Denver area climbed to \$286,000, and the average condominium price rose to \$181,000. In the Boulder area, sales activity is also up; the 13-percent increase over last year's activity, however, is less than the increase in the Denver area. Prices continue to skyrocket and now exceed \$500,000 in some Boulder County submarkets.

New home sales have also increased, although the gains have trailed those in the existing home sales market. Data compiled by The Meyers Group and reported by The Genesis Group reveal that net sales by production builders in the first quarter of 2004 are up 12 percent from the first quarter of 2003. Contract cancellations have eased but remain at more than 14 percent of gross sales. In contrast with the existing home market, the new home inventory level has actually declined as builders remain cautious.

The worst appears to be over for the apartment market, but a significant surplus of units for rent remains. After climbing to more than 13 percent in the first and second quarters of 2003, the apartment vacancy rate dropped in each of the past four quarters. The Denver Metro Apartment Vacancy and Rent Survey revealed a 9.7-percent rate for the second quarter of 2004, the first time this rate has been in single digits since the third quarter of 2002. Now that construction activity has slowed, continued improvement is expected. The

Denver area is expected to achieve a balanced rental market in 2 to 3 years. The recent pickup in job growth could shorten this period, but dramatic improvement awaits a sustained period of positive job growth.

Concessions remain widespread, and rent increases are atypical. The second quarter vacancy and rent survey previously noted indicates an increase in average stated rent from a year ago, which is somewhat unexpected considering that many apartments have replaced a complex set of rent concessions with lower actual rents. In the second quarter of 2004, economic vacancy (physical vacancy plus concessions) remains high and is virtually unchanged from the first quarter and up from the same time last year. Most tax credit projects in the metropolitan area are holding their own, but many developments targeted to renters at 60 percent of median income, particularly in the suburbs, have reduced rents significantly.

Glens Falls, New York

The Glens Falls, New York metropolitan statistical area consists of Warren and Washington Counties in northeastern New York. The city of Glens Falls is the hub of commerce for the southern Adirondack Mountains region and the center of Warren County government, medical, retail trade, banking, and finance activities.

Historically, industrial development in the Glens Falls area was based on lumber, limestone mining, and hydroelectric power plants. Pulp, paper, and specialty paper producers still employ more than 2,000 people in the area, but International Paper Corporation recently announced layoffs. Professional and business services, education and health services, and tourism are now major contributors to the local economy. The largest private employer in the area is Glens Falls Hospital, with more than 2,200 full- and part-time staff. Lake George and the Adirondack Region, 10 miles north of the city of Glens Falls, are prominent tourist areas that attract more than 7.5 million visitors annually.

In 2000, the total population of the Glens Falls metropolitan area was 124,345, representing an average annual increase of 580 people per year between 1990 and 2000. More than 50 percent of the metropolitan area's population resides in Warren County. The largest community in Warren County is the town of Queensbury, a northern suburb of Glens Falls, with 22,630 residents in 2000. Washington County is more rural and characterized by numerous small villages dispersed throughout the county. Due to the proximity to the Adirondack Northway and Interstate 87, which

eases commuting, many local residents work in either Albany or Saratoga Counties, located to the south and west. Estimates indicate that 15 percent of the workforce in the Glens Falls metropolitan area commute into Albany and Saratoga Counties.

For the 12-month period ending June 2004, total employment in the Glens Falls area averaged 59,400, up 800 jobs, or 1.4 percent, from the comparable period a year ago. Due to an increase in people entering the labor market, however, the unemployment rate for the 12 months ending June 2004 rose to 5.1 percent compared with 4.9 percent a year earlier.

Between 1994 and 2000, total nonfarm employment increased by an average of 380 jobs each year. Annual job gains moderated to 340 jobs between 2000 and April 2004 due to weak national and regional economies. During this period, gains in service-producing sectors of the economy offset employment losses centered in the durable goods sector. Nonfarm employment is beginning an expansion cycle, however, with growth concentrated in the education and health, hospitality and recreation, and government sectors. Manufacturing payrolls have also rebounded slightly due to stronger demand for medical goods.

Residential construction activity during the 1990s and into 2001 was relatively stable; total residential building permits averaged 530 units annually. Single-family homes accounted for almost 95 percent of the residential construction activity during this period. Two-thirds of all construction activity occurred in Warren County. Beginning in 2002, as a result of record-low mortgage rates and improvements in the economy in adjacent market areas, permit activity rose sharply in response to the growing demand for new homes; 736 permits were issued in 2002 and 729 permits in 2003. Affordable home prices in the Glens Falls area, combined with low mortgage interest rates over the past 3 years, have increased the rate of homeownership.

The sales housing market is strong, and the demand for homes in suburban townships continues to drive the new and existing housing markets. For the 12-month period ending June 2004, Warren County accounted for approximately two-thirds of all existing home sales in the metropolitan area. Residential real estate transactions on 1,108 units occurred during this time compared with 969 transactions in the same period a year ago. During the year ending June 2004, the median sales price for existing homes in the metropolitan area was \$113,500, an increase of more than 14 percent above the \$100,900 median sales price reported a year ago. In the 12 months ending June 2004, the median sales price in Warren County was \$141,400, well above the median sales price of \$85,600 recorded



in Washington County. Home prices in the area have been rising, but remain well below prices of comparable homes in the Albany and Saratoga markets.

Despite the limited number of vacant lots available in the city of Glens Falls and generally lower home prices typical for the older housing stock in the city, a local developer is building 45 single-family detached units in the southwestern section of the city. Proposed pricing will range from \$90,000 to \$100,000 per unit. This housing development represents the largest single-family subdivision project in the city in recent history.

Currently, the rental housing market in the Glens Falls area is balanced. New rental apartments in all segments of the market, including subsidized, rent restricted/tax-credit financed, and market-rate housing developments, lease up in a timely manner. Most multifamily housing constructed since 2000 has been in Queensbury Township. Apartment developments recently completed in Kingsbury Township (Washington County) and Queensbury were quickly leased and are currently fully occupied. In 2003, an age- and income-restricted, 62-unit, tax-credit financed project for seniors in Queensbury rented up in less than 3 months.

Greeley, Colorado

According to the Census Bureau's July 1, 2003, population estimates, 10 of the 20 fastest growing communities in Colorado were located in the Greeley, Colorado metropolitan area, defined as Weld County. The 10 communities grew at an average rate of 13.3 percent from July 1, 2002, to July 1, 2003. The relatively easy commute along the four transportation corridors that serve the metropolitan area and lower housing costs have made the metropolitan area a popular housing alternative to the adjacent metropolitan areas of Denver, Boulder/Longmont, and Fort Collins/Loveland.

The economy of the Greeley metropolitan area is based in agriculture; Weld County is consistently ranked as one of the top five agricultural producing counties in the nation. The 2002 Census of Agriculture reported the value of the agricultural products produced in the county at more than \$1.1 billion. Farms and ranches make up more than 70 percent of the county's land area. The leading private sector employer is Swift and Company, a meat processor and packager, with more than 3,400 employees. The metropolitan area is evolving into a retail-oriented economy to serve its ever-growing population. National retailers such as Target, Wal-Mart, Home Depot, and Kohl's have either opened or expanded facilities in the

area in the past 2 years. Although the economy is shifting to retail, the dominant economic force will remain agriculture and agriculture-related businesses and services.

Strong in-migration, stimulated by sustained employment growth in the Greeley metropolitan area and the adjacent metropolitan areas, was the major reason for extremely rapid population growth during the 1990s, which continued from 1999 through 2002 when net in-migration averaged 8,000 people annually. As the economy began to weaken in 2001 and 2002, in-migration began to decline. The most recent Census Bureau estimate reports that the area's population on July 1, 2003, was 211,272, an annual average gain of approximately 5.1 percent since the 2000 Census.

Approximately 20 percent of the metropolitan area's workforce commutes to the adjacent metropolitan areas for employment. For the 12-month period ending June 2004, the total average labor force and employment numbers posted increases over the previous 12-month period. The total labor force stood at 102,893, up about 2.2 percent, and the total resident employment was up approximately 2.3 percent to 96,355.

In the 1990s, household growth patterns changed dramatically with the burgeoning growth along the Interstate 25 (I-25) corridor. By 2000, the number of households in the metropolitan area had increased to 63,247 from 47,470 in 1990, an average annual increase of 2.9 percent. Between 1990 and 2000, the number of households in the nine communities along the I-25 corridor grew by an annual average of 18.5 percent. By comparison, along the Highway 34 and 85 corridors, household growth was significantly less. For example, in Greeley, the annual household growth averaged 2.2 percent; in Fort Lupton, along the Highway 85 corridor, the rate averaged 2.6 percent.

Starting in the early 1990s, steady in-migration sustained the demand for housing; the surge in home-building activity has continued through June 2004. Since 2000, an average of about 3,900 single-family units has been permitted annually, with approximately 50 percent of the units being built along the I-25 corridor and 20 percent in Greeley. In 2003, the number of single-family unit permits issued was 3,623, down slightly from the 3,821 units permitted a year earlier. From January to June 2004, 2,188 single-family units were permitted, and an estimated 1,650 single-family units are currently under construction. The metropolitan area offers affordable housing when compared with the adjacent areas. According to the Colorado Association of REALTORS®, through the first quarter of 2004, the median sales price of an existing home in the Denver metropolitan area was

\$228,881; in Boulder/Longmont, \$305,405; in Fort Collins, \$223,077; and in Loveland, \$203,000 compared with the median sales price of \$176,500 in the Greeley metropolitan area.

A major factor influencing the housing market is the approximately 11,400 students enrolled at the University of Northern Colorado. Approximately 25 percent of the students reside in a residence hall or the university apartments; the remaining 75 percent live in housing units, almost all rentals, in the metropolitan area. Students will remain an important part of the local rental market, although no major enrollment changes are anticipated in the near future.

During the 1990s, Greeley and the adjacent city of Evans accounted for almost 85 percent of the multifamily unit activity in the metropolitan area and for about 90 percent since 2000. Even as the economy started to weaken and rental vacancies increased in the early 2000s, interest in multifamily unit construction did not wane. In 2000, nearly 440 units were permitted. In 2002, the number of permits issued for multifamily units increased dramatically to 590 units, up from almost 360 units in 2001. Multifamily unit permit activity eased during 2003 when fewer than 400 units were permitted. For the first half of 2004, about 370 multifamily units have been permitted, including 50 affordable units in Fort Lupton. An estimated 100 multifamily rental units and approximately 400 condominium units are currently under construction.

The tight rental market of the early 2000s began to ease with the addition of new rental units and when the economic upswing of the 1990s started to slip in the early 2000s. By February 2004, the Colorado Division of Housing (DOH) reported that the multifamily rental unit vacancy rate was at an all-time high of 14.5 percent, up from a low of 1.7 percent in the first quarter of 2001. The downturn in the economy, decreasing employment opportunities in Greeley, and the completion of approximately 950 market-rate, affordable, and student-oriented rental units since 2001 were contributing factors to the rise in the rental vacancy rates. Also, the continuing shift from renter to owner, facilitated by historic low interest rates, has contributed to the rise in the vacancy rates. Increasing vacancy rates and extended lease-up periods have made the rental market much more competitive, and rent specials are the norm. In the current soft market, average stated monthly rents have risen slightly even as concessions continue to batter net operating incomes at rental projects. DOH reported that average rents as of February 2004 were up a slight 0.8 percent from the first quarter of 2003 and up approximately 8.7 percent from 2000 levels. Typical monthly rents for new market-rate rentals are \$715 for a one-bed-

room unit, \$810 for a two-bedroom/one bath unit, \$870 for a two-bedroom/two bath unit, and \$1,020 for a three-bedroom unit.

Hagerstown-Martinsburg, Maryland-West Virginia

The Hagerstown-Martinsburg metropolitan area, located approximately 70 miles from both Baltimore, Maryland, and Washington, D.C., consists of Washington County, Maryland, and Berkeley and Morgan Counties, West Virginia. During the 1990s, population in the area increased by an average of 1.4 percent a year and totaled 222,771 at the end of the decade. The annual population growth rate in the West Virginia counties was three times higher than in Washington County. Since 2000, the rate of growth is estimated to have increased at an average of 1.9 percent a year because of increased in-migration resulting from record-low interest rates combined with a relatively low cost of housing compared with nearby counties.

Currently, 116,200 people in the metropolitan area are in the labor force, based on the most recent 12-month average ending in May 2004. This number represents a 0.4-percent increase from the same period a year ago. During this same period, the unemployment rate declined from 4.6 percent to 4.3 percent. Significant levels of in- and out-commutation impact the available workforce. In and around the metropolitan area, the commuting pattern tends to be from the northwest to the southeast; many residents from Franklin County, Pennsylvania, and Berkeley and Morgan Counties work in Washington County, and Washington County and Berkeley residents work in Northern Virginia and the Washington, D.C. suburbs of Maryland.

Washington County, where the city of Hagerstown is located, is the center of economic activity in the area, accounting for approximately two out of every three jobs. Total employment increased from an average of 93,400 in 2002 to 94,500 in 2003; the largest gains occurred in the financial activities, education and healthcare, and leisure and hospitality sectors. Citicorp Credit Services and First Data Merchant Services, two large credit card companies, account for nearly 60 percent of all jobs in the financial activities sector, which averaged 7,700 employees during 2003. With the addition of 400 jobs in 2003, the education and healthcare sector has become the second largest employment sector in the area, averaging 12,500 jobs. Washington County Health System, Inc., which has 2,900 employees, is the leading employer in the region, according to



the Hagerstown-Washington Economic Development Commission (HWEDC). The leisure and hospitality sector also gained 400 jobs during this period; the area is home to many parks and historic sites, most notably the Antietam Civil War National Battlefield.

The largest employing sector in the region is trade, transportation, and utilities, which accounts for 22 percent of the jobs in the area. Interstates 70 and 81 provide excellent access to markets in eastern Maryland, Northern Virginia, and central Pennsylvania. During 2003, this sector employed an average of 20,800 people, 300 fewer than during 2002. In the next few years, the region will gain at least 630 new jobs, according to the HWEDC, with FedEx and Home Depot adding new distribution facilities. In addition, the Hagerstown Regional Airport is currently undergoing a \$60 million runway extension project that will be completed by 2007. In 2003, the manufacturing sector lost about 200 jobs but continues to employ approximately 12,000 people. Mack Trucks, with nearly 1,300 employees, is the leading manufacturing employer in the region.

Although nearly all the leading private employers are located in Washington County, most of the federal government jobs in the metropolitan area are located in Berkeley County. The Veterans Administration Center, the leading federal employer in the area, employs 1,450 people, according to the Berkeley County Development Authority. The U.S. Coast Guard has two centers in the county, and the West Virginia Air National Guard, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco, and Firearms each have a facility.

Low interest rates and lower housing costs relative to nearby counties have resulted in a strong sales market. According to Metropolitan Regional Information Systems, Inc.[®], in the 12-month period ending June 2004, the number of new and existing homes sold increased 18 percent compared with the previous 12 months. The average price for a home also increased by 18 percent during this period, rising from \$144,120 to \$170,500. These prices are still much lower than the averages in nearby Maryland counties, which were between \$235,700 and \$363,000 in 2003. Since 2000, each county in the area also experienced a dramatic decline in the average number of days a home was on the market. Berkeley County had the largest decline, going from 159 days in 2000 to 66 days in 2003, a 58-percent reduction.

Increased demand for housing in the metropolitan area has resulted in higher levels of production. In the 12 months ending June 2004, 15 percent more building permits were issued than during the same period a

year earlier. Nearly 90 percent of the 3,300 building permits issued during the latest 12-month period were for single-family units, a proportion unchanged from the 1990s. All the housing construction has occurred in Washington and Berkeley Counties; Morgan County remains very rural with no large-scale residential developments. In an effort to preserve open space and farmlands, Washington County has taken steps to focus its new residential developments inside a designated Urban Growth Area that surrounds and includes the city of Hagerstown and 37,700 acres of land. Currently, the county has imposed a moratorium on new subdivisions with more than five lots in rural areas, although this restriction does not apply to existing subdivisions or those in development. In 2000, manufactured homes represented 10 percent of the housing inventory in the metropolitan area, but the application for permits for new manufactured homes has slowed since 2000 in each of the three counties, primarily because rising incomes and low interest rates have made single-family homes more attainable.

In the 12-month period ending June 2004, 321 multi-family permits were issued, compared with 258 during the same period in 2003. Increased rental unit production since 2000 has caused vacancy rates to increase slightly. The market should continue to absorb about 225 new rental units each year for the next few years. The current gross rents for market-rate units are \$580 for one-bedroom units, \$640 for two-bedroom units, and \$740 for three-bedroom units. Most of the newer rental housing is located in Washington County in the area surrounding Hagerstown. The city of Hagerstown has recently been considering ways to limit multifamily construction within the city limits and encourage more home ownership; one consideration is a possible moratorium on new apartment construction. About 270 rental units are under construction in the metropolitan area, including a 120-unit project in Berkeley County that should be completed within the next 2 years.

Houston, Texas

Houston, an international port of entry city, continues its leadership position in the energy industry, in space endeavors at NASA's Johnson Space Center, and as a national healthcare center. The city earned new accolades this year as a major sports venue by hosting Super Bowl XXXVIII at Reliant Stadium in January 2004 and the Major League Baseball All-Star Game at the new Minute Maid Park in July 2004. In addition, the Toyota Center, new home to Houston's professional basketball and hockey teams, opened in 2003.

The city of Houston is located in three counties—Harris, Fort Bend, and Montgomery—and covers nearly 1,800 square miles. With an estimated 2004 population of more than 2.2 million, Houston remains the largest city in Texas and the Southwest. The city is the core of the 10-county Houston-Baytown-Sugar Land, Texas metropolitan area, which is home to more than 4.5 million people. Recent data released by Economy.com indicate that Houston is forecast to grow at a faster rate than most of the nation's other major metropolitan areas. In 2003, the U-Haul national migration report cited Houston as the third most popular destination, behind Atlanta and Dallas, for people moving more than 50 miles. Houston's port and the concentration of worldwide energy companies add to the international flavor of this city that can boast of its more than 40 foreign banks and 77 foreign consulates.

Houston's employment remains centered on the energy and healthcare sectors, although the area is also emerging as a biotechnology research center. The positive outlook for energy demand and prices in the near term remains a primary source of optimism for Houston. Area engineering and oil service companies are benefiting from reconstruction contracts in Iraq. During the 12 months ending June 2004, nonfarm employment fell by 7,800 jobs and currently remains near 2000 levels. Yet employment data from a household survey of all workers, including the self-employed, part-time workers, and telecommuters, indicate an increase of 30,000 workers over the past 12 months. The Houston area, with more than 300 companies in the software development business, has experienced a more stable employment situation than other Texas metropolitan areas that were more heavily involved with the high-technology sector.

Houston's industrial market absorbed 2.8 million square feet of space in the first half of 2004, compared with only 1.2 million square feet for all of 2003. The warehouse-distribution product category contributed to nearly half of the absorption. Despite the significant amount of surplus space remaining on the market, major industry expansion plans continue to proceed in advance of the expected economic rebound. Multimillion-dollar expansion plans for the Texas Medical Center, local universities, George Bush Intercontinental Airport/Houston, and the Port of Houston will add thousands of construction jobs. The Port of Houston's expansion is expected to double its container-handling capacity, which is already one of the largest in the world. The port is the busiest in the United States in terms of annual tonnage. The expansion project alone is ultimately expected to add 28,000 permanent jobs. Planning is also under way to add more than 40 miles to the new light rail line that

stretches from downtown Houston to the medical center and Reliant Stadium.

New and renovated downtown buildings that contain thousands of new residential lofts and apartments have increased the population in that area; downtown Houston's population is estimated to perhaps triple in the next 10 years. New sports stadiums and the extended light rail line are helping to reverse the historical flow to the suburbs. The entire Houston metropolitan area, not only the city's downtown, continues to set records for the number of residential construction permits issued and home sales month after month. The large number of permits issued is somewhat of a concern; the number of permits issued has outpaced annual household formation. In the first 6 months of 2004, more than 22,800 permits were issued in the metropolitan area compared with 17,160 issued for the first 6 months of 2003, a 33-percent increase. If this pace continues, Houston will break the record that it set last year. The increased permit activity has caused the time that single-family homes are on the market to increase to 7 months, 5 percent longer than a year ago. Meanwhile, the Houston Association of REALTORS®, reported 25,290 home sales for the first 5 months of 2004, up 11 percent from a year earlier. The May 2004 average single-family home price of \$172,700 continues to be one of the more affordable in the country. The conversion of an estimated 9,000 renter households to homeowner households has supported single-family construction.

In 2003, at the same time renters were becoming homeowners, the number of multifamily unit permits rose more than 45 percent to 15,850 units. Since 2001, multifamily unit occupancy has declined an estimated 6 to 7 percentage points. Nearly 20,000 apartments are still under construction. With such high multifamily unit construction levels, the estimated number of units available for rent has increased by 40,000 since 2000. The rental occupancy rate for the metropolitan area's more than 455,000 units is reported to be about 88 percent, a 5-year low.

Effective rents have fallen due to concessions and are projected to continue to decline through 2004. The average monthly rent is \$677, a 2-percent drop from a year ago. As job growth increases and interest rates rise, reducing the tenure shift to homeownership, demand for rental units is expected to accelerate and prospects for 2005 improve. Significant improvement in the rental market, however, is not expected for 2 to 3 years; without significant job growth, it may be 5 years before rents fully recover. Despite the weak rental conditions, developers continue to build, taking advantage of low interest rates and hoping for a turn-



around in employment and population growth. Long-term optimism has prompted investors to pay record prices for recently built projects. One recent sale netted the owner an estimated \$110,000 a unit.

Most new construction in Houston is occurring in markets already saturated with new product. Thus, with the surplus of rental units, conversions to condos are under way. Near the downtown area, nearly 700 previous rental units are being targeted for condos. This area was popular in the past for condominium ownership because of its proximity to many multinational corporate headquarters and the medical center. Because of the area's popularity, developers have proposed three 20-plus story buildings, with individual condominium units priced from \$300,000 to more than \$1 million.

Houston remains poised for growth. According to the Houston branch of the Federal Reserve, the export business and a resurgence in the energy industry in 2004 will likely boost local job growth. Meanwhile, the long-term outlook for Houston continues to attract investment firms that think the turnaround is imminent.

Lexington, Kentucky

Famous for its lush, rolling landscapes and picturesque horse farms, Lexington, Kentucky is home to the University of Kentucky, the largest postsecondary educational institution in the state and the leading employer in the six-county metropolitan area. Because of the university, the government sector accounts for 20 percent of nonfarm employment. Lexington is also the home of Keeneland, a 907-acre complex where horseraces are held each April and October and live sales of Thoroughbreds occur during 5 months out of each year. The Kentucky Horse Park, a 1,200-acre working horse farm, featuring two museums and more than 50 breeds of horses, is also located in Lexington. The National Horse Center, located in the park, hosts the national headquarters of 14 equine associations.

Nonfarm employment increased steadily throughout the 1990s in the Lexington metropolitan area, including Madison County, which was removed from the June 2003 Office of Management and Budget definition of the metropolitan area. Because of definitional changes, nonfarm employment figures are not comparable to other estimates for the metropolitan area, which use the June 2003 definition. From 1990 to 2000, the local economy expanded each year; in 2001, however, nonfarm employment declined as a result of the recession. From 1990 to 1999, nonfarm employment grew from 222,300 to 285,300, an average

increase of 7,000 jobs, or 3.1 percent, annually. Between 2000 and 2003, an average of 4,600 jobs, or 1.6 percent, was lost each year in the area. Nonfarm employment has recently stabilized, however, averaging 276,600 jobs, an increase of 0.3 percent for the 12 months ending May 2004, compared with a decline of 0.3 percent for the previous 12 months. Despite nonfarm job losses in recent years, the unemployment rate for the metropolitan area averaged 3.7 percent for the 12 months ending May 2004, far below Kentucky's average of 5.9 percent.

As in other areas of the United States, a large portion of job losses in the metropolitan area since the 2001 recession can be attributed to a decline in manufacturing employment. Between 2000 and 2003, manufacturing accounted for 64 percent of job losses in the metropolitan area. During 2001, manufacturing employment fell by 5,100, or 10 percent. Since then, manufacturing job losses have gradually slowed, but estimates indicate manufacturing employment continues to decline. For the 12 months ending June 2004, manufacturing employment fell to 40,400, a decrease of 800 jobs, or 1.8 percent fewer jobs than in the previous 12 months. Because most manufacturing job losses resulted from permanent layoffs or business closures, these jobs are not expected to return when the economy fully recovers from the recession.

The population in the Lexington metropolitan area increased from 348,428 in 1990 to 408,326 in 2000, an average annual increase of 5,990, or 1.7 percent. As of the 2000 Census, nearly 65 percent of the population in the metropolitan area lived in the central county of Fayette, where Lexington is located. Since 2000, population growth in the metropolitan area has slowed slightly; during the next 3 years, however, improvements in the local economy are expected to boost the population growth rate to near 1990s levels.

From January 2000 to June 2004, building permits were issued for 15,299 single-family and 1,783 multifamily units in the Lexington metropolitan area. According to Lexington building officials, single-family development has been concentrated in the northwestern and southeastern sections of Fayette County, primarily because of the limited availability of developable land in the county. Redevelopment of the center of Lexington is in its infancy; currently, the first units are being developed. Unlike single-family development, which has been concentrated in specific areas of Fayette County, multifamily housing development has recently been scattered throughout the metropolitan area. Most multifamily unit permits have been issued in Fayette County, where construction has occurred based on availability of properly zoned land

rather than popularity of the areas themselves. As a result, recent development has been scattered throughout the county.

RentStats America, Inc, a local company that tracks trends in the Lexington apartment industry, reports that apartment occupancy in March 2004 was 90.5 percent, virtually unchanged from the 90.8-percent rate a year ago but an improvement over March 2001 and 2002, when occupancy fell to and remained at 87.6 percent. According to RentStats' founder, construction during the late 1990s resulted in a drop in occupancy levels that has recently started to recover due to a slowdown in production levels. The shift toward homeownership has also affected the low occupancy levels. Low interest rates have encouraged renters to leave apartments for ownership opportunities. A RentStats survey revealed that the primary reason for apartment move-outs was a home purchase. Local rental market conditions are competitive, and common concessions include 1 to 3 months' free rent on a 12-month lease.

Between 1998 and 2003, the volume of existing home sales in the Lexington area, as reported by the Lexington-Bluegrass Association of REALTORS®, increased from 6,940 to 9,190 units, or 6.5 percent annually. Condominium and townhouse sales during the same period accounted for 464 and 575 units per year, respectively. Sales figures for the first 5 months of 2004 indicate that the growth rate is accelerating. For this period, sales of existing homes reached 3,363, a 13.3-percent increase over the 2,968 units sold during the same period in 2003.

Data from the Lexington-Bluegrass Association of REALTORS® indicate that the median price of existing homes increased an average of 3.2 percent annually over the past 5 years. The median sales price increased from \$114,000 in 1998 to \$132,030 in 2003. For the first 6 months of 2004, the median sales price was \$135,000, up 4.7 percent over the same period in 2003. Condominium and townhouse prices have increased at a slightly slower pace. From 1998 to 2003, the median price of condominiums and townhouses increased from \$77,600 to \$88,000, a 2.7-percent increase annually.

Los Angeles County, California

Los Angeles County, California, continues to have the largest population of any county in the nation, and the city of Los Angeles remains the nation's second largest city. New residents are attracted by the diversified economy, the favorable year-round climate, and varied landscape. From April 2000 to January 2004, the population grew to more than 10 million, a 1.6-percent average annual rate, a significant increase compared with the 0.7-percent average annual growth rate recorded in the 1990s. Net natural increase accounted for approximately three-fourths of the growth since 2000, but immigration has also been a major contributor.

Los Angeles' varied employment base enabled the county to come out of the recession faster than other areas of California. The tourism, shipping, and defense employment sectors all are improving. Government is the single leading employer, and Kaiser Permanente, Boeing, and Northrop Grumman are the leading private employers. For the 12 months ending June 2004, nonfarm employment averaged approximately 4 million jobs, about the same as a year earlier. Gains in many sectors were offset by losses in the air transportation, manufacturing, and movie production sectors. Although manufacturing continued to decline by more than 5 percent, the sector still represented 12 percent of the metropolitan area's total nonfarm employment. Small to moderate job gains occurred in financial activities, professional and business services, education and health services, and leisure and hospitality. International trade has had a positive impact on employment at the Ports of Los Angeles and Long Beach, the nation's largest port complex, where during the coming year, more than 2,000 workers will be hired. The second quarter unemployment rate for 2004 was 6.5 percent, a significant improvement compared with the 7-percent rate a year ago.

Increased population growth and expectations of rising mortgage interest rates resulted in a continued strong sales housing market throughout the county. DataQuick recorded total new and existing home sales of 127,027 for the 12-month period ending June 2004, 6 percent above the previous 12-month period. During the second quarter of 2004, the median sales price for existing homes rose to \$393,000, a 29-percent increase compared with the same quarter a year earlier. Although homes are still selling rapidly, they are beginning to stay on the market for a longer time, and few sellers are getting their asking prices. Unsold inventory is generally low, but the number of listings is beginning to increase.

In response to the strong demand for homes, single-family unit permit activity for the 12-month period



ending June 2004 totaled 10,340 homes, a 9-percent increase compared with a year earlier. The combined northern Los Angeles County cities of Lancaster, Palmdale, and Santa Clarita accounted for 31 percent of the county's single-family home permit activity, up from 21 percent from the previous 12 months. The availability of larger land parcels with lower lot prices in this area, compared with most other parts of Los Angeles County, has made northern Los Angeles County attractive to builders.

Conditions in the Los Angeles County rental housing market tightened slightly over the past year. In the second quarter of 2004, strong population and household growth, combined with modest levels of new construction, resulted in a slightly tight 5-percent rental vacancy rate, a decline from 5.5 percent during the same quarter of 2003. Most vacant rental units are in the upper-end rental range that competes with the sales housing market. The rental market in the lower-end rental range remained very tight with vacancies below the 4-percent level. According to RealFacts, asking monthly rents at larger apartment communities rose to an average \$1,336 in the second quarter of 2004, a 3.7-percent increase compared with the same period a year earlier.

Over the past several years, multifamily unit production has fluctuated greatly in response to economic conditions and the demand for rental units. In 1990, permits were issued for more than 16,000 multifamily units. This number fell to an average of 4,200 units annually between 1992 and 1998. From 1999 to 2003, multifamily unit permit activity increased to 8,710 units annually. In the 12-month period ending June 2004, multifamily unit permit activity totaled 10,330 units, down 6 percent from the previous 12 months. The slowdown in permit activity was due to the lack of vacant parcels suitable for large multifamily unit construction. Nearly 65 percent of the permit activity was in the city of Los Angeles.

After northern Los Angeles County, Playa Vista and downtown Los Angeles are the most active residential areas in the county. The city of Los Angeles Planning Commission recently backed a proposal to build the \$1.1 billion second and final phase of Playa Vista, a mixed-use development located between Marina del Rey and Westchester. The project, to be called the Village, will include 2,600 housing units, 175,000 square feet of office space, 150,000 square feet of retail space, and 40,000 square feet of community space on a 111-acre site.

Downtown Los Angeles continues its economic comeback. In addition to the 5,000 residential units in the

pipeline or planning stages, a massive \$1 billion hotel, entertainment, and residential district for the city was announced during the second quarter. The development will include a 1,200-room hotel in a 55-story structure that will also include 100 luxury condominiums. Below the hotel, the developers plan a 4-million-square-foot entertainment district encompassing a concert theater, multiplex theater, and ballroom/meeting facility. The development plans also include a second luxury hotel and 4,000 new residential units. Construction could begin at the end of 2004 or the beginning of 2005.

St. Cloud, Minnesota

The St. Cloud, Minnesota metropolitan area consists of Benton and Stearns Counties and the portion of Sherburne County within the city limits of St. Cloud. Portions of the city are located in all three counties. The St. Cloud area, northwest of the adjacent Minneapolis-St. Paul metropolitan area, is the regional center for economic, educational, and cultural activity in central Minnesota. In 2000, the population of the metropolitan area was 173,374, reflecting an average annual increase of 1,915 people since 1990. The population of the city of St. Cloud was 59,107, up from 48,812 in 1990; most of the average annual increase of 1,030 people resulted from annexation. The annual rate of population growth for the St. Cloud metropolitan area since 2000 has been approximately the same as during the 1990s.

During the 1990s, the number of households increased in the metropolitan area by 1,041 annually to 62,776 in 2000 and has grown at an annual rate of 1,150 since then. The number of housing units grew by 888 units annually during the 1990s. Because the housing unit increases did not keep pace with the rate of household growth, the number of vacant units fell sharply. In the 2000 Census, vacancy rates in St. Cloud were 0.7 percent for sales housing and 3.4 percent for rentals, down from 1.3 and 6.1 percent, respectively, in 1990. Growth in population and in the number of households and housing units has been concentrated in the city of St. Cloud and nearby communities such as Sauk Rapids, Sartell, Waite Park, and St. Joseph.

After growing steadily for almost a decade, adding an annual average of nearly 2,350 jobs, nonfarm employment peaked at nearly 95,250 jobs in 2001, before entering a 2-year decline that averaged 450 job losses annually through 2003. For the year ending with the second quarter of 2004, however, average employment increased by 500, to 94,850. This increase in employ-

ment gained momentum in the first half of 2004 with 750 more jobs than in the same period a year earlier. Comparing only the second quarter of 2004 with the second quarter of 2003, the increase averaged 920 jobs. Service-providing industries, with almost 77 percent of all nonfarm jobs, and goods-producing industries, including manufacturing, participated in the expansion. The wholesale trade and transportation, warehousing, and utilities sectors showed particular strength, characterizing St. Cloud as a regional distribution center. Retail trade, with more than 13 percent of the jobs, showed a job decline. The retail sector is still recovering from the loss of more than 2,000 jobs when the area's leading employer, Fingerhut, a catalog and online retailer, closed in 2002.

From 1992 through 2001, resident employment expanded at an annual average rate of 2,225, reaching 100,900 in 2001 and growing to 101,900 in 2002 before declining to 101,300 in 2003. Unemployment reached a low of 3 percent in 1998 and 1999 before climbing to 4.5 percent for 2002 and 2003. In the 12 months ending in June 2004, the labor force reached 107,200 compared with 106,400 for the previous 12 months; resident employment was at 102,100 jobs, up from 101,300 for the same period a year ago. The number of people unemployed remained stable at 5,100; the unemployment rate was 4.8 percent. As with nonfarm employment, resident employment grew more rapidly over the first half of 2004 compared with the same period a year ago, and the 5.2-percent unemployment rate declined from 5.6 percent for the first half of 2003. Resident employment and the labor force are expected to continue to expand in the coming months with a likely continuation of the recent decline in unemployment.

Despite the loss of jobs since 2001 and aided by the recent recovery in nonfarm employment, demand for sales housing has been strong, supported by low interest rates, expansion in resident employment, and a shift from renting to ownership. The current median income in the St. Cloud metropolitan area is estimated at \$58,000; home prices are relatively affordable for area households. The average sales price for an existing home in the area is approximately \$160,000, which is also a typical starting price for new homes. Demand for new and existing homes is strongest priced at \$130,000 and below. In the outer suburbs such as St. Joseph and St. Augusta, starter homes priced between \$130,000 and \$140,000 are being built; homes in the \$180,000 to \$260,000 range are being constructed for move-up buyers. In an effort to expand the supply of affordable housing and help foster economic growth in the fast-growing core communities, the local builders association has established an agreement with the towns of Sartell, Sauk Rapids, St. Cloud, St. Joseph, and Waite

Park. Under the agreement, participating builders commit to including affordable housing priced no higher than \$135,000 in a proposed new development, with a goal that 15 percent of new homes purchased meet this requirement for affordability. The St. Cloud Housing and Redevelopment Authority also has been active in developing affordable housing, the latest example being Westwood Village, with 80 single-family homes and 84 townhouses priced to be affordable to households with incomes below 70 percent of the statewide median family income, and with assistance, as needed, to help with downpayments and mortgage financing.

St. Cloud State University, with a student body of approximately 16,000, has a major impact on the local economy and rental market. Approximately 12,000 students live off campus, primarily in rental units in St. Cloud. Students occupy around 3,400 units, or about 30 percent of the city's rental market, providing a solid base of support for rental demand. Over the past 2 years, however, the local market has been affected by the addition of close to 1,200 new rental units into the marketplace between mid-2002 and mid-2003. At the same time, job losses and the shift of renters to the sales market reduced rental unit demand. These factors are expected to result in the doubling of the rental vacancy rate from 3.4 percent in 2000 to 7 percent at the end of 2004. Most of the vacancies occurred in the city of St. Cloud and nearby suburbs where the new projects are concentrated. Although some of the new projects have met rent-up expectations, others have had to rely on concessions and lower rents to compete, as have many older projects. In the first 6 months of 2004, rental market conditions strengthened as excess vacancies were absorbed, concessions reduced, and average rents increased.

In response to the tight market conditions in 2000 and 2001 and the growing demand for sales housing, housing production in St. Cloud has been strong in recent years. Single-family unit permits were issued for 793 units in 2000, 807 in 2001, 714 in 2002, and 792 in 2003. For multifamily housing, 161 units were authorized in 2000, 143 in 2001, 284 in 2002, and despite some indications of market weakness, 293 in 2003. For the first half of 2004, reflecting a trend toward a more balanced rental market and continued strength in the sales market, permits were issued for 534 single-family homes and 51 multifamily units, up from 392 single-family and 27 multifamily units for the first half of 2003.

An emerging trend for the area near St. Cloud is its expanding role as a bedroom community for Minneapolis-St. Paul. The lower housing prices and larger lot sizes available in the St. Cloud area have helped persuade a growing number of people with jobs



in Minneapolis-St. Paul to purchase homes in the St. Cloud area. An estimated 7,000 families with members having jobs in the Minneapolis-St. Paul area now live in communities in the St. Cloud vicinity; this number is expected to continue to grow. To the extent that this occurs, the labor force-based resident employment, which grows with the population that commutes out of the metropolitan area, will increase. The number of reported nonfarm jobs, which only considers jobs in the metropolitan areas, however, will not grow with out-commutation. More importantly, the continuation of this trend will produce increased demand over the longer term for sales housing and increase the number of homeowners in the area.

St. George, Utah

The recently designated St. George metropolitan area, defined as Washington County, is located in the extreme southwest corner of Utah, 110 miles northeast of Las Vegas, Nevada, and 150 miles southwest of Salt Lake City. This area is known as "Utah's Dixie" because of its temperate climate and original role as a cotton-producing area. Because of its local scenic beauty and proximity to Grand Canyon, Zion, and Bryce Canyon National Parks, which are part of the Grand Circle of national parks, the St. George area has flourished as a tourist destination. The area has also gained a reputation as a retirement location. During the winter months, the county's population swells by up to 20,000 people as second homes fill with part-time residents.

Driven by strong national and state economies, non-farm employment grew at an 8.6-percent average annual rate during the 1990s. In the 2000 Census, Washington County's population of 90,354 was nearly double that recorded in 1990. The current estimated population is 109,900, an annual gain of 4.7 percent since 2000 but well below the 6.4-percent annual increase of the 1990s. The relatively slower population growth in the current decade reflects the general economic slowdown and its impact on tourism.

The rapid growth of the 1990s decelerated beginning with the stock market decline and the U.S. recession in 2001, followed by the September 11, 2001, terrorist attacks. Area trade, service, and construction businesses responded by slowing their rates of expansion, while manufacturers recorded some small losses. Helping offset this slowdown was growth in student enrollment at Dixie State College (DSC) of Utah, low interest rates that stimulated housing construction, and the completion of the Dixie Regional Medical Center. Yet nonfarm employment growth still slowed from the 5-

to 6-percent range of the late 1990s to 4.6 and 4.4 percent in 2002 and 2003, respectively. By the end of 2003 and into 2004, as the U.S. economy was well into its recovery from the recession, the local economy began to return to its pre-2000 growth rates. The outlook is for continued economic improvement. Retirees will continue to seek moderate climates with ample amenities and services. Other economic news also paints a positive economic picture for the next 3 years. A replacement airport could begin construction in the next few years, bringing direct jet service to the area and enhancing the area's desirability for business and residential locations.

Low interest rates since 2000 have stimulated single-family housing permit activity to set a new annual record of 2,322 units in 2003. Building continued to accelerate through the first 6 months of 2004; activity is up by about 57 percent from last year at this time. Since 2000, the greater St. George area, including the nearby cities of Washington, Santa Clara, and Ivins, has accounted for almost 75 percent of the metropolitan area's single-family unit permit activity. New homes make up about 40 percent of the sales market. According to the Southern Utah Homebuilders Association, retirees and second homeowners account for approximately 20 percent of the area's new home sales.

Conditions in the St. George metropolitan area's sales market continue to be very strong for existing homes. The Washington County Board of REALTORS® reports that between 1997 and 2003, the average price of a single-family home increased on average by 5.2 percent a year. The number of homes sold more than doubled during this same period, while 2003 set a record for annual average price increases and the number of sales. The market continued to accelerate in 2004; in the first 6 months, sales activity is 62 percent ahead of last year's record pace. The average sales price is up by 16 percent to \$202,980. The 1,200 active single-family listings, however, are about 10 percent fewer than a year ago. Coupled with low interest rates, an overheated Las Vegas housing market has made the St. George area a feasible alternative for retirees and others who want to locate in a warm climate, yet be within a 2-hour drive to "big city" amenities.

A strong single-family market has pressured the townhouse and condominium markets over the past few years. Previously, the market was overbuilt and prices and activity remained flat or declined. The average sales price was actually lower in 2002 than in 1997. As the single-family home market strengthened and fell out of reach for some households, the lower priced townhouse and condominium markets became a viable option. Sales and prices accelerated in 2003. The

average sales price in the townhouse and condominium markets increased by 10 percent to \$125,804 in 2003, while the number of sales was up by 23 percent in 2003 and 35 percent during the first 6 months of 2004. Active listings for townhouses and condominiums have held steady. With fewer townhouses and condominiums under construction, the inventory of existing units for sale should begin to decline.

The rental market is usually tight for general occupancy market-rate projects. Some marginal seasonal variance occurs in occupancy from June through August, when DSC students leave the area and part-time residents are least likely to occupy their units. With only 250 students residing in the on-campus residence halls, most students live at home or in local, student-oriented apartments with capacity for more than 1,300 residents. A survey conducted in May 2004 by D&T Properties shows a 6-percent vacancy rate for market-rate properties; in June 2004, however, the rate increased to a seasonal 6.8 percent. The vacancy rate for subsidized properties, including low-income housing tax credit units, was approximately 3 percent in both surveys. Low vacancy rates have begun to put pressure on rents that remained relatively flat during the previous few years, largely due to a lack of new market-rate product and competition from homeownership, to increase. Property managers have been able to raise rents, albeit slightly, in 2004.

Availability of developable land will not be an impediment to growth in the area over the next decade. St. George is in the process of annexing two large parcels of land. Preannexation public hearings are ongoing for the 10,000-acre South Block parcel bordering the city limits to the Utah-Arizona border. A mix of commercial and residential zoning is planned that would tie into the planned Dixie Beltway, a highway system circling the greater St. George area. The 5,000-acre Ledges area northeast of St. George is aimed at high-end residential development. The local council of governments estimates that annexable land and land already in cities throughout the county are sufficient to eventually support a population of 300,000.

Toledo, Ohio

The city of Toledo is known as the “largest small town in Ohio.” This designation, however, has not prevented the Toledo metropolitan area, which includes Lucas, Wood, Fulton, and Ottawa Counties, from working to economically fortify its urban core. A healthy urban core will strengthen the metropolitan area. Downtown Toledo Incorporated (DTI) is the facilitator between the Toledo business community, the city of Toledo, and Lucas County. With a strong focus on economic development programs, DTI has targeted education and advocacy to inform the public about attracting development. Recently completed projects include the new \$40 million Fifth Third Field, home to baseball’s minor league Toledo Mud Hens; the \$15 million rehabilitation of the world-class Toledo Museum of Art; and the \$40 million renovation and addition to the Toledo-Lucas County Public Library. Local individuals have supported efforts in changing the downtown core through new, small-scale homeownership developments such as the 40-unit River West Townhomes.

Between 1993 and 2003, nonfarm employment grew by an average of 1.4 percent each year; from 2001 to 2003, however, annual employment declined by 2.5 percent. Approximately 60 percent of the job losses occurred in the goods-producing sector. During the 12 months ending June 2004, nonfarm employment fell by 2.6 percent compared with the same period a year ago.

Early Toledo manufacturing was concentrated in the glass industry. As the 20th century progressed, innovations in glass and the supply needs of the Detroit automobile industry strengthened the area’s manufacturing industry. During the 10-year period ending December 2003, manufacturing represented an average of more than 18 percent of the nonfarm employment in the area. During the 12-month period ending June 2004, however, the manufacturing sector’s share of nonfarm employment fell to 16 percent, although manufacturing continued to be the largest sector in terms of number of employees. The healthcare and government service sectors are also vital to the Toledo economy, growing by 1.6 and 0.7 percent, respectively, each year for the decade ending in December 2003. These growth figures translate into 8,100 new jobs in health care and 3,600 new jobs in government. The leading employers in Toledo are ProMedica Health Systems with 10,739 employees, Mercy Health Partners with 6,566, Daimler Chrysler AG with 5,261, Bowling Green State University with 5,361, the University of Toledo with 5,000, and General Motors Corp. with 3,860. These employers demonstrate the importance of the healthcare, government, and manufacturing sectors to Toledo’s economy.



Between 1993 and 2003, resident employment increased annually by 0.5 percent, although resident employment declined by 1.5 percent a year over the last 2 years. In the 12 months ending June 2004, the unemployment rate was 7.5 percent, the highest average unemployment rate for any 12-month period in the past 10 years.

Building permit data indicates that building activity of single-family homes has continued strong, with the support of household formation during a period of little population change and despite a struggling economy. The Toledo metropolitan area's single-family permit level has averaged more than 2,100 units since 2000, with a decade-high 2,525 single-family permits issued in 2003. Single-family permit activity through the second quarter of 2004 was 1,137 units, approximately equal to the 1,165 units through the second quarter of 2003. On an annual basis, this figure indicates that 2004 may be another record year for single-family permits.

The existing single-family sales market also has been strong. Sales data from the Toledo Board of REALTORS® and the Firelands Board of REALTORS® reported 8,928 existing single-family sales in 2003 with an average price of \$130,867. Transactions in 2003 increased 4.8 percent over 2002, and the average resale price rose almost 1.9 percent. Since 2000, existing homes sales in Lucas County accounted for more than 80 percent of the recorded sales activity in the Toledo metropolitan area. In the 12 months ending April 2004, resale transactions increased approximately 10 percent, and the average sales price rose 1.9 percent. Continued modest interest rates and increased consumer optimism are expected to produce another record year.

In the first quarter of 2004, the multifamily rental market was balanced to soft. The vacancy rate ranged from 8 to 9 percent, up from 7.9 percent as of the 2000 Census. Extensive multifamily rental unit construction in the past few years and low interest rates, which increased opportunities for homeownership, caused vacancy rates to rise. Developers are responding to the current softer rental market by reducing new supply. The latest Class A property to open in the Toledo rental market lists one-bedroom units renting for \$619 and two-bedroom units renting for \$819; no concessions are provided. Absorption in this 104-unit project has averaged 6 units a week, or 24 units a month.

West Palm Beach, Florida

The West Palm Beach, Florida metropolitan division (MD) is defined as Palm Beach County and is part of the Miami-Fort Lauderdale-Miami Beach metropolitan statistical area that also includes the Fort Lauderdale-Pompano Beach-Deerfield Beach MD in Broward County and the Miami-Miami Beach-Kendall MD in Miami-Dade County.

During the 1990s two events shaped the demographics of Palm Beach County: Hurricane Andrew in 1992 and immigration. The center of the hurricane and the most severe devastation occurred 60 miles to the south of West Palm Beach, but the demographic implications were regional. The storm's destruction initiated a wave of migration northward out of Miami-Dade County into Broward County and eventually into Palm Beach County. A significant influx of immigrants, primarily from the Caribbean Islands and Central and South America, also moved into the county in the 1990s. As a result of this immigration, the Hispanic population became the fastest growing population segment in the county, increasing by 11.1 percent annually from 1990 to 2000, when it reached 140,675. Palm Beach County's population grew an average of 3 percent per year to 1,131,184 between the 1990 and 2000 Censuses, a rate of growth less than the 5-percent rate that occurred between 1980 and 1990. The current estimated population is 1,246,000.

Nonfarm employment averaged 532,000 in Palm Beach County for the 12 months ending June 2004, an increase of 7,300 jobs compared with the same period a year ago, and the largest increase in 2 years. The service-providing sectors led this recovery; professional and business services increased 3 percent, financial activities grew by 4 percent, and the leisure and hospitality sector, which is finally showing signs of improvement statewide as well as in the county, experienced a 4-percent job gain, primarily in the food services and drinking places subsector. Jobs in the food services and drinking places subsector increased 5 percent over the past 12 months and generated 2,000 of the 2,200 new jobs in the leisure and hospitality sector. These gains have been triggered by local spending because jobs in the accommodations subsector decreased by 300, or 3.1 percent, in the most recent 12-month period. Tourism is increasing statewide, but hotels and motels in the West Palm Beach metropolitan area are reducing employment, which means that destinations in other parts of the state are reaping those benefits.

As of June 2004, the unemployment rate is 5.3 percent, an improvement over the 5.7-percent rate a year

ago. In a move that could provide meaningful job growth in the future, Scripps Research Institute plans to open a research facility in north Palm Beach County. The state of Florida provided \$310 million in incentives for the nonprofit facility, which will focus on biomedical and pharmaceutical research and science. Initially, approximately 40 jobs will be created; studies indicate that the opening of this new facility could generate as many as 50,000 direct and indirect jobs over the next 15 years.

During the 12 months ending June 2004, the county issued residential building permits for 16,078 units, 1,344 more than for the same period a year ago. Since 1989, the total number of permits issued has exceeded 13,000 only once, in 2003. In the 12-month period ending June 2004, the number of single-family unit permits increased 2.2 percent to 10,813 compared with 10,584 a year ago. Single-family unit permit totals have not exceeded 10,000 per year since 1989 until last year, and this year is on the same pace. Most of the increase in permits during the past year is the result of multifamily unit permit activity, which increased to 5,265 from 4,150 a year ago, a 27-percent increase. In 2003, the number of multifamily unit permits issued topped 4,000 for the first time since 1990, and they, too, are on pace to equal that number through the first 5 months of 2004.

Growing evidence indicates that the rate of multifamily unit production is exceeding demand in the metropolitan area. In the second quarter of 2004, occupancy rates in units completed at least 18 months ago fell to 93.2 percent, which is slightly higher than a year ago but down 1 percent from the first quarter. Monthly rents averaged \$1,024 during the second quarter, up 4 percent from the same quarter last year but unchanged from last quarter. As noted earlier, multifamily unit permits are at unusually high levels. M/PF Research, Inc., anticipates almost 5,500 apartment completions during the next 12 months compared with only 1,600 during the last 12-month period. This level of production will outpace demand by about 1,500 units. M/PF Research reported that as of March 2004, 34 percent of all complexes surveyed offered some form of rent con-

cession averaging 9 percent per month. As these new units enter the market, occupancy rates are expected to decline by 1 percent, and the ensuing competition could trigger further concessions.

In the 12 months ending March 2004, the most recent data available, new single-family home sales exceeded 13,600, the largest number of sales in any 12-month period in more than 10 years. In the first quarter of 2004, new single-family home sales totaled 4,113 units, a 20-percent increase over the fourth quarter of 2003 and a 51-percent increase over the first quarter of 2003. According to Reinhold P. Wolff Economic Research, Inc., the seller's market has driven the median sales price in the first quarter of 2004 to \$278,053, only a 1-percent increase over last quarter but 22 percent higher than the same quarter in 2003. Lake Worth, Lantana, and Wellington were the most active submarkets. The new condominium unit market was also very active. In the first quarter of 2004, 830 new condominium unit sales were reported, compared with 528 for the previous quarter and 1,276 for all of 2003. The median price for a new condominium during the first quarter was \$184,043, 21 percent higher than last year.

Existing single-family units are also selling briskly in the West Palm Beach metropolitan area. Sales for the 12 months ending March 2004 totaled 35,564 units compared with 28,839 for the same period in the previous year. During the first quarter of 2004, 9,148 existing home sales were posted, a 22-percent increase compared with 7,507 in the first quarter of 2003. Lake Worth, Lantana, and Wellington were also the most active submarkets for existing home sales. In the first quarter of 2004, the median countywide price for an existing home was \$183,630, down slightly from \$184,067 in the previous quarter but 17 percent higher than a year ago. Existing condominium sales paralleled the single-family market in the first quarter with 4,537 sales compared with 4,443 in the fourth quarter of 2003 and 4,151 in the first quarter of 2003. In the first quarter, the median existing condominium sales price increased 5 percent to \$104,017 from \$99,423 in the fourth quarter of 2003 and 18 percent over the \$88,317 median price in the first quarter a year ago.



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

HUD Region and State	2004 Through June			2003 Through June			Ratio: 2003/2004 Through June		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	5,262	4,103	1,159	4,748	3,668	1,080	1.108	1.119	1.073
Maine	4,277	3,889	388	3,254	3,037	217	1.314	1.281	1.788
Massachusetts	9,626	6,741	2,885	8,121	5,709	2,412	1.185	1.181	1.196
New Hampshire	4,339	3,153	1,186	3,701	2,920	781	1.172	1.080	1.519
Rhode Island	1,238	961	277	979	857	122	1.265	1.121	2.270
Vermont	1,876	1,438	438	1,333	1,206	127	1.407	1.192	3.449
New England	26,618	20,285	6,333	22,136	17,397	4,739	1.202	1.166	1.336
New Jersey	16,726	10,667	6,059	13,902	9,907	3,995	1.203	1.077	1.517
New York	25,522	11,674	13,848	22,949	10,996	11,953	1.112	1.062	1.159
New York/New Jersey	42,248	22,341	19,907	36,851	20,903	15,948	1.146	1.069	1.248
Delaware	3,930	3,669	261	3,030	2,976	54	1.297	1.233	4.833
District of Columbia	1,254	166	1,088	1,158	93	1,065	1.083	1.785	1.022
Maryland	13,609	11,181	2,428	15,673	12,769	2,904	0.868	0.876	0.836
Pennsylvania	26,300	21,506	4,794	19,380	16,187	3,193	1.357	1.329	1.501
Virginia	32,011	24,621	7,390	29,295	24,130	5,165	1.093	1.020	1.431
West Virginia	2,663	2,451	212	2,169	2,002	167	1.228	1.224	1.269
Mid-Atlantic	79,767	63,594	16,173	70,705	58,157	12,548	1.128	1.093	1.289
Alabama	15,905	12,415	3,490	12,525	10,625	1,900	1.270	1.168	1.837
Florida	125,375	93,810	31,565	102,110	74,487	27,623	1.228	1.259	1.143
Georgia	52,678	45,099	7,579	45,576	38,561	7,015	1.156	1.170	1.080
Kentucky	11,441	9,699	1,742	9,865	8,434	1,431	1.160	1.150	1.217
Mississippi	6,440	5,746	694	5,745	4,928	817	1.121	1.166	0.849
North Carolina	46,735	39,267	7,468	38,137	32,436	5,701	1.225	1.211	1.310
South Carolina	20,804	17,779	3,025	18,032	15,586	2,446	1.154	1.141	1.237
Tennessee	23,323	19,355	3,968	17,755	16,039	1,716	1.314	1.207	2.312
Southeast/Caribbean	302,701	243,170	59,531	249,745	201,096	48,649	1.212	1.209	1.224
Illinois	28,061	22,372	5,689	27,902	20,737	7,165	1.006	1.079	0.794
Indiana	19,498	16,133	3,365	19,214	15,551	3,663	1.015	1.037	0.919
Michigan	24,344	21,450	2,894	23,375	20,088	3,287	1.041	1.068	0.880
Minnesota	18,213	14,700	3,513	16,984	13,771	3,213	1.072	1.067	1.093
Ohio	24,795	21,162	3,633	24,399	20,218	4,181	1.016	1.047	0.869
Wisconsin	18,115	13,433	4,682	19,093	13,002	6,091	0.949	1.033	0.769
Midwest	133,026	109,250	23,776	130,967	103,367	27,600	1.016	1.057	0.861
Arkansas	8,094	4,938	3,156	7,422	4,625	2,797	1.091	1.068	1.128
Louisiana	10,515	8,981	1,534	10,145	8,459	1,686	1.036	1.062	0.910
New Mexico	7,629	6,882	747	6,982	5,741	1,241	1.093	1.199	0.602
Oklahoma	7,985	6,693	1,292	7,699	6,252	1,447	1.037	1.071	0.893
Texas	93,628	74,539	19,089	90,363	67,459	22,904	1.036	1.105	0.833
Southwest	127,851	102,033	25,818	122,611	92,536	30,075	1.043	1.103	0.858
Iowa	7,885	6,187	1,698	8,016	6,230	1,786	0.984	0.993	0.951
Kansas	5,996	5,375	621	5,994	4,959	1,035	1.000	1.084	0.600
Missouri	14,575	11,964	2,611	13,122	10,410	2,712	1.111	1.149	0.963
Nebraska	4,927	4,328	599	4,871	4,234	637	1.011	1.022	0.940
Great Plains	33,383	27,854	5,529	32,003	25,833	6,170	1.043	1.078	0.896
Colorado	23,549	19,832	3,717	18,978	16,223	2,755	1.241	1.222	1.349
Montana	1,537	1,001	536	1,834	1,103	731	0.838	0.908	0.733
North Dakota	2,043	1,175	868	1,562	911	651	1.308	1.290	1.333
South Dakota	2,901	2,301	600	2,166	1,747	419	1.339	1.317	1.432
Utah	11,411	9,398	2,013	10,717	8,746	1,971	1.065	1.075	1.021
Wyoming	1,535	1,267	268	1,330	1,023	307	1.154	1.239	0.873
Rocky Mountain	42,976	34,974	8,002	36,587	29,753	6,834	1.175	1.175	1.171
Arizona	42,507	38,494	4,013	33,702	30,502	3,200	1.261	1.262	1.254
California	104,092	78,426	25,666	95,829	70,909	24,920	1.086	1.106	1.030
Hawaii	4,875	2,868	2,007	3,662	2,790	872	1.331	1.028	2.302
Nevada	26,011	22,440	3,571	20,517	16,015	4,502	1.268	1.401	0.793
Pacific	177,485	142,228	35,257	153,710	120,216	33,494	1.155	1.183	1.053
Alaska	1,756	956	800	1,995	931	1,064	0.880	1.027	0.752
Idaho	7,849	6,800	1,049	6,931	5,785	1,146	1.132	1.175	0.915
Oregon	13,200	10,391	2,809	13,407	9,601	3,806	0.985	1.082	0.738
Washington	23,209	18,911	4,298	21,833	17,835	3,998	1.063	1.060	1.075
Northwest	46,014	37,058	8,956	44,166	34,152	10,014	1.042	1.085	0.894
United States	1,012,069	802,787	209,282	899,481	703,410	196,071	1.125	1.141	1.067

*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 June		
		Total	Single Family	Multi-family **
12060	Atlanta-Sandy Springs-Marietta, GA	35,844	30,057	5,787
38060	Phoenix-Mesa-Scottsdale, AZ	31,390	27,878	3,512
26420	Houston-Baytown-Sugar Land, TX	28,779	22,853	5,926
19100	Dallas-Fort Worth-Arlington, TX	27,634	23,149	4,485
40140	Riverside-San Bernardino-Ontario, CA	27,111	22,769	4,342
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	25,567	9,518	16,049
29820	Las Vegas-Paradise, NV	22,050	19,110	2,940
16980	Chicago-Naperville-Joliet, IL-IN-WI	21,786	17,165	4,621
33100	Miami-Fort Lauderdale-Miami Beach, FL	21,249	13,016	8,233
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	19,207	13,702	5,505
31100	Los Angeles-Long Beach-Santa Ana, CA	18,410	9,306	9,104
36740	Orlando, FL	17,839	14,917	2,922
45300	Tampa-St. Petersburg-Clearwater, FL	14,549	11,931	2,618
33460	Minneapolis-St. Paul-Bloomington, MN-WI	12,044	9,645	2,399
42660	Seattle-Tacoma-Bellevue, WA	11,574	8,803	2,771
16740	Charlotte-Gastonia-Concord, NC-SC	11,073	9,695	1,378
40900	Sacramento--Arden-Arcade--Roseville, CA	10,858	9,947	911
19740	Denver-Aurora, CO	10,697	8,321	2,376
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10,301	7,639	2,662
15980	Cape Coral-Fort Myers, FL	10,098	6,610	3,488
19820	Detroit-Warren-Livonia, MI	10,052	8,334	1,718
27260	Jacksonville, FL	9,400	7,330	2,070
12420	Austin-Round Rock, TX	8,859	7,102	1,757
41700	San Antonio, TX	8,484	6,456	2,028
34980	Nashville-Davidson--Murfreesboro, TN	8,424	6,680	1,744
41740	San Diego-Carlsbad-San Marcos, CA	8,353	4,955	3,398
41180	St. Louis, MO-IL	8,077	6,835	1,242
26900	Indianapolis, IN	7,782	6,204	1,578
39580	Raleigh-Cary, NC	7,556	6,176	1,380
38900	Portland-Vancouver-Beaverton, OR-WA	7,196	5,462	1,734
18140	Columbus, OH	7,126	5,824	1,302
42260	Sarasota-Bradenton-Venice, FL	7,124	5,442	1,682
28140	Kansas City, MO-KS	6,940	6,198	742
41860	San Francisco-Oakland-Fremont, CA	6,861	4,090	2,771
14460	Boston-Cambridge-Quincy, MA-NH	6,620	3,747	2,873
17140	Cincinnati-Middletown, OH-KY-IN	6,473	5,696	777
38940	Port St. Lucie-Fort Pierce, FL	6,129	4,990	1,139
47260	Virginia Beach-Norfolk-Newport News, VA-NC	5,499	3,879	1,620
32820	Memphis, TN-MS-AR	4,975	4,631	344
36420	Oklahoma City, OK	4,820	3,995	825
12580	Baltimore-Towson, MD	4,807	3,932	875
32580	McAllen-Edinburg-Pharr, TX	4,796	3,634	1,162
40060	Richmond, VA	4,653	3,882	771
13820	Birmingham-Hoover, AL	4,574	3,461	1,113
46060	Tucson, AZ	4,524	4,337	187
31140	Louisville, KY-IN	4,495	3,800	695
37340	Palm Bay-Melbourne-Titusville, FL	4,351	3,082	1,269
10740	Albuquerque, NM	4,290	3,844	446
14260	Boise City-Nampa, ID	4,050	3,661	389
16700	Charleston-North Charleston, SC	4,038	3,596	442

* 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	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Apr	1,798	1,387	85		326	NA		167	353	819	459
May	1,846	1,394	85		367	NA		178	359	827	482
Jun	1,871	1,465	76		330	NA		173	387	859	452
Jul	1,892	1,483	80		329	NA		183	376	850	483
Aug	1,964	1,518	83		363	NA		201	391	884	488
Sep	1,943	1,526	90		327	NA		180	394	874	495
Oct	2,015	1,558	82		375	NA		199	383	908	525
Nov	1,920	1,504	94		322	NA		192	387	849	492
Dec	1,979	1,546	77		356	NA		204	369	914	492
2004											
Jan	1,913	1,488	96		329	NA		184	351	880	498
Feb	1,913	1,516	78		319	NA		183	343	884	503
Mar	1,975	1,551	93		331	NA		206	350	916	503
Apr	2,006	1,544	99		363	NA		198	369	905	534
May	2,097	1,610	96		391	NA		196	355	994	552
Jun	1,924	1,510	89		325	NA		198	331	887	508

*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	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Apr	1,637	1,363	NA		242	NA		147	321	723	446
May	1,748	1,393	NA		328	NA		150	360	793	445
Jun	1,850	1,505	NA		317	NA		162	353	825	510
Jul	1,893	1,536	NA		321	NA		186	391	864	452
Aug	1,835	1,494	NA		309	NA		154	399	855	427
Sep	1,922	1,537	NA		340	NA		186	427	862	447
Oct	1,983	1,644	NA		310	NA		152	386	914	531
Nov	2,054	1,670	NA		347	NA		188	424	894	548
Dec	2,067	1,657	NA		381	NA		172	400	970	525
2004											
Jan	1,934	1,565	NA		339	NA		149	331	940	514
Feb	1,895	1,521	NA		344	NA		176	348	890	481
Mar	2,000	1,624	NA		343	NA		173	373	929	525
Apr	1,963	1,615	NA		312	NA		178	382	957	446
May	1,970	1,645	NA		270	NA		171	356	873	570
Jun	1,802	1,489	NA		281	NA		165	315	846	476

*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	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Apr	1,046	724	NA		298	NA		122	212	436	276
May	1,048	725	NA		299	NA		118	212	440	278
Jun	1,061	735	NA		302	NA		119	212	445	285
Jul	1,078	744	NA		310	NA		124	213	457	284
Aug	1,101	757	NA		320	NA		124	219	469	289
Sep	1,116	766	NA		325	NA		127	224	479	286
Oct	1,134	781	NA		329	NA		126	228	490	290
Nov	1,154	793	NA		336	NA		126	235	494	299
Dec	1,181	811	NA		346	NA		129	240	503	309
2004											
Jan	1,197	822	NA		349	NA		130	237	518	312
Feb	1,207	825	NA		357	NA		132	235	525	315
Mar	1,226	840	NA		360	NA		133	238	533	322
Apr	1,225	838	NA		360	NA		136	239	539	311
May	1,230	850	NA		351	NA		141	235	535	319
Jun	1,221	844	NA		348	NA		140	230	536	315

*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	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
Monthly Data (Seasonally Adjusted Annual Rates)											
2003											
Apr	1,664	1,357	NA		268	NA		153	357	762	392
May	1,732	1,379	NA		322	NA		187	348	743	454
Jun	1,658	1,363	NA		270	NA		154	330	746	428
Jul	1,681	1,421	NA		231	NA		139	352	723	467
Aug	1,579	1,332	NA		227	NA		151	327	697	404
Sep	1,697	1,399	NA		255	NA		143	351	727	476
Oct	1,731	1,483	NA		227	NA		157	319	775	480
Nov	1,709	1,459	NA		227	NA		162	316	805	426
Dec	1,736	1,459	NA		244	NA		151	334	828	423
2004											
Jan	1,714	1,437	NA		264	NA		129	380	726	479
Feb	1,729	1,458	NA		240	NA		139	377	762	451
Mar	1,782	1,488	NA		274	NA		143	340	837	462
Apr	1,944	1,654	NA		268	NA		140	369	894	541
May	1,922	1,512	NA		387	NA		142	381	913	486
Jun	1,848	1,534	NA		288	NA		167	339	829	513

*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	196	12	38	116	30	\$48,900	56
2002	169	174	12	34	101	27	\$51,300	47
2003	131	138	11	25	76	26	\$54,900	38
Monthly Data (Seasonally Adjusted Annual Rates)								
2003								
Feb	137	112	6	20	61	25	\$54,400	50
Mar	130	144	8	22	84	30	\$51,500	49
Apr	132	141	10	24	83	24	\$54,100	48
May	130	140	12	24	80	24	\$54,400	47
Jun	131	136	10	22	80	24	\$53,600	47
Jul	136	130	10	25	70	24	\$55,700	46
Aug	129	130	14	26	67	23	\$54,400	46
Sep	129	143	13	26	75	29	\$54,200	44
Oct	126	142	11	27	77	27	\$56,800	43
Nov	126	145	13	25	81	25	\$56,500	40
Dec	125	135	14	26	70	26	\$57,700	38
2004								
Jan	124	135	8	33	69	25	\$56,100	39
Feb	123	109	10	18	58	24	\$59,000	39
Mar	132	119	11	19	64	25	\$56,700	39
Apr	129	130	10	21	66	33	\$57,000	40
May	126	120	11	23	62	24	\$55,200	39
Jun	127	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												
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	1,194	78	194	554	368	342	29	84	162	67	343	3.5
Jul	1,156	77	222	555	302	342	29	84	159	69	341	3.5
Aug	1,189	76	256	544	313	342	28	84	163	68	344	3.5
Sep	1,127	88	194	517	328	350	27	88	165	69	350	3.8
Oct	1,141	88	199	534	320	368	29	92	171	76	360	3.8
Nov	1,086	87	158	523	318	367	29	95	169	75	365	4.1
Dec	1,120	92	185	513	330	377	29	97	172	79	370	4.0
2004												
Jan	1,155	95	217	553	290	376	27	96	175	78	374	3.9
Feb	1,165	86	190	536	353	366	25	94	172	74	373	3.7
Mar	1,270	81	191	618	380	375	26	99	176	75	379	3.6
Apr	1,197	86	203	562	346	379	27	100	181	72	380	3.9
May	1,337	106	207	635	389	370	25	100	173	72	376	3.4
Jun	1,326	91	201	696	338	377	26	102	174	75	374	3.4

*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/houseresalesindex.html>



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

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
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
Monthly Data (Seasonally Adjusted Annual Rates)							
2003							
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
2004							
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	2,350	4.4
Apr	6,630	730	1,410	2,650	1,830	2,360	4.3
May	6,810	720	1,410	2,750	1,930	2,420	4.3
Jun	6,950	740	1,460	2,760	1,990	2,400	4.1

*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 ¹
Annual Data							
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 ²	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	244,800	219,500
Quarterly Data							
2003							
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
2004							
Q1	212,700	292,000	208,900	173,800	273,300	262,900	232,300
Q2	212,900	281,900	196,000	163,300	288,400	263,100	233,600

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

²Effective 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 (See Table Q6.)



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

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,900	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
Monthly Data						
2003						
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	146,400	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
2004						
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	139,600	158,700	245,500	223,000
Apr	177,100	212,300	143,900	163,300	254,000	229,000
May	182,400	213,100	150,300	168,500	257,600	234,500
Jun	191,800	218,900	156,600	179,200	267,600	245,400

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
Annual Average										
1975	62.7	69.0	69.4	69.4	69.8	58.7	64.9	64.4	55.1	45.5
1976	66.5	71.6	70.7	71.0	72.4	63.6	69.0	68.9	60.1	53.4
1977	73.8	76.9	75.3	75.6	79.0	70.7	76.3	76.8	68.7	66.2
1978	83.7	87.6	81.0	83.6	87.6	81.2	87.4	87.4	80.7	79.0
1979	95.0	100.1	94.3	93.3	96.1	94.0	96.8	97.7	95.0	91.3
1980	102.5	104.5	103.3	102.3	100.2	103.2	102.8	101.0	102.4	104.1
1981	108.1	112.3	107.8	109.0	104.2	112.2	101.9	103.8	111.0	112.4
1982	111.3	117.3	112.3	114.5	106.4	122.9	102.4	100.0	117.4	114.6
1983	115.5	131.2	118.8	118.6	111.0	126.1	107.2	102.8	120.0	116.2
1984	120.8	154.8	133.6	123.4	114.6	125.2	111.2	105.2	119.9	120.5
1985	128.0	187.3	151.5	129.1	119.7	124.6	115.9	109.4	122.6	125.9
1986	137.9	228.8	175.9	136.9	125.9	125.8	120.7	116.2	126.5	133.5
1987	148.7	268.9	207.9	145.9	132.7	118.3	125.3	125.5	126.2	145.7
1988	158.1	287.5	228.8	156.1	136.9	111.8	127.9	134.7	124.2	166.2
1989	167.1	289.4	234.8	164.5	140.1	112.5	131.0	143.0	125.6	198.7
1990	171.4	277.8	233.6	168.0	142.5	113.9	133.3	149.8	128.4	216.5
1991	173.5	263.8	231.8	170.5	146.2	116.5	136.5	155.7	133.1	219.1
1992	177.3	260.4	236.5	174.8	151.4	120.7	140.9	162.0	139.7	218.6
1993	180.3	259.4	239.2	177.8	157.0	124.8	145.7	167.8	149.0	213.8
1994	183.7	256.4	237.0	179.8	164.7	128.9	153.6	176.3	163.4	208.9
1995	188.6	259.1	237.4	183.9	172.9	132.2	161.0	185.5	175.3	209.2
1996	195.2	266.1	242.1	190.2	181.1	136.6	168.5	195.6	184.9	212.7
1997	202.0	274.7	245.9	196.5	188.7	140.3	176.0	205.5	192.8	219.6
1998	212.4	291.3	256.1	206.0	198.1	147.2	184.7	215.1	201.8	235.0
1999	223.1	316.0	267.6	214.8	204.9	154.0	195.7	225.3	210.4	249.1
2000	238.7	354.3	287.3	227.2	211.5	161.6	209.2	238.0	223.2	274.1
2001	257.7	394.1	312.3	245.3	222.7	171.7	224.8	251.5	239.3	303.4
2002	275.9	439.3	343.2	262.8	229.9	178.2	239.2	263.1	249.8	331.5
2003	295.2	480.4	375.4	282.2	238.8	185.2	252.3	273.8	260.7	365.8
Quarterly Data										
2003										
Q1	287.4	464.7	362.4	274.2	235.6	182.9	246.8	269.2	256.1	352.0
Q2	290.9	471.9	368.1	278.2	237.5	184.2	248.9	271.4	258.1	357.4
Q3	295.7	481.4	375.9	282.9	239.3	185.4	252.8	274.2	261.1	366.4
Q4	306.7	503.6	395.3	293.4	242.8	188.1	260.5	280.5	267.4	387.4
2004										
Q1	309.6	509.0	396.3	298.3	244.2	188.8	261.3	281.8	270.1	395.0

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 ¹	Median Family Income	Income To Qualify	Composite	Fixed	ARM
Annual Data							
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
Monthly Data							
2003							
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
2004							
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	158.1
Apr	\$177,100	5.42	\$54,761	\$38,256	143.1	138.0	156.1
May	\$182,400	5.77	\$54,884	\$40,944	134.0	128.5	144.9
Jun	\$191,800	6.01	\$55,006	\$44,208	124.4	119.4	133.1

*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.

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

Source: NATIONAL ASSOCIATION OF REALTORS®

<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
Annual Data			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	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	166,300	61	\$930
Quarterly Data			
2003			
Q1	37,600	62	\$913
Q2	47,600	61	\$956
Q3	42,500	56	\$925
Q4	38,500	64	\$929
2004			
Q1	33,900	62	\$939

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				
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	69	76	76	51
Feb	64	71	73	46
Mar	64	70	70	49
Apr	69	77	76	48
May	69	74	75	55
Jun	68	73	74	53
Jul	67	73	73	50

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 ¹	Rate	Points	Rate	Points	Rate	Points
Annual Data								
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
Monthly Data								
2003								
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
2004								
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
Apr	NA	NA	5.83	0.7	5.16	0.6	3.65	0.6
May	NA	NA	6.27	0.7	5.64	0.7	3.88	0.7
Jun	NA	NA	6.29	0.6	5.66	0.6	4.10	0.7

*Mortgage loan interest rate data on FHA-insured loans are no longer collected by the Department of Housing and Urban Development.
¹Annual 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
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
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
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
Monthly Data								
2003								
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
2004								
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
Apr	5.72	0.36	5.77	26.4	4.66	0.32	4.70	29.8
May	6.10	0.36	6.16	26.4	5.04	0.32	5.09	29.8
Jun	6.28	0.40	6.34	26.5	5.34	0.36	5.39	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	513,269	2,493,435
Monthly Data					
2003					
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	51,534	200,827
Nov	81,974	107,924	59,993	32,209	144,485
Dec	76,308	97,926	57,780	31,624	145,163
2004					
Jan	82,241	81,917	49,212	30,550	126,677
Feb	91,903	78,492	44,458	24,461	137,948
Mar	123,094	80,329	44,321	27,903	166,898
Apr	103,888	79,349	42,106	28,638	175,091
May	81,563	74,297	39,890	26,523	144,868
Jun	77,062	76,938	46,547	24,604	161,725

*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 ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
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 (6 mos.)	170	25,746	1,526.6	392	41,721	1,115.1	143	15,775	867.2

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

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

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

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

Source: Office of 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 ¹	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)																		
2003																		
Q1	4.85	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	4.97	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	2.14	0.91	0.49
2004																		
Q1 ²	4.33	NA	2.26	11.19	11.68	7.37	0.83	NA	0.29	2.65	2.69	1.65	0.46	NA	0.20	1.99	0.93	0.48

*All data are seasonally adjusted.

NA = not applicable.

¹ 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.

² The Mortgage Bankers Association has discontinued publishing data on "All 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: 1969–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)								
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
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Quarterly Data (Seasonally Adjusted Annual Rates)								
2002 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
Q4	166,700	40,100	126,600	92,600	NA	NA	NA	34,000

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

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

³Additions refer to actual enlargements of the structure.

⁴Alterations refer to changes or improvements made within or on the structure.

⁵Major 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	388,324	279,772	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	476,143	345,893	310,575	35,318	130,250
Monthly Data (Seasonally Adjusted Annual Rates)					
2003					
Apr	458,904	326,636	292,190	34,446	NA
May	461,523	330,025	295,042	34,983	NA
Jun	465,063	334,491	299,958	34,533	NA
Jul	472,505	341,493	306,289	35,204	NA
Aug	480,988	350,161	314,471	35,690	NA
Sep	487,643	358,170	321,828	36,342	NA
Oct	495,573	366,390	330,298	36,092	NA
Nov	504,246	375,588	339,765	35,823	NA
Dec	511,253	381,717	346,033	35,684	NA
2004					
Jan	513,899	383,511	347,950	35,561	NA
Feb	516,436	384,900	348,051	36,849	NA
Mar	522,178	391,127	353,529	37,598	NA
Apr	525,895	397,794	360,009	37,785	NA
May	530,211	403,769	365,899	37,870	NA
Jun	527,146	403,056	364,620	38,436	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
Annual Data (Current Dollars in Billions)			
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	10,128.0	469.3	4.6
2002	10,487.0	504.1	4.8
2003	11,004.0	572.3	5.2
Quarterly Data (Seasonally Adjusted Annual Rates)			
2003			
Q2	10,884.0	553.8	5.1
Q3	11,116.7	586.9	5.3
Q4	11,270.9	609.0	5.4
2004			
Q1	11,472.6	624.6	5.4
Q2	11,649.3	658.5	5.7

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
Annual Data								
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 ²	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 ²	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 ²	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 ²	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
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
Quarterly Data								
2003								
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
2004								
Q1	12	(198)	94	(256)	(153)	211	339	(25)
Q2	196	36	47	(65)	43	176	117	(156)

*Units in thousands.

¹Implementation of new March CPS processing system.

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

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

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

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 ⁴				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ⁴	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 ²	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 ⁴	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 ⁵	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
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
Q2	196	(170)	153	88	(63)	182	128	(31)	(91)

*Units in thousands.

¹Implementation of new March CPS processing system.

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

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

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

⁵Primary families only.

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 ⁴	Hispanics
Annual Data						
1971 ¹	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 ^r	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 ²	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 ^r	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 ^r	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 ³	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
Quarterly Data						
2003						
Q2	67	(15)	(46)	(3)	(25)	156
Q3	24	(162)	7	136	25	19
Q4	359	105	(58)	10	(23)	324
2004						
Q1	12	98	66	55	37	(244)
Q2	196	157	193	(39)	(18)	(96)

*Units in thousands.

^rImplementation of new March CPS processing system.

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

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

³Beginning in 1993, CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, 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 ³	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual Data										
1970 ¹	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 ¹	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 ²	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 ¹	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
Quarterly Data										
2003										
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
2004										
Q1	121,633	3,696	117,937	12,067	3,904	1,273	6,890	105,870	72,666	33,204
Q2	122,002	3,989	118,013	11,947	3,775	1,261	6,911	106,066	73,449	32,617

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

¹Decennial Census of Housing.

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

³Annual 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
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	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
Quarterly Data												
2003												
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
2004												
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
Q2	10.2	10.2	11.2	9.0	10.5	7.0	11.7	13.0	7.7	8.4	11.5	12.0

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
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	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
Quarterly Data								
2003								
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
2004								
Q1	68.6	23.6	40.0	56.4	68.8	77.0	81.7	80.7
Q2	69.2	25.7	40.8	57.6	69.4	77.0	82.4	81.1

*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 ³		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 ¹	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 ²	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								
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
Q2	69.2	65.4	74.2	70.9	64.5	52.9	76.1	77.2

¹Data from 1983 to 1992 weighted based on the 1980 decennial census.

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

³From 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 ¹	69.1	45.6	53.3	41.2
1984 ^r	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 ^r	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 ²	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				
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
Q2	76.2	50.1	59.4	47.4

^rImplementation of new March CPS processing system.

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

²Beginning 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 ¹	75.0	80.8	38.3	67.5	44.5
1984 ¹	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 ¹	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 ²	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					
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
Q2	80.2	87.7	46.0	66.8	53.7

¹Implementation of new March CPS processing system.

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

²Beginning 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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