



U.S. Housing Market Conditions

November 2006

SUMMARY

The economy grew at a rate of 2.2 percent in the third quarter of 2006, down from 2.6 percent in the second quarter. The labor situation in the third quarter saw continued job growth and a falling unemployment rate. Mortgage interest rates edged downward. Housing market performance was reduced, with production rates and sales declining. Single-family building permits, starts, and completions fell from levels recorded during the second quarter. Sales of new homes and existing homes also declined. Inventories of new homes and existing homes available for sale declined slightly but remain at high levels. The homeownership rate increased to 69.0 percent in the third quarter of 2006.

Housing Production

Housing production declined in the third quarter of 2006 but was reasonably strong. Building permits, starts, and completions each totaled more than 1.7 million units at a seasonally adjusted annual rate (SAAR), although they were lower than their second quarter values. Single-family permits and starts were strong—among the highest 10 percent of this quarterly series. Completions are running at a record-setting pace. Shipments of manufactured homes declined in the third quarter.

- In the third quarter of 2006, builders took out permits for 1,709,000 (SAAR) new housing units. The number of permits is 11 percent below the second quarter of 2006 and 23 percent below the third quarter of 2005. Single-family permits were issued for 1,276,000 (SAAR) housing units, down 13 percent from the second quarter of 2006 and down 26 percent from the third quarter of 2005. This is the fourth consecutive quarter in which the numbers of total and single-family building permits decreased. The level of both total and single-family building permits issued would be the fifth-best ever if the year-to-date pace continues.

- Construction was started on 1,735,000 (SAAR) new housing units in the third quarter of 2006, down 7 percent from the second quarter and down 17 percent from the third quarter of 2005. Single-family starts equaled 1,413,000 (SAAR) units, down 8 percent from the second quarter and down 19 percent from the third quarter of 2005. If the pace established during the first 9 months continues, 2006 will be the third-best year ever for single-family starts.
- In the third quarter of 2006, construction was completed on 1,968,000 (SAAR) new homes, down 1 percent from the second quarter but up 2 percent from the third quarter of 2005. Single-family completions were 1,674,000 (SAAR), down 1 percent from the second quarter but up 1 percent from the third quarter of a year earlier. Single-family completions were the fourth-highest quarterly values ever posted, and if the January-to-September pace were to continue, 2006 would be the second-best year for total completions and would set a new record for single-family completions.

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- Manufacturers shipped 108,000 (SAAR) new manufactured homes in the third quarter of 2006 (based on data from the first 2 months of the quarter), down 11 percent from the second quarter of 2006 and down 17 percent from the third quarter of 2005.

Housing Marketing

Sales of new homes and existing homes declined in the third quarter of 2006, as did home sales prices. Although the inventory of homes available for sale remains at a high level, the inventory of new homes available for sale decreased 2 percent in the third quarter while the inventory of existing homes available for sale remained unchanged. Builders, who were much less optimistic in the third quarter of 2006, expressed their concern across current sales, future sales expectations, and prospective buyer traffic.

- During the third quarter of 2006, builders sold 1,027,000 (SAAR) new single-family homes, down 7 percent from the second quarter and down 21 percent from the third quarter of 2005. Although declines have been reported in four consecutive quarters, the levels of sales have remained high enough during the first 9 months of 2006 to make this year the fourth-best year ever for single-family home sales.
- REALTORS® sold 6,270,000 (SAAR) existing homes in the third quarter of 2006, down 6 percent from the second quarter and down 13 percent from the third quarter of 2005.
- The median price for new homes sold in the third quarter of 2006 was \$232,300, down 6 percent from the second quarter and down 2 percent from the third quarter of 2005. The average sales price increased by 1 percent from the second quarter of 2006 and by 4 percent from the third quarter of 2005 to \$306,800. The price of a constant-quality new home was estimated to be \$263,300, down 1 percent from the second quarter of 2006 but up 3 percent from the third quarter of 2005.
- Existing homes sold during the third quarter of 2006 had a median price of \$224,700, down 1 percent from the second quarter and down 1 percent from the third quarter of 2005. The average price was \$270,000, down 1 percent from the second quarter of 2006 and down 1 percent from the third quarter of 2005.
- The inventory of new homes available for sale was 557,000, down 2 percent from the second quarter of 2006 but up 14 percent from the third quarter of 2005. This figure is the second-highest value for quarter-ending inventories. This inventory would support 6.4 months of sales at the current sales pace, down 0.1 month from the end of the second quarter of 2006 but up 1.6 months from the end of the third quarter of 2005. The inventory of existing homes available for sale at the end of the third quarter of 2006 was 3,746,000, unchanged from the second quarter but up 35 percent from the third quarter of 2005. This inventory would support 7.3 months of sales at the current sales pace, up 0.5 month from the second quarter of 2006 and up 2.7 months from the third quarter of 2005.
- Home builders were much less optimistic in the third quarter of 2006 than they were in the second quarter, according to the National Association of Home Builders/Wells Fargo Housing Market Index. The index was 34 in the third quarter, down 12 points from the second quarter of 2006 and down 33 points from the third quarter of 2005. All three components of the composite index declined—current sales and future sales expectations each were down 14 points and prospective buyer traffic was down 10 points. This is the fourth-lowest quarterly value since the index began in 1985.

Affordability and Interest Rates

In the third quarter of 2006, the interest rate for 30-year, fixed-rate mortgages averaged 6.56 percent, down 4 basis points from the second quarter but up 80 basis points from the third quarter of 2005. Housing affordability improved from the second quarter of 2006 but worsened from the third quarter of 2005, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that in the third quarter of 2006 the family earning the median income (\$57,837) had 103.3 percent of the income needed to purchase the median-priced (\$224,900) existing single-family home using standard lending guidelines. This value is up 0.6 points from the second quarter of 2006 but down 5.6 points from the third quarter of 2005. This increase is attributable to a 1-percent decrease in the median house sales price and a 0.8-percent increase in the median family income, more than offsetting the 13-basis-point increase in the composite interest rate. The decline from the



third quarter of 2005 resulted from a 92-basis-point increase in the composite mortgage interest rate, offsetting the 3-percent increase in the median family income and the 1-percent decrease in the median home sales price. The national homeownership rate in the third quarter of 2006 was 69.0 percent, up 0.3 percentage point from the second quarter of 2006 and up 0.2 percentage point from the third quarter of 2005.

Multifamily Housing

During the third quarter of 2006, the multifamily (five units or more) sector declined across production and rental segments. All production indicators were negative, absorption of new rental units fell, and the quarterly vacancy rate rose.

- In the third quarter of 2006, builders took out permits for constructing 356,000 (SAAR) new multifamily units, down 9 percent from the second quarter of 2006 and down 9 percent from the third quarter of 2005.
- Builders started construction on 271,000 (SAAR) new multifamily units in the third quarter of 2006, down 8 percent from the second quarter and down 12 percent from the third quarter of 2005.
- Builders completed 266,000 (SAAR) new multifamily units in the third quarter of 2006, down 2 percent from the second quarter but up 12 percent from the third quarter of 2005.
- The rental vacancy rate in the third quarter of 2006 was 9.9 percent, up 0.3 percentage point from the second quarter but unchanged from the third quarter of 2005.
- Market absorption of new rental apartments decreased by 1 percentage point in the third quarter of 2006, and the rate was down 4 percentage points from a year earlier. Of new apartments completed in the second quarter, 61 percent were leased or absorbed in the second 3 months following completion.

THE BABY BOOMER GENERATION: WHAT WE CAN LEARN FROM THE 2005 AMERICAN HOUSING SURVEY

The U.S. population reached the 300 million mark in October of this year. This milestone causes many to focus their attention on the post-World War II generation because they make up a large portion of the U.S. population and will retire soon. Coined the “baby boomers,” the people of this generation were born between 1946 and 1964 and will reach the ages of 42 through 60 this year. The baby boomers make up 26 percent of the American population—a larger portion of the population than any other generation—and their living in retirement will have large ramifications for the rest of society. This article examines some socioeconomic characteristics we can learn about this generation from the 2005 American Housing Survey¹ (AHS), and compares the characteristics of the baby boomers to those of the generation born before the baby boomers (pre-1946) and the generation born after the baby boomers (post-1964). These comparisons suggest how things might change once the baby boomers retire.

Baby boomers are racially and ethnically more diverse than their predecessors but are less so than the generation born after them. They are more likely to have traditional husband-and-wife families, be more educated, and have higher incomes. They are also more likely to live in larger, more expensive homes but have the lowest housing cost burden, or housing costs relative to household income. Baby boomers prefer living in suburban areas and represent the greatest number of occupants of single-family detached homes.

Demographic Characteristics

The 2005 AHS indicates that baby boomers are heads of households for 39 percent of American households. This is nearly 40 percent larger than the number of households headed by pre-baby boomers, or those born prior to 1946, and nearly 20 percent larger than the number of households headed by post-baby boomers, or those born after 1964. Pre-baby boomers, the oldest generation of households, represent 28 percent of U.S. households and post-baby boomers, the youngest generation of households, represent 33 percent. The median age of a baby-boomer householder (a husband, wife, or other head of a household) is 49 years compared with 71 years for a pre-baby boomer householder and 32 years for a post-baby boomer householder.

Relative to the other two generations of households, baby boomers are in the middle range in terms of racial and ethnic diversity, the number of householders who are native born versus foreign born, and family size. Baby boomers represent the largest percentage of households with husband-and-wife families and the lowest percentage of nonfamily households. They have obtained higher levels of education and earn higher incomes than either of the other age groups.

In comparing these three generations of householders, it becomes clear that immigration has been changing the picture of race and ethnicity in America. As shown in Exhibit 1, the 2005 AHS estimates that non-Hispanic Whites make up 73 percent of baby-boomer householders, which is less than the 81 percent for the oldest generation of householders but more than the 64 percent for the youngest generation of householders. From the oldest to the youngest age cohort, nearly all other race and ethnicity groups make up increasingly larger proportions of U.S. householders. For example, Hispanics account for only 6 percent of householders in the pre-baby boomer age cohort; this proportion increases to 10 percent for the baby boomer age cohort and 16 percent for the post-baby boomer age cohort. Change in U.S. citizenship for the three generations of householders reflects a similar pattern. Exhibit 2 shows that 92 percent of pre-baby boomer householders are estimated to be native U.S. citizens, but only 89 percent of the baby boomer generation and 86 percent of the post-baby boomer group are native U.S. citizens.

Household composition or family type also varies among the different generations. As displayed in Exhibit 3, baby boomer households headed by a



Exhibit 1. Householder by Race and Ethnicity, 2005

Race and Ethnicity	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
White, non-Hispanic	22,845,000	64	31,086,000	73	24,799,000	81
Black, non-Hispanic	5,054,000	14	5,051,000	12	2,944,000	10
Hispanic	5,653,000	16	4,144,000	10	1,785,000	6
Asian only	1,443,000	4	1,460,000	3	606,000	2
Other	779,000	2	800,000	2	453,000	1
Group size	35,774,000		42,541,000		30,586,000	
Percent of all households	33		39		28	

Exhibit 2. Householder by Citizenship, 2005

Citizenship	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Native, born in United States	29,563,000	83	36,491,000	86	27,568,000	90
Native, born in Puerto Rico or U.S. outlying area	773,000	2	882,000	2	474,000	2
Native, born abroad of U.S. parent(s)	253,000	1	281,000	1	70,000	—
Foreign born, U.S. citizen by naturalization	1,521,000	4	2,546,000	6	1,918,000	6
Foreign born, not a U.S. citizen	3,665,000	10	2,341,000	6	556,000	2

Exhibit 3. Family and Household Type, 2005

Family and Household Type	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Husband-and-wife families	15,815,000	44	24,947,000	59	14,724,000	48
Male-headed families	2,253,000	6	1,712,000	4	648,000	2
Female-headed families	5,931,000	17	5,054,000	12	2,325,000	8
Nonfamily households	11,776,000	33	10,828,000	25	12,888,000	42

husband and wife represent the family type of 59 percent of all households in this generation, in contrast with 48 percent for the oldest generation and 44 percent for the youngest generation. Of the oldest group, a large percentage, 42 percent, is made up of nonfamily households; that is, people who either live alone or with nonrelatives. This is not

surprising given the age of these householders. Nearly a quarter of the youngest group are family households headed by an unmarried householder, with 6 percent headed by men and 17 percent by women. Household size also differs among the three age groups. As displayed in Exhibit 4, baby boomer households are evenly split between households of

one or two people and households of three or more. In contrast, 87 percent of pre-baby boomer households are made up of one or two people, whereas post-baby boomer households are larger with 53 percent having three or more people.

Baby boomers are more educated than the other generations, although the youngest age cohort still has time to surpass them in attaining higher education. Exhibit 5 examines the highest education level attained by householders, including their spouse, if any. The AHS estimates that 12 percent of baby boomers have received a graduate or professional degree, compared with 9 percent for both the pre- and post-baby boomer generations. A greater percentage of the youngest age cohort (23 percent) has received a bachelor's degree (B.A.) as the highest level of education compared with the baby boomer generation (19 percent) and the oldest generation (12 percent). Of note is that considerably more baby boomers than pre-baby boomers (19 percent versus 12 percent) obtained a B.A. as their highest level of education, while only slightly more (12 percent compared to 9

percent) obtained a graduate or professional degree. A higher percentage of baby boomers (13 percent) have obtained a vocational or associate degree than either the youngest (11 percent) or oldest (8 percent) generations. Of concern is that a larger percentage of the youngest cohort (14 percent) has less than a high school degree compared with 11 percent for those a generation older. As noted earlier, however, more schooling is still available to these younger people and a General Equivalency Diploma, or GED, is also an option.

Baby boomers have more household income than the other age groups. As shown in Exhibit 6, 58 percent of baby boomer households have incomes of \$50,000 or more compared with 44 percent of post-baby boomers and 28 percent of pre-baby boomers. The exhibit also shows that 46 percent of the oldest generation of households have incomes of less than \$25,000 compared with 26 percent for the youngest group and 19 percent for baby boomers.² The median income for baby boomers is \$58,000 compared with \$43,000 for the youngest age cohort and \$27,250 for

Exhibit 4. Number of Persons in Household, 2005

Number of Persons in Household	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
1	7,916,000	22	9,048,000	21	12,222,000	40
2	8,905,000	25	12,229,000	29	14,443,000	47
3-4	13,978,000	39	15,873,000	37	3,301,000	11
5 or more	4,976,000	14	5,391,000	13	620,000	2

Exhibit 5. Highest Education Level of Householder and Spouse, 2005

Highest Education Level	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Less than high school degree	7,589,000	14	7,372,000	11	9,716,000	23
High school degree	24,364,000	44	29,006,000	45	19,674,000	47
Vocational or associate's degree	6,396,000	11	8,130,000	13	3,219,000	8
Bachelor's degree	12,697,000	23	12,410,000	19	5,063,000	12
Graduate or professional degree	4,936,000	9	7,485,000	12	3,755,000	9
Group size	55,982,000		64,403,000		41,427,000	
Percent of all group members	34		40		26	



Exhibit 6. Household Income, 2005

Household Income	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Less than \$25,000	9,283,000	26	8,210,000	19	14,150,000	46
\$25,000 to \$49,999	10,749,000	30	9,795,000	23	7,871,000	26
\$50,000 to \$99,999	11,156,000	31	14,846,000	35	6,082,000	20
\$100,000 to \$149,999	3,090,000	9	5,949,000	14	1,538,000	5
\$150,000 or more	1,496,000	4	3,741,000	9	944,000	3
Median (\$)	43,000		58,000		27,250	

the oldest generation. These income patterns demonstrate that baby boomers earn the highest income of all generations, but they are in their preretirement and highest income-earning years compared with pre-baby boomers who are, for the most part, past their income-earning years and post-baby boomers who are just getting started.

Housing Characteristics and Costs

Compared with their predecessors, baby boomers represent a smaller percentage of homeowners, but they generally own larger, more expensive homes. They incur higher monthly housing costs than either of the other two generations but have the lowest housing cost burden. Baby boomers are more likely to dwell in single-family detached homes and are the least likely to live in multifamily structures or condominiums or cooperatives.

A larger percentage of the pre-baby boomer generation own their homes than either baby boomers or the youngest generation, which is to be expected given homeownership typically increases with age. Of the estimated 108.9 million households in the United

States, 74.9 million, or 69 percent, are homeowners and 34.0 million, or 31 percent, are renters. Exhibit 7 shows that approximately 76 percent of baby boomers own their homes compared with 81 percent of the oldest age cohort. Only 50 percent of the youngest group are currently homeowners.

Although baby boomers are less likely to own their homes than their predecessors, they own more expensive ones. Exhibit 8 shows that 35 percent of baby boomers own homes valued at \$250,000 or more compared with 30 percent for both the pre- and post-baby boomer generations. For homes valued at less than \$100,000, the oldest age cohort own more (33 percent) compared with 28 percent for the youngest group and 27 percent for baby boomers. The median value of an owner-occupied home for the baby boomer generation is \$170,000 relative to \$155,000 for the youngest generation and \$150,000 for the oldest generation. Most of the oldest generation have paid off their homes. Of the oldest group, only 30 percent have mortgages on their property compared with 70 percent for baby boomers and 82 percent for post-baby boomers.

Baby boomers also live in larger homes than the other age groups. As shown in Exhibit 9, which includes both owners and renters, nearly 60 percent of baby boomers live in homes with six or more

Exhibit 7. Ownership of Occupied Housing, 2005

Ownership of Occupied Housing	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Owner occupied	17,739,000	50	32,461,000	76	24,750,000	81
Renter occupied	18,035,000	50	10,079,000	24	5,836,000	19

Exhibit 8. Owner-Occupied Units: House Values and Mortgage, 2005

Owner-Occupied Units	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
House values						
Less than \$100,000	5,017,000	28	8,661,000	27	8,266,000	33
\$100,000 to \$249,999	7,422,000	42	12,438,000	38	9,079,000	37
\$250,000 to \$499,999	3,781,000	21	7,271,000	22	4,801,000	19
\$500,000 or more	1,519,000	9	4,092,000	13	2,604,000	11
Median value (\$)	155,000		170,000		150,000	
Mortgage on property	14,480,000		22,796,000		7,403,000	
Percent with a mortgage	82		70		30	

Exhibit 9. Number of Rooms, 2005

Number of Rooms	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
1	173,000	—	110,000	—	95,000	—
2	465,000	1	303,000	1	221,000	1
3–5	20,647,000	58	16,729,000	39	14,221,000	47
6–7	10,313,000	29	15,856,000	37	11,286,000	37
8–9	2,871,000	8	6,437,000	15	3,178,000	10
10 or more	1,305,000	4	3,106,000	7	1,585,000	5

rooms compared with 52 percent for pre-baby boomers and 41 percent for post-baby boomers. Few households have homes of one or two rooms. Baby boomers typically live in homes with more bedrooms and bathrooms. Exhibit 10 shows that 71 percent of baby boomers' homes have three or more bedrooms relative to 61 percent for the oldest generation and 54 percent for the youngest age cohort. Exhibit 11 shows that 54 percent of baby boomers' homes have two or more bathrooms compared with 47 percent for the oldest age cohort and 42 percent for the youngest group.

Coinciding with larger homes and a high percentage of mortgages, baby boomers pay higher monthly housing costs. As illustrated in Exhibit 12, 24 percent of baby boomers (both owners and renters) incur monthly housing costs of \$1,500 or more compared with 18 percent for the youngest generation and 10 percent for the oldest. The exhibit also shows

that 62 percent of the youngest generation is more likely to have monthly housing costs in the middle range of \$500 to \$1,500 compared with 52 percent for baby boomers and 40 percent for pre-baby boomers. Average monthly housing costs are \$1,157 for baby boomers, \$1,044 for the youngest generation, and \$725 for the oldest group. Median monthly housing costs are \$917 for baby boomers, \$849 for the youngest age cohort, and \$512 for the oldest group.

Monthly housing cost burdens are fairly similar for owners across the different age groups but vary considerably for renters. Exhibit 12 shows that, for owners, the median cost burden is highest for the youngest cohort, at 21.4, followed by the oldest cohort, at 19.3, and the baby boomers, at 18.5. A different pattern exists for renters. The median cost burden for renter-occupied housing is 38.6 for pre-baby boomers, 28.1 for post-baby boomers, and 27.6 for baby boomers.³



Exhibit 10. Number of Bedrooms, 2005

Number of Bedrooms	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
0	395,000	1	248,000	1	174,000	1
1	5,206,000	15	3,343,000	8	3,326,000	11
2	10,982,000	31	8,739,000	21	8,496,000	28
3	13,526,000	38	19,284,000	45	13,338,000	44
4	4,732,000	13	8,569,000	20	4,222,000	14
5 or more	934,000	3	2,358,000	6	1,029,000	3

Exhibit 11. Number of Bathrooms, 2005

Number of Bathrooms	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
0	217,000	1	203,000	—	135,000	—
1	15,930,000	45	13,073,000	31	10,904,000	36
1.5	4,506,000	13	6,067,000	14	5,317,000	17
2	13,362,000	37	18,487,000	43	11,926,000	39
3 or more	1,759,000	5	4,711,000	11	2,304,000	8

Exhibit 12. Monthly Housing Costs, 2005

Monthly Housing Costs	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Less than \$250	2,538,000	7	3,389,000	8	5,544,000	18
\$250 to \$499	4,872,000	14	6,613,000	16	9,657,000	32
\$500 to \$999	14,666,000	41	13,654,000	32	9,245,000	30
\$1,000 to \$1,499	7,484,000	21	8,692,000	20	3,098,000	10
\$1,500 to \$1,999	3,064,000	9	4,665,000	11	1,480,000	5
\$2,000 to \$2,499	1,284,000	4	2,274,000	5	645,000	2
\$2,500 or more	1,865,000	5	3,254,000	8	916,000	3
Average (\$)	1,044		1,157		725	
Median (\$)	849		917		512	
Median cost burden						
Owner occupied	21.4		18.5		19.3	
Renter occupied	28.1		27.6		38.6	

The type of housing structure occupied by both owners and renters is illustrated in Exhibit 13, which shows that baby boomers and pre-baby boomers live in similar types of housing. Two small exceptions are that 72 percent of baby-boomer households while only 69 percent of pre-baby boomer households live in single-family detached homes; and, secondly, only 2 percent of baby boomers but 6 percent of pre-baby boomers live in large multifamily units of 50 or more units. A much larger percentage of households from the youngest generation (37 percent) live in multifamily units compared with baby boomer households (16 percent) and pre-baby boomer households (19 percent). Nearly equal percentages of the three age groups live in single-family attached homes and manufactured or mobile homes.

Only 5 percent of all households live in condominiums or cooperatives; of those housing units, 75 percent are owner occupied and 25 percent are renter occupied. The oldest generation is slightly more likely to live in condominiums or cooperatives than the other two groups. As shown in Exhibit 14, 6 percent of the pre-baby boomers, 5 percent of the post-baby boomers, and 4 percent of the baby boomers inhabit condominiums or cooperatives.

Where Do They Live?

Baby boomers are fairly evenly represented in all areas of the nation, although they prefer the suburbs to central cities or nonmetropolitan areas. Of the three age groups, baby boomers are the least likely to live in multifamily structures of five or more units.

All three age cohorts are fairly evenly represented in the Midwest and the South, but a larger percentage of the oldest householders live in the Northeast and a larger percentage of the youngest householders have settled in the West. As shown in Exhibit 15, 21 percent of the oldest generation live in the Northeast compared with 19 percent of baby boomers and 17 percent of post-baby boomers. On the other hand, 23 percent of the youngest generation live in the West compared with 22 percent of baby boomers and 20 percent of pre-baby boomers.

Baby boomers are more likely to live in the suburbs than are the other two generations. Exhibit 15 shows that 49 percent of baby boomers live in the suburbs compared with 45 percent of pre-baby boomers and 44 percent of post-baby boomers. The youngest generation (34 percent) is more likely to live in

Exhibit 13. Type of Housing, 2005

Type of Housing	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Single-family, detached	18,193,000	51	30,617,000	72	21,216,000	69
Single-family, attached	2,354,000	7	2,141,000	5	1,666,000	5
Multifamily						
2 to 4 units	4,002,000	11	2,433,000	6	1,607,000	5
5 to 19 units	5,571,000	16	2,637,000	6	1,420,000	5
20 to 49 units	1,980,000	6	997,000	2	796,000	3
50 units or more	1,492,000	4	1,052,000	2	1,807,000	6
Manufactured housing	2,183,000	6	2,664,000	6	2,073,000	7

Exhibit 14. Condominiums and Cooperatives, 2005

Condominiums and Cooperatives	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Occupied units	1,866,000	5	1,815,000	4	1,949,000	6



central cities than is the baby boomer generation (27 percent) or oldest generation (26 percent). Of the three groups, households from the oldest generation (29 percent) are more likely to live in nonmetro areas than are the baby boomers (24 percent) and post-baby boomers (22 percent).

About 15 percent of all housing units are in multifamily buildings of five or more units. Residents of these units often enjoy selected amenities, such as recreational facilities, or community services, such as daycare. Younger households (25 percent) are much more likely to live in these buildings than in other structure types (single-family homes and smaller multifamily buildings of two to four units), compared with the oldest generation (13 percent) and baby boomers (11 percent). Of the estimated 17.8 million multifamily buildings (five or more units) in the United States, Exhibit 16 shows that 51 percent are occupied by the youngest generation, 26 percent by baby boomers, and 23 percent by the oldest generation. Recreational facilities, such as a community center or walking and jogging trails, are offered by 43 percent of these units. Of those living in multifamily structures with five or more units, the oldest generation is more likely to live in units offering recreational services (51 percent) compared with 41 percent of the youngest generation and 39 percent of baby boomers. Community services such as shuttles buses or daycare services are offered by 20 percent of these multifamily buildings. The exhibit shows that, of those households in structures

of five or more units, 34 percent of the oldest generation are more likely to inhabit units offering community services, followed by 19 percent of baby boomers and 14 percent of post-baby boomers.

Exhibit 16 also illustrates security features offered by these multifamily buildings. Approximately 3 in 10 respondents reported that their communities use special entry systems such as key cards or security guard approval. Of those households in multifamily (5+) units, the oldest age cohort (48 percent) is more likely to live in units with security features, followed by baby boomers (28 percent) and the youngest generation (25 percent). About 18 percent of these multifamily buildings are gated communities; that is, surrounded by walls or fences. Of those inhabiting multifamily (5+) units buildings, the youngest cohort (56 percent) is most likely to live in gated communities relative to 18 percent of pre-baby boomers and 16 percent of baby boomers.

The survey asks any household in a multifamily structure with someone aged 55 or older if their community offers assistive services, such as meals and transportation, or personal care services, such as bathing and dressing. The only age group with complete information for questions of this sort is the oldest generation. Exhibit 17 shows that, of those living in multifamily buildings of five or more units, the AHS estimates that 25 percent of the oldest generation are offered assistive services and that 8 percent are offered personal care services.

Exhibit 15. Location by Region and Metropolitan Area, 2005

Location	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Region						
Northeast	5,974,000	17	8,036,000	19	6,327,000	21
Midwest	8,170,000	23	9,626,000	23	7,160,000	23
South	13,289,000	37	15,488,000	36	10,945,000	36
West	8,319,000	23	9,385,000	22	6,153,000	20
Metropolitan area						
Central city	12,287,000	34	11,371,000	27	7,924,000	26
Suburb	15,690,000	44	20,907,000	49	13,880,000	45
Nonmetropolitan area	7,775,000	22	10,257,000	24	8,781,000	29

Exhibit 16. Selected Characteristics of Multifamily Communities, 2005

Description	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
Community recreation facilities available ^a	3,747,000	41	1,848,000	39	2,068,000	51
Community services provided ^b	1,252,000	14	894,000	19	1,363,000	34
Entry system required to access building	2,230,000	25	1,284,000	28	1,918,000	48
Walls or fences surrounding community	1,830,000	56	731,000	16	705,000	18
All multifamily (5+) units	9,043,000		4,686,000		4,024,000	
Percent of all living in multifamily (5+) units	51		26		23	

^a Any of the following: community center or clubhouse; golf course; walking/jogging trails; or private or restricted access to beach, park, or shoreline.

^b Shuttle bus or daycare services.

Exhibit 17. Selected Characteristics of Senior Assisted Living in Multifamily Communities, 2005

Description	Pre-Baby Boomers	
	Number	Percent
Management provides:		
Assistive services ^a	997,000	25
Personal care services ^b	333,000	8
All multifamily (5+) units	4,024,000	
Percent of all living in multifamily (5+) units	23	

^a Any of the following: meals, transportation, housekeeping, managing finances, use of telephone, or shopping.

^b Any of the following: bathing, eating, moving about, dressing, or use of toilet.

Exhibit 18 summarizes how respondents living in communities with multifamily buildings rated their homes and neighborhoods as a place to live on a scale of 1 to 10, with 1 being the worst and 10 being the best. The data include responses from both owners and renters. Little variation existed among residents of owner-occupied units, with the oldest generation giving their units the highest average rating (8.82) and the youngest generation giving the lowest rating (8.09). Renters responded with more

variation but in a similar fashion, with the highest rating given by the oldest generation (8.36) and the lowest rating by the youngest generation (7.31). Results for the ranking of neighborhoods as a place to live were fairly similar. The oldest group of residents of owner-occupied units gave the highest ranking of 8.62 and the youngest group gave the lowest ranking of 7.84. For renters, pre-baby boomers gave the highest average ranking of neighborhoods (8.25) and post-baby boomers gave the lowest ranking (7.24).



Exhibit 18. Rating of Unit and Neighborhood, 2005

Average Rating ^a as a Place To Live	Owner-Occupied Unit			Renter-Occupied Unit		
	Post-Baby Boomers	Baby Boomers	Pre-Baby Boomers	Post-Baby Boomers	Baby Boomers	Pre-Baby Boomers
Housing unit	8.09	8.28	8.82	7.31	7.47	8.36
Neighborhood	7.84	8.12	8.62	7.24	7.42	8.25

^a Rating was on a scale of 1 to 10, with 1 being the worst and 10 the best.

When Will Baby Boomers Be Empty Nesters?

As with the generation born after them, nearly 50 percent of baby boomers have no children at home. In contrast to the post-baby boomer generation, however, baby boomers are likely to be empty nesters within the next 10 years.

Exhibit 19 shows that nearly half of baby boomer households, 48 percent, have no children living at home; of the households with children, more than a third of the children will be old enough to leave within the next 10 years. In contrast, 86 percent of the oldest generation have no children living at home and most of their children who live at home are over 20 years of age. The youngest generation is similar to baby boomers in that nearly half of them have no children living at home, but many of these households have not started their families yet. Of this group, 42 percent have children who are 10 years of age or younger.


Notes

¹ The Department of Housing and Urban Development sponsors the National American Housing Survey every other year in odd-numbered years. The AHS is conducted by the Census Bureau using a representative sample of approximately 60,000 U.S. housing units, 43,000 of which are occupied. The survey collects extensive data on (a) housing structure and condition of the unit; (b) social, demographic, and economic characteristics of the occupants; (c) mortgage data; (d) remodeling and home improvements; (e) qualities and features of the neighborhood; (f) commuting and labor force participation; (g) equipment and fuels; and (h) information related to moving. Because the AHS is a statistical sample, the estimates presented are subject to both sampling and nonsampling errors.

² The 2005 AHS adopted a more elaborate series of income questions similar to the questions used in the American Community Survey (ACS) because comparisons with other surveys suggested that reported income was generally lower on the AHS. For each person in the family, the 2005 AHS questionnaire collects the amount of income for nine different types of income, such as wages and salaries and

Exhibit 19. Age of Youngest Child Living at Home, If Any, 2005

Age of Youngest Child, If Any	Post-Baby Boomers		Baby Boomers		Pre-Baby Boomers	
	Number	Percent	Number	Percent	Number	Percent
No children at home	17,715,000	50	20,337,000	48	26,230,000	86
5 years or less	10,746,000	30	2,524,000	6	72,000	—
6–10 years	4,458,000	12	4,376,000	10	64,000	—
11–15 years	2,119,000	6	5,934,000	14	159,000	1
16–20 years	636,000	2	5,546,000	13	402,000	1
Greater than 20 years	101,000	0	3,823,000	9	3,659,000	12



Social Security income. Prior to 2005, respondents were asked the wages and salaries of each person in the family, and all other sources of income were collected as a single amount for the family as a whole. Comparisons of the 2005 AHS with the 2004 ACS indicate that reporting of specific types of income is generally comparable. One exception is the reporting of “interest, dividend, net rental income, royalty income, and income from estates and trusts,” where the percent of persons reporting is lower in the 2005 AHS. As a result, household income may be understated in Exhibit 6, particularly for the

oldest generation, since this type of income is likely to be a greater source of income for the elderly.

³ As noted in an earlier note, “interest, dividend, net rental income, royalty income, and income from estates and trusts” may be underreported in the 2005 AHS. Because this type of income is likely to be a greater source of income for the elderly, the housing cost burdens for the oldest generation may be overstated.



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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

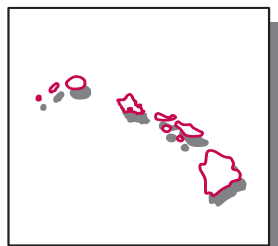
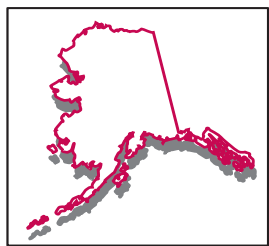
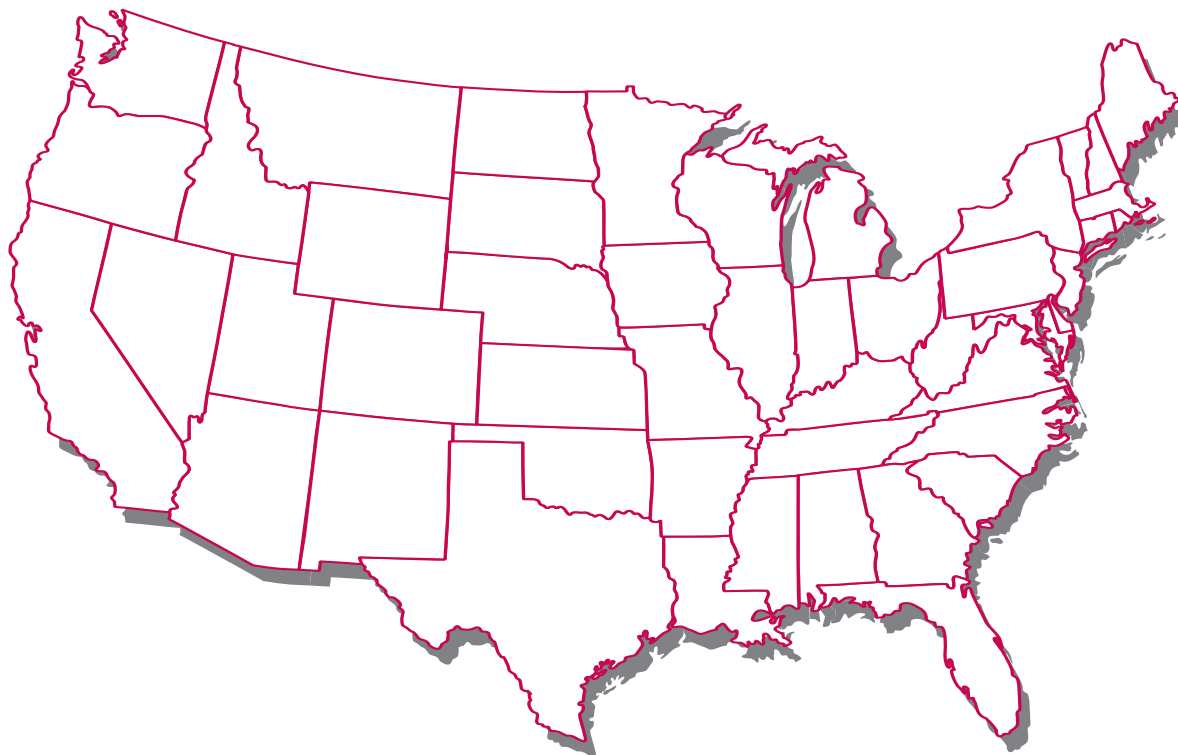
The national homeownership rate for the third quarter of 2006, at 69.0 percent, was up 0.3 percentage point from the past quarter and up a statistically insignificant 0.2 percentage point from the third quarter of 2005. The homeownership rate for minority households, at 51.7 percent, increased 0.7 percentage 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

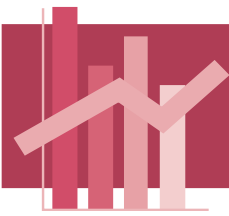
Source: Census Bureau, Department of Commerce



Regional Activity

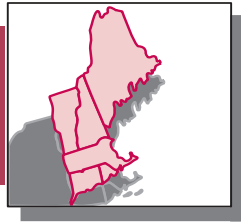


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



Regional Reports

NEW ENGLAND



Nonfarm employment in the New England region averaged 6.94 million jobs, an increase of 45,600, or 0.7 percent, during the 12 months ending September 2006 compared with the 12 months ending September 2005. Massachusetts led the region with a gain of 23,200 jobs, matching the 0.7-percent growth rate for the region. New Hampshire, which gained 6,000 jobs, had the highest rate of growth at 1 percent. In Massachusetts, job growth was supported almost entirely by the service-providing sectors of business and professional services and education and health services, with 9,000 and 9,600 jobs, respectively. Employment growth in New Hampshire was led by a 2,200-job increase in the leisure and hospitality sector. Connecticut and Vermont reported service-providing job growth rates of 1 percent and 0.9 percent, respectively; these rates were supported primarily by the professional and business services and education and health services sectors. The only two states experiencing positive net job growth in goods-producing industries during the past year were Massachusetts, with a 1,400-job increase in manufacturing employment, and Vermont, where construction payrolls increased by 1,000 from the previous year.

The unemployment rate in the New England region remained relatively unchanged from a year ago. During the 12 months ending September 2006, the average unemployment rate was 4.6 percent, down from 4.7 percent during the previous 12 months. New Hampshire and Vermont had the lowest average unemployment rates at 3.4 percent and 3.5 percent, respectively. Connecticut had the greatest decrease in unemployment rates, from 4.9 percent a year ago to 4.5 percent for the 12 months ending September 2006.

Increasing costs for land, materials, and labor, combined with higher mortgage interest rates, have resulted in a decline in single-family home construction. During the 12 months ending September 2006, the number of single-family homes permitted in the region was down by more than 6,200 units to 35,750, a 15-percent decline compared with the previous 12-month period.

The number of single-family building permits issued declined in all states but most significantly in Connecticut and New Hampshire, where permitting levels fell by 20 and 18 percent, respectively. Vermont, with 2,425 single-family units permitted, was down only 9 percent. Although building permits were down only 15 to 20 percent in the region's major metropolitan areas of Boston, Hartford, and Providence, they were down 23 to 34 percent in the smaller metropolitan areas of New Haven, Bridgeport, and Manchester compared with the previous year.

Slowing sales, decreasing prices, and growing inventories generally characterize the New England sales markets. According to the Massachusetts Association of REALTORS® (MAR), lower levels of home sales during 10 of the past 12 months ending September 2006 resulted in a 14-percent decrease in total single-family home sales from 50,050 to 43,250 units compared with the previous 12 months. The median sales price for this period declined 2 percent to \$352,050. As of September 2006, the number of single-family homes on the market increased 13 percent to 43,225 units, which is more than a 1-year supply. The Maine Real Estate Information System, Inc., reported that for the 12 months ending September 2006, total home sales were down 7 percent to 13,700 units sold from 14,675 sold during the 12 months ending September 2005. The median sales price for the state was \$192,800, up 2 percent from the previous 12 months, and for Maine counties ranged from \$255,000 in Cumberland County (Portland area) to \$84,950 in Aroostook County on the Canadian border. The Connecticut Association of REALTORS® reported total home sales of 78,000 units during the 12 months ending June 2006, down 3 percent from the previous 12-month period. The median sales price during this period was \$315,675, up 4 percent from the previous 12 months. Second quarter 2006 median sales prices for Connecticut counties ranged from \$525,800 in Fairfield County (Bridgeport-Stamford area) to \$210,700 in the nonmetropolitan Windham County in northeast Connecticut.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), for the second quarter of 2006, price appreciation in the region was 6 percent compared with the second quarter of 2005, ranking the New England region seventh of nine Census regions and well below the national price appreciation rate of 10 percent for the same period. The OFHEO indicated that Vermont had the highest price appreciation rate in the region at 11 percent and Massachusetts had the lowest rate of appreciation at 3 percent. The lowest metropolitan area appreciation rate was less than 2 percent in the Cambridge-Newton-Framingham, Massachusetts area.

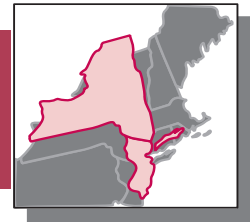
Condominium sales in the region are also slowing. During the 12 months ending September 2006, MAR reported 20,900 sales in Massachusetts, down 8 percent from the previous 12 months. The median condominium sales price for the same period was \$274,800, virtually unchanged from the previous 12-month period. The number of condominium units for sale increased 17 percent from September 2005 to more than 20,700 units currently on the market. According to the Listings Information Network, condominium sales in downtown Boston were down 20 percent in the third quarter of 2006 compared with the third quarter of 2005. The median sales price was down 7 percent to \$419,000 during the same period.

Multifamily building activity, as measured by the number of building permits authorized, was essentially flat in the region at 15,550 units during the 12 months ending September 2006 compared with the previous 12 months but was up 12 percent from the same period ending September 2004. As in the recent past, most of this activity was located in the more urban markets of the southern New England states of Massachusetts, Connecticut, and Rhode Island. The Boston metropolitan area continues to support additional units, accounting for more than 55 percent of the regional production of multifamily housing during the past 12 months. The number of multifamily units permitted in Hartford was up 9 percent from the previous year to 950 units in the 12 months ending September 2006. The urban Rhode Island markets are thriving with 1,450 multifamily units permitted in the Providence metropolitan area, up 28 percent compared with the previous year. Several multifamily projects are under way in Kent and Providence Counties, Rhode Island, and in Bristol County, Massachusetts.

Rental markets in New England have remained balanced during the third quarter of 2006 as the absorption of new units has resulted in a slight decline in occupancy rates and small rent increases. According to Reis, Inc., about 1,650 new rental units came on line in the major New England markets of Boston, Hartford, Providence, Fairfield County, and New Haven. The third quarter 2006 average rental vacancy rate for the region is 4.4 percent, virtually unchanged from the third quarter 2005 rate. Individual market vacancy rates range from 3.2 percent in Fairfield County to 5.3 percent in New Haven. Vacancy rates for all these areas have been on a downward trend for the past several years. Increases in rental rates averaged just over 1 percent from the previous quarter and just under 3 percent from a year ago. Moderate job growth has supported the absorption of the limited number of rental units delivered over the past couple of years; however, Reis, Inc., projects that more than 2,600 rental units will be

completed during the fourth quarter of 2006 and that almost 5,500 rental units will be completed in 2007. It is anticipated that additional job growth in excess of 1 percent annually will be necessary for the successful absorption of this higher level of new units.

NEW YORK/ NEW JERSEY



Employment in the New York/New Jersey region increased moderately through the third quarter of 2006 primarily due to gains in service-providing industries. For the 12-month period ending September 2006, employment in the region increased by 110,000 jobs, or 0.8 percent, to 12.7 million. Total nonfarm employment in New York increased by approximately 70,000 jobs, or 0.8 percent, to 8.6 million for the 12-month period ending September 2006 compared with 1 year ago. During this period, employment in New Jersey increased by almost 40,000 jobs, or 1 percent, to 4.1 million. Reduced home sales and increasing housing inventories have resulted in many market areas returning to a more balanced condition after record levels of sales during the past 4 years.

Employment in New York state continued to increase, largely due to job gains in New York City, which has been adding jobs during the past 2 1/2 years. During the 12-month period ending September 2006, nonfarm employment in the city increased by 55,000 jobs, or 1.5 percent, to 3.6 million compared with the previous 12 months. The high-wage securities industry and other Wall Street firms were major contributors to this growth as the financial activities sector added 9,800 jobs, up 2.2 percent from a year ago. Education and health services and leisure and hospitality were also notable growth sectors, adding a combined total of 26,000 jobs and increasing by 2.7 and 2.9 percent, respectively, during this period.

In most New York metropolitan areas, employment increased modestly during the 12-month period ending September 2006 compared with the previous 12 months. More than 3,800 jobs were created in the Syracuse area, a 1.2-percent increase, primarily due to gains in the professional and business services, leisure and hospitality, and education and health services sectors. In the Albany-Schenectady-Troy metropolitan area, 2,500 jobs



were added, primarily in the professional and business services and leisure and hospitality sectors. Employment in the Buffalo-Niagara Falls area remained stable, as growth in service-providing sectors offset a loss of 2,400 manufacturing jobs, primarily in the automobile industry, including losses at Delphi Corporation and at certain General Motors plants. In the Rochester area, employment declined by 1.1 percent, down 5,500 jobs over the course of the year. Employment growth continued in New Jersey during the 12-month period ending September 2006, as the number of jobs increased between 1 and 2 percent compared with the previous 12 months in most metropolitan areas.

The unemployment rate in the New York/New Jersey region remained relatively unchanged during the year. In the 12 months ending September 2006, the average unemployment rate decreased nominally from 4.9 to 4.8 percent compared with a year ago. The number of unemployed workers in New York State decreased by 22,350, contributing to a 0.3-percent decline in the state's unemployment rate. During this same period, the average unemployment rate in New Jersey increased from 4.5 to 4.8 percent.

The New York City housing market remains strong. According to Prudential Douglas Elliman, a prominent real estate firm, the median price of an existing Manhattan co-op/condominium increased nearly 13 percent to \$845,000 in the third quarter of 2006 compared with the same quarter in 2005. Although sales increased by almost 6 percent to 2,110 units, the listing inventory increased by more than 30 percent. Given the increase in unsold inventory, it is likely that the sales market will soften during the next year.

According to the New York State Association of REALTORS®, the median price of an existing single-family home in New York increased 6 percent to \$261,000 in the 12-month period ending September 2006. During this period, the number of single-family home sales decreased approximately 5 percent to 100,900 units. The most recent information obtained from the New Jersey Association of REALTORS® for the 12-month period ending June 2006 indicated that the median price of an existing home in New Jersey increased to \$365,400, up 10 percent from the previous 12 months. The median price of an existing single-family home in Northern New Jersey, the most expensive area in the state, increased more than 7 percent to \$455,700. Sales of single-family homes in New Jersey declined 7 percent to 174,100 units during the past year.

Sales of existing single-family homes in the Albany-Schenectady-Troy metropolitan area declined to

approximately 9,800 units, or 7 percent, during the 12 months ending September 2006 compared with the previous 12 months, according to the Greater Capital Association of REALTORS®. Despite a decline in sales, the median price of an existing home increased 7 percent to \$189,000. During this period, the inventory of unsold homes increased 9 percent to 13,900 units. Although sales in most counties of the metropolitan area decreased, all counties exhibited price increases ranging from 6 to 17 percent on a year-to-date basis. The median sales price of an existing home in Saratoga County, the most expensive county in the area, increased 6 percent to \$255,000. In Rensselaer County, the median sales price of a single-family home was \$170,000, a 14-percent increase compared with the past year.

According to the Buffalo-Niagara Association of Realtors®, the median price of an existing single-family home in the metropolitan area increased approximately 3 percent to \$98,800 in the 12-month period ending September 2006. Total sales of existing homes declined to 10,400 units, or approximately 2 percent, although the listing inventory increased nearly 8 percent to 18,900 units. This increased supply is expected to create softer market conditions. Local job losses have affected the sales market in the Rochester metropolitan area. Year-to-date housing sales decreased 1.5 percent to approximately 7,700 units compared with a year earlier, although the area's listing inventory increased by more than 10 percent to 24,200 units. The median sales price of an existing single-family home increased nearly 5 percent to \$115,000. Increased supply coupled with a weak economy is expected to soften the Rochester real estate market over the next year.

Rental housing markets are tightening throughout most of the region. An extremely tight rental market exists in New York City. Apartment vacancy rates in both Central and Northern New Jersey are also quite low. Reis, Inc., data for the third quarter 2006 indicated a 0.4-percent decline in the apartment vacancy rate in New York City to 2.5 percent, with continued rent escalation. Average monthly asking rents in New York City increased to \$2,530, up more than 6 percent from a year ago. In Central New Jersey and Northern New Jersey, apartment vacancy rates decreased and remain below 4 percent, with annual rent appreciation averaging approximately 4 percent. During this period, apartment rents in Central New Jersey and Northern New Jersey increased to \$1,090 and \$1,400 a month, respectively. Apartment vacancy rates declined slightly to 4.9 percent in the Buffalo metropolitan area and to 4.2 percent in the Rochester area. In both the Buffalo and Rochester areas, average asking rents increased by 2 percent to \$680 and \$710 a month, respectively, in

the third quarter of 2006 compared with the same quarter in 2005. In the Syracuse metropolitan area, Reis, Inc., data indicated that monthly asking rents increased by less than 1 percent and the apartment vacancy rate increased from 4.3 to 5.1 percent.

Reduced home sales and increasing inventories have affected both single-family and multifamily construction activity in the region. In the 12-month period ending September 2006, 7,700 fewer residential building permits were issued in the region, an 8-percent decline to 89,200 units compared with a year ago. Single-family construction in the region, as measured by the number of building permits issued, declined by 5,200 units, or 12 percent, during this period; multifamily development decreased by 5 percent to 49,200 units. Residential building activity decreased in both New York and New Jersey. On a percentage basis, the most significant decline occurred in New Jersey, where 3,900 fewer building permits were authorized, an 11-percent decline from a year ago. In New York State, approximately 3,800 fewer permits were issued during this period, representing a 6-percent decline.

MID-ATLANTIC



The economy of the Mid-Atlantic region continues to expand, but the rate of growth is slowing. During the 12 months ending September 2006, nonfarm employment increased by 188,300 jobs, or 1.4 percent, to 13,924,100 compared with the addition of 211,600 jobs and a growth rate of almost 1.6 percent recorded during the same period ending September 2005. The professional and business services and education and health services sectors are dominant in the economy; a combined total of 109,700 new jobs added in these sectors accounts for 58 percent of the total regional gain during the past 12 months.

All states in the region added jobs during the 12 months ending September 2006. Virginia, which had the fastest employment growth in the region during the past 3 years, reported an increase of slightly less than 2 percent, or 70,620 new jobs. The professional and business services sector added 21,375 jobs, accounting for 30 percent of new jobs in the state and 43 percent of new professional

and business services sector jobs added in the region. Pennsylvania reported the addition of 55,350 jobs, an increase of 1 percent. The 30,950 jobs added in the state's education and health services sector account for 52 percent of the total regional increase in the sector. Nearly 75 percent of the growth in the state's education and health services sector was attributed to jobs added in the healthcare and social assistance sector, which were spread evenly among private medical offices, hospitals, and social service providers. Employment in Maryland grew by 36,875 jobs, or 1.4 percent; the professional and business services and education and health services sectors added almost 19,300 new jobs in the state. In the District of Columbia, the number of jobs increased by 9,675, or 1.4 percent, despite a loss of 1,300 federal government jobs. Employment growth rates in Delaware and West Virginia were stable, at 1.6 percent and 1.2 percent, respectively, and reflected strength in the construction sector in both states.

Unemployment rates throughout the Mid-Atlantic region decreased as the economy continued to expand. The annual average unemployment rate in the region declined from 4.5 to 4.1 percent in the 12 months ending September 2006 compared with the same period a year ago.

Despite continued economic expansion, housing markets throughout the region were generally characterized by declining sales volume, increased inventories, and moderate increases in home prices as buyers responded to upward pressure on interest rates. According to the Maryland Association of REALTORS®, approximately 83,900 existing homes were sold in the state during the 12 months ending September 2006, a decrease of almost 19 percent compared with the 103,100 homes sold during the comparable period ending September 2005. The average monthly inventory of homes for sale doubled from 15,100 to 32,400 units during the year. Prices continued to rise but at a slower rate than during the periods ending September 2005 and 2004, when increases averaged 20 and 17 percent, respectively. The average home price in Maryland rose by slightly more than 9 percent to \$356,300 from \$326,150 a year ago. In the Maryland suburbs of the Washington, D.C. metropolitan area, 27,365 homes were sold during the 12 months ending September 2006 at an average price of \$430,100, reflecting an 18-percent decrease in sales but a 9-percent increase in price during the year. The number of homes sold in the Baltimore metropolitan area also declined 18 percent to approximately 37,800 homes sold at an average price of \$309,250, an increase of 10 percent from the average price of homes sold during the 12 months ending September 2005.



Sales volume declined throughout Virginia, but the 29-percent drop in the number of homes sold in the Northern Virginia suburbs of the Washington, D.C. metropolitan area was the most dramatic change. According to the Virginia Association of REALTORS®, 118,400 existing homes were sold in the state during the 12 months ending September 2006, a decline of 16 percent from the number sold during the previous 12-month period. The average home price in the state was \$277,200, 10 percent higher than a year ago. A total of 27,800 homes were sold in Northern Virginia through September 2006, a decline from the 39,300 sold during the comparable 12-month period in 2005. Average home prices in Northern Virginia remain the highest in the state at \$538,750, up almost 5 percent, but the rate of increase was significantly less than the 23-percent increase reported between 2004 and 2005. The volume of sales in the Richmond metropolitan area, at 16,000 homes, was 3 percent less than the 16,500 homes reported sold during the 12-month period ending September 2005. The average price of an existing home in the Richmond area rose by 14 percent to \$263,100.

The Pennsylvania Association of REALTORS® reported continued strength in the sales market in the state with 248,100 existing homes sold through the 12 months ending June 2006 (the most recent data available), up 6 percent from the number of homes sold during the same period a year ago. During the past 3 years, Pennsylvania accounted for almost 40 percent of all sales of existing homes in the Mid-Atlantic region and it was the only state to report increased sales during the 12 months ending in June. The average price of an existing home rose 14 percent to \$229,650 during that period. According to the NATIONAL ASSOCIATION OF REALTORS®, the number of homes sold in Delaware, West Virginia, and the District of Columbia declined by 3, 13, and 16 percent, respectively, during the 12 months ending June 2006.

Homebuilding activity in the Mid-Atlantic region declined as builders responded to slowing sales and an increase in the cancellation of contracts by cautious buyers. Single-family building activity in the region, as measured by the number of permits issued, fell almost 11 percent to approximately 109,550 homes in the 12 months ending September 2006 compared with the previous 12 months. In Pennsylvania, the number of building permits issued declined by 600, or only 2 percent, to a total of 35,250 homes. During the past year, the production of homes in the smaller metropolitan and nonmetropolitan areas in the state has almost doubled because of lower construction costs. The number of homes permitted in Virginia during the past year was 42,025, or 16 percent fewer than the number

permitted a year ago, but the state continued to account for the largest number of new homes in the region at 38 percent. Production fell in Maryland, where the decline in the number of building permits issued for new homes equaled 2,500, or 10 percent, for a total of 21,600 permits. During the 12 months ending September 2006, production declined in all the major metropolitan areas in the region and almost all the smaller areas. The number of single-family building permits issued in the Washington, D.C. metropolitan area declined 24 percent, or 6,100 homes, to 19,700 units and in the Philadelphia metropolitan area fell 16.5 percent to 12,700 units from the same period a year ago.

During the 12 months ending September 2006, 24,060 multifamily units were permitted in the Mid-Atlantic region. Activity declined by 3,300 units, or 12 percent, compared with the period ending September 2005. Delaware and Pennsylvania had a combined increase of 1,250 units permitted, but that increase was offset by a combined decline of 4,500 units in Maryland, Virginia, and the District of Columbia. Multifamily building activity declined in all the largest metropolitan areas in the region, led by Richmond, where 400 units were permitted, almost 1,000 fewer than the number permitted during the 12 months ending September 2005.

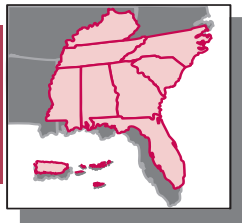
The largest rental markets in the Mid-Atlantic region have tightened during the past 12 months because of the decrease in both apartment construction and condominium conversions and because increased interest rates have reduced the numbers of renters moving to homeownership. In the Philadelphia metropolitan area, apartment vacancy rates have declined but remain above the balanced market rate as developers continue to actively market new units in projects. According to Delta Associates, apartment vacancy rates fell from 12 percent in September 2005 to slightly below 9 percent in September 2006 as approximately 1,200 units are being marketed in new projects. Half the units in lease-up were in Montgomery County, Pennsylvania, where the vacancy rate was 16 percent, down from 17 percent in September 2005, and concessions were at 6 percent of rents, up from 3 percent a year ago.

According to Delta Associates, the vacancy rate for apartments in the Baltimore metropolitan area decreased from 8 percent in September 2005 to 4 percent in September 2006. In Baltimore city, rental conditions were still soft with a vacancy rate of almost 9 percent but were improved from a year ago when the rate was almost 20 percent. Continued job growth in the metropolitan area, increased interest rates, and concessions in the city that were 2.5 times higher than

those in the suburbs all contributed to lowering the vacancy rate.

In the Washington, D.C. metropolitan area, the garden apartment rental market remained tight. According to Delta Associates, the vacancy rate for Class A garden apartments was 3.7 percent in September 2006 compared with 3.5 percent a year ago. Apartment vacancy rates for Class A highrise units in the District of Columbia and Northern Virginia increased from 3.6 and 1.4 percent, respectively, in September 2005 to the current rates of 6.5 and 6.4 percent, respectively, as approximately 1,300 new units are being marketed. Vacancy rates in the Maryland suburbs declined to 0.8 percent from 1.6 during the same period. Rents in the Washington, D.C. metropolitan area average \$1,400 for garden units and \$2,000 for highrise apartments.

SOUTHEAST/ CARIBBEAN



The economy of the Southeast/Caribbean region continued to expand during the third quarter of 2006. Total nonfarm employment increased by 572,300 jobs, or 2.2 percent, to 26,660,200 jobs for the 12 months ending September 2006. The professional and business services, trade, and leisure and hospitality sectors accounted for 58 percent of the 503,700 new service-providing jobs added during the past 12 months. In the goods-producing sector, the addition of more than 91,000 construction jobs offset a decrease of 25,400 manufacturing jobs.

All eight states in the region recorded gains in nonfarm employment during the past 12 months. Florida accounted for nearly half the growth, adding 274,300 new jobs, a strong 3.6-percent increase compared with the preceding 12 months. The construction sector in Florida gained 49,100 jobs, a significant increase of 8.8 percent. Reflecting the strong tourism industry, the leisure and hospitality sector increased by 34,300 jobs. In Georgia, nonfarm employment grew by 86,100 jobs during the past 12 months; most of the growth occurred in the professional and business services sector. In Alabama, a 5-percent gain in the professional and business services sector contributed to a 2-percent growth rate in nonfarm employment for the state, an increase of 38,900 jobs. Mississippi continues to recover from

Hurricane Katrina, but recent economic growth has been modest. A comparison of third quarter 2005 and third quarter 2006 nonfarm employment in Mississippi indicates an increase of 9,000 jobs to 1,134,000. In the third quarter of 2006, statewide leisure and hospitality employment, which includes Gulf Coast casinos and resort hotels, was 4.7 percent below year-ago levels. In the Gulfport-Biloxi metropolitan area, leisure and hospitality employment remained 35 percent below prior-year levels.

The expanding economy of the region led to a 0.5-percentage-point decrease in the unemployment rate, to 4.9 percent, during the 12-month period ending September 2006. The average unemployment rates in Alabama and Florida fell below 4 percent as both states recorded strong employment growth. Conversely, unemployment rates in Kentucky and Puerto Rico increased slightly to 6.0 percent and 11.0 percent, respectively. Other states in the region recorded slightly lower unemployment rates from a year ago.

Despite the region's expanding economy, overall homebuilding activity, as measured by building permits, slowed during the past 12 months after reaching a record high level in 2005. Permits were issued for 476,000 single-family homes during the 12 months ending September 2006, a decrease of 26,100 units, or 5 percent, from a year earlier. The decrease is attributable to a significant slowing in permit activity in Florida, where 30,900 fewer homes were permitted. This decrease is in contrast to the reported increase of 27,600 homes permitted during the previous 12-month period. Most large metropolitan areas in Florida reported a decline in single-family home permits during the past 12 months. The largest decrease, 40 percent, occurred in the West Palm Beach metropolitan area where rapidly rising prices during the past few years and higher interest rates have reduced demand. Developers have reacted to rising inventories by scaling back the production of single-family homes. The strongest gains in the region were reported in Mississippi, where rebuilding from Hurricane Katrina produced a 25-percent increase in single-family home permits, and in South Carolina, where the number of homes permitted increased by 6 percent. Homebuilding in the Myrtle Beach metropolitan area reflected a 22-percent increase in building permits; the area continued to account for the largest number of building permits issued in South Carolina.

Rising mortgage interest rates have affected home sales markets to varying degrees. Rapid sales and rising prices continued in some areas while other markets recorded fewer sales, larger inventories, and lower price



increases. According to data from the Florida Association of REALTORS®, statewide sales of single-family homes decreased by 28,000, or 23 percent, during the 12-month period ending September 2006 compared with the previous year. Large inventories are reported throughout the state. The median sales price for homes sold in Florida during the first 9 months of 2006 increased by 8 percent to \$249,900 from \$231,800 during the same period in 2005. The Mid-Florida Regional Multiple Listing Service reports that sales of single-family homes in the Orlando metropolitan area declined by 5 percent to 37,500 homes sold during the 12 months ending September 2006. According to the Alabama Real Estate Research and Education Center, 59,950 existing homes were sold in Alabama during the 12 months ending September 2006, an increase from the 58,100 existing homes sold last year. Although the average time required to sell a home declined during the past year, the average inventory of unsold homes is up 25 percent to 31,100 units compared with a year ago. The average price of homes sold in Alabama during the past 12 months was \$155,400, an increase of more than 7 percent compared with the previous 12 months.

The number of homes sold statewide increased by less than 1 percent to 70,800 during the 12-month period ending September 2006, according to data from the South Carolina Association of REALTORS®. Most inland real estate associations reported double-digit percentage gains for the period. In contrast, real estate associations serving the coastal areas reported significant sales declines as second-home purchases slowed considerably, particularly for investment condominiums. Sales in the Coastal Carolinas area that includes Myrtle Beach, North Myrtle Beach, Conway, and Georgetown, decreased by 1,600 homes to 11,700 units during the 12-month period ending September 2006. Large inventories of unsold units were reported for both single-family homes and condominiums. Although on a smaller basis than the Coastal Carolinas area, sales in the Hilton Head area decreased by 1,620 to 2,725. Prices continued to rise in both these areas, however. The median sales price for homes sold in the Coastal Carolinas area during the first 9 months of 2006 increased to \$214,000 from \$167,000 recorded during the same period in 2005. In the Hilton Head area, the median home sales price increased from \$350,000 to \$377,000.

The North Carolina Association of REALTORS® reports that during the 12 months ending September 2006, 136,200 existing homes were sold in market areas covered by the multiple listing service. This figure represents a 7.5-percent increase from the previous 12-month period. Overall, the average sales price for homes sold in the state increased by 3.8 percent to

\$213,500. The data indicated considerable slowing of sales in the coastal areas of North Carolina as the result of a weakened second-home market. Inland markets, however, continued to post sales increases. In Raleigh, sales of new and existing homes increased by 11 percent to 36,900 units. Sales of existing homes in Charlotte increased 5.1 percent to 38,750 units. The average sales price for homes sold in the Charlotte area increased by 17 percent to \$244,100.

The three largest Tennessee metropolitan areas reported an increase in the number of single-family home sales during the past 12 months. Both Knoxville and Memphis reported 5-percent increases to 17,600 and 32,500 homes sold, respectively, while Nashville reported a 9-percent increase to 17,850 homes sold. Condominium sales remained active with double-digit percentage increases occurring in the three areas. Average sales prices for single-family homes and condominiums continued to increase in each of the markets. In response to strong sales activity, condominium developments have increased in downtown Memphis. According to the Center City Commission, as of September 2006, 485 condominiums are under construction in the downtown area, 1,765 units are planned, and 311 apartment units are being converted to condominiums.

Multifamily construction, as measured by the number of building permits issued, decreased during the past 12 months in the region, although activity in local markets varied considerably. The number of multifamily units permitted in the region declined by 15,000, or 11 percent, to 120,800 during the 12 months ending September 2006. In Florida, where multifamily building permits decreased by 14,300 units, or 19 percent, only one major metropolitan area—West Palm Beach—reported an increase. The number of multifamily building permits issued in West Palm Beach increased by 1,475, or 41 percent, as a result of an increase in condominium production. In response to modest improvement in North Carolina apartment markets, the number of multifamily units permitted in the state increased by 3,725, or 29 percent.

Most major metropolitan apartment markets in the region showed continued strengthening during the third quarter of 2006. According to surveys conducted by Reis, Inc., vacancy rates decreased, or remain unchanged, in 13 of the 17 market areas surveyed compared with the third quarter of 2005. Rapid economic and population growth continue to support the Florida apartment markets, although some easing has been observed in some markets. M/PF YieldStar reports that rental vacancies increased slightly in all

three South Florida metropolitan areas during the second quarter of 2006 compared with a year earlier. The largest increase occurred in the Fort Lauderdale area, where the vacancy rate increased by 1 percentage point to 2.6 percent. Vacancy rates in the West Palm Beach and Miami areas remained relatively unchanged. The same report anticipates that a growing number of investor-owned condominiums will soften the market significantly over the next year. The effect will be much more severe if the large number of condominiums currently under construction are converted to rental developments.

In the Atlanta area, strong absorption and limited apartment production have produced a tight apartment market. M/PF YieldStar reports that the vacancy rate fell 1.2 percentage points from the third quarter of 2005 to 4.6 percent for the third quarter of 2006. The apartment vacancy rate in the Atlanta area is at its lowest level in 5 years. During the past year, 10,800 units were absorbed and 6,350 new apartment units were delivered, according to M/PF YieldStar. The tightening market also enabled property owners to raise rents and scale back concessions. During the past year, the effective rent increased by 3.3 percent to \$801 a month and, of the total number of apartment properties surveyed, those offering concessions fell from 54 percent to 39 percent. In North Carolina, recent apartment surveys by RealData, Inc., indicate vacancy rate decreases in the Charlotte, Raleigh-Durham, and Greensboro-Winston-Salem areas. The 6.8-percent vacancy rate in Charlotte recorded during August 2006 is a 1.4-percent-age-point improvement over the same period in 2005 and is the lowest rate recorded in the market in 6 years. Similarly, the 2.8-percent increase in average rent for the area, to \$695, is the largest percentage gain in 6 years.

MIDWEST



Modest employment growth occurred in the Midwest region during the third quarter of 2006, continuing the trend of the past year. During the 12 months ending September 2006, nonfarm employment increased by 148,000 jobs, or 0.6 percent, to 24.4 million. Hiring in the construction, education and health services, leisure and hospitality, and professional and business services sectors offset losses in the manufacturing and

trade sectors. Five of the six states in the region recorded job gains; Michigan was the exception. According to an August 2006 forecast by the University of Michigan, the continued restructuring of the automobile industry contributed to the stagnant labor market in the state, a trend that is expected to continue until late 2008.

The economy in Illinois has been strengthening for the past 2 years, with nonfarm employment increasing by 68,000 jobs annually during the past 24 months ending September 2006. The strong economy in Illinois is expected to add another 60,000 jobs annually in the next 5 years. According to state estimates, the increase in employment is expected to occur primarily in the professional and business services, information, finance and insurance, and wholesale trade sectors. Private surveys of business conditions in the third quarter of 2006 showed that local economies continued to expand in the Chicago, Cleveland, Cincinnati, and Minneapolis-St. Paul metropolitan areas compared with the third quarter of 2005. Because of the strengthening economy in the Midwest, the average unemployment rate in the region decreased to 5.1 percent for the 12 months ending September 2006, down from 5.5 percent for the previous 12-month period.

Sales of existing homes in the Midwest region slowed during the second quarter of 2006, primarily because of higher interest rates. According to the NATIONAL ASSOCIATION OF REALTORS®, sales activity for existing homes in the region was down 7 percent to an annual rate of 1.13 million homes during the quarter compared with the second quarter of 2005. Sales activity was down in all states except Indiana, where the number of existing homes sold increased by 4 percent. Preliminary information for the third quarter of 2006 indicates that sales of existing homes continued to slow in most areas of the region. The Ohio Association of REALTORS® reported that the sales market eased in the third quarter of 2006. The 109,200 existing homes sold in the state during the first 9 months of the year indicate the sales pace was down only slightly compared with the record sales pace of the first 9 months of 2005. The Illinois Association of REALTORS® indicated that existing home sales for the first 9 months of 2006 were down 5 percent from the high levels recorded in 2005. Contributing to the decline in sales activity was a 9-percent decrease in the Chicago metropolitan area. In Michigan, sales of existing homes for the first 9 months of 2006 were down 13 percent because of the slow economy. Sales activity for existing homes was down 16 percent in the Minneapolis-St. Paul area. The strengthening economy in the area, however, is expected to boost home sales in 2007, according to Twin City industry sources.



Homebuilding activity in the region declined as builders responded to slowing sales in most markets. Single-family building permits issued during the 12 months ending September 2006 were down 17 percent to 183,900 units compared with the previous 12 months, well below the 227,600 units averaged during the previous 2 years. All states in the region showed declines in single-family activity, with Michigan accounting for one-third of the decrease.

Builders in Michigan, particularly those in Detroit and Grand Rapids, are pulling back from the 5-year high levels of homebuilding due to the weak economy. In the Detroit-Ann Arbor area, builders started construction on approximately 13,500 homes in the 12 months ending September 2006 compared with 22,000 units in the previous 12-month period.

In Minnesota, the Builders Association of the Twin Cities also reported a slowdown in home construction in 2006, but builder optimism remains high because of continued strengthening in the local economy. In the first 9 months of 2006, building permit activity was down 22 percent in the Minneapolis-St. Paul area to 13,100 units compared with 10,100 units for the first 9 months of 2005.

Residential construction activity in the Chicago area was mixed during the past 12 months. In the city of Chicago, building permit activity was up 57 percent to 14,800 units because condominium development in downtown Chicago remained strong. In the first 9 months of 2006, new condominium development in downtown Chicago was up 18 percent to 5,700 units compared with 4,800 new condominium units constructed in the first 9 months of 2005. If this pace holds steady through the fourth quarter of 2006, the construction of new condominium units in 2006 will set another record. Sales of new condominium units in the first 9 months of 2006 remained strong, with approximately 3,500 units sold compared with 3,700 units sold in the first 9 months of 2005. In contrast, building permits issued in suburban areas were down 14 percent to 31,000 units in the 12 months ending September 2006. Building permit activity for single-family homes accounted for 85 percent of the decline.

The market for seniors housing has been active in the Midwest region. The American Seniors Housing Association's *2005 Construction Report* ranked Illinois, Minnesota, and Michigan in the top 10 states for the construction of seniors housing. In Illinois, developer response has been strong to the state's supportive living facility program for frail seniors. More than 5,100 units were constructed in the state during the

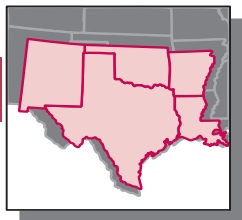
past 6 years, and applications for another 6,000 units were received for assisted-living-type services. In 2005, Chicago and Minneapolis-St. Paul were among the five most active metropolitan areas for seniors housing, with approximately 1,700 and 1,500 units, respectively, under construction. Although the market for seniors housing in the Minneapolis-St. Paul area remains strong, the industry has become more competitive because of increased production since 2000. Approximately 10,000 units were completed in the Twin Cities area during the past 6 years compared with 8,500 units built during the 1990s. Another 1,500 units for seniors are expected to come on the market by the end of 2006.

Multifamily construction in the Midwest region, as measured by the number of building permits issued, was down 5 percent to 55,200 units for the 12-month period ending September 2006 and 9 percent below the 62,200 units averaged annually since 2000. Activity continued to vary widely by state. In Indiana and Ohio, multifamily building permits were down 21 percent in both states to 5,100 and 8,100 units, respectively, which offset an increase of 24 percent in Illinois to 21,800 units. Multifamily activity in Michigan and Wisconsin declined by approximately 17 percent in each state to 5,800 and 7,500 units, respectively, and in Minnesota activity was down 8 percent.

Conditions tightened in most major apartment markets in the region as of the third quarter of 2006 compared with the third quarter of 2005. In the nine Midwest market areas surveyed by Reis, Inc., all but the Dayton and Detroit market areas recorded modest declines in apartment vacancy rates. Because of the slow economy, the Detroit-Ann Arbor rental market is expected to remain somewhat soft through the first half of 2007.

Downtown Chicago's apartment market continued to tighten in the third quarter of 2006 due to increased demand for apartments and limited production of new units. The apartment vacancy rate was more than 3 percent compared with more than 5 percent in the third quarter 2005. Similar tightening in the suburban apartment market is occurring because of strengthening in the local economy. In Ohio, the apartment vacancy rate in both Columbus and Cincinnati was 8.1 percent in the third quarter of 2006. The increased demand for apartment units in the Cleveland area has boosted rents by 2 to 3 percent during the past 12 months. Despite soft market conditions in the Indianapolis area, CB Richard Ellis reported that more than 2,000 apartment units are expected to come on the market in 2006, double the number of units that entered the market in 2005.

SOUTHWEST



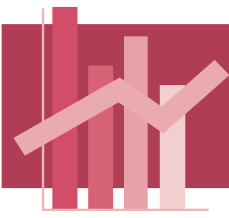
Nonfarm employment in the Southwest region averaged 15.2 million jobs during the 12 months ending September 2006, an increase of 172,200 jobs, or 1.1 percent, compared with the previous 12 months. Job growth was strongest in Texas, where nonfarm employment rose by 2.7 percent, or 258,600 jobs. Oklahoma recorded an increase of 33,400 jobs, or 2.2 percent, led by a gain of 7,200 jobs in the government sector and 5,400 in the trade sector. In New Mexico, nonfarm employment increased by 2.8 percent, or 22,300 jobs, with 20 percent of those new jobs in the construction sector. Arkansas added 16,100 jobs, an increase of 1.4 percent. The effects of Hurricanes Katrina and Rita continued to impede job growth in Louisiana, but year-over-year monthly losses have declined in recent months. During the 12 months ending September 2006, the natural resources and mining sector in Louisiana increased by 2,000 jobs, or 4.7 percent, making it the first sector to increase since the hurricanes occurred. Unemployment continued to decrease in the region. During the 12 months ending September 2006, the unemployment rate dropped below 5 percent for the first time in more than 5 years to an average of 4.6 percent, down from 5.4 percent a year earlier.

Job growth was greatest in the metropolitan areas of the Southwest region. During the 12 months ending September 2006, employment in Austin-Round Rock grew by 3.4 percent, or 23,500 jobs; the Dallas-Plano-Irving area recorded an increase of 3.3 percent, or 64,800 jobs; and the Houston-Sugar Land-Baytown gained 3.1 percent, or 71,200 jobs. Large metropolitan areas that recorded job growth of between 2 and 3 percent during the past 12 months included San Antonio, Fort Worth, and Oklahoma City. Employment also increased in smaller metropolitan areas, led by Fayetteville at a 4.1-percent rate, Baton Rouge at 4.2 percent, and Shreveport at 3.5 percent. The recent economic recovery continued in Tulsa as the number of jobs increased by 2.9 percent to 419,500 during the 12 months ending September 2006. The job level in Tulsa is now above the previous record level reached 5 years ago.

Although overall employment gains were modest, residential construction activity in the Southwest region, as measured by the number of building permits issued, remained strong during the past quarter. The 283,000 units permitted during the 12 months ending September 2006 represent an increase of 16,500 units, or 6 percent, compared with the previous 12 months and an increase of 16 percent compared with the number of permits issued during the 12 months ending September 2004. A gain of 17,300 building permits in Texas more than offset declines of 2 to 4 percent in Arkansas, New Mexico, and Oklahoma. In Louisiana, a 2-percent increase in activity, or 500 units, was recorded. Mirroring the strong employment growth in metropolitan areas, the number of units permitted during the past 12 months was 35 percent higher in the Austin metropolitan area, 12 percent higher in the Houston area, and 9 percent higher in the Dallas-Plano-Irving area compared with the previous 12-month period.

During the 12 months ending September 2006, approximately 226,600 single-family homes were permitted in the region, 12,800 units more than were permitted during the 12 months ending September 2005. The number of single-family homes permitted in Texas increased by 12,900 units, or 8 percent, to a total of 168,300 homes. In Louisiana, building permits were issued for 20,400 homes, an increase of 600 units, or 3 percent, compared with the 12 months ending September 2005. Single-family building activity in Oklahoma was steady at 14,900 homes. A decrease of 550 homes permitted, or 4 percent, was reported for New Mexico, and a decrease of 1 percent occurred in Arkansas.

Strong employment growth and steady interest rates supported continued record home sales in Texas. According to the Real Estate Center at Texas A&M University, more than 282,500 homes were sold during the 12 months ending September 2006, an 8-percent increase compared with the previous 12-month period. The inventory of existing homes for sale during the past 12 months averaged 113,200 units, down 2 percent compared with the previous period. The Houston area recorded 79,400 home sales between October 2005 and September 2006, an increase of more than 11 percent compared with the 12 months ending September 2005. Home sales in the Dallas area totaled 60,700 units, an increase of 3 percent, and sales in San Antonio totaled 25,400 units, up 9 percent. The Austin area recorded 29,500 home sales, a 13-percent increase compared with the previous 12 months. The 11,200 home sales recorded in Fort Worth represented an increase of 10 percent. In Albuquerque, sales levels were flat, and in Arkansas, where employment growth has slowed, home sales were down 4 percent in the Little Rock area and down 7 percent in the Fayetteville area.



The average sales price in Texas was up 7 percent to \$183,100 for the 12 months ending September 2006 compared with the previous 12 months. In comparison, between 2000 and 2005, the average annual sales price increased less than 4 percent. Prices increased in all the largest metropolitan areas in Texas. During the past 12 months, the average home sales price in El Paso rose 18 percent to \$142,600, surpassing that of the Fort Worth area, which increased 4 percent to \$136,500. The average home price increased by 10 percent in both the Austin and San Antonio areas to \$226,700 and \$167,400, respectively. The average home price rose 7 percent in Houston to \$194,400 and rose 5 percent in Dallas to \$209,700.

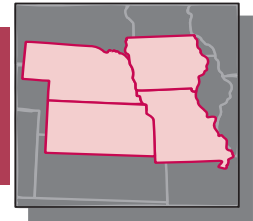
Increases in the number of multifamily units permitted in the three biggest housing markets during the past 12 months caused the Southwest region to gain 48,500 units, or 6 percent. Multifamily building permits increased by 11 percent in Texas and 3 percent in Louisiana. Elsewhere, declines of 5 to 10 percent were recorded in Arkansas, New Mexico, and Oklahoma. In the metropolitan areas, the number of multifamily units permitted increased by 95 percent in Austin to 7,650, by 17 percent in Dallas-Fort Worth to 12,100, and by 17 percent in Houston to 12,600. The units permitted in Austin include nearly 3,000 condominium units, almost 1,400 of which are being constructed in downtown Austin. In San Antonio, where occupancy has been flat, the number of units permitted dropped by 3,000 units to 4,800 units for the 12 months ending September 2006 compared with the previous 12-month period.

Rental market conditions continue to improve in a number of major metropolitan areas in the Southwest region. According to ALN Systems, Inc., apartment occupancy in Dallas was up 2.5 percentage points from a year ago to 90.4 percent and the average rent rose 1 percent to \$733. In San Antonio, the average rent increased 2.8 percent to \$665. In Austin, employment growth and new household formation helped increase occupancy by 2 percentage points to 93 percent and raise average rents by 5 percent to \$747. In the Houston area, occupancy was 95 percent after the hurricanes occurred; this figure has since declined to 90 percent, but the increase in average rents has continued. During the past 12 months, Houston registered a 4-percent increase in average rent to \$702. Occupancy in Fort Worth remains below 90 percent; however, the average rent has increased 2 percent to \$651. Concessions of 1 month's rent or more on a 12-month lease are still common. Occupancy rates are likely to decline and rent increases are expected to slow in the largest metropolitan areas of Texas as a result of high levels of construction. An estimated 14,000 units are under

construction in each of the Houston and Dallas-Fort Worth areas, at least 8,000 units are under way in Austin, and more than 5,000 units are being built in San Antonio.

In Albuquerque and Little Rock, where apartment markets are balanced, third quarter 2006 vacancy rates were 6.2 and 6.4 percent, respectively, relatively unchanged from the third quarter 2005, according to data from Reis, Inc. During the past 12 months, average rents increased 3.3 percent in Albuquerque to \$644 and 2.5 percent in Little Rock to \$598. In Oklahoma City and Tulsa, the apartment markets remain soft. The apartment vacancy rate in Oklahoma City was 8.7 percent in the third quarter of 2006, relatively unchanged from a year ago, and the average rent rose 2.7 percent to \$496. In Tulsa, the vacancy rate decreased from 9.9 percent to 9.3 percent, but the average rent rose less than 1 percent to \$528.

GREAT PLAINS



The economy of the Great Plains region continued a 2-year period of expansion during the third quarter of 2006, but the rate of growth is slowing. During the 12-month period ending September 2006, nonfarm employment increased by 76,000 jobs, or 1.2 percent, to 6,538,700 compared with the addition of 85,200 jobs, or a 1.3 percent increase, during the comparable period ending in 2005. The education and health services, professional and business services, and government sectors led employment gains during the past 12 months, accounting for 56 percent of the total regional gain. Jobs were added in all states in the region. Employment increased in Iowa and Nebraska by 1.8 percent, or 26,700 and 16,400 jobs, respectively; in Missouri by 1.0 percent; and in Kansas by 0.4 percent. The average unemployment rate in the Great Plains region declined from 5.0 percent during the 12 months ending September 2005 to 4.4 percent for the 12 months ending September 2006. This rate ranged from a low of 3.4 percent in Nebraska to a high of 4.9 percent in Missouri.

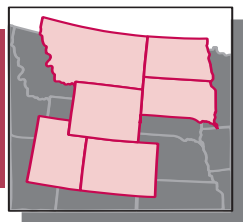
Despite relatively stable economic conditions and affordable home sales prices, new single-family home construction activity, as measured by the number of

building permits issued, continued to slow during the third quarter of 2006 due to higher interest rates and rising inventories of new homes available for sale. During the 12-month period ending September 2006, building permits were issued for approximately 50,000 single-family homes, down nearly 7,200 units, or 7 percent, compared with the previous 12 months. Single-family housing construction was down across the region. Missouri, where building permits were down by 4,190 units, or 6 percent, accounted for nearly 60 percent of the regional decline. Iowa recorded the largest percentage decrease at 19 percent, or approximately 1,800 units. In both Nebraska and Kansas, the number of homes permitted declined 7 percent.

Sales of existing homes slowed notably throughout the Great Plains region as of the third quarter of 2006. According to the Heartland Board of REALTORS®, sales of existing homes in Kansas City declined 3 percent to 35,500 units for the 12-month period ending September 2006 compared with the same period in 2005, and the average sales price was \$181,000, down 1 percent. The Omaha Board of REALTORS® reported that sales of existing homes decreased by 2 percent to 10,400 units sold in the metropolitan area but that the average home sales price increased 2 percent to approximately \$174,200.

Multifamily construction, as measured by the number of building permits issued, continued to increase in the region in response to improving rental market conditions. Construction was up 17 percent with nearly 12,000 units permitted during the 12-month period ending September 2006. Rental vacancy rates in the major metropolitan areas registered very little change from the previous quarter. The rental markets in Kansas City, St. Louis, and Omaha remained in the 7-percent vacancy range during the third quarter of 2006. The average rent per unit in the metropolitan area increased to \$710, approximately 2 percent over the average rent of the past year. Rents throughout the region remained relatively flat.

ROCKY MOUNTAIN

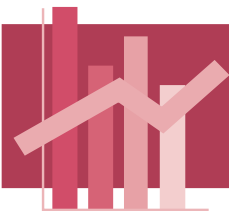


The economy of the Rocky Mountain region continued to grow stronger during the third quarter of 2006. For

the 12 months ending September 2006, average nonfarm employment increased by 135,900 jobs, or 2.9 percent, to 4,896,200 jobs. In Utah, one of the fastest growing states in the nation, employment gains totaled 52,300 jobs, or 4.6 percent. The 48,300 jobs gained in Colorado represent the second-highest growth rate in the region. The strong expansion of jobs in both Utah and Colorado occurred primarily in the construction, government, and professional and business services sectors. Benefiting from rising energy prices and increased employment in the natural resources and mining sector, employment grew by 10,100 jobs in Montana and by 9,600 jobs in Wyoming. Steady gains occurred in North Dakota and South Dakota, where employment increased by 6,600 and 8,600 jobs, respectively. The annual average unemployment rate in the region declined from 4.6 to 4.0 percent for the 12 months ending September 2006 compared with the same period a year ago. The unemployment rates in all states in the region were below last year. Utah registered the greatest decline, decreasing from 4.4 percent a year ago to 3.5 percent.

Strong job growth in the region has contributed to tighter markets for office space, particularly in the Denver and Salt Lake City areas. According to CoStar Realty Information, the overall office vacancy rate for the Denver metropolitan area decreased from 15.4 percent in the third quarter of 2005 to 13.7 percent in the third quarter of 2006. The average monthly lease rate of approximately \$18 a square foot was up 5 percent during the same period. Almost 1 million square feet of office space has been added to the market since the beginning of 2006, nearly twice the average amount of office space added during the previous 3 years. After two decades of minimal activity, eight office building projects totaling nearly 3 million square feet of space are planned for lower downtown Denver and will arrive on the market between 2009 and 2011. In Salt Lake City, Commerce CRG reported that in the third quarter of 2006 the office vacancy rate was 10.8 percent, down from 11.3 percent in the third quarter of 2005. Older buildings in downtown Salt Lake City are being renovated into premium office space and new speculative office buildings are planned. The developments are signs of investor confidence in the economy of both the Denver and Salt Lake City areas.

Despite a stronger economy, higher mortgage interest rates and increasing home prices have slowed home construction in the region. During the 12 months ending September 2006, the number of single-family homes permitted in the region declined by approximately 7,000 units to 63,000, a 10-percent decrease compared with the previous 12-month period. In most states, the number of single-family homes permitted fell during the 12 months ending September 2006 from the record



levels recorded in 2005. The decrease in Colorado of more than 5,800 homes accounted for 80 percent of the decline in single-family permits for the region.

Sales of existing homes and home price appreciation in the Rocky Mountain region eased some during the second quarter of 2006. According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of sales of existing homes in the region was reported at 255,200 units, a decrease of 1.4 percent compared with the rate a year earlier. Except for Montana and South Dakota, all states reported decreases in the volume of sales of existing homes. According to the Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index, home price appreciation in the region has slowed. All states recorded annual appreciation rates below the rates recorded in the second quarter of 2005. Home price appreciation rates in Utah, Wyoming, and Montana were 15, 14, and 13 percent, respectively, exceeding the national rate of 10 percent. Indexes in North Dakota and South Dakota were slightly below the national rate, while the 4-percent rate in Colorado was the lowest in the region.

Sales markets in Utah continue to be bolstered by strong employment growth. The Salt Lake Board of REALTORS® reported that, for the 12 months ending September 2006, sales of existing single-family homes were 2 percent above the level recorded for the same period a year ago. The average home sales price increased by 20 percent during the period to \$258,700 and the inventory of homes for sale increased by 20 percent. The increase in inventory is expected to result in a moderation of home sales price increases over the next year. Similarly, sales in the Provo-Orem area were up 12 percent for the 12 months ending September 2006, according to the Utah County Association of REALTORS®. In the higher priced resort areas of Park City and St. George, home sales declined by approximately 10 percent as buyers reacted to rapid price increases of the past few years. The average sales price of a single-family home in Park City and St. George increased by more than 35 percent to \$1,030,000 and \$350,300, respectively, during the past 12 months. Park City is the most expensive housing market in Utah because of limited developable land and the area's proximity to Park City Mountain Resort.

In Colorado, sales of existing homes in major market areas also have slowed. According to the Denver Board of REALTORS®, during the 12-month period ending September 2006, sales of single-family homes fell by 4 percent compared with the same period in 2005. The average sales price of an existing single-family home in the metropolitan area increased by 4 percent to \$318,500,

and the inventory of unsold single-family homes increased by 24 percent to 23,200 units. The Boulder Area REALTOR® Association reported that sales of single-family homes declined by 8 percent and the average sales price increased by 8 percent to \$432,800. The inventory of single-family homes for sale increased by 14 percent to 3,030 units. Homes priced in both the lower and higher end ranges are taking longer to sell, while homes in the middle market segment are selling more quickly.

In the third quarter of 2006, rental markets continued to tighten throughout much of the Rocky Mountain region. During the past 12 months, the rental vacancy rate in the Denver metropolitan area declined from 5.9 to 4.2 percent, according to M/PF YieldStar. Average monthly apartment rents increased 1.4 percent to \$783, with an average of \$669 for one-bedroom units, \$863 for two-bedroom units, and \$1,096 for three-bedroom units. In the Salt Lake City area, strong job growth and limited new apartment construction contributed to tight market conditions. According to Reis, Inc., the rental vacancy rate in Salt Lake City declined from 6.0 to 5.2 percent and the average rent increased by 3.6 percent to \$638, the fastest rate of increase in 3 years. The Sioux Falls Multi-Housing Association reported a rental vacancy rate of 5.2 percent, an improvement from the 7.7-percent rate recorded a year earlier. Rental markets throughout the region are expected to continue to tighten because of stronger employment growth, the relatively low number of rental units entering the market, and the higher cost of owning a home.

The number of multifamily building permits issued in the region during the 12 months ending September 2006 totaled 14,400 units, up 9 percent compared with the same period in 2005. Even though the number of building permits increased, the level is well below the 20,000 to 25,000 units that were permitted annually in the early 2000s. Multifamily building permits were issued for 6,900 units in Colorado, an increase of 20 percent compared with the previous 12-month period. This increase reflects increased demand for both rentals and condominiums, especially transit-oriented development located near light-rail stations in Denver. In Utah, multifamily building permit activity increased slightly to 3,530 units, or 3 percent, compared with the previous 12 months. Of the 10,430 units permitted in Colorado and Utah, approximately 2,100 units in Colorado and 1,800 units in Utah were permitted for apartments, offering little new supply to reverse the trend of tightening rental markets throughout the region. Condominium production was up by 20 and 30 percent in Utah and Colorado, respectively, compared with the previous 12 months.

PACIFIC



Economic conditions remained strong in the Pacific region through the third quarter of 2006, although the rates of job growth moderated in most areas. Nonfarm employment in the region rose 454,700, or 2.4 percent, to an average of 19,450,700 jobs in the 12 months ending September 2006. The service-providing industries accounted for more than 370,000 new jobs, led by employment growth of approximately 3 percent in both the professional and business services and the leisure and hospitality sectors, while the retail trade sector rose slightly more than 2 percent. The goods-producing sectors added about 81,000 positions due to a 6-percent increase in construction employment, which was partly offset by a slight decline in manufacturing jobs.

California accounted for 243,600 new nonfarm jobs in the 12 months ending September 2006, a gain of 1.7 percent. All sectors, except information and manufacturing, added jobs. Growth was concentrated in the professional and business services and the leisure and hospitality sectors, which together accounted for nearly 101,000 new positions. Construction employment rose 4 percent in the past 12 months, compared with a 6-percent gain in the 12 months ending September 2005. Retail trade jobs rose just 1 percent due in part to consolidations and store closings within the industry. In Arizona, nonfarm employment rose by 126,000 jobs, or 5 percent, exceeding the record pace set in 2005. Employment in the retail trade, professional and business services, and construction sectors increased approximately 6, 8, and 12 percent, respectively, in the past 12-month period. Employment in Nevada increased by 67,700 jobs, a 5.6-percent gain, in the past 12 months. Nearly 75 percent of the growth occurred in Las Vegas, led by strong growth in the construction and gambling industries. In Hawaii, nonfarm employment rose by 17,400 jobs, or nearly 3 percent, in the 12 months ending September 2006 compared with the previous 12 months.

Labor markets continued to tighten in the region due to the growing economy. The unemployment rate averaged 4.8 percent in the 12 months ending September 2006, down from 5.3 percent in the comparable 12-month period a year ago. Unemployment

rates ranged from a low of 2.7 percent in Hawaii to 5 percent in California. In all states, the recent rates had declined from the 12-month period ending September 2005. Hawaii, Arizona, and Nevada all have unemployment rates below the national average.

Home sales continue to slow across the Pacific region from the record levels of recent years, primarily as a result of rising interest rates. According to the California Association of REALTORS® (CAR), sales of existing single-family homes declined 20 percent to 510,000 units in the 12 months ending September 2006 compared with a near-record sales volume in the previous 12-month period. Total sales of both new and existing homes fell 14 percent in Southern California and 20 percent in the San Francisco Bay Area in the past 12 months. CAR reported a median existing home sales price of \$556,000 in the current 12-month period, a 10-percent gain well below the 18-percent increase in the previous 12 months. In the third quarter of 2006, the average time required to sell an existing home increased to 52 days from 29 days a year earlier, reflecting the continued increase in the number of listings.

In Phoenix, sales of existing and new homes fell 25 and 2 percent, respectively, in the 12 months ending September 2006 from the record year-earlier pace, according to the Phoenix Housing Market Letter. The current sales volumes are still among the top four highest levels for the area. The Arizona Real Estate Center reported a median home resale price of \$260,000 in the third quarter of this year, essentially unchanged from the same quarter a year ago, and a median new home sales price of \$310,000, up 20 percent from a year ago. The number of existing home listings in Phoenix has more than doubled from last year and the average time required to sell an existing home has risen from 26 days to nearly 70 days between the third quarters of 2005 and 2006, weakening the new home move-up market. Sales of existing and new homes in Las Vegas declined 21 and 26 percent, respectively, according to the Las Vegas Housing Market Letter. The median home resale price rose just 2 percent in the third quarter of 2006 from a year ago with unsold listings up 33 percent in the past year. Sales of existing homes in Honolulu declined 15 percent in the past 12 months, primarily reflecting a slowing in condominium sales. The median sales prices of existing condominiums and detached homes rose 14 and 4 percent, respectively, in the third quarter compared with a year ago.

The decline in homebuilding activity in the region continued through the third quarter of 2006 in response to slower sales demand and generally increased inventories of unsold new homes. New home building



in the four-state area totaled 215,700 units permitted in the 12 months ending September 2006, down 21 percent from the previous 12 months. The largest decline occurred in California, where building permits for 115,100 new homes were issued in the past 12 months, a 24-percent decline. Home construction as measured by the number of building permits issued declined 19 percent in Arizona to 63,200 units, which is still a high level of activity. The number of homes permitted declined 12 and 13 percent, respectively, in Honolulu and Las Vegas. Phoenix, Riverside-San Bernardino, and Las Vegas are among the top 10 largest single-family homebuilding markets in the nation and account for nearly half of the homes permitted in the region.

Rental markets in the region continued to be balanced to tight. Rental demand has been supported by growth in employment and in-migration and the rapid home sales price increases of recent years. In addition, apartment production has been moderate during the past year. In the San Francisco Bay Area, the apartment vacancy rate declined nearly 1 percent to 3.7 percent in the third quarter of 2006 from the same quarter a year ago, according to the RealFacts apartment survey. The average rent for larger, higher amenity rentals rose 7.5 percent in the East and West Bay submarkets and more than 10 percent in the San Jose-Silicon Valley area, the largest increases recorded since the economic boom of the late 1990s. Sacramento rental conditions remained balanced at a 6-percent apartment vacancy rate, relatively unchanged from the previous year, although the average rent rose about 3 percent in the past year.

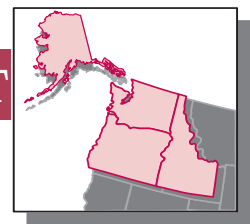
High home prices in Southern California have helped the area remain one of the strongest rental markets in the country. During the third quarter of 2006, rental market conditions remained tight in five of the seven major counties. The vacancy rate in San Diego declined to 4 percent as newly completed units were absorbed during the quarter. Los Angeles, Orange, and Ventura Counties and southern Santa Barbara County continued to have rental vacancy rates of 4 percent or lower. The rental vacancy rates in Riverside and San Bernardino Counties remained at 7 and 6 percent, respectively, as these two counties continued to absorb the more than 6,400 units completed during the 12-month period ending August 2006. According to the Consumer Price Index covering most of Southern California, rents rose more than 5 percent during the past year.

According to the Arizona Real Estate Center, the Phoenix rental market vacancy rate for apartment buildings of 100 or more units remained low at 5 percent in the third quarter of 2006, well below the 8-percent

rate measured as recently as early 2005. Average rents rose nearly 7 percent in the past 12 months, the highest increase recorded since the late 1990s. In Las Vegas, an apartment survey by CB Richard Ellis reported a 5-percent vacancy in large apartment properties. The average rent in the area increased 6 percent in the past year, and concessions fell to just more than 33 percent of the surveyed complexes compared to more than 60 percent a year ago. Strong rental market conditions in Phoenix and Las Vegas reflect rapid household growth, moderate apartment production and increased condominium conversions, and huge increases in single-family home sales prices. The Honolulu rental market remained tight with a 4-percent overall rental vacancy rate.

Multifamily building permit activity in the region declined 7 percent in the past 12 months through September 2006 to 74,200 units, fewer than 1,000 below the highest volume of units permitted since 1990. California accounted for 50,600 of the units authorized, a decline of almost 13 percent, and Arizona followed with 11,200 units permitted, relatively unchanged from the previous 12 months. The 2,075 multifamily units authorized in Hawaii were down 18 percent from the high levels of building permits issued during the previous 12-month period. In Nevada, multifamily activity rose 22 percent to 10,300 units, reflecting, in part, new condominium production in Las Vegas.

NORTHWEST



Economic conditions in the Northwest region remained strong through the third quarter of 2006. Annual nonfarm employment growth measured 3.3 percent for the third consecutive 12-month period, increasing regional employment to an average of 5.5 million jobs for the 12 months ending September 2006. Approximately 177,000 new jobs were added in the region, half in Washington, where hiring in the construction, retail trade, and leisure and hospitality sectors led gains. In Idaho, the demand for commercial space contributed to 7,000 new jobs in the construction sector. Gains in the retail trade sector also supported the 29,300 new jobs in Idaho and the fastest pace of job formation in the region, at 4.9 percent. Employment growth in

Oregon amounted to 3.4 percent, or 56,500 jobs, due to hiring in the construction, retail trade, and professional and business services sectors. Economic conditions moderated in Alaska with nonfarm employment growth of 1.5 percent, compared with 2 percent in the previous 12-month period, because of slower hiring in the construction sector and the loss of seafood processing jobs. Nonfarm employment gains in Alaska were led by the mining sector because of hiring in the oil and gas industries. New jobs in the retail trade and education and health services sectors also added to employment increases in Alaska. Steady job growth caused the average regional unemployment rate to decline to 5.1 percent compared with 5.8 percent for the 12 months ending September 2005. Unemployment rates ranged from 3.4 percent in Idaho to 6.8 percent in Alaska.

The housing sales markets throughout much of the Northwest region began to move toward more balanced conditions during the third quarter of 2006, following 3 years of rapid sales and price increases. In Washington, sales of existing homes in the Puget Sound area markets, declined 5 percent to 67,800 units for the 12 months ending September 2006 compared with the record level of sales set during the previous 12 months, according to Northwest Multiple Listing Service data. Sales of existing homes were down 7 percent in the Seattle area, 1 percent in the Tacoma area, and 11 percent in the Bremerton area. Most of the sales decline in these markets occurred during the June-through-September 2006 period based on monthly year-over-year data. Olympia was the only Puget Sound market where home sales increased during the past 12 months, up 7 percent.

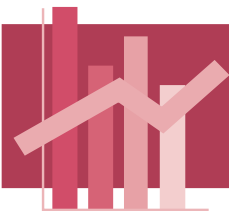
Home prices in the Puget Sound area continued to increase during the past 12 months but slowed during the end of the period. The average sales price for existing homes rose by 13 percent or more to \$459,000 in the Seattle area, \$333,000 in the Bremerton area, and \$300,000 in the Tacoma area for the 12 months ending September 2006 compared with the previous 12 months. In the Olympia area, the average sales price for an existing home was \$281,000, a 19-percent gain. Average sales prices for existing homes were either flat or declined between June 2006 and September 2006, a trend that is expected to continue in the Puget Sound area during the next 12 months. New home average sales prices increased as much as 21 percent during the past 12 months ending September 2006 but were also down or flat during the past few months. The number of new homes sold through the Northwest Multiple Listing Service during the past 12 months was down 4 percent in the Seattle area and 16 percent in the Kitsap area, but the number increased 32 percent in

the Olympia area and 9 percent in the Tacoma area. The strength of the Olympia and Tacoma markets was partly due to the efforts of several builders who targeted military buyers with new homes priced below \$300,000.

Oregon sales market conditions were similar to those in Washington, with closings on new and existing homes in major markets down 5 percent to 73,200 units for the 12 months ending September 2006 compared with the previous 12-month period, based on data from the Residential Oregon Multiple Listing Service. The Oregon average home sales price increased 15 percent to \$291,000, with the highest average in the Portland area, at \$316,000, where sales declined 9 percent. In Clark County, Washington, sales fell 11 percent, but the average home price increased to \$288,300, a 16-percent gain. The largest sales decline occurred in the Medford, Oregon area, down by 40 percent, or 2,250 homes. The average price in the Medford area for the 12 months ending September 2006 was \$274,800, up 19 percent. In Coos County, Oregon, the average home sales price increased 18 percent to \$181,000, but sales declined by 141 homes, or 22 percent. Sales in nearby Douglas County declined by 15 percent, or 310 homes, while the average sales price increased 15 percent to \$184,600.

Idaho sales market conditions were strong overall during the past 12 months, but slower sales and rising inventories began to appear near the end of the period. Sales of new and existing homes in the Boise metropolitan area totaled 17,500 units for the 12-month period ending September 2006, up 4 percent compared with the previous 12-month period. Home sales began to slow in mid-2006 and by August were down 28 percent compared with the total sold in August 2005. The inventory of new and existing homes for sale increased by 20 percent in the Boise metropolitan area during the May-through-August 2006 period compared with the same period in 2005. Despite the slower sales and increased inventory, the average home sales price rose 20 percent to \$227,000 during the 12 months ending September 2006 compared with the previous 12 months. Local REALTORS® expect a continuation of the slower sales trend and moderate price increases during the next year in the Boise area. The Coeur d'Alene and Twin Falls areas also experienced slower conditions, while sales market conditions remained strong in the Idaho Falls, Lewiston, and Moscow areas.

In Anchorage, home sales declined 7 percent to 3,100 units for the 12 months ending September 2006 compared with the previous 12 months, according to data from the Anchorage Multiple Listing Service. The average home sales price was \$310,600, a 9-percent increase. The rate of price appreciation has slowed moderately



in the Anchorage area, down from a 12-percent increase in September 2005.

The trend toward more balanced sales market conditions that has developed in much of the Northwest since June 2006 caused a decrease from the previous 12 months' record building permit levels in every state except Alaska, where permit activity increased 3 percent. Single-family housing construction activity, as measured by the number of units permitted, decreased 8 percent regionwide to 76,900 units in the 12-month period ending September 2006 compared with the previous 12 months. Single-family building permits totaled 1,700 in Alaska, 17,000 in Idaho, 21,800 in Oregon, and 36,400 in Washington.

Rental market conditions in the Northwest region generally tightened through the third quarter of 2006, continuing a trend that started in early 2005 because of steady job growth, reduced sales market competition, and low levels of new rental construction. In the Puget Sound area, the rental vacancy rate declined from 5.3 percent in September 2005 to 4.7 percent as of September 2006, according to Dupre+Scott Apartment Advisors, Inc. The average rent increased nearly 6 percent to \$856, and concessions declined from being offered in 40 percent of properties to 15 percent of properties. The Seattle area rental vacancy rate was 4.1 percent, down from 5.5 percent a year ago, and the average rent increased 7 percent. The rental vacancy rate declined to 3 percent in Bremerton because of additional U.S. Navy personnel in the area. In the Tacoma area, the rental vacancy rate increased 2.5 percentage points to 7.4 percent because military personnel left for overseas assignments during the third quarter of 2006. Rental market conditions were still balanced in the Olympia area, with an estimated vacancy rate of 4.6 percent.

Oregon rental market conditions tightened during the past 12 months as vacancies declined and rents began to rise. In the Portland metropolitan area, the rental vacancy rate declined from 7.5 percent to 6.5 percent as

of the third quarter of 2006. Rental market conditions were extremely tight in the Bend, Eugene, and Medford-Ashland market areas, with estimated vacancy rates of 1 percent, 3 percent, and 2 percent, respectively. Concessions are typically no longer offered in these market areas and rents are projected to increase by 3 percent or more during the next 12 months.

Idaho rental market conditions were generally balanced because of strong employment growth and moderate levels of new construction. The Boise area rental vacancy rate was 6.6 percent, down from 7.5 percent in the third quarter of 2005. The average rent increased 2.8 percent to \$650 between the second quarter of 2005 and the same period of 2006. Market conditions were balanced in the Lewiston, Idaho Falls, and Twin Falls areas. Coeur d'Alene had the tightest market conditions in the state, with an estimated rental vacancy rate below 3 percent due to condominium conversions reducing rental supply.

Multifamily building permits totaled 26,000 units in the Northwest region for the 12 months ending September 2006, up 14 percent compared with the same period in 2005. In Alaska, multifamily building permit activity increased by 12 percent to 1,450 units, while Oregon and Washington multifamily building activity rose by 7 and 27 percent, respectively. The total number of units permitted equaled 7,050 in Oregon and 15,700 in Washington. The number of multifamily units permitted in Washington increased by 3,300, with nearly all in the Seattle area. The Seattle area multifamily permits were primarily for condominiums, even though sales of new condominiums were down 24 percent over the same period. Idaho was the only state where multifamily building permit activity was below the previous 12-month total, down 26 percent because multifamily development in the Bonneville, Madison, Twin Falls, and Latah Counties returned to more typical levels compared with the previous 12 months.

Housing Market Profiles

Boston-Cambridge-Quincy, Massachusetts-New Hampshire

The Boston-Cambridge-Quincy Metropolitan New England City and Town Area consists of Suffolk County in Massachusetts, parts of Bristol, Essex, Middlesex, Norfolk, Plymouth, and Worcester Counties in Massachusetts, and parts of Hillsborough and Rockingham Counties in New Hampshire. Nine geographic divisions are within the total metropolitan area, which had an estimated population of 4.4 million in 2005. As of August 2006, the Boston economy had completed a second 12-month period of job growth after losing 135,000 jobs during the recession in the early 2000s. For the 12 months ending August 2006, the average nonfarm employment was 2.43 million jobs, an increase of 22,700 jobs, or 0.9 percent, compared with the previous 12-month period, when 14,800 jobs were created.

The primary growth industries in the Boston economy are in the service-providing sectors, particularly financial activities, professional and business services, and education and health services. In the 12-month period ending August 2006, service-providing jobs increased by 21,000, or 1 percent, compared with the previous 12-month period. Professional and business services and education and health services increased by 8,100 jobs, or 2.1 percent, and by 7,000 jobs, or 1.6 percent, respectively. Software services and biotech research and development continue to dominate the Boston metropolitan area economy. The financial services sector, which weakened during the 2001–04 period due to major mergers and acquisitions, recently added 4,500 jobs, a 2.4-percent increase, in the 12-month period ending August 2006.

Growth in goods-producing industries was minimal during the 12 months ending August 2006 with an increase of 2,700 jobs, or 2.7 percent, in construction, which was partially offset by small losses in manufacturing employment. The unemployment rate in the Boston area was relatively stable during the past 12 months, decreasing to 4.5 percent from 4.6 percent a year earlier. For the 12-month period ending August 2004, the unemployment rate was 5.3 percent. Many Boston-area recruiting firms report that the labor force is experiencing a significant shortage of available skilled workers.

For the 12 months ending August 2006, residential building activity, as measured by units permitted, declined 8 percent to 15,600 units compared with the total number of units permitted during the previous 12-month period. This decline follows the 2002–05 period when the total units permitted increased by an average of 13 percent annually, peaking in 2005 at 17,440 units. Higher interest rates, rising inventories of units for sale, and a considerable rental pipeline are the primary reasons for the recent decline in residential building activity. A total of 8,300 single-family units were permitted during the 12 months ending August 2006, down 8 percent compared with the previous 12 months. Multifamily units permitted were down 7 percent. Despite the recent decline, the level of multifamily development in the Boston metropolitan area remains high. Multifamily units permitted increased an average of 34 percent annually between 2002 and 2005 to 9,200 units with a significant amount of proposed development in the future. An estimated 50 percent of the multifamily units permitted during the 2002–05 period were condominiums units. A recent Greater Boston Housing Report Card publication identifies more than 50,000 market-rate, assisted, age-restricted, and 40B State Comprehensive Permit Program units in various stages of the approval process. Many of these projects are near public transit stations and ferry ports and may benefit from state efforts to encourage transit-oriented development. Most proposed building projects also include retail space, office space, and other commercial uses.

The sales market in the Boston metropolitan area has softened since 2005. For the 12 months ending June 2006, the number of single-family home sales declined 7 percent to 26,300 sales compared with the previous 12-month period. During the same period, the median sales price of a single-family home increased 2.4 percent to \$424,325. Annual price increases have been decreasing from double-digit levels 2 years ago and are currently approaching no yearly change. Urban areas closer to the city of Boston reported a higher number of sales, a lower level of declining sales, and a higher level of median sales price retention. The North Shore and South Shore sales markets reported fewer home sales, higher levels of declining sales, and declines in the median sales prices.

Sales of condominium units in the Boston market also slowed. The number of condominium units sold for the 12 months ending June 2006 increased only 2 percent to 17,700 units compared with the 30-percent annual gain in the 12 months ending



June 2005. In June 2006, the median sales price for condominium units was \$305,350, up 2 percent from the median sales price during the previous 12 months.

Condominium sales in the city of Boston accounted for 68 percent of residential sales during the 12 months ending June 2006. Condominium sales totaled 7,050, down about 6 percent from the previous 12 months with virtually no change in the median price of \$352,675. Sales of single-family homes were down about 10 percent to 1,490 units with the median sales price of \$382,000, up less than 1 percent from the previous year.

The rental market in the Boston area strengthened during the last year as occupancy rates increased and rents stabilized. According to preliminary data released by Reis, Inc., the rental vacancy rate was 4.8 percent in the third quarter of 2006, down from 5.2 percent in the previous quarter and 5 percent in the third quarter of 2005. Absorption and occupancy increased during 2006 because new completions were moderate and employment gains continued, bolstering rental demand. Demand also increased as a result of the slowing sales market. Most sources forecast that significant building completions in the remainder of 2006 and in 2007 are estimated to be in the range of 7,500 to 8,000 rental units, which will likely cause a decline in occupancy rates. The Boston market has not had this level of new units added to the inventory since the mid-1980s. The condominium market may also have an impact on the rental market. Although the conversion of rental units has subsided recently, an estimated 1,500 rental units were converted to condominiums during 2004 and 2005, and an estimated 4,000 condominium units were under construction as of June 2006. A continued slowing of condominium unit sales may result in a portion of these units entering the rental market.

According to Reis, Inc., the current average asking rent of \$1,624 in the Boston rental market, the third highest in the nation, is up 3.1 percent from the third quarter of 2005. This is a reversal of the trend in 2002–04 in which rents actually declined. Increased demand and limited completions have resulted in diminished rental concessions and upward pressure on rents. According to the Boston Department of Neighborhood Development, the average contract rent in Boston was \$1,504 for the 12-month period ending June 2006, up 4 percent from the same period ending June 2005 but actually below the \$1,600 rent in 2000. Average rents in Boston range from \$1,150 to \$1,200 in Roxbury, Dorchester, Hyde Park, and Mattapan and from \$2,300 to \$2,500 in the South End, Central Boston, and Back Bay/Beacon Hill.

Colorado Springs, Colorado

The Colorado Springs Housing Market Area (HMA) encompasses El Paso County and is located approximately 70 miles south of Denver. The population of the HMA was estimated at 582,100 as of August 2006, an increase of 10,300 annually since the 2000 Census. Economic conditions in the HMA have improved during the past 2 years after a downturn in the early part of the decade. Resident employment for the 12 months ending August 2006 was 277,800 workers, up 2.7 percent compared with the previous 12 months. Led by rising defense expenditures, employment increased at the fastest rate in 6 years, resulting in 5,000 new jobs during the past 12 months, with most jobs in the professional and business services sector. The leading private sector employers are Penrose-St. Francis Hospital Services, Lockheed Martin Corporation, and Hewlett Packard.

The presence of large military installations and of defense research and spending has a significant impact on the local economy. In a Colorado Springs Chamber of Commerce Department report for 2005, the annual economic impact, including expenditures for payroll, construction, services, materials, and secondary employment, is estimated at \$3.2 billion, or approximately 35 percent of the total economic activity in the HMA. An estimated 46,000 active-duty military and civilian personnel are currently stationed at Fort Carson Army Base (AB), Peterson Air Force Base (AFB), Schriever AFB, and the United States Air Force Academy. By 2009, the number of active-duty personnel at Fort Carson AB is expected to increase by 6,000 soldiers.

Because of military buildup and increased defense expenditures, the prospects for employment growth are good, particularly in the aerospace manufacturing industry. Boeing Company, ITT Industries, Lockheed Martin Corporation, and Northrop Grumman Corporation, with more than \$3 billion in contract work, will continue to hire workers in addition to the 5,800 already employed at these companies. The contracts are predominantly for the upgrade of military satellite networks, radar systems, and missile defense systems, primarily at Peterson AFB and Schriever AFB. To accommodate the additional Army troops, more than \$1 billion in construction contracts have been approved to upgrade Fort Carson AB, potentially creating 2,000 new construction jobs over a 5-year period. During the next 3 years, employment in the HMA is expected to increase more than 2 percent annually.

Even with a growing economy, home builders have reduced production because of rising interest rates and a buildup of inventory. During the 12 months ending August 2006, the number of single-family building permits issued declined by 1,900 units, or 28 percent, to 4,980 compared with the same period a year ago. Approximately 50 percent of the single-family development is taking place in the Briargate, Norwood, Stetson Hills, and Ridgeview subdivisions in northeast Colorado Springs. The remaining single-family development is taking place in the eastern unincorporated areas of the county, especially the Falcon area.

The decline in homebuilding activity in 2006 reflects slower new home sales. According to a second quarter 2006 survey from The Genesis Group, sales of new detached homes decreased by 24 percent during the past 12 months, although the average home sales price increased by 9 percent to \$278,800. New detached homes priced from \$200,000 to \$250,000 showed the largest decrease in sales volume. Because the cost of owning a new detached home increased, builders shifted some production to more affordable attached homes. Sales of attached homes increased by 23 percent during the period and the average sales price decreased by \$7,800 to \$195,400. Homes in the \$150,000-to-\$175,000 price range showed the largest absolute sales increase. The market is considerably weaker in the far eastern part of the HMA because of the large volume of new construction, especially of detached homes in the \$200,000-to-\$250,000 price range.

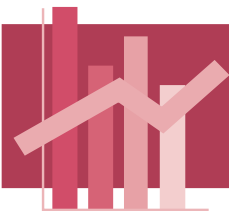
The existing home sales market remains relatively balanced despite a recent inventory buildup. The increase in inventory is partially due to rising interest rates and a record level of new homebuilding in 2005. As of August 2006, the inventory of unsold existing homes had increased by 35 percent during the previous 12-month period to approximately 5,800 homes. With the economy improving and home builders cutting back production, the market is expected to absorb the excess inventory within the next 12 months. Despite the increase in inventory, sales of existing single-family homes rose by 5 percent during the past 12 months and the average home sales price increased by \$13,700 to \$252,500. An increase in the number of homes priced at more than \$400,000 contributed to the increased average home sales price. During the past year, sales of existing attached homes were down slightly, but the average sales price of these homes increased by \$15,700 to \$153,200.

The rental market in Colorado Springs has been soft since 2001 because of earlier overbuilding and deployments at Fort Carson AB. Although the market is improving, the apartment vacancy rate remains high and rent increases have been small. According to Doug Carter, LLC, the vacancy rate declined from 12.5 to 9.4 percent between the second quarter of 2005 and the second quarter of 2006. The average contract rent in the HMA increased by 4 percent to \$609. The highest submarket vacancy rates were in areas heavily affected by deployments at Fort Carson AB; the airport area recorded a 19-percent vacancy rate and the southwest area recorded a 16-percent rate.

Because of soft rental market conditions, multifamily construction in the Colorado Springs area has been significantly reduced since 2002. The number of multifamily units permitted during the 12 months ending August 2006 declined to 400 units, or 40 percent, compared with the same period last year; this figure is well below the 1,700 units averaged during the 2000–02 period. According to the Pikes Peak Regional Building Department, apartments accounted for 70 percent of the total multifamily units permitted in the early part of the decade. In contrast, apartments accounted for only 30 percent of the multifamily units permitted during the past 12 months. With the reduced level of apartment construction and expected increase in renter households, the rental market should continue to improve and come into balance by early 2008.

Columbus, Ohio

The eight-county Columbus metropolitan area is home to the Ohio state government and is the regional healthcare and financial center for central Ohio. As of October 1, 2006, the estimated Columbus area population was 1,737,100, with an average annual increase of 19,200, or 1.2 percent, since 2000. The Columbus area was the only major Ohio metropolitan area where the central city, Columbus, grew between 2000 and 2005. More than 42 percent of the metropolitan area population resides in the city, which has added 25,000 new residents since 2000. Franklin County, where the city of Columbus is located, is the largest county in the region and the primary employment center. Delaware County, in the northwestern section of the metropolitan area, is the fastest growing county in Ohio, averaging 5.1-percent growth during the past 6.5 years.



Columbus is the capital of Ohio and the state government is the leading area employer. The financial services sector accounts for 8 percent of nonfarm employment and includes JPMorgan Chase and Company, the third largest employer in the area with 13,700 jobs and Nationwide Incorporated, the fourth largest employer with more than 11,000 employees. The goods-producing sectors added 400 jobs in the past 12 months. Growth in the goods-producing sectors was due to the gain of 800 construction jobs that more than offset the loss of 400 manufacturing jobs. The unemployment rate averaged 4.9 percent in the 12 months ending August 2006, compared with 5.4 percent in the previous 12-month period.

Ohio State University (OSU), with more than 51,800 students and nearly 19,000 faculty and staff, is the nation's third largest university and the second leading employer in Columbus. With a \$3.5 billion annual impact on the state of Ohio, OSU is a stabilizing force for the Columbus economy. Local research organizations that recruit OSU graduates include Battelle Memorial Institute, the world's largest private contract think tank; Chemical Abstract Services, a well-known chemical research repository; and Online Computer Library Center, a nonprofit computer library.

Average nonfarm employment increased by 7,100 jobs, or 0.8 percent, to 927,000 during the 12-month period ending August 2006 compared with the previous 12 months. Nearly all the growth was in the service-providing sectors, which increased by 6,700 jobs. The professional and business services sector led all sectors in the past year with a gain of 2,600 jobs, mainly in the administrative, support, and employment services industries. The education and health services sector, which currently accounts for 11 percent of nonfarm employment, added 2,300 jobs in the healthcare and social assistance industry. The healthcare systems in the Columbus area contribute \$4 billion to the local economy annually and employ approximately 31,000 workers. The combined federal, state, and local government jobs represent 17 percent of total employment and add stability to the area economy.

The single-family home sales market has remained stable during the past 6 years due to population and employment growth. Through the first 8 months of 2006, residential home sales as reported by the Columbus Board of REALTORS® totaled 18,400 sales, nearly 2 percent lower than the same period in 2005, a year in which a record number of homes sold. Since 2000, annual sales have increased an average

of almost 7 percent. Of the 27,500 units sold in 2005, 87 percent were single-family homes and 13 percent were condominium units. The 2006 year-to-date average sales price decreased by 1 percent, or \$2,000, to \$175,200 compared with the same period in the previous year. Between 2000 and 2005, sales price increases averaged 4 percent annually. Record inventory levels in 2006, with 2,750 more listings through August compared with the first 8 months of 2005, were the primary cause of the current sales price decrease.

Single-family developers responded to the increasing inventory of unsold homes by slowing production in the past 12 months. Single-family homebuilding, as measured by the number of permits issued between September 2005 and August 2006, totaled 7,100 units, a 23-percent decrease compared with the more than 9,200 units permitted in the previous 12-month period. Single-family construction averaged approximately 8,200 units annually in the late 1990s and more than 11,000 units a year between 2000 and 2004, including a record 12,120 units permitted in 2003.

Although the Columbus area rental market is currently soft, the outlook for the rental market is positive considering the limited new supply, steady population growth, and rising mortgage interest rates. According to Hendricks and Partners, the current vacancy rate in the Columbus area is 8.6 percent after peaking at 9.5 percent in 2004. An average of approximately 1,800 multifamily units were permitted each year in 2004 and 2005, only 39 percent of the annual average of 4,600 multifamily units permitted in the 5 prior years. Multifamily developers continued moderating supply with only 1,800 units permitted in the past 12 months. The rental vacancy rate is expected to fall below 8 percent during the next 6 to 9 months if the projected supply does not increase and mortgage interest rates remain at or above the current level. Overall rents in the Columbus metropolitan area increased about 1 percent in the past 12 months. Although the average rent for a unit in Columbus is \$640, average submarket rents range from \$570 to \$710. Concessions, such as 1 month's free rent and reduced security deposits, are commonly used to market rental units throughout the metropolitan area.

Revitalization efforts for downtown Columbus emphasize multifamily housing development; the city's strategic plan includes 8,000 new units by 2012. As of mid-2006, 1,150 units had been built, 1,150 units were under construction, and 1,500 units were in the pipeline. Primary target groups for the new downtown housing are young professionals and

empty nesters. Incentives to draw residents to downtown include a 10-year, 75- to 100-percent real estate tax abatement. The latest condominium development, Burnham Square, has sold 90 percent of its 98 total units priced between \$229,000 and \$650,000.

Greenville, South Carolina

The Greenville metropolitan area is located at the foothills of the Appalachian Mountains and includes Greenville, Laurens, and Pickens Counties. The population of the area as of October 1, 2006, is estimated at 610,900, an increase of 7,850 a year since the 2000 Census. Population growth slowed during the early 2000s because of declining employment. During the past 2 years, employment growth has returned, leading to higher net in-migration. The former textile-reliant economy has evolved into a growing and diversified economy led by gains in the education and health services and professional and business services sectors. Leading employers are the Greenville Hospital System, Clemson University, and General Electric.

According to the Pickens County Chamber of Commerce, Clemson University employs 7,525 people. The university participates in several partnerships with businesses such as the International Center for Automotive Research (ICAR). ICAR, an education and research facility developed by Clemson University, receives financial support from BMW, Michelin, IBM, and Microsoft. These companies benefit from the intellectual property developed at ICAR. The BMW plant located 1 mile outside the metropolitan area has a significant impact on the state and local economies. Since the plant's groundbreaking in 1993, BMW has invested more than \$1.9 billion in South Carolina and currently employs 4,300 workers. The BMW plant purchases inputs from 33 South Carolina suppliers, including several located in the metropolitan area.

Economic conditions in the Greenville area have strengthened since a downturn in the early 2000s. From 2001 to 2003, nonfarm employment declined by 14,700 jobs and net in-migration slowed to an annual average of 2,850 people compared with 3,650 during the 1990s. As the economy began to recover in 2004, nonfarm employment increased and, in the past 12 months ending August 2006, reached an average of 308,400 jobs, the highest total since 2000. During the past 12 months, employment in the service-providing sectors increased by 6,000 jobs and employment in the goods-producing sectors grew by 800 jobs. Employment in the professional and

business services sector increased by 10 percent, accounting for 70 percent of the new jobs in the service-providing sectors. Other service-providing sectors that continue to grow at a healthy pace in the area are education and health services and leisure and hospitality, which added 900 and 1,000 jobs, respectively. In the goods-producing sectors, manufacturing, which was historically based in textiles, has declined since 2000. In 2001, textile-related manufacturing accounted for 12,800 jobs, or 23 percent of total manufacturing, and decreased to 6,200 jobs, or 14 percent of total manufacturing by 2005. Total manufacturing employment remained nearly unchanged in the past 12 months compared with the previous 12 months.

During the 12-month period ending August 2006, single-family construction, as measured by building permits, continued to increase as it had during the past few years, although multifamily construction was scaled back in response to excess inventory. The number of building permits issued for single-family homes increased 10 percent from 4,700 units to 5,175 during the past 12 months compared with the previous 12 months. During the same time, the number of permits issued for multifamily units decreased from 450 units to 325. Construction began on Verdae, a 1,100-acre, mixed-use development. Strategically located across Interstate 85 from Clemson's ICAR, Verdae is a 20- to 30-year project that will be triple the size of downtown Greenville. The development will include residences, offices, retail space, restaurants, a retirement center, a golf course, and hotels. The residential component of Verdae will include single-family homes, townhomes, condominiums, and apartments with a wide range of prices and rents. Phase I, which is to be completed by August 2008, will include approximately 125 single-family homes and a 316-unit, continuing-care community for seniors.

The sales market in the metropolitan area has tightened over the past few years. According to the Greater Greenville Association of REALTORS®, the average sales price for existing homes increased 11 percent to \$187,300 during the 12-month period ending August 2006 compared with the previous 12 months. At the same time, home sales increased by 19 percent to 8,450 units and the average number of days a home was on the market decreased substantially from 112 to 90.

Although the overall rental market is soft, and has remained soft for the past few years, the vacancy rate in the apartment market has recently decreased. According to Real Data, the apartment vacancy rate in the Greenville-Spartanburg market



area, which covers Greenville, Spartanburg, and Anderson Counties, decreased from 12.6 percent in May 2005 to 8.8 percent in May 2006. The improvement is primarily due to a slowing of apartment construction. Real Data reports that the average rent increased from \$569 in May 2005 to \$591 in May 2006. The apartment market is expected to become more balanced during the next few years because of reduced construction and pipeline activity and increased demand resulting from higher levels of in-migration. Apartments currently under construction downtown include McBee Station, a mixed-use project with 192 luxury units and a projected completion date of March 2007. Currently in lease-up is Candleton Village, a 314-unit luxury apartment development, which completed its final building in August 2006. The Lofts of Greenville, a 192-unit apartment development, is also in lease-up. According to Real Data, the average monthly rent for units in lease-up is \$595 for a one-bedroom unit, \$692 for a two-bedroom unit, and \$865 for a three-bedroom unit.

Harrisburg-Lebanon, Pennsylvania

The Harrisburg-Lebanon Housing Market Area (HMA) comprises the Harrisburg-Carlisle and Lebanon Metropolitan Statistical Areas. The HMA includes the state capital of Harrisburg and the town of Hershey, home to the famous chocolate company and theme park of the same name. Since 2000, the population increased by an average of 5,100 a year to an estimated 662,725 as of October 1, 2006. Net migration to the area averaged 3,850 people annually since 2000.

The economy in the Harrisburg-Lebanon area is strong. Nonfarm employment averaged 376,600 jobs during the 12 months ending August 2006, an increase of 5,675 jobs, or 1.5 percent, compared with the previous 12 months. The average unemployment rate decreased from 4.1 percent in July 2005 to 3.7 percent as of July 2006. The service-providing sectors grew more rapidly in the past year than earlier in the decade, increasing by a total of 5,700 jobs through the 12 months ending August 2006 compared with an average gain of 3,300 jobs annually since 2000. More than half the jobs created were in the professional and business services sector and the education and health services sector. The largest employment growth occurred in the professional and business services sector, which increased by 2,100 jobs, or 5.7 percent. Government contractors account for nearly 65 percent of these new jobs. The

education and health services sector expanded by 1,725 positions, or 3.4 percent. Hospital employment is expected to increase because the Penn State Milton S. Hershey Medical Center, which has more than 5,000 employees and 600 students, plans to hire 1,000 additional employees during the next 2 to 4 years, with the construction of new clinical and research facilities. Although the manufacturing sector lost 370 jobs during the 12 months ending August 2006, food manufacturing increased by 120 jobs during the same period. With 7,000 employees, Hershey Foods Corporation is the leading private-sector employer in the HMA. The state government provides a stable foundation for the economy; it accounts for approximately 9 percent of the total nonfarm employment and increased by an average of 280 jobs annually from 2000 through 2005.

As measured by building permits, construction of single-family homes, apartments, and condominiums continued at a steady pace in the Harrisburg-Lebanon area from 2002 through 2005 despite a recent decline in single-family permit activity. Approximately 3,000 single-family homes were produced annually from 2002 to 2005, accounting for 90 percent of the total units permitted. Single-family building permits issued from January through August 2006 were approximately 13 percent below the same period last year. During 2005, the number of multifamily units permitted increased to a high of 515, a level unmatched since the late 1990s. Data reported from January through August 2006 indicate multifamily permits are on pace and may rise above levels attained a year ago. Approximately 90 percent of the multifamily units permitted in the area are rental units.

The sales market is balanced throughout the Harrisburg-Lebanon area. During the past year, home prices continued to rise by approximately the same percentage as the average annual increase from 2002 through 2005. According to the Greater Harrisburg Association of REALTORS®, the average home sales price in Cumberland, Dauphin, and Perry Counties increased 6 percent to \$174,000 during the four quarters ending June 2006. Data from the Lebanon County Association of REALTORS® indicate the average price of single-family homes in Lebanon County increased nearly 11 percent to \$164,800 during the 12 months ending August 2006. Home sales also increased during the most recent 12-month period. Sales volume rose almost 5 percent to 9,000 sales in Cumberland, Dauphin, and Perry Counties and 7 percent to 1,660 sales in Lebanon County. The sales vacancy rate is currently estimated at 1.7 percent, nearly unchanged from a level of 1.8 percent as of the 2000 Census.

The demand for homes throughout the Harrisburg-Lebanon area has revitalized the city of Harrisburg. Recent improvements to the downtown area, including Restaurant Row and the Whitaker Center for Science and the Arts, have enhanced the quality of life for residents and increased the demand for housing from young state government workers and middle-income families. New townhomes and single-family units are being developed in historic neighborhoods close to downtown. The recent construction of the 38-unit MarketPlace Townhomes development in a previously blighted section of the Midtown area provided affordable units for sale and lease-to-purchase. Because the initial 38 units sold quickly, construction has begun on a final phase of 75 townhomes, to be completed in 3 to 5 years, with prices starting at \$130,000. With current prices starting at \$150,000 and averaging \$195,000, the 180-unit Capitol Heights development, located in the Uptown neighborhood of Harrisburg, is currently under construction, with 140 of the single-family and townhome units already sold.

The rental market in the Harrisburg-Lebanon area is balanced. Because an increasing number of renters purchased homes, the overall rental vacancy rate of 7.7 percent as of the 2000 Census increased slightly to an estimated 8 percent as of October 2006. Despite the rise in vacancy, rental rates for newly constructed properties are increasing with few rent concessions in the market. Construction is under way on 265 apartments at two developments in Mechanicsburg and at a 175-unit complex in Hershey. Approximately half the 440 units are completed. The apartments, which are being built in phases, are filling rapidly due to preleasing. A 90-unit low-income housing tax credit development for seniors, located in Lebanon, opened in December 2005 and reached full occupancy in June 2006. The average gross rent for a two-bedroom, two-bath unit in a newly constructed Class A development in the Harrisburg-Lebanon area is \$1,200.

Jacksonville, Florida

The Jacksonville metropolitan area in the northeastern part of Florida on the Atlantic Ocean comprises Baker, Clay, Duval, Nassau, and St. Johns Counties. The metropolitan area is a major port and transportation hub, finance center, and regional medical center. The U.S. Navy has a significant presence in Jacksonville with two large bases in the area—Naval Air Station Jacksonville with more than 25,000 total

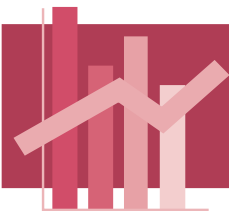
personnel (military and civilian) and Naval Station Mayport with more than 16,000 personnel. According to the Jacksonville Regional Chamber of Commerce, local military installations have more than an \$8 billion impact a year on the local economy. The area's beaches and pleasant climate provide numerous recreational opportunities.

Solid employment growth has boosted in-migration in the Jacksonville metropolitan area during the past 6 years, particularly in the suburban counties surrounding Duval County. The population of the metropolitan area as of October 1, 2006, was estimated at 1,287,000, an increase of 164,000, or about 3 percent a year, since 2000. Duval County's population increased from 779,000 to 838,000 between 2000 and 2006, a 1.2-percent annual increase. Population in the surrounding counties of the metropolitan area increased from 344,000 to 449,000, or 4.7 percent annually.

Strong job growth continued in the Jacksonville area during the past 12 months. When comparing the 12 months ending August 2006 with the same period a year earlier, total nonfarm employment increased 3.6 percent, from 598,000 to 619,000 jobs. As a result of the increase, the unemployment rate declined to 3.2 percent in the recent 12 months from 4.2 percent a year earlier. Construction led all employment sectors with an increase of 10.8 percent, resulting from high levels of residential, commercial, office, and retail construction.

High concentrations of employment are reported for the financial services and transportation and utilities sectors. Together, these sectors account for nearly 15 percent of all nonfarm employment in the Jacksonville area compared with 10 percent statewide. BlueCross BlueShield is the leading private-sector employer in the area, with more than 8,000 workers. CSX Corporation, Inc., the largest railroad in the eastern United States, is headquartered in Jacksonville. Jacksonville is also a major port for the southeastern United States. The Jacksonville Port Authority reported that more than 8 million tons of cargo passed through the port during the 12-month period ending September 2006, including more than 600,000 vehicles, making Jacksonville one of the largest vehicle handling ports in the country. Nearly 45,000 area jobs are related to port activity.

Income growth has been strong in Jacksonville since 2000. According to the 2005 American Community Survey, the median household income in the Jacksonville area was nearly 12 percent higher than the median income reported for the area on the 2000 Census. The increase statewide was slightly



greater than 9 percent. From 2004 to 2005, according to the American Community Survey, the median household income in Jacksonville rose more than 4 percent compared with less than 3 percent for the state. The area also has fewer households with incomes below the poverty line, slightly more than 8 percent, compared with nearly 10 percent for the state.

Strong population, employment, and income growth have sustained a high level of housing demand, which has caused a rapid increase in area home prices. Prices for single-family homes in the metropolitan area, according to the Office of Federal Housing Enterprise Oversight (OFHEO), rose 18 percent in the second quarter of 2006 from the previous year. This rate of increase was down slightly from the record-setting 22-percent increase in the first quarter of 2006.

According to the Florida Association of REALTORS® (FAR), single-family home sales in Jacksonville for the 12 months ending August 2006 were up nearly 4 percent compared with the same period a year earlier, from 16,570 units to 17,140. In contrast, statewide sales were down 19 percent from 244,600 units to 198,700 in the same period. Median prices reported by FAR for the 12 months ending August 2006 were up more than 13 percent compared with the same period a year earlier, from \$175,100 to \$198,200. Statewide, single-family home sales prices during the same period increased almost 16 percent, from \$215,200 to \$249,200.

Sales of condominiums in Jacksonville, according to FAR, were down from 1,500 units to 1,390, almost 8 percent year to date through August 2006 compared with the same period a year earlier. Condominium sales statewide were down more than 31 percent during the same period. Average year-to-date condominium prices through August 2006 for Jacksonville were down from \$167,640 to \$166,860, less than 1 percent compared with the same period a year ago. Statewide, condominium prices were up 3 percent during the same period.

Housing production in the Jacksonville area has fallen in recent months. Single-family housing units authorized by building permits during the 12 months ending August 2006 were down 14 percent compared with the same period a year earlier. In Duval County, the decline was slightly less, at 9 percent, but, in the surrounding counties of the metropolitan area, the number of single-family units authorized was down 31 percent as the number of developable lots declined pending the opening of several major new developments. One new development, Nocatee in St. Johns County, is a planned, 13,000-acre community that is expected to eventually include 15,000 new homes.

The decrease in multifamily building production was not as large as in single-family housing. Multifamily units authorized by building permits in the Jacksonville area were down 3 percent during the 12 months ending August 2006 compared with the same period a year earlier. In Duval County, multifamily housing production was down 16 percent but, in the surrounding counties, multifamily units authorized by permits increased by 44 percent.

The rental market in the metropolitan area tightened during the past year, primarily due to condominium conversions. According to Real Data, as of June 2006, the vacancy rate for rental apartments was 5.8 percent, down from 6.2 percent in June 2005. Rents increased by 4.3 percent; however, this increase is modest compared with increases in other metropolitan areas in the state, which reached as high as 7 percent in Orlando. Real Data reported that during the 12 months ending June 2006 more than 3,350 rental units in the Jacksonville area were converted to condominiums, but the current pace appears to be slowing because only 1,000 conversions were announced in the second quarter of 2006. More than 1,700 units were converted in the second quarter of 2005. Many converted condominium units are owned by investors who quickly put their units back on the rental market.

McAllen-Edinburg-Mission, Texas

The McAllen-Edinburg-Mission metropolitan area consists of Hidalgo County and is located approximately 5 miles north of Reynosa, Mexico. The metropolitan area, more commonly known as the Rio Grande Valley, is the retail and healthcare center of southern Texas. Continued increases in employment since 1990 have resulted in significant population growth during the past 16 years. Future employment growth, particularly in the trade sector and the education and health services sector, will continue attracting people to the area.

The metropolitan area was the fourth fastest growing metropolitan statistical area (MSA) in the United States for population change from 1990 to 2000, according to the Census Bureau, with an average increase of 4 percent a year. From 2000 to 2005, the MSA ranked 11th in population change. As of July 1, 2006, the population of the metropolitan area was estimated to be 703,800, an average annual increase of 21,500, or 3.4 percent, since 2000. During the past 5 years, net natural increase accounted for nearly 65 percent of the population growth, approximately 10 percent higher compared with the

previous 5 years. Net in-migration accounted for 35 percent of the total population growth, or approximately 7,600 people a year since 2000.

Employment growth during the 12 months ending June 2006 remained strong with the addition of 9,400 jobs, an increase of 4.7 percent compared with the previous 12 months. Increases were reported in every sector with the exception of manufacturing, which remained relatively unchanged. The education and health services sector recorded the largest gain during the past 12 months, adding more than 4,000 jobs, a 9.2 percent increase. Most of the increase was a result of hiring at the eight local hospitals as well as the continued formation of small clinics and outpatient surgical centers. Edinburgh Regional Medical Center, with 3,000 employees, and McAllen Medical Center, with 2,800 employees, are the top two private-sector employers in the MSA. Approximately 1,800 new positions were added in the wholesale and retail trade sectors and 1,600 jobs were added in local government. When combined, the trade sector and the education and health services sector account for approximately 75,600 jobs, or 44 percent of the service-providing jobs in the MSA.

Two major economic development projects are under way in the metropolitan area. The city of McAllen is expected to open a new \$62.5 million convention center in March 2007. Local officials plan to capitalize on this development by attracting trade shows and large conferences. McAllen, working with the city of Mission, is also nearing the completion of a third international bridge. The Anzalduas International Bridge, with an estimated cost of \$103 million, should be operational by 2008 and increase an already growing trade sector.

The metropolitan area is unique because it is well connected to the global marketplace through the foreign trade zone in McAllen. Foreign-Trade Zone (FTZ) #12 was created more than 30 years ago and was the first inland nonseaport trade zone in the United States. Currently, the McAllen FTZ encompasses more than 775 acres and provides services to clients representing more than 40 countries. Representatives from the FTZ estimate that commodities worth \$1.6 billion passed through the trade zone in 2005. Construction on the Regional Multi-Modal Center, which will connect rail lines from the McAllen FTZ to Canada, is scheduled to begin by the end of 2006 with an estimated cost in excess of \$4.3 million for Phase I. The estimated cost of the entire project is \$11 million.

Since 2000, building permits have been issued for 42,380 single-family homes, or an average of nearly

6,800 homes annually. For the 12 months ending June 2006, new home construction was strong because single-family permits were up 6 percent to 7,175 permits compared with the previous 12-month period ending June 2005. Building activity is expected to continue increasing as new lower priced subdivisions are developed in the outlying portions of the metropolitan area, including Pharr and San Juan.

The market for single-family homes in McAllen is tight because of significant increases in population and employment. Sales of existing homes for the 12 months ending June 2006 totaled 2,425 units, an increase of 14 percent compared with the previous 12 months. For the 12 months ending June 2006, the average home sales price increased to \$125,800, up 5 percent compared with the previous 12-month period.

The metropolitan area rental market has been soft for several years. The vacancy rate increased from 10.8 percent in April 2000 to 14 percent as of July 2006. Nearly 60 percent of the rental supply consists of single-family and mobile homes. The increase in the vacancy rate is attributed to a variety of factors, including a strong single-family sales market, increases in the number of mobile homes being made available for rent, and the overproduction of rental units in the market in recent years. Since 2000, an average of more than 1,600 multifamily units annually have been permitted compared with an average of 650 units permitted annually during the 1990s.

According to a survey by the Rio Grande Valley Apartment Association, the metropolitan area had a 15-percent apartment vacancy rate as of June 2006. Concessions, which typically include 1 month's free rent, are prevalent in the market. Apartment rents in the area average \$500 for a one-bedroom unit, \$600 for a two-bedroom unit, and \$850 for a three-bedroom unit. Despite these reasonable rents, many single-family homes and mobile homes in the rental market are priced even lower. Apartment construction, as measured by multifamily building permits, slowed considerably during the 12 months ending June 2006. The number of multifamily units permitted declined by 870 to 1,500 units compared with the previous 12-month period.

Milwaukee-Waukesha, Wisconsin

The Milwaukee-Waukesha metropolitan area is defined as Milwaukee, Waukesha, Ozaukee, and Washington Counties, Wisconsin. The metropolitan area is located 90 miles north of Chicago on the western shore of Lake Michigan. As of July 1, 2006,



HUD estimated the population at 1,516,000, an average annual gain of 2,440, or less than 1 percent, since the 2000 Census. Although the metropolitan area continues to grow at a moderate pace, Milwaukee, the largest city in the state, has lost an estimated 3,000 people annually since 2000. The area is the regional center for health care, financial activities, and manufacturing for southern Wisconsin.

Nonfarm employment in the metropolitan area decreased by approximately 1,000 jobs, or less than 1 percent, in the 12-month period ending August 2006 compared with the previous 12-month period. Employment losses in the trade, transportation, and utilities sector offset job gains in construction, education and health services, and leisure and hospitality. The Wisconsin Department of Workforce Development forecast strengthening in the local economy between 2007 and 2012, which is attributed to continued growth in the service-providing sector, a modest recovery anticipated in manufacturing, and increased construction of residential and nonresidential projects throughout the metropolitan area. The education and health services, information, and professional and business services sectors are expected to add a total of more than 4,000 jobs annually during the 5-year period. The top two employers in the metropolitan area are Aurora Health Care and Wheaton Franciscan Healthcare, with 15,000 and 9,000 employees, respectively. New healthcare providers and specialty clinics have recently expanded throughout the metropolitan area. The expansion of medical facilities is especially evident in fast-growing suburban areas of Washington and Waukesha Counties. The Northwestern Mutual Life Insurance Company is expanding in suburban Milwaukee and is expected to increase employment by 1,500 jobs during the next 2 years. The average unemployment rate in the metropolitan area was 5.1 percent as of August 2006 compared with 5.0 percent in August 2005.

The housing market has slowed since the fourth quarter of 2005 amid higher interest rates and a decline in employment. During the 12-month period ending September 2006, sales of existing homes totaled 20,230 units, down 5 percent from the previous 12 months but still up from the 19,400 home sales averaged during the 2002–04 period. In the 12 months ending August 2006, single-family construction, as measured by building permits, declined significantly. During this period, approximately 2,900 new single-family homes were permitted, down 19 percent from the 12-month period ending August 2005. More than 40 percent of these building permits were issued for homes in Waukesha County. Because of

moderate job growth in Waukesha and Washington Counties, demand for new homes remains strong, particularly for homes priced below the median sales price. According to the Milwaukee Multiple Listing Service, sales of existing homes in the area declined by 6 percent during the 12 months ending September 2006, although the median sales price increased by 5 percent to \$227,700 compared with \$216,800 in September 2005.

Condominium units are increasing in popularity in both the city of Milwaukee and suburban areas. Sales increased from less than 10 percent of total sales in 2000 to 17 percent for the 12 months ending September 2006. Suburban Milwaukee accounted for approximately 52 percent of condominium sales and the city of Milwaukee for the remaining 48 percent. The primary buyers of condominiums are investors, empty nesters, and young professionals. Significant development of condominium units is occurring in the city of Milwaukee. Much of this activity is concentrated in downtown Milwaukee, the Third and Fifth Ward neighborhoods located south of downtown, and Brewer's Hill located north of downtown. Brewer's Hill and downtown neighborhoods east of the Milwaukee River are the most active for condominium development in Milwaukee, accounting for 1,600 of the 2,100 units entering the market since 2000. The Third and Fifth Wards, where vacant commercial buildings are being converted to residential use, have 400 condominium units; the remaining 100 condominium units are in the Westtown area. The average sales price of new and existing condominium units in the city of Milwaukee was \$190,000 as of September 2006. One of the largest redevelopment projects in downtown Milwaukee is Park East. This \$250 million planned mixed-use project will start construction in September 2006. Approximately 1,500 new residential units are planned for Park East during the next 3 years.

During the 12 months ending August 2006, multifamily construction in the Milwaukee-Waukesha area, as measured by building permits, declined by 28 percent to 1,515 units compared with the previous 12-month period. Much of the decline in permit activity has been in apartments and is attributable to a weaker economy. Local builders reported that apartments accounted for 75 percent of multifamily building permits issued during the 12 months ending August 2006, unchanged from the previous 12-month period. The remaining 25 percent of multifamily permits issued in the metropolitan area were for condominium units, up from 16 percent of total multifamily permits in 2000.

The rental market in the Milwaukee-Waukesha area is currently balanced. The September 2006 rental vacancy rate is 7 percent, down from approximately 8 percent a year ago. During the past year, the rental market improved because of a cutback in construction and the conversion of more than 700 rental units to condominiums. Because occupancy rates increased in existing properties, concessions are less prevalent than they were a year ago. Property managers in west suburban Milwaukee and Waukesha County reported that rental vacancy rates declined significantly in Class A properties to the 8- to 9-percent range in 2006, down from a 10- to 12-percent range in 2005. Reflecting improved market conditions, the average rent in the metropolitan area increased by approximately \$10 in September 2006 compared with September 2005. The average rents for one-bedroom, two-bedroom, and three-bedroom units in newly completed Class A developments are approximately \$1,000, \$1,200, and \$1,350, respectively. The rental market is expected to continue improving during the next 12 months.

Orange County, California

Orange County, located in southern California, had a population of approximately 3,040,200 as of October 1, 2006. The county is the fifth most populous in the nation and the second most populous in California after Los Angeles County. Net natural increase accounted for the entire population increase of 24,800, or 0.8 percent, during the past 12 months. Net migration has been negative for more than 3 years because households move to adjoining counties to find lower priced housing.

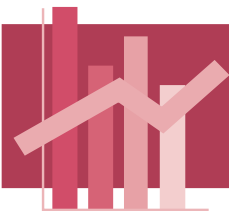
The diverse economy continues to create jobs. Except for 2002, nonfarm employment has increased in the county every year since 1995. For the 12 months ending August 2006, nonfarm employment averaged approximately 1,508,550 jobs, an increase of 22,150 jobs, or 1.5 percent, from the previous 12 months. The Walt Disney Company is the leading private-sector employer, with about 21,000 full-time and part-time employees. The University of California at Irvine (UCI) and the UCI Medical Center together employ approximately 16,000 people. Boeing, the aerospace/ defense firm, employs approximately 11,000 workers. The professional and business services sector gained 9,500 jobs, or 3.6 percent, during the current 12-month period. The construction sector gained 5,500 jobs, or 5.7 percent, because employment increased among specialty trade contractors.

Employment continued to increase in all other major service sectors. Manufacturing declined by 1,600 jobs, or 1 percent, because textile and apparel manufacturing jobs were moved overseas. Unemployment dropped to 3.5 percent during the current period compared with 3.9 percent during the period ending August 2005.

Population growth and historically low mortgage interest rates maintained the demand for new and existing homes during the first half of the 2000s. Since November 2005, sales activity has dropped significantly. Rising home prices combined with increasing mortgage interest rates have resulted in fewer potential homebuyers qualifying for mortgages. In addition, fewer investors are purchasing homes because the rate of appreciation declined into the single digits and the time required to sell a home has increased. According to DataQuick, the 38,750 new and existing home sales recorded during the 12 months ending September 2006 were 21 percent, or 10,450 homes, less than the number recorded during the comparable period ending September 2005 and 22 percent less than the average annual sales from 2000 to 2005. Although total sales declined, the current median sales price for new and existing homes is \$621,600, a 9-percent increase compared to a year ago.

In response to slowing sales, single-family building permits issued from October 2005 to September 2006 totaled 4,200 homes, 38 percent below the 6,800 homes permitted in 2000. Most large, vacant land parcels in the northern portion of the county were developed before 2000, so most current single-family housing production is built on infill properties, redevelopment parcels, former oil fields, and former military land. The northern part of the county developed faster than the southern part because of closer proximity to job centers in Los Angeles County. In addition, most Orange County job centers were originally in the north. The southern portion of the county still has large vacant parcels available for single-family home construction. Most development in the south did not start until the last half of the 1970s.

Even with the decline in the number of homes sold and the lengthening time required to sell a home, overall sales market conditions remain tight. The current owner vacancy rate is approximately 1 percent. Most homes priced below \$700,000 sell in less than 60 days. Homes priced at more than \$700,000 require between 60 and 100 days to sell. During the previous 3 years, homes in all price ranges usually sold in less than 30 days and had multiple offers exceeding asking prices.



Between October 2005 and September 2006, more than 27 percent of total home sales in Orange County were condominiums. These units are typically priced 33 percent lower than existing single-family detached homes. More than 36 percent of the 4,200 multifamily units currently under construction are condominiums.

New homes, especially condominiums, are no longer selling out before construction is completed. Most unsold new homes are located in the southern portion of Orange County. The slowdown in the resale market throughout southern California has resulted in delayed purchases or cancellations in southern Orange County. Since 2000, fewer homes were permitted in the north than in the south because of a lack of available land for large-scale developments in the north. The lower level of construction resulted in fewer unsold homes in the north. New homes in the county are priced from \$550,000 for condominiums and \$1 million for single-family detached homes. The current median new home price, including both single-family detached homes and condominiums, is approximately \$800,000.

During the 12 months ending September 2006, multifamily units permitted for new construction totaled approximately 3,800, down 500 units, or 11 percent, from the period ending September 2005. More than 60 percent of the multifamily units permitted in the past year are in the southern portion of the county.

Rental market conditions are tight throughout the county. The current countywide rental vacancy rate is 4 percent, down from 4.5 percent a year ago. Complexes built before 1980 have the lowest vacancy rates because the median market-rate rents are \$450 lower than rents in the newer complexes built after 2000. The vacancy rates are slightly higher in the south where most rental units built since 2000 are located. According to the California Association of REALTORS®, less than 21 percent of first-time homebuyers in Orange County can afford to purchase a home compared with approximately 59 percent nationwide. The low level of affordability will keep the rental market tight.

Rents have increased 6 percent since September 2005. The median rent for a two-bedroom apartment is currently \$1,600. Units renting for less than \$1,450 had the largest rent increases and units renting for more than \$2,000 had the lowest rent increases.

Portland-Vancouver-Beaverton, Oregon-Washington

The Portland-Vancouver-Beaverton metropolitan area is located at the confluence of the Willamette and Columbia Rivers and consists of two counties in southern Washington state and five counties in northern Oregon. Population growth in the metropolitan area averaged 37,500 a year, resulting in an increase of 225,150 between April 2000 and April 2006 when the population reached 2,153,050. Despite weak labor market conditions during 2002 and 2003, net in-migration to the area has been steady throughout the decade, averaging 24,150 people yearly or about the same rate as during the high job growth years of the 1990s. Attractive lifestyle qualities, such as a vibrant nightlife, abundant recreational opportunities close to the metropolitan area, a mild climate, affordable housing compared with other west coast urban areas, and a recovering labor market, contributed to steady net in-migration.

Employment opportunities continued to expand during the 12-month period ending August 2006 due to a growing national economy, a strong population growth, and the robust economic performance of international trading partners. The unemployment rate as of the 12-month period ending August 2006 was 5.3 percent compared with 6.4 percent a year ago. Nonfarm employment increased by 3.5 percent to 995,425 jobs compared with an average employment of 962,100 for the 12-month period ending August 2005. Since early 2003, when economic recovery began, the pace of annual job growth has continued to increase, up 0.8 percent for the 12-month period ending August 2004 and up 2.5 percent for the 12-month period ending August 2005. Job gains during the past year were spread over a diverse group of sectors and included hiring by some of the largest employers in the area, including Intel Corporation, Oregon Health Sciences University, and Providence Health Systems. Led by increased global demand for computer products, manufacturing employment rose by nearly 3,000 jobs. Increased truck production, influenced by strong national economic growth, boosted transportation equipment employment by 600 jobs. The construction of new office and retail space and strong residential building activity resulted in the addition of 4,800 workers to construction payrolls. The high volume of housing sales led to an increase in financial activities employment, which increased by 1,400 jobs. Population growth-sensitive industry groups, such as accommodation and food services, healthcare services, and retail trade, added 2,200, 2,800, and 2,900 jobs, respectively.

A strong local economy, low mortgage interest rates, and steady population growth have kept builders of single-family homes nearly as busy in 2006 as they were in 2005. During the 12 months ending August 2006, building permits were issued for 11,670 homes, compared with 11,800 during the same period a year earlier. Single-family building permits were down by 1 percent from a year ago.

On pace to top annual sales of 40,000 homes for the third year in a row, sales housing market activity continues to be strong in the Portland-Vancouver-Beaverton metropolitan area in 2006. Current market conditions remain brisk with houses selling in a few weeks on average but have slowed compared to last year when many sales occurred in just a few hours. Low interest rates, a robust economy, and steady population growth are the leading factors contributing to strong home sales.

Sales of new and existing homes during the 12-month period ending September 2006 equaled 42,650 units, down 9 percent from the same period a year ago and down 1 percent from the 12-month period ending September 2004. The average price for new and existing homes sold during the current 12-month period was \$310,150, up 16 percent from \$268,225 a year ago and 30 percent higher than the average price for the 12-month period ending September 2004. Rising home prices and the rapid rate of sales turnover that home sellers experienced in 2005 has led to a sharp increase in new sales listings in the metropolitan area. As of September 2006, the inventory of homes for sale equaled 11,299 units, up 78 percent from the 6,321 homes available for sale a year ago. First-time buyer interest in the under-\$225,000 market has remained strong despite the recent rise in mortgage interest rates.

Condominium development in the downtown Portland area is the most visibly notable aspect of sales market strength. Redevelopment of warehouse districts, railroad yards, and abandoned industrial sites into the Pearl District, River District, and South Waterfront mixed-use neighborhoods is transforming the downtown area. Most new condominium housing is for owner occupancy, consisting of highrise buildings of 10- to 20-plus stories that include retail or office space on the first

floor. According to a report by the Portland Development Commission, 1,300 condominium units were built between 2002 and 2005 and another 2,200 were under construction as of 2005. Most condominium highrises under construction are at least 80 percent presold with prices averaging \$250 to \$300 a square foot.

Condominium buyers consist of predominantly small households of empty nesters, retirees, and young professionals who are attracted to the new neighborhoods and want to be close to work, the vibrant downtown nightlife, cultural centers, and shopping. A significant number of buyers are from outside the state because condominium prices are affordable compared to prices in Seattle, San Francisco, and southern California.

Rental market conditions strengthened during the 12 months ending August 2006 due to both reduced competition from the sales market resulting from rising home prices and minimal apartment construction activity. The vacancy rate fell from 7.5 percent at the beginning of the period to the current rate of 6.5 percent. According to a third quarter 2006 apartment survey by Norris, Beggs, and Simpson, the average rent for the metropolitan area is \$745, virtually the same as a year ago. The average rent was \$638 for a one-bedroom apartment; \$708 for a two-bedroom, one-bathroom apartment; \$824 for a two-bedroom, two-bathroom apartment; and \$953 for a three-bedroom, two-bathroom apartment.

The sharp increase in condominium development has been a major factor contributing to a balanced rental market in the Portland metropolitan area. The conversion of rental units to condominiums between 2000 and 2005 removed 2,000 apartments from the rental market. Multifamily building activity in the Portland metropolitan area during the 12-month period ending August 2006 equaled 5,280 units, up 25 percent from the same period a year ago. Most multifamily units under construction were built for owner occupancy. During 2006, an estimated 1,900 condominiums and 700 rental units are slated for completion. Steady population growth, a strong labor market, and rising home sale prices indicate that tighter rental market conditions will emerge in the months ahead.



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

HUD Region and State	2006 Through September			2005 Through September			Ratio: 2006/2005 Through September		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	7,197	5,486	1,711	8,697	6,811	1,886	0.828	0.805	0.907
Maine	5,861	5,255	606	7,052	6,410	642	0.831	0.820	0.944
Massachusetts	15,590	8,786	6,804	17,781	10,738	7,043	0.877	0.818	0.966
New Hampshire	4,566	3,847	719	5,983	5,060	923	0.763	0.760	0.779
Rhode Island	1,635	1,158	477	1,760	1,354	406	0.929	0.855	1.175
Vermont	2,299	1,986	313	2,528	2,190	338	0.909	0.907	0.926
New England	37,148	26,518	10,630	43,801	32,563	11,238	0.848	0.814	0.946
New Jersey	25,296	13,761	11,535	29,091	16,453	12,638	0.870	0.836	0.913
New York	42,485	16,093	26,392	45,575	18,766	26,809	0.932	0.858	0.984
New York/New Jersey	67,781	29,854	37,927	74,666	35,219	39,447	0.908	0.848	0.961
Delaware	5,300	4,133	1,167	6,142	5,288	854	0.863	0.782	1.367
District of Columbia	1,771	65	1,706	1,658	111	1,547	1.068	0.589	1.103
Maryland	21,186	15,700	5,486	25,348	19,166	6,182	0.836	0.819	0.887
Pennsylvania	31,686	26,903	4,783	33,315	28,362	4,953	0.951	0.949	0.966
Virginia	37,268	31,446	5,822	47,477	39,434	8,043	0.785	0.797	0.724
West Virginia	3,891	3,728	163	4,353	4,134	219	0.894	0.902	0.744
Mid-Atlantic	99,331	81,910	17,421	118,293	96,495	21,798	0.840	0.849	0.799
Alabama	24,812	19,121	5,691	22,827	18,435	4,392	1.087	1.037	1.296
Florida	172,590	126,030	46,560	220,462	162,845	57,617	0.783	0.774	0.808
Georgia	78,538	65,833	12,705	80,981	69,133	11,848	0.970	0.952	1.072
Kentucky	12,113	10,272	1,841	16,232	14,144	2,088	0.746	0.726	0.882
Mississippi	12,476	10,877	1,599	10,061	8,562	1,499	1.240	1.270	1.067
North Carolina	79,302	65,180	14,122	77,139	66,580	10,559	1.028	0.979	1.337
South Carolina	40,874	33,498	7,376	41,128	33,202	7,926	0.994	1.009	0.931
Tennessee	36,009	30,000	6,009	35,818	30,566	5,252	1.005	0.981	1.144
Southeast/Caribbean	456,714	360,811	95,903	504,648	403,467	101,181	0.905	0.894	0.948
Illinois	48,037	32,199	15,838	50,647	37,704	12,943	0.948	0.854	1.224
Indiana	22,672	19,359	3,313	28,816	24,258	4,558	0.787	0.798	0.727
Michigan	25,039	21,000	4,039	36,985	32,113	4,872	0.677	0.654	0.829
Minnesota	21,700	17,274	4,426	26,959	22,772	4,187	0.805	0.759	1.057
Ohio	33,576	27,969	5,607	42,501	35,121	7,380	0.790	0.796	0.760
Wisconsin	21,674	16,652	5,022	27,459	21,053	6,406	0.789	0.791	0.784
Midwest	172,698	134,453	38,245	213,367	173,021	40,346	0.809	0.777	0.948
Arkansas	10,810	8,146	2,664	12,082	8,805	3,277	0.895	0.925	0.813
Louisiana	18,565	15,892	2,673	16,963	15,490	1,473	1.094	1.026	1.815
New Mexico	10,945	10,276	669	10,900	10,549	351	1.004	0.974	1.906
Oklahoma	12,745	11,327	1,418	13,784	11,868	1,916	0.925	0.954	0.740
Texas	171,529	131,855	39,674	159,702	125,777	33,925	1.074	1.048	1.169
Southwest	224,594	177,496	47,098	213,431	172,489	40,942	1.052	1.029	1.150
Iowa	9,970	7,978	1,992	13,066	9,827	3,239	0.763	0.812	0.615
Kansas	10,015	7,629	2,386	10,282	8,579	1,703	0.974	0.889	1.401
Missouri	22,659	14,981	7,678	24,390	19,405	4,985	0.929	0.772	1.540
Nebraska	6,691	5,706	985	8,111	7,177	934	0.825	0.795	1.055
Great Plains	49,335	36,294	13,041	55,849	44,988	10,861	0.883	0.807	1.201
Colorado	32,413	25,951	6,462	36,212	31,538	4,674	0.895	0.823	1.383
Montana	3,869	2,977	892	3,927	2,935	992	0.985	1.014	0.899
North Dakota	2,535	1,620	915	2,890	1,756	1,134	0.877	0.923	0.807
South Dakota	4,962	3,542	1,420	4,415	3,748	667	1.124	0.945	2.129
Utah	20,561	17,939	2,622	21,351	18,896	2,455	0.963	0.949	1.068
Wyoming	2,394	2,046	348	2,691	2,132	559	0.890	0.960	0.623
Rocky Mountain	66,734	54,075	12,659	71,486	61,005	10,481	0.934	0.886	1.208
Arizona	55,080	46,906	8,174	71,766	63,536	8,230	0.767	0.738	0.993
California	127,373	87,044	40,329	160,237	119,994	40,243	0.795	0.725	1.002
Hawaii	5,635	4,307	1,328	7,650	5,162	2,488	0.737	0.834	0.534
Nevada	33,930	23,270	10,660	36,260	28,962	7,298	0.936	0.803	1.461
Pacific	222,018	161,527	60,491	275,913	217,654	58,259	0.805	0.742	1.038
Alaska	2,493	1,425	1,068	2,325	1,349	976	1.072	1.056	1.094
Idaho	14,550	12,956	1,594	17,099	15,171	1,928	0.851	0.854	0.827
Oregon	21,718	16,705	5,013	24,910	19,808	5,102	0.872	0.843	0.983
Washington	40,012	28,260	11,752	39,732	31,026	8,706	1.007	0.911	1.350
Northwest	78,773	59,346	19,427	84,066	67,354	16,712	0.937	0.881	1.162
United States	1,475,126	1,122,284	352,842	1,655,520	1,304,255	351,265	0.891	0.860	1.004

*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	2006 Through September		
		Total	Single Family	Multi-family*
26420	Houston-Sugar Land-Baytown, TX	55,541	44,698	10,843
12060	Atlanta-Sandy Springs-Marietta, GA	55,135	44,089	11,046
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	46,744	13,134	33,610
19100	Dallas-Fort Worth-Arlington, TX	46,153	36,112	10,041
16980	Chicago-Naperville-Joliet, IL-IN-WI	37,831	23,147	14,684
38060	Phoenix-Mesa-Scottsdale, AZ	36,574	29,797	6,777
40140	Riverside-San Bernardino-Ontario, CA	33,221	29,151	4,070
29820	Las Vegas-Paradise, NV	28,767	18,767	10,000
33100	Miami-Fort Lauderdale-Miami Beach, FL	27,982	11,922	16,060
31100	Los Angeles-Long Beach-Santa Ana, CA	25,636	11,187	14,449
36740	Orlando-Kissimmee, FL	25,097	19,428	5,669
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	23,219	15,160	8,059
42660	Seattle-Tacoma-Bellevue, WA	21,178	12,191	8,987
12420	Austin-Round Rock, TX	20,788	14,422	6,366
16740	Charlotte-Gastonia-Concord, NC-SC	19,182	15,928	3,254
45300	Tampa-St. Petersburg-Clearwater, FL	19,027	15,897	3,130
15980	Cape Coral-Fort Myers, FL	16,602	12,794	3,808
41700	San Antonio, TX	15,332	10,760	4,572
19740	Denver-Aurora, CO	14,567	10,645	3,922
27260	Jacksonville, FL	14,162	9,940	4,222
39580	Raleigh-Cary, NC	13,843	10,560	3,283
33460	Minneapolis-St. Paul-Bloomington, MN-WI	12,609	9,722	2,887
38900	Portland-Vancouver-Beaverton, OR-WA	12,470	8,381	4,089
34980	Nashville-Davidson--Murfreesboro, TN	12,279	10,873	1,406
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	12,067	9,111	2,956
14460	Boston-Cambridge-Quincy, MA-NH	11,239	4,929	6,310
41860	San Francisco-Oakland-Fremont, CA	10,979	4,645	6,334
28140	Kansas City, MO-KS	10,611	7,025	3,586
41180	St. Louis, MO-IL	9,687	8,227	1,460
40900	Sacramento--Arden-Arcade--Roseville, CA	9,680	7,195	2,485
26900	Indianapolis, IN	9,238	7,687	1,551
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	8,745	5,398	3,347
29460	Lakeland, FL	8,217	6,638	1,579
32820	Memphis, TN-MS-AR	8,145	6,650	1,495
17140	Cincinnati-Middletown, OH-KY-IN	7,772	6,212	1,560
19820	Detroit-Warren-Livonia, MI	7,472	6,042	1,430
41740	San Diego-Carlsbad-San Marcos, CA	7,454	3,924	3,530
16700	Charleston-North Charleston, SC	7,398	5,900	1,498
14260	Boise City-Nampa, ID	7,158	6,369	789
42260	Sarasota-Bradenton-Venice, FL	7,063	5,434	1,629
46060	Tucson, AZ	6,929	6,427	502
40060	Richmond, VA	6,577	6,231	346
32580	McAllen-Edinburg-Mission TX	6,482	5,645	837
18140	Columbus, OH	6,414	4,806	1,608
12580	Baltimore-Towson, MD	6,237	5,218	1,019
36420	Oklahoma City, OK	6,115	5,748	367
17900	Columbia, SC	6,070	4,849	1,221
36100	Ocala, FL	6,045	5,752	293
13820	Birmingham-Hoover, AL	5,978	5,283	695
48900	Wilmington, NC	5,825	4,955	870

*Multifamily is two or more units in structure.

** As per new OMB Metropolitan area definitions.

Source: Census Bureau, Department of Commerce



Historical Data



Table 1. New Privately Owned Housing Units Authorized:* 1967–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											
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
2004	2,070.1	1,613.4	43.0	47.4	366.2	1,814.8	255.3	197.0	370.5	960.8	541.9
2005	2,147.6	1,681.2	39.3	44.7	382.5	1,884.7	270.7	199.8	362.8	1,027.7	557.3
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Jul	2,206	1,722	99		385	NA		206	371	1,045	584
Aug	2,205	1,706	87		412	NA		206	351	1,100	548
Sep	2,240	1,778	87		375	NA		211	351	1,062	616
Oct	2,131	1,717	81		333	NA		198	353	1,041	539
Nov	2,191	1,716	81		394	NA		210	351	1,065	565
Dec	2,107	1,642	84		381	NA		209	319	1,062	517
2006											
Jan	2,195	1,664	103		428	NA		210	384	1,071	530
Feb	2,147	1,624	87		436	NA		205	358	1,019	565
Mar	2,085	1,555	83		447	NA		208	335	1,039	503
Apr	1,973	1,497	72		404	NA		186	293	993	501
May	1,946	1,488	84		374	NA		163	312	969	502
Jun	1,869	1,404	67		398	NA		175	308	918	468
Jul	1,763	1,325	85		353	NA		163	295	890	415
Aug	1,727	1,284	74		369	NA		169	277	883	398
Sep	1,638	1,219	72		347	NA		164	259	816	397

*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: 1967–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											
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
2004	1,955.8	1,610.5	17.7	24.6	303.0	1,592.6	363.3	175.4	355.7	908.5	516.2
2005	2,068.3	1,715.8	15.3	25.8	311.4	1,829.2	239.1	189.7	357.4	996.1	525.1
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Jul	2,070	1,740	NA		294	NA		196	367	995	512
Aug	2,075	1,713	NA		319	NA		204	375	925	571
Sep	2,158	1,790	NA		310	NA		195	377	1,014	572
Oct	2,046	1,726	NA		287	NA		170	336	1,029	511
Nov	2,131	1,795	NA		298	NA		197	385	995	554
Dec	2,002	1,633	NA		338	NA		167	295	1,104	436
2006											
Jan	2,265	1,814	NA		424	NA		241	369	1,136	519
Feb	2,132	1,812	NA		285	NA		186	326	1,038	582
Mar	1,972	1,615	NA		321	NA		166	294	1,023	489
Apr	1,832	1,524	NA		252	NA		178	338	881	435
May	1,953	1,587	NA		315	NA		198	294	950	511
Jun	1,833	1,478	NA		311	NA		168	298	910	457
Jul	1,760	1,445	NA		232	NA		148	293	889	430
Aug	1,674	1,367	NA		266	NA		156	261	855	402
Sep	1,772	1,426	NA		314	NA		134	270	975	393

*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
2004	1,237.1	850.3	14.0	24.1	348.7	1,011.8	225.3	146.8	222.4	536.4	331.6
2005	1,355.9	929.1	14.7	20.3	391.8	1,194.3	161.6	171.9	221.4	604.2	358.4
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Jul	1,343	923	NA		382	NA		170	218	601	354
Aug	1,360	934	NA		389	NA		171	219	608	362
Sep	1,378	943	NA		396	NA		173	223	611	371
Oct	1,373	952	NA		384	NA		172	221	613	367
Nov	1,393	969	NA		386	NA		174	226	619	374
Dec	1,401	972	NA		394	NA		173	225	631	372
2006											
Jan	1,418	986	NA		399	NA		176	226	645	371
Feb	1,424	991	NA		402	NA		178	224	647	375
Mar	1,420	983	NA		408	NA		176	223	643	378
Apr	1,397	960	NA		405	NA		173	222	630	372
May	1,405	959	NA		413	NA		174	223	635	373
Jun	1,385	936	NA		415	NA		174	219	627	365
Jul	1,364	914	NA		411	NA		170	214	618	362
Aug	1,344	888	NA		416	NA		169	209	612	354
Sep	1,328	869	NA		420	NA		163	203	613	349

*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
2004	1,841.9	1,531.5	11.2	12.2	286.9	1,514.5	327.4	155.9	362.4	840.4	483.3
2005	1,931.4	1,635.9	13.1	24.4	258.0	1,702.0	229.5	170.7	351.9	903.7	505.1
Monthly Data (Seasonally Adjusted Annual Rates)											
2005											
Jul	1,883	1,646	NA		199	NA		143	342	880	518
Aug	1,954	1,652	NA		255	NA		208	359	876	511
Sep	1,944	1,653	NA		258	NA		167	334	930	513
Oct	1,967	1,615	NA		325	NA		153	344	958	512
Nov	1,909	1,630	NA		254	NA		158	338	911	502
Dec	1,953	1,668	NA		243	NA		178	327	936	512
2006											
Jan	2,044	1,652	NA		345	NA		184	354	995	511
Feb	2,038	1,728	NA		239	NA		206	319	971	542
Mar	2,203	1,869	NA		286	NA		189	364	1,112	538
Apr	2,043	1,716	NA		295	NA		231	338	978	496
May	1,905	1,618	NA		253	NA		173	306	926	500
Jun	2,043	1,748	NA		267	NA		168	349	985	541
Jul	1,946	1,672	NA		251	NA		178	321	1,009	438
Aug	1,875	1,617	NA		232	NA		175	325	894	481
Sep	2,084	1,732	NA		316	NA		234	340	989	521

*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: 1977–Present



Period	Shipments*	Placed for Residential Use*					Average Price (\$)	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
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	140	11	25	77	26	54,900	36
2004	131	124	11	21	67	26	58,200	35
2005	147	123	9	17	68	28	62,300	36
Monthly Data (Seasonally Adjusted Annual Rates)								
2005								
May	128	121	9	19	66	27	61,900	38
Jun	129	127	10	21	65	30	63,300	38
Jul	127	124	11	17	67	29	58,900	36
Aug	125	129	8	19	69	32	62,900	36
Sep	137	114	9	17	62	26	63,400	38
Oct	192	119	10	16	65	28	61,900	37
Nov	208	132	11	15	79	27	62,600	36
Dec	182	115	11	17	55	32	67,500	37
2006								
Jan	163	125	8	21	68	29	63,200	39
Feb	144	109	8	16	63	22	66,600	41
Mar	135	117	9	16	67	26	63,000	40
Apr	124	110	6	12	64	27	61,400	43
May	123	121	5	15	69	31	61,300	42
Jun	118	119	7	18	69	25	62,400	42
Jul	111	107	7	12	64	23	63,400	41
Aug	109	107	8	13	61	25	65,900	42
Sep	104	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
2004	1,203	83	210	562	348	431	30	111	200	91	NA	NA
2005	1,283	81	205	638	358	515	47	109	249	109	NA	NA
	Monthly Data										(Seasonally Adjusted)	
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)						
2005												
Jul	1,367	98	206	628	435	459	40	104	226	90	464	4.2
Aug	1,271	80	194	648	349	477	42	104	238	92	477	4.6
Sep	1,253	61	213	655	324	491	45	103	242	101	487	4.8
Oct	1,346	76	185	677	408	492	44	107	242	99	490	4.5
Nov	1,236	85	173	655	323	508	45	111	248	104	500	4.9
Dec	1,259	71	205	655	328	515	47	109	249	109	509	4.8
2006												
Jan	1,173	62	180	596	335	525	49	110	257	109	522	5.3
Feb	1,038	65	183	543	247	533	50	108	263	112	538	6.4
Mar	1,121	61	166	587	307	550	53	106	277	114	553	6.1
Apr	1,121	58	165	604	294	558	53	108	282	115	565	6.2
May	1,101	69	179	588	265	563	54	107	281	121	564	6.2
Jun	1,078	62	170	570	276	570	54	105	288	124	566	6.5
Jul	984	61	133	523	267	568	53	103	290	121	573	7.2
Aug	1,021	87	144	564	226	570	52	103	294	121	568	6.8
Sep	1,075	57	135	603	280	557	50	102	286	119	557	6.4

*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/const/www/newresalesindex.html>



Table 7. Existing 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	3,290	635	886	1,075	694	1,870	NA
1990	3,186	583	861	1,090	651	2,100	NA
1991	3,145	591	863	1,067	624	2,130	NA
1992	3,432	666	967	1,126	674	1,760	NA
1993	3,739	709	1,027	1,262	740	1,520	NA
1994	3,886	723	1,031	1,321	812	1,380	NA
1995	3,852	717	1,010	1,315	810	1,470	NA
1996	4,167	772	1,060	1,394	941	1,910	NA
1997	4,371	812	1,088	1,474	997	1,840	NA
1998	4,966	898	1,228	1,724	1,115	1,910	NA
1999	5,183	910	1,246	1,850	1,177	1,894	NA
2000	5,174	911	1,222	1,866	1,174	2,048	NA
2001	5,335	912	1,271	1,967	1,184	2,068	NA
2002	5,632	952	1,346	2,064	1,269	2,118	NA
2003	6,175	1,019	1,468	2,283	1,405	2,270	NA
2004	6,779	1,113	1,550	2,542	1,574	2,224	NA
2005	7,075	1,170	1,587	2,703	1,615	2,846	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
2005							
Jul	7,130	1,200	1,590	2,720	1,610	2,756	4.6
Aug	7,210	1,210	1,620	2,710	1,670	2,841	4.7
Sep	7,200	1,190	1,610	2,770	1,640	2,772	4.6
Oct	7,050	1,120	1,570	2,730	1,640	2,868	4.9
Nov	7,030	1,110	1,570	2,750	1,600	2,924	5.0
Dec	6,750	1,100	1,560	2,680	1,420	2,846	5.1
2006							
Jan	6,570	990	1,440	2,760	1,370	2,883	5.3
Feb	6,900	1,170	1,610	2,690	1,440	2,985	5.2
Mar	6,900	1,190	1,630	2,660	1,430	3,198	5.6
Apr	6,750	1,180	1,570	2,610	1,400	3,415	6.1
May	6,710	1,150	1,520	2,630	1,410	3,589	6.4
Jun	6,600	1,110	1,520	2,560	1,410	3,738	6.8
Jul	6,330	1,050	1,430	2,530	1,320	3,861	7.3
Aug	6,300	1,070	1,430	2,510	1,290	3,839	7.3
Sep	6,180	1,030	1,390	2,520	1,250	3,746	7.3

*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 ^{1,2}
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	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
2004	221,000	315,800	205,000	181,100	283,100	274,500	236,100
2005	240,900	343,800	216,900	197,300	332,600	297,000	254,800
Quarterly Data							
2005							
Q3	236,400	318,700	202,700	190,000	344,300	294,600	256,300
Q4	243,600	370,300	224,200	200,000	332,000	294,200	259,800
2006							
Q1	247,700	334,600	210,700	205,900	330,000	305,300	262,200
Q2	246,300	344,600	203,100	206,700	329,800	302,600	265,600
Q3	232,300	380,300	210,900	191,400	349,700	306,800	263,600

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 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	94,000	142,100	72,600	84,300	137,600	118,100
1990	96,400	141,400	76,300	84,700	138,600	118,600
1991	101,400	143,600	80,500	88,100	144,500	128,400
1992	104,000	142,600	84,200	91,100	141,100	130,900
1993	107,200	142,000	87,000	93,700	141,800	133,500
1994	111,300	141,500	90,600	94,900	149,200	136,800
1995	114,600	138,400	96,100	96,900	150,600	139,100
1996	119,900	139,600	102,300	102,400	157,100	141,800
1997	126,000	143,500	108,200	108,400	165,700	150,500
1998	132,800	147,300	115,600	115,000	175,900	159,100
1999	138,000	150,500	121,000	118,900	185,300	171,000
2000	143,600	149,800	125,300	126,300	194,600	178,500
2001	153,100	158,700	132,500	135,500	207,000	188,300
2002	165,000	179,300	139,300	146,000	230,100	206,100
2003	178,800	209,900	145,600	156,700	251,800	222,200
2004	195,400	243,800	154,600	170,400	286,400	244,400
2005	219,600	271,300	170,600	181,700	335,300	266,600
Monthly Data						
2005						
Jul	228,000	282,000	179,000	186,000	349,000	274,000
Aug	229,000	282,000	178,000	189,000	344,000	275,000
Sep	225,000	273,000	173,000	187,000	347,000	271,000
Oct	229,000	268,000	172,000	199,000	342,000	273,000
Nov	225,000	275,000	171,000	185,000	354,000	271,000
Dec	222,000	273,000	172,000	182,000	344,000	268,000
2006						
Jan	220,000	270,000	167,000	179,000	339,000	268,000
Feb	218,000	281,000	160,000	182,000	332,000	264,000
Mar	218,000	270,000	161,000	180,000	341,000	265,000
Apr	222,000	283,000	164,000	181,000	347,000	269,000
May	229,000	279,000	172,000	191,000	344,000	274,000
Jun	229,000	289,000	175,000	189,000	340,000	276,000
Jul	230,000	276,000	177,000	193,000	347,000	275,000
Aug	224,000	271,000	172,000	184,000	345,000	270,000
Sep	220,000	259,000	169,000	184,000	332,000	265,000

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	62.5	69.3	69.5	68.9	68.3	59.2	65.0	64.3	55.3	45.7
1976	66.4	71.9	70.9	70.6	71.1	63.7	69.0	68.7	60.2	53.6
1977	73.7	77.3	75.0	75.4	77.5	70.9	76.4	76.8	68.9	66.3
1978	83.6	87.7	80.8	83.7	86.0	81.4	87.3	87.5	80.8	79.1
1979	94.8	100.5	94.6	93.0	94.5	94.0	96.7	97.8	94.8	91.4
1980	102.5	104.7	104.2	102.0	99.0	103.2	102.7	101.0	102.4	104.0
1981	108.1	112.4	108.1	109.3	102.3	112.3	101.8	103.8	110.8	112.3
1982	111.4	117.5	112.6	114.5	104.6	122.9	102.4	100.3	117.2	114.5
1983	115.5	131.3	119.2	118.2	109.3	126.0	107.1	103.1	119.8	116.1
1984	120.7	154.9	133.9	123.0	112.5	125.3	111.1	105.5	119.9	120.4
1985	127.7	187.6	152.0	128.8	117.7	124.8	115.7	109.7	122.4	125.8
1986	137.5	229.1	176.5	136.7	123.8	125.9	120.4	116.3	126.4	133.4
1987	148.1	269.5	208.9	146.0	130.5	118.6	125.1	125.4	126.1	145.6
1988	157.4	288.2	229.8	156.4	134.6	112.1	127.7	134.7	124.2	166.1
1989	166.4	290.1	235.8	165.0	137.8	112.6	130.8	143.0	125.5	198.6
1990	170.8	278.5	234.6	168.7	140.2	114.0	133.0	149.9	128.3	216.3
1991	172.9	264.4	232.8	171.4	143.8	116.6	136.2	155.7	133.0	219.0
1992	176.8	261.0	237.5	175.9	148.9	120.8	140.6	162.1	139.6	218.5
1993	179.9	260.0	240.1	179.0	154.4	125.0	145.4	167.9	148.9	213.7
1994	183.3	256.7	238.0	181.1	162.0	129.0	153.2	176.4	163.3	208.9
1995	188.3	259.4	238.3	185.3	169.9	132.3	160.6	185.6	175.1	209.4
1996	195.0	266.3	243.0	191.7	178.0	136.7	168.0	195.6	184.7	213.0
1997	201.8	274.9	246.9	198.0	185.4	140.4	175.5	205.4	192.5	220.0
1998	212.1	291.4	257.1	207.6	194.7	147.3	184.1	214.9	201.5	235.4
1999	222.6	315.9	268.3	216.4	201.3	154.0	195.0	225.1	209.8	249.1
2000	237.9	353.8	287.8	228.8	207.6	161.6	208.4	237.7	222.4	273.7
2001	256.7	393.6	312.7	247.0	218.5	171.6	223.7	251.0	238.3	303.0
2002	274.5	438.8	343.1	264.2	225.3	177.8	237.9	262.4	248.7	330.8
2003	293.3	480.1	374.9	283.0	233.5	184.4	250.5	272.8	259.3	365.0
2004	324.8	538.4	422.8	316.9	243.8	191.9	268.2	288.5	283.5	433.4
2005	368.0	600.1	483.1	372.3	260.5	203.5	287.8	307.3	330.5	523.0
Quarterly Data										
2005										
Q2	362.4	595.1	475.5	363.9	257.8	201.6	285.7	305.0	323.1	512.5
Q3	374.2	607.6	491.5	381.2	263.3	205.1	290.7	310.1	338.4	534.6
Q4	385.8	620.4	507.9	396.5	268.4	209.4	295.1	314.1	353.6	558.2
2006										
Q1	394.2	627.8	520.6	408.2	272.9	213.5	297.4	316.5	362.4	576.2
Q2	398.9	628.9	527.8	413.9	277.9	217.6	299.1	317.2	368.6	584.6

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

<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 Price Existing Single-Family (\$)	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	94,600	10.11	34,218	30,432	112.4	105.9	116.8
1990	97,300	10.04	35,353	31,104	113.7	110.6	122.8
1991	102,700	9.30	35,940	30,816	116.6	113.5	128.3
1992	105,500	8.11	36,573	28,368	128.9	124.9	150.8
1993	109,100	7.16	36,959	26,784	138.0	133.0	160.4
1994	113,500	7.47	38,790	28,704	135.1	125.2	153.3
1995	117,000	7.85	40,612	30,672	132.4	126.6	143.3
1996	122,600	7.71	42,305	31,728	133.3	129.6	142.9
1997	129,000	7.68	44,573	35,232	126.5	123.6	137.2
1998	136,000	7.10	46,740	35,088	133.2	131.9	142.6
1999	141,200	7.33	48,955	37,296	131.3	128.8	142.0
2000	147,300	8.03	50,733	41,616	121.9	120.5	133.3
2001	156,600	7.03	51,407	40,128	128.1	128.1	137.3
2002	167,600	6.55	51,680	40,896	126.4	124.2	138.7
2003 ^r	180,200	5.74	52,680	40,320	130.7	128.2	141.8
2004 ^r	195,200	5.73	54,061	43,632	123.9	120.3	132.2
2005 ^r	219,000	5.91	55,823	49,920	111.8	110.1	115.6
Monthly Data							
2005							
Jul ^r	227,700	5.73	55,896	50,928	109.8	108.6	112.9
Aug	229,600	5.87	56,043	52,128	107.5	106.2	110.6
Sep	225,400	5.90	56,191	51,360	109.4	108.3	112.9
Oct	229,200	6.03	56,338	52,944	106.4	105.2	110.2
Nov	225,200	6.26	56,486	53,280	106.0	104.5	109.2
Dec	221,600	6.33	56,635	52,848	107.2	105.5	111.0
2006							
Jan	219,700	6.35	56,784	52,512	108.1	107.2	111.0
Feb	216,800	6.36	56,933	51,840	109.8	108.7	112.6
Mar	217,200	6.47	57,083	52,560	108.6	108.2	109.9
Apr	222,600	6.55	57,233	54,288	105.4	105.0	106.8
May	228,500	6.65	57,383	56,352	101.8	101.3	103.5
Jun	230,100	6.69	57,534	57,976	101.0	100.3	102.8
Jul	230,900	6.82	57,685	57,936	99.6	99.0	101.6
Aug	224,000	6.81	57,837	56,112	103.1	102.8	104.0
Sep	219,800	6.64	57,989	54,144	107.1	106.7	109.8

*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.

^rData have been revised back through 2003 to reflect revisions made to median family income.

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	166,500	61	\$931
2004	153,800	62	\$976
2005	113,100	63	\$941
Quarterly Data			
2005			
Q2	30,800	65	\$930
Q3	30,500	63	\$911
Q4	25,800	63	\$980
2006*			
Q1	22,000	62	\$1,008
Q2	31,000	61	\$937

* At the beginning of 2006, the Census Bureau began using the Core Based Statistical Area definitions for metropolitan areas and introduced new sample cases from the Survey of Construction. This may cause some inconsistency with previous data in the series.

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
2004	68	75	76	51
2005	67	73	75	50
Monthly Data (Seasonally Adjusted)				
2005				
Jul	70	76	77	55
Aug	67	73	77	50
Sep	65	72	70	49
Oct	68	74	73	51
Nov	61	67	65	46
Dec	57	64	65	40
2006				
Jan	57	62	66	41
Feb	56	61	64	40
Mar	54	59	62	40
Apr	51	55	59	39
May	46	50	55	33
Jun	42	47	51	29
Jul	39	43	46	27
Aug	33	37	41	22
Sep	30	32	37	22
Oct	31	32	41	23

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	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.04	1.1	NA	NA	NA	NA
1976	8.88	1.2	NA	NA	NA	NA
1977	8.84	1.1	NA	NA	NA	NA
1978	9.63	1.3	NA	NA	NA	NA
1979	11.19	1.6	NA	NA	NA	NA
1980	13.77	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.09	2.2	NA	NA	NA	NA
1983	13.23	2.1	NA	NA	NA	NA
1984	13.87	2.5	NA	NA	11.49	2.5
1985	12.42	2.5	NA	NA	10.04	2.5
1986	10.18	2.2	NA	NA	8.42	2.3
1987	10.20	2.2	NA	NA	7.82	2.2
1988	10.33	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.10	1.9
1992	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.35	1.8	7.86	1.8	5.33	1.5
1995	7.95	1.8	7.49	1.8	6.07	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.59	1.7	7.13	1.7	5.60	1.4
1998	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.44	1.0	7.06	1.0	5.98	1.0
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
2005	5.87	0.6	5.42	0.6	4.49	0.7
Monthly Data						
2005						
Jul	5.70	0.5	5.28	0.6	4.40	0.7
Aug	5.82	0.5	5.40	0.6	4.55	0.7
Sep	5.77	0.6	5.36	0.6	4.51	0.7
Oct	6.07	0.5	5.63	0.6	4.86	0.7
Nov	6.33	0.6	5.86	0.6	5.14	0.6
Dec	6.27	0.5	5.82	0.6	5.17	0.7
2006						
Jan	6.15	0.5	5.71	0.5	5.17	0.6
Feb	6.25	0.6	5.86	0.6	5.34	0.7
Mar	6.32	0.6	5.97	0.6	5.42	0.8
Apr	6.51	0.6	6.16	0.5	5.62	0.8
May	6.60	0.5	6.21	0.5	5.63	0.7
Jun	6.68	0.5	6.31	0.5	5.71	0.7
Jul	6.76	0.5	6.39	0.4	5.79	0.7
Aug	6.52	0.4	6.20	0.4	5.64	0.7
Sep	6.40	0.5	6.08	0.4	5.56	0.7

Source: 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
2004	5.95	0.43	6.01	26.9	5.15	0.36	5.20	29.8
2005	6.02	0.42	6.08	27.9	5.50	0.27	5.54	30.0
Monthly Data								
2005								
Jul	5.80	0.40	5.86	27.8	5.39	0.26	5.42	30.0
Aug	5.95	0.40	6.01	27.8	5.46	0.24	5.49	30.0
Sep	5.99	0.43	6.05	28.0	5.53	0.28	5.57	30.0
Oct	6.10	0.40	6.16	28.0	5.63	0.22	5.66	30.0
Nov	6.33	0.47	6.40	28.1	5.84	0.24	5.88	30.0
Dec	6.46	0.47	6.53	28.3	5.86	0.27	5.90	30.1
2006								
Jan	6.40	0.40	6.46	28.1	5.97	0.27	6.01	30.0
Feb	6.43	0.41	6.49	28.2	6.01	0.24	6.04	30.1
Mar	6.51	0.40	6.57	28.7	6.23	0.26	6.26	30.1
Apr	6.57	0.41	6.63	28.6	6.34	0.26	6.37	30.0
May	6.67	0.41	6.73	28.5	6.42	0.26	6.46	30.1
Jun	6.72	0.45	6.79	28.6	6.48	0.24	6.52	30.0
Jul	6.83	0.42	6.90	28.6	6.53	0.31	6.58	30.1
Aug	6.78	0.47	6.85	28.9	6.66	0.32	6.70	30.0
Sep	6.64	0.47	6.71	28.9	6.30	0.47	6.37	30.2

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



Table 16. FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1971–Present

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
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	513,259	2,493,435
2004	945,565	826,611	502,302	262,781	1,708,972
2005	673,855	523,243	332,912	160,294	1,579,593
Monthly Data					
2005					
Jul	57,770	42,552	28,561	13,067	124,161
Aug	59,208	51,715	33,612	16,351	152,993
Sep	51,752	42,352	28,048	13,669	153,554
Oct	49,153	42,720	28,194	13,928	107,089
Nov	46,308	40,214	26,155	11,578	111,459
Dec	38,782	37,674	24,434	11,284	161,172
2006					
Jan	46,169	39,986	25,327	11,259	90,330
Feb	54,936	31,616	18,247	8,659	104,146
Mar	67,555	43,595	25,434	11,777	135,348
Apr	57,484	41,058	24,674	11,161	95,631
May	62,901	30,070	10,882	10,734	121,013
Jun	57,619	29,176	9,652	13,342	143,501
Jul	49,241	41,146	26,543	12,011	112,019
Aug	56,531	46,989	30,153	14,532	129,415
Sep	49,122	41,321	25,696	12,458	130,830

*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	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005	148	24,847	1,596.3	472	49,238	1,724.9	184	20,625	1,080.4
2006 (9 mos.)	72	10,818	659.7	423	41,729	1,625.4	155	17,811	899.4

*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	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	4.74	3.51	2.51	12.17	12.21	8.00	0.90	0.59	0.30	3.25	2.66	1.77	0.42	0.34	0.20	1.61	0.90	0.48	
2004	4.49	NA	2.30	10.80	12.18	7.31	0.87	NA	0.29	2.72	2.75	1.60	0.43	NA	0.19	1.50	0.98	0.49	
2005	4.45	NA	2.30	10.84	12.51	7.00	0.89	NA	0.32	2.59	3.08	1.60	0.41	NA	0.18	1.42	0.85	0.38	
Quarterly Data (Seasonally Adjusted)																			
2005																			
	Q2	4.34	NA	2.20	10.33	12.37	6.91	0.85	NA	0.28	2.52	2.89	1.52	0.39	NA	0.18	1.26	0.76	0.39
	Q3	4.44	NA	2.34	10.76	12.75	7.12	0.83	NA	0.30	2.28	3.04	1.56	0.41	NA	0.18	1.39	0.88	0.39
	Q4	4.70	NA	2.47	11.63	13.18	6.81	1.02	NA	0.41	2.94	3.55	1.67	0.42	NA	0.18	1.47	0.91	0.34
2006																			
	Q1	4.41	NA	2.25	11.50	12.23	6.93	1.01	NA	0.39	2.82	3.59	1.78	0.41	NA	0.16	1.62	0.83	0.39
	Q2	4.39	NA	2.29	11.70	12.45	6.35	0.91	NA	0.36	2.65	3.34	1.45	0.43	NA	0.18	1.79	0.75	0.35

*All data are seasonally adjusted.

NA = not applicable.

Source: National Delinquency Survey, Mortgage Bankers Association

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



Table 19. Expenditures for Existing Residential Properties: 1977–Present

Period	Total Expenditures	Maintenance and Repairs ¹	Improvements					
			Total	Additions and Alterations ²				Major Replacements ⁵
				Total	Additions ³	Improvements	To Property Outside the Structure	
Annual Data (Millions of Dollars)								
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
Period	Total Expenditures	Maintenance and Repairs ¹	Total	Improvements				Major Replacements ⁵
				Additions and Alterations ²				
				Total	Additions ³	Alterations ⁴	Other Property Improvements	
2003	176,899	44,094	132,805		20,994	91,759	20,051	
2004	198,557	50,612	147,945		17,889	103,835	26,219	
2005	215,030	53,293	161,737		20,719	112,721	28,297	
Quarterly Data (Seasonally Adjusted Annual Rates)								
2005								
Q1	213,600	52,000	161,600		NA	NA	NA	
Q2	192,800	50,700	142,100		NA	NA	NA	
Q3	220,900	55,500	165,400		NA	NA	NA	
Q4	233,500	54,700	178,800		NA	NA	NA	
2006								
Q1	232,200	53,900	178,300		NA	NA	NA	

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. Effective with the first quarter of 2004, this survey no longer tabulates major replacements separately from other types of improvements. As a result, data previously tabulated as "Major Replacements" are now included in the columns of "Additions and Alterations."

NA = Data available only annually. Blank cells appear in the table because of a change in the survey.

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 Residential Construction			Improvements
		Total	Single-Family Structures	Multifamily 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	279,391	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	475,941	345,691	310,575	35,116	130,250
2004	564,827	417,501	377,557	39,944	147,326
2005	642,276	481,738	433,510	48,228	160,538
Monthly Data (Seasonally Adjusted Annual Rates)					
2005					
Jul	646,619	487,269	438,299	48,970	NA
Aug	650,776	491,064	441,263	49,801	NA
Sep	654,959	497,130	447,302	49,828	NA
Oct	659,259	502,013	450,887	51,126	NA
Nov	663,103	506,921	455,186	51,735	NA
Dec	665,615	509,138	456,278	52,860	NA
2006					
Jan	661,423	510,477	455,778	54,699	NA
Feb	662,557	513,015	457,457	55,558	NA
Mar	647,205	490,536	457,300	56,352	NA
Apr	657,807	502,637	446,517	56,120	NA
May	647,205	490,536	435,521	55,015	NA
Jun	639,426	478,888	424,210	54,678	NA
Jul	627,305	466,703	411,342	55,361	NA
Aug	617,041	456,451	400,086	56,365	NA
Sep	610,014	447,808	390,138	57,670	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	10,469.6	503.9	4.8
2003	10,960.8	572.4	5.2
2004	11,712.5	675.3	5.8
2005	12,455.8	770.4	6.2
Quarterly Data (Seasonally Adjusted Annual Rates)			
2005			
Q3	12,573.5	791.2	6.3
Q4	12,730.5	801.5	6.3
2006			
Q1	13,008.4	808.5	6.2
Q2	13,197.3	790.6	6.0
Q3	13,308.3	752.9	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 ^r	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 ^r	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 ^r	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 ⁴	2,880	(1)	105	329	127	411	1,260	648
2003	595	69	(18)	(92)	(237)	208	643	22
2004	1,028	98	278	(219)	(320)	365	714	112
2005	1,643	(3)	298	(283)	42	476	802	311
Quarterly Data								
2005								
Q3	582	(21)	88	(242)	247	198	203	107
Q4	456	81	(5)	46	(275)	148	294	168
2006								
Q1	401	11	135	(19)	2	4	52	216
Q2	161	(88)	65	(116)	(112)	283	154	(26)
Q3	179	149	(41)	2	(38)	79	114	(85)

*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.

⁴Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

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 ⁵				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 ^r	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 ^r	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 ^r	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 ⁴	2,880	371	778	195	608	(106)	81	467	485
2003	595	(38)	277	47	83	29	27	135	36
2004	1,028	(136)	341	283	175	39	(18)	167	176
2005	1,643	(111)	299	189	456	77	56	431	248
Quarterly Data									
2005									
Q3	582	(79)	546	61	76	(183)	134	112	(85)
Q4	456	411	(256)	(98)	190	45	52	208	(96)
2006									
Q1	401	259	(168)	98	(99)	67	(55)	84	216
Q2	161	(211)	136	8	(47)	(5)	59	126	93
Q3	179	(414)	335	75	363	(47)	4	52	(188)

*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.

⁵Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁶Primary 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	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races ⁵	
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 ⁴	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
2005	1,643	710	257	166	50	461
Quarterly Data						
2005						
Q3	582	440	31	72	(17)	56
Q4	456	213	45	92	(15)	120
2006						
Q1	401	189	46	(51)	16	202
Q2	161	(207)	155	74	25	114
Q3	179	151	(76)	13	29	62

*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.

⁴Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁵Beginning in 2003, the CPS respondents were able to select more than one race.

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



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

Period	Total ¹	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual and Biannual 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
2000 ¹	119,628	NA	NA	NA	NA	NA	NA	105,719	71,249	34,470
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
Quarterly Data										
2005										
Q3	124,119	3,834	120,285	11,854	3,773	1,481	6,600	108,431	74,588	33,843
Q4	124,509	3,764	120,745	11,857	3,626	1,566	6,665	108,888	75,163	33,725
2006										
Q1	125,373	3,908	121,465	12,176	3,685	1,580	6,911	109,289	74,883	34,406
Q2	125,800	3,974	121,826	12,376	3,676	1,729	6,971	109,450	75,227	34,223
Q3	126,225	3,989	122,236	12,606	3,808	1,935	6,863	109,630	75,646	33,984

*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 decennial census weights; 1983 to 1989 estimates based on 1980 decennial census weights; 1991 and 1995 estimates based on 1990 decennial 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	All Rental Units	Metropolitan Status ¹				Regions				Units in Structure		
		Inside Metro Area	In Central Cities	Suburbs	Outside Metro Area	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	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.3	10.9	11.5
2005	9.8	9.7	10.0	9.4	10.5	6.5	12.6	11.8	7.3	9.9	10.0	10.4
Quarterly Data												
2005 ¹												
Q3	9.9	9.7	9.9	9.5	10.8	6.0	13.4	11.9	7.3	9.7	10.2	10.8
Q4	9.6	9.4	9.4	9.3	10.9	6.7	12.3	11.4	7.0	10.2	9.4	9.5
2006												
Q1	9.5	9.4	10.0	8.7	10.4	7.3	12.6	10.9	6.7	9.9	9.6	10.0
Q2	9.6	9.5	9.6	9.3	10.0	6.9	12.6	11.1	6.8	9.3	9.9	10.4
Q3	9.9	10.0	10.3	9.6	9.7	7.7	12.6	11.9	6.5	10.0	10.1	10.4

¹The Census Bureau has changed to OMB's new designation of metropolitan areas as Core Based Statistical Areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

<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 ¹	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 ²	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
2005	68.9	25.7	40.9	56.8	69.3	76.6	81.2	80.6
Quarterly Data								
2005								
Q3	68.8	27.0	40.7	56.1	68.6	76.7	80.9	80.6
Q4	69.0	24.8	41.6	57.1	69.7	76.7	80.6	80.6
2006								
Q1	68.5	23.6	41.0	56.5	68.9	75.8	81.2	80.3
Q2	68.7	24.5	41.4	55.6	68.9	76.3	81.0	80.6
Q3	69.0	25.3	42.8	55.8	68.8	76.4	80.7	81.5

¹Revised based on adjusted 1990 decennial census weights rather than 1980 decennial census weights, resulting in lower estimates.

²Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

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, 5}		
		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 ⁴	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
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
2005	68.9	65.2	73.1	70.8	64.4	54.2	76.4	76.3
Quarterly Averages of Monthly Data								
2005 ⁵								
Q3	68.8	65.1	73.3	70.6	64.2	54.0	76.3	76.0
Q4	69.0	65.4	72.8	71.1	64.6	54.3	76.5	76.2
2006								
Q1	68.5	64.7	72.5	70.4	64.4	53.9	75.6	76.4
Q2	68.7	65.4	72.5	70.4	64.7	54.2	76.0	75.9
Q3	69.0	65.5	72.8	70.6	65.3	54.6	76.2	75.8

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.

⁴Beginning in 2002, CPS data is weighted based on the 2000 decennial census data and housing unit controls.

⁵The Census Bureau has changed to OMB's new designation of metropolitan areas as Core Based Statistical Areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

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 Alone	Black Alone	Other Race Alone	Two or More Races [†]	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 [†]	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 [†]	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 ²	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002 ³	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
2005	75.8	48.8	60.4	59.8	49.5
Quarterly Averages of Monthly Data					
2005					
Q3	75.7	48.7	60.5	61.0	49.1
Q4	76.0	48.6	60.9	61.1	50.0
2006					
Q1	75.5	48.0	61.0	60.0	49.4
Q2	75.9	47.6	60.9	57.9	50.0
Q3	76.0	49.0	61.6	60.7	49.7

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.

³Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

⁴Beginning in 2003, the CPS respondents were able to answer more than one race.

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 ³	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
2005	80.3	87.5	45.2	67.4	53.3
Quarterly Averages of Monthly Data					
2005					
Q3	79.7	87.3	46.1	66.4	53.4
Q4	80.7	87.5	45.1	67.0	53.3
2006					
Q1	79.5	87.5	44.4	66.6	53.2
Q2	79.8	87.9	44.8	68.3	53.2
Q3	80.3	87.5	45.9	67.7	53.7

¹Implementation of new March CPS processing system.

²CPS data from 1983 to 1992 weighted based on the 1980 decennial census.

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

⁴Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.

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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