




National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units in the third quarter of 2006, at a seasonally adjusted annual rate (SAAR) of 1,709,000 units, were down 11 percent from the previous quarter and were down 23 percent from the third quarter of 2005. One-unit permits, at 1,276,000 units, were down 13 percent from the level of the previous quarter and down 26 percent from a year earlier. Multifamily permits (5 or more units in structure), at 356,000 units, were 9 percent below the second quarter of 2006 and 9 percent below the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,709	1,929	2,217	– 11	– 23
One Unit	1,276	1,463	1,735	– 13	– 26
Two to Four	77	74	91	+ 4 [★]	– 15
Five Plus	356	392	391	– 9	– 9


[★]Components may not add to totals because of rounding. Units in thousands.

Source: Census Bureau, Department of Commerce



Starts[★]

Construction starts of new housing units in the third quarter of 2006 totaled 1,735,000 units at a seasonally adjusted annual rate, a statistically insignificant 7 percent below the second quarter of 2006 and 17 percent below the third quarter of 2005. Single-family starts, at 1,413,000 units, were a statistically insignificant 8 percent lower than the previous quarter and 19 percent below the third-quarter level of the previous year. Multifamily starts totaled 271,000 units, a statistically insignificant 8 percent below the previous quarter and a statistically insignificant 12 percent below the same quarter in 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,735	1,873	2,101	– 7**	– 17
One Unit	1,413	1,530	1,748	– 8**	– 19
Five Plus	271	293	308	– 8**	– 12**

*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 third quarter of 2006 were at a seasonally adjusted annual rate of 1,328,000 units, 4 percent below the previous quarter and 4 percent below the third quarter of 2005. Single-family units stood at 869,000, 7 percent below the previous quarter and 8 percent below the third quarter of 2005. Multifamily units were at 420,000, up a statistically insignificant 1 percent from the previous quarter and up a statistically insignificant 6 percent from the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,328	1,385	1,378	– 4	– 4
One Unit	869	936	943	– 7	– 8
Five Plus	420	415	396	+ 1**	+ 6**

*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 third quarter of 2006, at a seasonally adjusted annual rate of 1,968,000 units, were down a statistically insignificant 1 percent from the previous quarter but up a statistically insignificant 2 percent from the same quarter of 2005. Single-family completions, at 1,674,000 units, were down a statistically insignificant 1 percent from the previous quarter but up a statistically insignificant 1 percent from the rate of a year earlier. Multifamily completions, at 266,000 units, were a statistically insignificant 2 percent below the previous quarter but 12 percent above the same quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,968	1,997	1,927	- 1 ^{**}	+ 2 ^{**}
One Unit	1,674	1,694	1,650	- 1 ^{**}	+ 1 ^{**}
Five Plus	266	272	237	- 2 ^{**}	+ 12

*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 108,000 units in the third quarter of 2006, which is 11 percent below the previous quarter and 17 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	108	122	130	- 11	- 17

*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 1,027,000 units at a seasonally adjusted annual rate (SAAR) in the third quarter of 2006, down a statistically insignificant 7 percent from the previous quarter and 21 percent lower than the third quarter of 2005. The number of new homes for sale at the end of this year's third quarter was 557,000 units, a statistically insignificant 2 percent below last quarter but 14 percent higher than a year earlier. At the end of September, inventories represented a 6.4 months' supply at the current sales rate, representing a statistically insignificant decline of 2 percent from the previous quarter but a 33 percent increase over the third quarter of last year.

Sales of existing homes for the third quarter of 2006 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,270,000 (SAAR), down 6 percent from last quarter and down 13 percent from the third quarter of 2005. The number of units for sale at the end of this year's third quarter was 3,746,000, nearly the same as the previous quarter but 35 percent above the same quarter last year. At the end of June, a 7.3 months' supply of units remained, which is 7 percent higher than last quarter and 59 percent more than a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,027	1,100	1,297	– 7**	– 21
For Sale	557	566	487	– 2**	+ 14
Months' Supply	6.4	6.5	4.8	– 2**	+ 33
Existing Homes					
Existing Homes Sold	6,270	6,687	7,180	– 6	– 13
For Sale	3,746	3,738	2,772	—	+ 35
Months' Supply	7.3	6.8	4.6	+ 7	+ 59

*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 sold during the third quarter of 2006 was \$232,300, down a statistically insignificant 6 percent from the previous quarter and down a statistically insignificant 2 percent from the third quarter of 2005. The average price of new homes sold during the third quarter of 2006 was \$306,800, a statistically insignificant 1 percent above last quarter and a statistically insignificant 4 percent above the same quarter a year ago. The price adjusted to represent a constant-quality house was \$263,600, a statistically insignificant 1 percent lower than the previous quarter but a statistically insignificant 3 percent higher than the third quarter of last year. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing homes sold in the third quarter of 2006 was \$224,700, down 1 percent from both last quarter and the third quarter of 2005, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$270,000, was 1 percent lower than both the previous quarter and the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$232,300	\$246,300	\$236,400	– 6**	– 2**
Average	\$306,800	\$302,600	\$294,600	+ 1**	+ 4**
Constant-Quality House¹	\$263,600	\$265,600	\$256,300	– 1**	+ 3**
Existing Homes					
Median	\$224,700	\$226,700	\$227,300	– 1	– 1
Average	\$270,000	\$273,000	\$273,300	– 1	– 1

**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 of housing affordability for the third quarter of 2006 shows that families earning median income have 103.3 percent of the income needed to purchase the median-priced existing single-family home. This figure is 1 percent higher than last quarter but 5 percent below the third quarter of 2005.

The increase in the third quarter 2006 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate of 6.76 is 13 basis points higher than the previous quarter. The median price of existing single-family homes fell to \$224,900, 1 percent lower than both last quarter and the third quarter of 2005. Median family income increased 0.3 percent from the previous quarter to \$56,064, a 3.0 percent gain over last year's third quarter.

The third quarter 2006 fixed-rate index of housing affordability increased 1 percent from last quarter but was 5 percent below the third quarter of 2005. The adjustable-rate index was also 1 percent higher than the previous quarter but was 6 percent below last year's third quarter.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	103.3	102.7	108.9	+ 1	- 5
Fixed-Rate Index	102.8	102.2	107.7	+ 1	- 5
Adjustable-Rate Index	105.1	104.4	112.1	+ 1	- 6

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the second quarter of 2006, 31,000 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, up 41 percent from the previous quarter and up a statistically insignificant 1 percent from the second quarter of 2005. Of the apartments completed in the second quarter of 2006, 61 percent were rented within 3 months. This absorption rate is a statistically insignificant 2 percent lower than last quarter and is a statistically insignificant 6 percent below the same quarter of the previous year. The median asking rent for apartments completed in the second quarter was \$937, a 7-percent drop from the previous quarter but a statistically insignificant 1-percent gain from the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	31.0	22.0	30.8	+ 41	+ 1 **
Percent Absorbed Next Quarter	61	62	65	- 2 **	- 6 **
Median Rent	\$937	\$1,008	\$930	- 7	+ 1 **

*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 second quarter of 2006 totaled 116,700 at a seasonally adjusted annual rate, unchanged from the level of the previous quarter but 3 percent below the second quarter of 2005. The number of homes for sale on dealers' lots at the end of the second quarter totaled 42,000 units, 5 percent above the previous quarter and 11 percent above the same quarter of 2005. The average sales price of the units sold in the second quarter was \$61,700, a statistically insignificant 4 percent below the previous quarter but unchanged from the price in the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	116.7	117.0	120.7	—	- 3
On Dealers' Lots*	42.0	40.0	38.0	+ 5	+ 11
Average Sales Price	\$61,700	\$64,300	\$61,600	- 4 **	—

*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)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the third quarter of 2006, the current market activity index for single-family detached houses stood at 37, down 14 points from last quarter and down 37 points from the third quarter of 2005. The index for future sales expectations, 41, declined 14 points from the second quarter of 2006 and fell 34 points below last year's third quarter. Prospective buyer traffic had an index value of 24, which is down 10 points from the previous quarter and down 27 points from the third quarter of last year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the third quarter of 2006, this index stood at 34, which is 12 points lower than the second quarter of 2006 and 33 points below the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	34	46	67	- 26	- 49
Current Sales Activity—Single-Family Detached	37	51	74	- 28	- 50
Future Sales Expectations—Single-Family Detached	41	55	75	- 25	- 46
Prospective Buyer Traffic	24	34	51	- 30	- 53


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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 6.56 percent in the third quarter of 2006, 4 basis points lower than in the previous quarter but 80 basis points higher than in the third quarter of 2005. Adjustable-rate mortgages (ARMs) in the third quarter of 2006 were going for 5.66 percent, 1 basis point above the previous quarter and 117 basis points above the third quarter of 2005. Fixed-rate, 15-year mortgages, at 6.22 percent, were down 1 basis point from the second quarter of this year but up 87 basis points from the third quarter of 2005.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.56	6.60	5.76	– 1	+ 14
Conventional ARMs	5.66	5.65	4.49	—	+ 26
Conventional, Fixed-Rate, 15-Year	6.22	6.23	5.35	—	+ 16

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



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 154,900 (not seasonally adjusted) properties in the third quarter of 2006, down 13 percent from the previous quarter and down 8 percent from the third quarter of 2005. Total endorsements or insurance policies issued totaled 129,500, up 29 percent from the second quarter of 2006 but down 5 percent from the third quarter of 2005. Purchase endorsements at 82,400 were up 82 percent from the previous quarter but were down 9 percent from the third quarter of 2005. Endorsements for refinancing decreased to 47,100, a 15-percent drop from the second quarter but a 1-percent rise from the third quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	154.9	178.0	168.7	- 13	- 8
Total Endorsements	129.5	100.3	136.6	+ 29	- 5
Purchase Endorsements	82.4	45.2	90.2	+ 82	- 9
Refinancing Endorsements	47.1	55.1	46.4	- 15	+ 1


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 372,300 policies or certificates of insurance on conventional mortgage loans during the third quarter of 2006, up 3 percent from the second quarter of 2006 but down 14 percent from the third quarter of 2005; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 39,000 single-family properties in the third quarter of 2006, up 11 percent from the previous quarter but down 9 percent from the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	372.3	360.1	430.7	+ 3	- 14
Total VA Guaranties	39.0	35.2	43.1	+ 11	- 9


*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 4.39 percent at the end of the second quarter of 2006, no change from the first quarter of 2006 but up 1 percent from the second quarter of 2005. Delinquencies for subprime loans past due were at 11.70 percent, up 2 percent from the first quarter of 2006 and up 13 percent from the second quarter of 2005. Ninety-day delinquencies for all loans were at 0.91 percent, down 10 percent from the first quarter of 2006 but up 7 percent from the second quarter a year ago. Subprime loans that were 90 days past due stood at 2.65 percent at the end of the second quarter of 2006, down 6 percent from the first quarter of 2006 but up 5 percent from the second quarter of 2005. During the second quarter of 2006, 0.43 percent of all loans entered foreclosure, an increase of 5 percent from the first quarter of 2006 and an increase of 10 percent from the second quarter of 2005. In the subprime category, 1.79 percent began foreclosure in the second quarter of 2006, an increase of 10 percent over the first quarter of 2006 and a 42-percent increase from the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.39	4.41	4.34	—	+ 1
Subprime Loans	11.70	11.50	10.33	+ 2	+ 13
90 Days Past Due (%)					
All Loans	0.91	1.01	0.85	– 10	+ 7
Subprime Loans	2.65	2.82	2.52	– 6	+ 5
Foreclosures Started (%)					
All Loans	0.43	0.41	0.39	+ 5	+ 10
Subprime Loans	1.79	1.62	1.26	+ 10	+ 42

Source: National Delinquency Survey, Mortgage Bankers Association




HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the third quarter of 2006 was at a seasonally adjusted annual rate of \$752.9 billion, 5 percent below the value from the second quarter of 2006 and 5 percent below the third quarter of 2005. As a percentage of the Gross Domestic Product (GDP), RFI for the third quarter of 2006 was 5.7 percent, 0.3 percentage point below the previous quarter and 0.6 percentage point below the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	\$13,308.3	\$13,197.3	\$12,573.5	+ 1	+ 6
RFI	\$752.9	\$790.6	\$791.2	- 5	- 5
RFI/GDP (%)	5.7	6.0	6.3	- 5	- 10

*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock^{*}

At the end of the third quarter of 2006, the estimate of the total housing stock, 126,225,000 units, was up a statistically insignificant 0.3 percent from the second quarter of 2006 and up a statistically insignificant 1.7 percent from the third quarter of 2005. The number of occupied units was up a statistically insignificant 0.2 percent from the second quarter of 2006 and was up a statistically insignificant 1.1 percent from the third quarter of 2005. The number of owner-occupied homes increased a statistically insignificant 0.6 percent from the second quarter of 2006 and was up a statistically insignificant 1.4 percent from the third quarter of 2005. The number of renter-occupied units decreased a statistically insignificant 0.7 percent from the previous quarter but increased a statistically insignificant 0.4 percent from the third quarter of 2005. The number of vacant units was up a statistically insignificant 1.5 percent from the past quarter and increased 5.8 percent from the third quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	126,225	125,800	124,119	+ 0.3**	+ 1.7**
Occupied Units	109,630	109,450	108,431	+ 0.2**	+ 1.1**
Owner Occupied	75,646	75,227	74,588	+ 0.6**	+ 1.4**
Renter Occupied	33,984	34,223	33,843	- 0.7**	+ 0.4**
Vacant Units	16,595	16,350	15,688	+ 1.5**	+ 5.8

*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 national homeowner vacancy rate for the third quarter of 2006, at 2.5 percent, was up 0.3 percentage point from the second quarter of 2006 and increased 0.6 percentage point from the third quarter of 2005.

The 2006 third quarter national rental vacancy rate, at 9.9 percent, was up a statistically insignificant 0.3 percentage point from the previous quarter but was unchanged from the third quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.5	2.2	1.9	+ 14	+ 32
Rental Rate	9.9	9.6	9.9	+ 3**	—


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate for the third quarter of 2006, at 69.0 percent, was up 0.3 percentage point from the past quarter and up a statistically insignificant 0.2 percentage point from the third quarter of 2005. The homeownership rate for minority households, at 51.7 percent, increased 0.7 percentage point from the second quarter of 2006 and increased 0.5 percentage point from the third quarter of the previous year. The 63.7-percent homeownership rate for young married-couple households was up a statistically insignificant 0.2 percentage point from the second quarter of 2006 and was up 1.2 percentage points from 2005's third quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	69.0	68.7	68.8	+ 0.4	+ 0.3**
Minority Households	51.7	51.0	51.2	+ 1.4	+ 1.0
Young Married-Couple Households	63.7	63.5	62.5	+ 0.3**	+ 1.9

Source: Census Bureau, Department of Commerce