1st Quarter 2005

U.S. Housing Market Conditions

May 2005

Summary

In the first quarter of 2005, real gross domestic product increased over the fourth quarter 2004 value at an annualized rate of 3.1 percent; however, this rate was below the 3.9-percent consensus growth rate expected by market analysts. This growth rate was below the 3.8-percent growth rate of the fourth quarter of 2004. Residential fixed investment (housing) was a major contributor to the first quarter growth. Residential fixed investment grew at an annualized rate of 5.7 percent in the first quarter of 2005. Employment continued to grow with 570,000 new jobs added to the economy in the first quarter. All parts of the housing sector did exceptionally well in the first quarter. New records were set for single-family permits, single-family starts, and new home sales. Single-family completions were at their second highest level, and existing homes sales were at their third highest level. Interest rates remained less than 6 percent, and, as a result, affordability continues to be fairly strong. Favorable affordability has led to a homeownership rate of 69.1 percent, just 0.1 percentage point off the record level.

Housing Production

The production of conventionally built housing was very strong in the first quarter of 2005, especially for the single-family component of the market. Total permits, starts, and completions increased in the first quarter of 2005 from both the fourth and first quarters of 2004. The same is true for single-family production. Single-family permits and starts set new quarterly records, and single-family completions were at the second highest level ever. Manufactured housing showed some improvement but remains at very low levels.

- In the first quarter of 2005, builders took out permits for new housing units at a seasonally adjusted annual rate (SAAR) of 2,087,000, up 1 percent from the fourth quarter of 2004 and up 5.3 percent from the first quarter of 2004. The first quarter 2005 value is the sixth highest level in the 45-year history of this series. Permits were issued for 1,611,000 (SAAR) single-family housing units, up 1 percent from the fourth quarter of 2004 and up 3.2 percent from the first quarter of 2004. This single-family figure is a new quarterly record. January and February monthly rates were the two highest monthly rates in the history of the series.

- Construction was started on 2,085,000 (SAAR) new housing units in the first quarter of 2005, up 5.6 percent from the fourth quarter and up 7.3 percent from the first quarter of 2004. This quarterly rate is the 10th highest in the 45-year history of the series. Construction was started on 1,704,000 (SAAR) single-family housing units in the first quarter, up 5.2 percent from the fourth quarter of 2004 and up 8.6 percent from the first quarter of 2004. This single-family starts figure also set a new quarterly record. As was true for permits, the monthly rates for January and February were the highest ever.

- In the first quarter of 2005, completions totaled 1,846,000 (SAAR) new housing units, an increase of 1.0 percent from the fourth quarter of 2004 and an increase of 6.0 percent from the first quarter of 2004. This is the 19th highest value in the 37-year history

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of the series. Single-family completions equaled 1,560,000 (SAAR) in the first quarter, up 1.0 percent from the fourth quarter and up 6.8 percent from the first quarter of 2004. This quarterly figure is the second highest for single-family completions.

- Shipments of new manufactured homes averaged 138,000 (SAAR) housing units in the first quarter of 2005, unchanged from the fourth quarter of 2004 but up 9 percent from the first quarter of 2004. Manufactured housing shipments have been below 150,000 (SAAR) for the past 10 quarters. The last time such low shipment levels existed for a prolonged period was in the early 1960s.

Housing Marketing

Sales were very strong in the first quarter of 2005 even with some slackening in existing home sales. New home sales set a new quarterly record and existing home sales were the third best on record. Prices were somewhat mixed—new home prices were down in the first quarter while existing home prices increased slightly. Inventories have grown for both new and existing homes but remained healthy in terms of the current sales paces. Builders were optimistic in the first quarter although a little less so than in the fourth quarter of 2004.

- In the fourth quarter, 1,295,000 (SAAR) new single-family homes were sold, up 4.3 percent from the 1,241,000 (SAAR) sold in the fourth quarter and up 8.2 percent from the first quarter of 2004. This total is a new quarterly record for the 42-year history of the series. New home sales have been more than 1,000,000 (SAAR) for the past 25 months. The March level for sales was a new monthly record at 1,431,000 (SAAR), surpassing the previous record set in October 2004 by 127,000.

- During the first quarter of 2005, REALTORS® sold 6,843,333 (SAAR) existing homes, down 0.5 percent from the fourth quarter of 2004 but up 8.3 percent from the first quarter of 2004. This quarterly level is the third highest in the 37-year history of the series. The past 16 quarters had the 16 highest quarterly levels ever.

- The median price of a new single-family home was $221,400 in the first quarter of 2005, down 3.2 percent from the fourth quarter of 2004 but up 4.1 percent from the first quarter of 2004. The average sales price was $283,400 in the first quarter of 2005, down 1.0 percent from the fourth quarter of 2004 but up 7.8 percent from the first quarter of 2004. The estimated sales price for a constant-quality house was $242,400 in the first quarter, down 0.6 percent from the fourth quarter but up 4.3 percent from the fourth quarter of 2004.

- The median price of existing homes sold in the first quarter of 2005 was $191,000, up 0.9 percent from the fourth quarter of 2004 and up 11.6 percent from the first quarter of 2004. The average sales price was $243,667 in the first quarter of 2005, up 0.8 percent from the fourth quarter of 2004 and up 11.3 percent from the first quarter of 2004.

- At the end of the first quarter of 2005, 433,000 new homes were in the unsold inventory, up 2.6 percent from the fourth quarter of 2004 and up 14.2 percent from the first quarter of 2004. This inventory would support 3.6 months of new home sales at the current sales volume, down 0.5 month from the end of the fourth quarter of 2004 and unchanged from the first quarter of 2004. The inventory of existing homes was 2,325,000 at the end of the first quarter of 2005, up 5 percent from the end of the fourth quarter of 2004 but down 3.7 percent from the first quarter of 2004. Given the current sales pace, this inventory would last 4.0 months, down 0.1 month from the end of the fourth quarter of 2004 and down 0.4 month from the first quarter of 2004.

- Homebuilders were slightly more optimistic in the first quarter. The National Association of Home Builders/Wells Fargo Housing Market Index was 69.7 in the first quarter, down slightly (0.3 index point) from the fourth quarter but up 3.0 index points from the first quarter of 2004. All three components of the composite index—current sales expectations, future sales expectations, and prospective buyer traffic—were about the same as in the fourth quarter of 2004 but up from the first quarter of 2004.

Affordability and Interest Rates

American families' affordability situation improved slightly in the first quarter of 2005, according to the NATIONAL ASSOCIATION OF REALTORS®. Income growth was strong enough to offset the higher interest rate and the higher median existing home price to move the index upward to 132.9 in the first quarter of 2005, a 0.8-point increase from the fourth quarter but a 5.9-point decrease from the first quarter of 2004. This value indicates that a family earning the median income ($56,232) had 132.9 percent of the income needed to purchase a median-priced existing home, using standard underwriting guidelines. The first quarter improvement is the result of a 2-percent increase in the median income offsetting the 0.7-percent increase in the median price and the 5-basis-point increase in the mortgage interest rate. The year-over-year decrease was caused by a nearly 10-percent increase in the median home price and a 13-basis-point increase in the mortgage interest rate more than offsetting the 4.7-percent increase in the median family income. The index value is quite favorable from an historical perspective and supports the third highest homeownership rate of 69.1 percent. The two higher values were both 69.2 percent in the fourth and second quarters of 2004.

Multifamily Units

Multifamily (5+ units) production in the first quarter of 2005 was mixed but showed some signs of strength. Permits and starts were both more than 300,000 (SAAR) and were above their fourth quarter 2004 levels; completions, on the other hand, decreased from the fourth quarter of 2004. Permits were at a 15-year high. On the rental side, the vacancy rate declined slightly but remains above 10 percent, but the rental absorption rate improved in the first quarter of 2005.

- Permits were issued for 388,000 (SAAR) new multifamily housing units in the first quarter of 2005, up 3.0 percent from the fourth quarter of 2004 and up 17.8 percent from the first quarter of 2004. This value is the highest since the first quarter of 1990—15 years ago.

- Multifamily housing starts equaled 333,000 (SAAR) units in the first quarter of 2005, up 7.0 percent from the fourth quarter of 2004 but down 2.5 percent from the first quarter of 2004.

- Completions of multifamily housing units totaled 244,000 (SAAR) units in the first quarter of 2005, down 5.4 percent from the fourth quarter of 2004 and down 5.8 percent from the first quarter of 2004.

- The rental vacancy rate was 10.1 percent in the first quarter, up 0.1 percentage point from the fourth quarter but down 0.3 percentage point from the record high of 10.4 percent set in the first quarter of 2004. The rental vacancy rate has been 10 percent or above for the past six quarters.

- Market absorption of new rental apartments remained unchanged with 64 percent of new apartments completed in the fourth quarter leased or absorbed in the first 3 months following completion. This rate is unchanged from the previous quarter but up 1 percentage point from the same quarter a year ago.

New Low-Income Housing Tax Credit Project Data Available

The U.S. Department of Housing and Urban Development's (HUD) Office of Policy Development and Research has just released an update of the Low-Income Housing Tax Credit (LIHTC) Database to include LIHTC-financed projects placed in service through 2002. The LIHTC Database is the only comprehensive source of information on the federal government's largest subsidy program for the construction and rehabilitation of low-income rental housing. This article provides a brief synopsis of the LIHTC Program, discusses some of the findings from the recently added data, and explains how the public can access the LIHTC Database.

Although HUD has almost no direct administrative responsibility for the LIHTC Program, the LIHTC's importance as a source of funding for low-income housing compels HUD to collect information on this program and provide it to the public. The LIHTC Database serves as a complete list of LIHTC projects, providing a set of basic data on each project in the universe of projects. The database can be used in its entirety, or representative samples can be drawn for more indepth analysis. The database is available to the public and used not only by HUD but by other federal, state, and local government agencies as well as academic and private-sector researchers.

Overview of the LIHTC

The LIHTC was created by the Tax Reform Act of 1986 as Section 42 of the Internal Revenue Code. The act eliminated a variety of tax provisions that had favored rental housing and replaced them with a program of credits for the production of rental housing targeted to lower income households. Under the LIHTC Program, 58 state and local agencies are authorized, subject to an annual per capita limit, to issue federal tax credits for the acquisition, rehabilitation, or construction of affordable rental housing. The credits can be used by property owners to reduce federal income taxes and are generally taken by outside investors who contributed initial development funds for a project. To qualify for credits, a project must have a specific proportion of its units set aside for lower income households, and the rents on these units are limited to a maximum of 30 percent of qualifying income.[1] The amount of the credit that can be provided for a project is a function of development cost (excluding land), the proportion of units set aside, and the credit rate (which varies based on development method and whether other federal subsidies are used). Credits are provided for a period of 10 years.[2]

Congress initially authorized state agencies to allocate roughly $9 billion in credits over 3 years: 1987, 1988, and 1989.[3] Subsequent legislation modified the credit to make both technical corrections to the original act and substantive changes in the program.[4] For example, the commitment period (during which qualifying units must be rented to low-income households) was extended from 15 years to 30 years.[5] States were also required to ensure that no more tax credit was allocated to a project than was necessary for financial viability. The LIHTC was made a permanent part of the federal tax code in 1993, and in 2000 the per-capita allocation of credit authority of the states was increased from the original $1.25 per capita to $1.50 in 2001, $1.75 in 2002, and indexed to inflation thereafter.

Since 1987—the first year of the credit program—the LIHTC has become the principal federal subsidy mechanism for supporting the production of new and rehabilitated rental housing for low-income households. The number of units actually developed, however, is difficult to determine. Given the decentralized nature of the program, no single federal source provides information on tax-credit production. Although the Internal Revenue Service (IRS) administers the program, the data on LIHTC projects held by the IRS are oriented toward enforcing the tax code rather than measuring a housing production program. Thus, the IRS is not a potential source for compiling this information. Through competitive application processes in which LIHTC allocation decisions are made, state and local allocation agencies collect more information on the nature of the housing that would be produced by the LIHTC applicants. Therefore, HUD collects the data from these state and local agencies.

Most of the data about the early implementation of the program was compiled by the National Council of State Housing Agencies, an association of state housing finance agencies, the entities responsible for allocating tax credits in most states. HUD and its contractor Abt Associates have been collecting data and publishing it in the LIHTC Database since 1996. The recent update to this database makes available data on projects placed in service through 2002.

Characteristics of Tax-Credit Projects

HUD's LIHTC Database has data on 22,361 projects and 1,141,650 units placed in service between 1987 and 2002. The best data coverage is available in the 1995 through 2002 period when data were obtained from all 58 tax-credit-allocating agencies, and data reporting was most complete. The LIHTC Database contains information on the following characteristics:

- Project location including address, state, county, place, census tract, and latitude and longitude geocodes.
- Contact information for project sponsors.
- Number of total units and credit-eligible units.
- Unit distribution by number of bedrooms.
- New construction/rehabilitation.
- Credit type (30- or 70-percent present value).
- For-profit/nonprofit sponsorship.
- Tax-exempt bond or Rural Housing Service (RHS) Section 515 financing.
- Increased basis due to location in a Qualified Census Tract (QCT) or Difficult Development Area (DDA).
- Year placed in service.
- Year credits allocated.

Exhibit 1 shows the rates of missing data for the various variables in the database for projects placed in service between 1992 and 2002. The exhibit shows the percentage of projects and units missing the indicated data elements. For comparison purposes, the exhibit breaks the data into two periods: one representing the best data from an earlier collection effort and the other the years included in more recent updates. Thanks to the cooperation of the state and local agencies, data coverage from 1995 through 2002 is vastly improved over the 1992 to 1994 period.

Exhibit 1. LIHTC Database: Percent Missing Data by Variable, 1992–2002

Variable	1992–94		1995–2002	
	Percent of Projects With Missing Data	Percent of Units With Missing Data	Percent of Projects With Missing Data	Percent of Units With Missing Data
Project Address[a]	1.1	1.5	0.4	0.2
Owner Contact Data	18.4	18.3	6.8	4.8
Total Units	0.7	—	0.4	—
Low-Income Units	2.1	3.2	0.4	0.4
Number of Bedrooms[b]	53.6	58.3	14.3	13.0
Allocation Year	12.5	14.4	0.2	0.2
Construction Type (New/Rehab)	26.8	28.7	2.1	2.5
Credit Type	47.9	48.3	8.3	9.3
Nonprofit Sponsorship	26.9	23.7	10.3	11.4
Increase in Basis	49.8	46.8	18.9	14.1
Use of Tax-Exempt Bonds	23.5	24.3	9.4	9.8
Use of RHS Section 515	25.5	27.0	11.9	14.2

[a] Indicates only that some location was provided. Address may not be a complete street address.

[b] For some properties, bedroom count was provided for most but not all units, in which case data is not considered missing. The percent of units with missing bedroom count data is based on properties in which no data were provided on bedroom count.

Exhibit 2 presents information on the basic characteristics of LIHTC properties, by year placed in service for the 1995 through 2002 period (the years with the most complete data coverage). Placed-in-service projects are those that have received a certificate of occupancy and for which the state has submitted an IRS Form 8609 indicating that the property owner is eligible to claim LIHTCs.[6]

On average, approximately 1,300 projects and 91,000 units were placed in service during each year of the covered period. On average, LIHTC projects placed in service during this period contained 69 units, with average project size increasing over the period. Tax-credit properties tend to be larger than the average apartment property. Fully 42 percent of LIHTC projects are larger than 50 units compared to only 2.2 percent of all apartment properties nationally.[7]

Of the total units produced, the vast majority were qualifying units—that is, units reserved for low-income use, with restricted rents, and for which low-income tax credits can be claimed. Overall, more than 95 percent of total units placed in service from 1995 through 2002 were qualifying units. The distribution of qualifying ratios shows that the majority of projects (84 percent) are composed almost entirely of low-income units. Only a very small proportion of the properties have lower qualifying ratios, reflecting the minimum elections set by the program (that is, a minimum of 40 percent of the units at 60 percent of median income or 20 percent of the units at 50 percent of median).

Exhibit 2. Characteristics of LIHTC Projects, 1995–2002

Year Placed in Service	1995	1996	1997	1998	1999	2000	2001	2002	All Projects, 1995–2002
Number of Projects	1,374	1,303	1,335	1,290	1,462	1,303	1,346	1,175	10,588
Number of Units	79,293	81,989	87,447	91,604	106,988	95,301	99,281	89,338	731,241
Average Project Size	57.7	63.0	65.5	71.0	73.7	73.2	74.0	77.7	69.3
Distribution:									
0–10 Units	13.5%	14.3%	7.6%	7.3%	6.3%	6.0%	4.7%	4.2%	8.0%
11–20 Units	11.9%	11.8%	12.5%	10.9%	12.1%	11.5%	10.7%	10.8%	11.6%
21–50 Units	41.5%	36.3%	41.6%	38.4%	37.3%	35.3%	40.3%	35.4%	38.3%
51–99 Units	17.1%	17.8%	18.9%	21.3%	21.3%	22.7%	21.4%	24.1%	20.5%
100+ Units	15.9%	19.7%	19.4%	22.0%	23.0%	24.6%	22.9%	25.6%	21.6%
Average Qualifying Ratio	97.3%	96.8%	96.0%	95.7%	95.0%	94.6%	94.3%	92.8%	95.3%
Distribution:									
0–20%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%
21–40%	0.6%	1.5%	1.4%	1.6%	1.2%	1.1%	1.1%	4%	1.2%
41–60%	2.4%	2.1%	2.3%	2.4%	2.9%	3.5%	2.5%	3.7%	2.7%
61–80%	2.1%	2.7%	5.1%	5.7%	7.5%	7.5%	10.2%	12.6%	6.6%
81–90%	2.4%	1.7%	2.2%	2.0%	2.3%	3.2%	4.3%	6.0%	3.0%
91–95%	1.9%	1.6%	1.6%	1.5%	2.9%	2.7%	3.0%	2.4%	2.2%
96–100%	90.7%	90.5%	87.4%	86.8%	83.3%	82.0%	78.9%	74.0%	84.3%
Average Bedrooms	1.93	1.96	1.93	2.01	1.95	1.89	1.90	1.89	1.93
Distribution:									
0 Bedroom	3.7%	4.0%	4.2%	2.9%	4.3%	3.4%	3.0%	2.5%	3.5%
1 Bedroom	30.7%	29.3%	29.4%	27.4%	28.5%	32.4%	29.4%	31.2%	29.8%
2 Bedrooms	43.8%	44.3%	42.7%	43.5%	42.7%	41.8%	44.2%	43.0%	43.2%
3 Bedrooms	18.7%	19.5%	20.6%	22.3%	20.9%	20.0%	20.5%	20.5%	20.4%
> 4 Bedrooms	3.1%	2.9%	3.2%	4.0%	3.6%	2.4%	2.8%	2.7%	3.1%

Notes: The analysis data set includes 10,588 projects and 731,241 units placed in service between 1995 and 2002.

The average number of units per property and the distribution of property size are both calculated based on the 10,547 properties with a known number of units, and not on the full universe of 10,588 properties.

The database contains missing data for number of units (0.4 percent), qualifying ratio (percentage of tax-credit units) (0.7 percent), and bedroom count (14.3 percent). Totals may not add to 100 percent because of rounding.

Exhibit 2 also presents information on the size of the LIHTC units based on the number of bedrooms. As shown, on average the units had 1.93 bedrooms. Nearly 24 percent of LIHTC units in the study period had three or more bedrooms compared to only 11 percent of all apartment units nationally and 17 percent of all apartments built from 1995 to 2002.[8] Over the 8-year period, the distribution of units by bedroom count fluctuated around the average distribution for the period with no clear trends.

Exhibit 3 presents additional information on the characteristics of the LIHTC projects and units, beginning with the type of construction: new, rehabilitation, or a combination of new and rehabilitation (for multibuilding projects). As shown, LIHTC projects placed in service from 1995 through 2002 were predominately new construction, accounting for close to two-thirds (62.9 percent) of the projects. Rehabilitation of an existing structure was used in 35.5 percent of the projects, while a combination of new construction and rehabilitation was used in only a small fraction of LIHTC projects.[9]

The tax-credit program requires that 10 percent of each state's LIHTC dollar allocation be set aside for projects with nonprofit sponsors. As shown in Exhibit 3, overall 30.2 percent of LIHTC projects placed in service from 1995 to 2002 had a nonprofit sponsor.

Exhibit 3 also presents information about two common sources of additional subsidy: use of tax-exempt bonds (which generally are issued by the same agency that allocates the LIHTC), and RHS[10] Section 515 loans (which imply a different regulatory regime and different compliance monitoring rules). Overall, RHS Section 515 loans were used in just less than 13 percent of the projects placed in service during the study period, with the proportion of RHS projects dropping fairly steadily throughout the period related to the dramatic decrease in funding for the Section 515 program over the study period. At the same time, the proportion of projects with mortgages financed by tax-exempt bonds increased nearly every year, with 16 percent of projects receiving bond-financed mortgages over the 4-year period. Properties with bond-financed mortgages may be eligible for tax credits outside the annual per-capita state allocation limits.

The final characteristic presented in Exhibit 3 is the credit type used by LIHTC projects. The 30-percent present value credit is used for acquisition and when other federal financing, such as tax-exempt bonds, is used for the rehab or new construction, while the 70-percent present value credit is available to non-federally financed rehab or construction. A little less than two-thirds (64 percent) of the LIHTC projects placed in service during the study period have a 70-percent credit, nearly 27 percent have a 30-percent credit, and just more than 9 percent have both.

Exhibit 3. Additional Characteristics of LIHTC Projects, 1995–2002

Year Placed in Service	1995 (%)	1996 (%)	1997 (%)	1998 (%)	1999 (%)	2000 (%)	2001 (%)	2002 (%)	All Projects, 1995–2002 (%)
Construction:									
New	65.9	62.4	62.5	63.5	64.1	60.0	60.8	63.2	62.9
Rehab	32.7	36.3	34.6	34.9	34.3	38.8	37.7	34.8	35.5
Both	1.4	1.2	2.8	1.6	1.7	1.0	1.5	2.0	1.6
Nonprofit Sponsor	19.0	25.3	35.4	36.6	34.8	30.8	31.6	28.2	30.2
RHS Section 515	23.4	15.7	13.5	11.3	10.4	9.3	10.5	7.5	12.9
Tax-Exempt Bonds	3.9	6.4	8.2	13.1	19.3	25.9	23.4	29.3	16.1
Credit Type:									
30%	26.0	20.2	20.1	26.0	28.8	31.0	30.0	32.3	26.7
70%	62.9	68.4	70.4	64.0	63.6	62.4	61.0	59.5	64.0
Both	11.0	11.5	9.4	9.9	7.7	6.6	8.9	8.2	9.2

Notes: The analysis data set includes 10,588 projects and 731,241 units placed in service between 1995 and 2002.

The database contains missing data for construction type (2.1 percent), nonprofit sponsor (10.3 percent), RHS Section 515 (11.9 percent), bond financing (9.4 percent), and credit type (9.0 percent).

Totals may not add to 100 percent because of rounding.

LIHTC and Housing Markets

As part of the Omnibus Budget Reconciliation Act of 1989, Congress added provisions to the LIHTC Program designed to increase production of LIHTC units in hard-to-serve areas. Specifically, the act permits projects located in DDAs or QCTs to claim a higher eligible basis (130 percent of the standard basis) for the purposes of calculating the amount of tax credit that can be received. Designated by HUD, DDAs are defined by statute to be metropolitan areas or nonmetropolitan areas in which construction, land, and utility costs are high relative to incomes, and QCTs are tracts in which at least 50 percent of the households have incomes less than 60 percent of the area median income.[11] The data are based on DDA designations for the year placed in service. The QCT designations are from 1999.[12]

Exhibit 4 presents the distribution of LIHTC projects across DDAs and QCTs. As shown, 20.3 percent of projects are located in DDAs, and 25.8 percent are located in QCTs, with a total of 39.7 percent in designated areas.[13] In looking at units, the proportions are similar.

Not all projects located in a DDA or QCT actually received a higher eligible basis. The data indicate that more than one-third of properties located in a DDA and almost one-fourth of those in a QCT did not receive a higher eligible basis.[14]

Exhibit 5 presents information on project characteristics for properties located inside and outside designated areas. As shown, projects tend to be slightly larger and qualifying ratios slightly higher in nondesignated areas compared with projects in DDAs or QCTs. Minimal differences in average unit size are found across DDAs, QCTs, and nondesignated areas. Projects in QCTs and DDAs are considerably more likely to be rehabilitated than projects in nondesignated areas, which are more likely to be newly constructed. Projects in QCTs and, to a lesser extent, those in DDAs are more likely to have a nonprofit sponsor than projects in nondesignated areas. Only 2.1 percent of projects in QCTs have RHS Section 515 financing compared with 16.1 percent in nondesignated areas. QCTs also have the smallest proportion of tax-exempt, bond-financed projects and projects with the 30-percent credit, the latter indicating the presence of subsidized financing. Tax-exempt bond financing is most common in DDAs, accounting for 21.3 percent of projects.

As noted previously, DDAs are defined as metropolitan areas or nonmetropolitan counties in which construction, land, and utility costs are high relative to incomes. Although developers have an incentive to place tax-credit properties in DDAs because they can claim a higher eligible basis, the assumption is that, all other things being equal, the developer would favor a location with low development costs relative to incomes. To test this hypothesis, examining development costs relative to incomes would be optimal. Local development costs are not available, but assuming that development costs are correlated with local market rents, HUD-defined Fair Market Rents (FMRs) relative to local incomes can serve as a measure of development costs relative to incomes. The analysis uses the LIHTC maximum income limit (60 percent of area median income) as the measure of local income.[15] For the analysis, non-DDA metropolitan areas and nonmetropolitan counties in the United States were sorted based on the ratio of FMR to 30 percent of 60 percent of area median

Exhibit 4. Distribution of LIHTC Projects and Units by Location in DDAs and QCTs, 1995–2002

Year Placed in Service	1995	1996	1997	1998	1999	2000	2001	2002	All Projects, 1995–2002
Projects	1,239	1,206	1,223	1,161	1,345	1,217	1,261	1,095	9,747
DDA (%)	14.8	12.3	20.0	22.1	22.5	24.0	23.6	23.5	20.3
QCT (%)	20.9	23.7	26.1	27.2	27.4	24.1	27.2	30.5	25.8
DDA or QCT (%)	30.9	32.1	39.4	42.2	42.8	40.8	42.7	46.8	39.7
Units	75,501	76,849	83,205	85,060	102,037	90,843	94,715	85,666	693,876
DDA (%)	15.7	11.6	17.6	21.4	21.5	23.1	19.8	19.6	19.0
QCT (%)	19.6	24.7	24.1	23.9	26.5	22.3	25.3	27.6	24.4
DDA or QCT (%)	31.0	32.6	37.0	41.0	42.9	39.7	39.5	42.4	38.6

Notes: The data set used in this analysis includes only geocoded projects.

Totals may not add to 100 percent because of rounding.

Exhibit 5. Characteristics of LIHTC Projects by Location in DDAs or QCTs, 1995–2002

	In DDA	In QCT	Not in DDA or QCT	Total
Average Project Size (Units)	66.7	67.5	72.6	71.4
Average Qualifying Ratio (%)	91.3	94.5	95.9	95.1
Average Number of Bedrooms	1.8	2.0	1.9	1.9
Distribution of Units by Size:				
0 Bedroom (%)	5.6	7.4	2.0	3.6
1 Bedroom (%)	32.8	29.4	29.1	29.8
2 Bedrooms (%)	38.2	37.5	46.6	43.4
3 Bedrooms (%)	20.4	21.0	19.8	20.2
> 4 Bedrooms (%)	3.0	4.8	2.5	3.0
Construction Type:				
New Construction (%)	48.4	42.5	70.7	61.8
Rehab (%)	50.1	53.8	28.5	36.5
Both (%)	1.5	3.7	0.8	1.7
Nonprofit Sponsor (%)	35.6	42.1	24.5	30.5
RHS Section 515 (%)	5.6	2.1	16.1	11.5
Tax-Exempt Bond Financing (%)	21.3	12.8	17.3	17.0
Credit Type:				
30% (%)	24.6	16.1	30.0	26.4
70% (%)	68.0	71.9	61.6	64.4
Both (%)	7.5	12.0	8.4	9.2

Notes: The data set used in this analysis includes only geocoded projects.

The data set contains missing data for bedroom count (14.5 percent), construction type (2.0 percent), nonprofit sponsor (10.5 percent), RHS Section 515 (11.8 percent), bond financing (9.2 percent), and credit type (8.3 percent).

Metropolitan areas are defined according to the Metropolitan Statistical Area/Primary Metropolitan Statistical Area definitions published June 30, 1999. Suburb is defined here as metro area, noncentral city.

Totals may not add to 100 percent because of rounding. Some properties are located in both a DDA and a QCT.

income (the maximum LIHTC rent), from lowest to highest. They were then classified into three categories, each with approximately one-third of all renter households not in DDAs: low cost, moderate cost, and high cost. The same sorting and categorizing was done using multifamily building permits for 1994 to 2001.[16] Exhibit 6 presents the distribution of tax-credit projects and units in these categories.

As shown in Exhibit 6, LIHTC projects are disproportionately located in favorable development cost areas, that is, metro areas and nonmetro counties where development costs are low relative to incomes. As shown in the first (top) panel of Exhibit 6, 36.4 percent of tax-credit projects are located in low development cost areas, compared with 25.9 percent of all U.S. renter households. Projects in these locations, however, tend to be smaller than projects in higher cost areas, so that the proportion of tax-credit units in low-cost areas— 26.5 percent—is closer to the national total. Exhibit 6 also displays the distribution of tax-credit projects and units located in QCTs by development cost category. As shown, 25.3 percent of LIHTC projects and 20.5 percent of LIHTC units in QCTs are located in the lowest development cost category, slightly lower than the distribution of all renter households.

The second panel of Exhibit 6 presents the same analysis using multifamily building permit data instead of all renter units. Using this analysis, tax-credit projects and units are disproportionately located in low development cost areas. More than 40 percent (41.4 percent) of tax-credit properties and 33 percent of tax-credit units are in low-cost areas compared with 28.8 percent of units issued multifamily building permits.

Additional analyses of the data, including more comparisons to the earlier data and further location analysis, are available in the report *Updating the Low-Income Housing Tax Credit (LIHTC) Database: Projects Placed in Service through 2002*, which is available at http://www.huduser.org/datasets/lihtc/report2002.pdf and can be purchased from HUDUSER by calling 800–245–2691.

Accessing the LIHTC Database

The complete LIHTC Database is available through an interactive web-based system and can also be downloaded at http://lihtc.huduser.org/. The interactive system allows users to take the following actions:

- Select only the variables of interest.
- Retrieve data on all projects in a particular state or group of states.
- Restrict the search to projects with a particular characteristic or set of characteristics.
- Select only projects in a particular city.
- Select projects within a user-selected radius of the center of a city.

Exhibit 6. Distribution of LIHTC Units and Projects by Development Cost Category, 1995–2002

Development Cost Category Based on Renter Units	Ratio of FMR to Maximum LIHTC Rent	All U.S. Rental Units (%)	LIHTC Projects (%)	LIHTC Units (%)	LIHTC Projects in QCTs (%)	LIHTC Units in QCTs (%)
Low	0.448 to 0.784	25.9	36.4	26.5	25.3	20.5
Moderate	> 0.784 to 0.893	26.4	24.5	26.8	28.6	33.3
High (Non-DDA)	> 0.893 to 1.256	25.4	18.8	27.7	20.9	26.4
In DDAs		22.3	20.4	19.1	25.2	19.8
Total		100	100	100	100	100
Development Cost Category Based on Units Issued Multifamily Building Permits	**Ratio of FMR to Maximum LIHTC Rent**	**Multifamily Building Permit Units 1994–2001 (%)**	**LIHTC Projects**	**LIHTC Units**	**LIHTC Projects in QCTs**	**LIHTC Units in QCTs (%)**
Low	0.448 to 0.800	28.8	41.4	33.0	29.8	26.6
Moderate	> 0.800 to 0.922	28.8	23.7	26.1	27.6	31.4
High (Non-DDA)	> 0.922 to 1.256	28.5	14.5	21.9	17.4	22.3
In DDAs		13.9	20.4	19.1	25.2	19.8
Total		100	100	100	100	100

Notes: Maximum LIHTC rent equals one-twelfth of 30 percent of 60 percent of area median income (or one-twelfth of 30 percent of 120 percent of the very-low-income limit).

All U.S. rental unit data are from the 2000 Census. Annual building permit data for metropolitan areas and nonmetropolitan counties are from the U.S. Census Bureau.

LIHTC units placed in service from 1995 to 2002 are compared to multifamily building permits from 1994 to 2001 because it generally takes 1 year from issuance of building permits for a multiunit residential building to be completed. The percentages for All U.S. Rental Units and Building Permit Units are not exactly equal for each of the three non-DDA development cost categories because metropolitan statistical areas (or nonmetro counties) lying on the cutoffs for one-third and two-thirds of units could not be split up.

Notes

[1] Owners may elect to set aside at least 20 percent of the units for households at or below 50 percent of area median income or at least 40 percent of the units for households with incomes below 60 percent of area median. Annual rents in low-income units are limited to a maximum of 30 percent of the elected 50 or 60 percent of area median income.

[2] The credit percentages are adjusted monthly but fall in the range of 4 to 9 percent of qualifying basis (that is, the proportion of the property devoted to low-income tenants). In general, credits are intended to provide a stream of benefits with a present value equal to either 30 percent (for the 4-percent credit) or 70 percent (for the 9-percent credit) of the property's qualifying basis. The 30-percent credit is used for the acquisition of an existing building or for federally subsidized new construction or rehab. The 70-percent credit is used for rehab or construction of projects without additional federal subsidies.

[3] Assumes approximately $300 million in allocation authority in each year, with annual credits taken for 10 years.

[4] See Technical and Miscellaneous Revenue Act of 1988, Omnibus Budget Reconciliation Act of 1989, Omnibus Reconciliation Act of 1990, and the Community Renewal Tax Relief Act of 2000.

[5] The Omnibus Budget Reconciliation Act of 1989 extended the commitment period from 15 to 30 years. Project owners, however, are allowed to sell or convert the project to conventional market housing if they apply to the state tax credit allocation agency, and the agency is unable to find a buyer (presumably a nonprofit) willing to maintain the project as low-income for the balance of the 30-year period. If no such buyer is found, tenants are protected with rental assistance for up to 3 years.

[6] Internal Revenue Service reporting is on a building-by-building basis. In this study, however, the Department of Housing and Urban Development uses the Low-Income Housing Tax Credit project as a unit of analysis. A project could include multiple buildings and/or multiple phases that were part of a single financing package.

[7] National Multi Housing Council, tabulation of unpublished data from the U.S. Census Bureau's 1995–96 Property Owners and Managers Survey. Data do not include public housing projects.

[8] U.S. Census Bureau, American Housing Survey for the United States: 2003. Data refer to renter-occupied units in buildings with two or more units and built through 2002. Units built in 2003 were excluded.

[9] The combination of new construction and rehabilitation is possible in multibuilding properties in which one building was rehabilitated, and one building was newly constructed.

[10] The Rural Housing Service was formerly called the Farmers Home Administration.

[11] As of 2002, Qualified Census Tracts (QCTs) also included tracts with poverty rates of 25 percent or higher. These QCTs, however, had little effect on the projects studied here because most of the projects placed in service in 2002 were planned before the new QCTs became effective.

[12] Because Qualified Census Tract (QCT) designations are based on decennial census data, the designations are fairly static between decennial censuses. The 1999 QCTs are nearly identical to those in force throughout the 1995 to 2002 period.

[13] Some properties are located in both a Difficult Development Area and a Qualified Census Tract.

[14] In addition, 347 projects exist, which, according to the allocating agency, received a higher basis but, according to our geocoding, are located in neither a Difficult Development Area (DDA) nor a Qualified Census Tract. About half of these projects were located in areas that were designated DDAs at some point, often the year a project was allocated tax credits. These projects were probably allocated credit under the "10-percent rule" enabling them to get the DDA-level allocation even though they were a year or more from completion and placement in service.

[15] Specifically, the data used were the 2001 two-bedroom Fair Market Rents and 60 percent of 2001 area median income.

[16] Data on Low-Income Housing Tax Credit units placed in service from 1995 to 2002 are compared to multifamily building permits from 1994 to 2001 because it generally takes a year from issuance of building permits for a multiunit residential building to be completed. According to U.S. Census Bureau data on new residential construction of multiunit buildings from 1994 to 2001, the average length of time from permit issuance to start of construction was 1.5–1.9 months, and the average length of time from start of construction to completion was 8.9–9.8 months.

U.S. Housing Market Conditions is published quarterly by the U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

National Data

Housing Production

Permits*

Permits for construction of new housing units were up a statistically insignificant 1 percent in the first quarter of 2005, at a seasonally adjusted annual rate (SAAR) of 2,088,000 units, and were up 5 percent from the first quarter of 2004. One-unit permits, at 1,612,000 units, were up a statistically insignificant 1 percent from the level of the previous quarter and up 3 percent from a year earlier. Multifamily permits (5 or more units in structure), at 391,000 units, were 4 percent above the fourth quarter of 2004 and 19 percent above the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	2,088	2,066	1,982	+ 1**	+ 5
One Unit	1,612	1,595	1,561	+ 1**	+ 3
Two to Four	84	94	92	– 11**	– 8**
Five Plus	391	377	329	+ 4	+ 19

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

Starts*

Construction starts of new housing units in the first quarter of 2005 totaled 2,085,000 units at a seasonally adjusted annual rate, a statistically insignificant 6 percent above the fourth quarter of 2004 and 7 percent above the first quarter of 2004. Single-family starts, at 1,704,000 units, were a statistically insignificant 5 percent higher than the previous quarter and a statistically insignificant 9 percent above the first quarter level of the previous year. Multifamily starts totaled 333,000 units, a statistically insignificant 7 percent above the previous quarter but a statistically insignificant 3 percent below the same quarter in 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	2,085	1,975	1,943	+ 6**	+ 7
One Unit	1,704	1,621	1,570	+ 5**	+ 9**
Five Plus	333	312	342	+ 7**	– 3**

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

Under Construction*

Housing units under construction at the end of the first quarter of 2005 were at a seasonally adjusted annual rate of 1,324,000 units, a statistically insignificant 3 percent above the previous quarter and 8 percent above the first quarter of 2004. Single-family units stood at 918,000, a statistically insignificant 3 percent above the previous quarter and 9 percent above the first quarter of 2004. Multifamily units were at 367,000, up a statistically insignificant 5 percent from the previous quarter and up a statistically insignificant 2 percent from the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,324	1,280	1,226	+ 3**	+ 8
One Unit	918	892	840	+ 3**	+ 9
Five Plus	367	350	360	+ 5**	+ 2**

*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 first quarter of 2005, at a seasonally adjusted annual rate of 1,846,000 units, were up a statistically insignificant 1 percent from the previous quarter and up 6 percent from the same quarter of 2004. Single-family completions, at 1,560,000 units, were up a statistically insignificant 1 percent from the previous quarter and up 7 percent from the rate of a year earlier. Multifamily completions, at 244,000 units, were a statistically insignificant 5 percent below the previous quarter and a statistically insignificant 6 percent below the same quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,846	1,830	1,742	+ 1**	+ 6
One Unit	1,560	1,545	1,461	+ 1**	+ 7
Five Plus	244	258	259	– 5**	– 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

Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 138,000 units in the first quarter of 2005, which is unchanged from the previous quarter but 9 percent above the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	138	139	126	—	+ 9

*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 1,295,000 units at a seasonally adjusted annual rate (SAAR) in the first quarter of 2005, up a statistically insignificant 4 percent from the previous quarter and up 8 percent from the first quarter of 2004. The number of new homes for sale at the end of March 2005 was 433,000 units, up a statistically insignificant 3 percent from the past quarter and up 14 percent from the first quarter of 2004. At the end of March, inventories represented a 3.6 months' supply at the current sales rate, down 12 percent from the end of the previous quarter but unchanged from the first quarter of last year.

Sales of existing single-family homes for the first quarter of 2005 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,843,000 (SAAR), unchanged from the fourth quarter of 2004 but up 8 percent from the first quarter of 2004. The number of units for sale at the end of the first quarter of 2005 was 2,325,000, 5 percent greater than the previous quarter but 4 percent less than the first quarter of 2004. At the end of the first quarter, a 4.0 months' supply of units remained, 3 percent more than the previous quarter but 9 percent less than the first quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,295	1,241	1,197	+ 4**	+ 8
For Sale	433	422	379	+ 3**	+ 14
Months' Supply	3.6	4.1	3.6	– 12	—
Existing Homes					
Existing Homes Sold	6,843	6,877	6,317	—	+ 8
For Sale	2,325	2,214	2,415	+ 5	– 4
Months' Supply	4.0	3.9	4.4	+ 3	– 9

*Units in thousands.

**This change is not statistically significant.

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

Home Prices

The median price of new homes during the first quarter of 2005 increased to $221,400, down a statistically insignificant 3 percent from the previous quarter but up 4 percent from the first quarter of 2004. The average price of new homes sold during the first quarter of 2005 was $283,400, down a statistically insignificant 1 percent from the fourth quarter of the past year but up 8 percent from the first quarter a year ago. The price adjusted to represent a constant-quality house was $242,400, down a statistically insignificant 1 percent from the fourth quarter of 2004 but up 4 percent from the first quarter a year ago. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing single-family homes in the first quarter of 2005 was $191,000, up 1 percent from the fourth quarter of 2004 and up 11 percent from the first quarter a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, $243,700, increased 1 percent from the previous quarter and was up 11 percent from the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	$221,400	$228,800	$212,700	– 3**	+ 4
Average	$283,400	$286,300	$262,900	– 1**	+ 8
Constant-Quality House[1]	$242,400	$243,900	$232,300	– 1**	+ 4
Existing Homes					
Median	$191,000	$189,300	$171,700	+ 1	+ 11
Average	$243,700	$241,700	$219,000	+ 1	+ 11

**This change is not statistically significant.

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

Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the first quarter of 2005 shows that families earning the median income have 132.9 percent of the income needed to purchase the median-priced existing home. This figure is up 1 percent from the fourth quarter 2004 index but down 7 percent from the first quarter of 2004.

The increase in the first quarter 2005 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate for existing single-family homes increased 5 basis points from the previous quarter to an interest rate of 5.77 percent. The median price of existing single-family homes rose to $188,800, a slight increase of 0.7 percent from the fourth quarter of 2004, and rose 11 percent from the first quarter of 2004. The median family income rose 2 percent from the previous quarter to $56,300, a 5-percent gain from the first quarter in 2004.

The fixed-rate index increased 1 percent from the fourth quarter 2004 index but decreased 6 percent from the first quarter of 2004. The adjustable-rate index was unchanged from the last quarter but decreased 11 percent from the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	132.9	131.9	142.3	+ 1	– 7
Fixed-Rate Index	130.6	129.3	138.6	+ 1	– 6
Adjustable-Rate Index	137.9	137.4	154.8	—	– 11

Source: NATIONAL ASSOCIATION OF REALTORS®

Apartment Absorptions

In the fourth quarter of 2004, 33,500 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down 25 percent from the previous quarter and down a statistically insignificant 14 percent from the fourth quarter of 2003. Of the apartments completed in the fourth quarter of 2004, 64 percent were rented within 3 months. This absorption rate is unchanged from the previous quarter but a statistically insignificant 2 percent above the same quarter of the previous year. The median asking rent for apartments completed in the fourth quarter was $972, which is a statistically insignificant 1 percent above the previous quarter and a statistically insignificant 4 percent above a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	33.5	44.9	38.8	– 25	– 14**
Percent Absorbed Next Quarter	64	64	63	—	+ 2**
Median Rent	$972	$958	$935	+ 1**	+ 4**

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

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

Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the fourth quarter of 2004 totaled 116,700 at a seasonally adjusted annual rate, a statistically insignificant 5 percent below the level of the previous quarter and 4 percent below the fourth quarter of 2003. The number of homes for sale on dealers' lots at the end of the fourth quarter totaled 39,000 units, 8 percent above the previous quarter but unchanged from the same quarter of 2003. The average sales price of the units sold in the fourth quarter was $61,000, a statistically insignificant 6 percent above the previous quarter and 7 percent above the price in the fourth quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	116.7	123.0	121.0	– 5**	– 4
On Dealers' Lots*	39.0	36.0	39.0	+ 8	—
Average Sales Price	$61,000	$57,400	$57,300	+ 6**	+ 7

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

Note: Percentage changes are based on unrounded numbers.

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

Builders' Views of Housing Market Activity

The National Association of Home Builders™ (NAHB) conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indexes of housing market activity. (The index values range from 0 to 100.) The first quarter 2005 value for the index of current market activity for single-family detached houses stood at 76, down 1 point from the fourth quarter but up 4 points from the first quarter of 2004. The index for future sales expectations, 79, was unchanged from the fourth quarter value but up 6 points from the same quarter in 2004. Prospective buyer traffic had an index value of 51, which is unchanged from the fourth quarter 2004 value but up 2 points from the 2004 first quarter level. NAHB combines these separate indexes into a single housing market index that mirrors the three components quite closely. In the first quarter, this index stood at 70, unchanged from the fourth quarter level but up 4 points from the value in the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	70	70	66	—	+ 6
Current Sales Activity—Single-Family Detached	76	77	72	– 1	+ 6
Future Sales Expectations—Single-Family Detached	79	79	73	—	+ 8
Prospective Buyer Traffic	51	51	49	—	+ 4

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

Housing Finance

Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac increased to 5.76 percent in the first quarter of 2005, 3 basis points higher than the previous quarter and 16 basis points higher than the first quarter of 2004. Adjustable-rate mortgages (ARMs) in the first quarter of 2005 were going for 4.17 percent, 5 basis points above the previous quarter and 64 basis points above the first quarter of 2004. Fixed-rate, 15-year mortgages, at 5.26 percent, were up 11 basis points from the fourth quarter of the past year and up 36 basis points from the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	5.76	5.73	5.60	—	+ 3
Conventional ARMs	4.17	4.12	3.53	+ 1	+ 18
Conventional, Fixed-Rate, 15-Year	5.26	5.15	4.90	+ 2	+ 7

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 184,100 (not seasonally adjusted) properties in the first quarter of 2005, up 3 percent from the previous quarter but down 38 percent from the first quarter of 2004. Total endorsements or insurance policies issued totaled 136,900, down 11 percent from the fourth quarter of 2004 and down 43 percent from the first quarter of the past year. Purchase endorsements, at 80,200, were down 20 percent from the previous quarter and down 42 percent from the first quarter of 2004. Endorsements for refinancings increased to 56,800, up 7 percent from the fourth quarter of 2004 but down 45 percent from the first quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	184.1	178.0	297.2	+ 3	– 38
Total Endorsements	136.9	153.1	240.7	– 11	– 43
Purchase Endorsements	80.2	99.9	138.0	– 20	– 42
Refinancing Endorsements	56.8	53.3	102.7	+ 7	– 45

*Units in thousands of properties.
Source: Office of Housing, Department of Housing and Urban Development

PMI and VA Activity*

Private mortgage insurers issued 326,100 policies or certificates of insurance on conventional mortgage loans during the first quarter of 2005, down 14 percent from the fourth quarter of 2004 and down 24 percent from the first quarter of 2004; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 39,600 single-family properties in the first quarter of 2005, down 7 percent from the previous quarter and down 52 percent from the first quarter of the past year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	326.1	377.7	431.5	– 14	– 24
Total VA Guaranties	39.6	42.4	82.9	– 7	– 52

*Units in thousands of properties.
Sources: PMI—Mortgage Insurance Companies of America; and VA—Department of Veterans Affairs

Delinquencies and Foreclosures

Delinquencies for all total past due loans were at 4.23 percent at the end of 2004's fourth quarter, down 4 percent from the third quarter of 2004 and down 6 percent from the fourth quarter of 2003. Delinquencies for subprime total past due loans were at 9.88 percent, down 5 percent from the third quarter of 2004 and down 14 percent from the fourth quarter of the previous year. Ninety-day delinquencies for all loans were at 0.80 percent, up 3 percent from the third quarter of 2004 but down 4 percent from the fourth quarter a year ago. Subprime loans that were 90 days past due stood at 2.29 percent at the close of 2004, up 8 percent from 2004's third quarter but down 13 percent from the end of 2003. During the fourth quarter of 2004, 0.44 percent of all loans entered foreclosure, an increase of 13 percent from the third quarter of 2004 but a decrease of 2 percent from the fourth quarter of the previous year. In the subprime category, 1.47 percent began foreclosure in the fourth quarter of 2004, an increase of 8 percent over the third quarter of 2004 but a 30-percent decrease from the fourth quarter of 2003.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.23	4.41	4.49	– 4	– 6
Subprime Loans	9.88	10.39	11.53	– 5	– 14
90 Days Past Due (%)					
All Loans	0.80	0.78	0.83	+ 3	– 4
Subprime Loans	2.29	2.13	2.63	+ 8	– 13
Foreclosures Started (%)					
All Loans	0.44	0.39	0.45	+ 13	– 2
Subprime Loans	1.47	1.36	2.10	+ 8	– 30

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

Housing Investment

Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the first quarter of 2005 was at a seasonally adjusted annual rate of $706.1 billion, 2 percent above the value from the fourth quarter of 2004 and 13 percent above the first quarter of 2004. As a percentage of the Gross Domestic Product (GDP), RFI for the first quarter of 2005 was 5.8 percent, 0.1 percentage point above the previous quarter and 0.4 percentage point above the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	12,182.7	11,994.8	11,472.6	+ 2	+ 6
RFI	706.1	688.9	624.6	+ 2	+ 13
RFI/GDP (%)	5.8	5.7	5.4	+ 2	+ 7

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

HOUSING INVENTORY

Housing Stock*

At the end of the first quarter of 2005, the estimate of the total housing stock, 123,341,000 units, was up a statistically insignificant 0.5 percent from the fourth quarter of 2004 and increased a statistically insignificant 1.4 percent above 2004's first quarter level. The number of occupied units increased a statistically insignificant 0.2 percent from 2004's fourth quarter and rose 1.8 percent above the first quarter of 2004. Owner-occupied units increased a statistically insignificant 0.1 percent from the fourth quarter of 2004 and were up 2.5 percent above last year's first quarter. Rentals increased a statistically insignificant 0.4 percent from the previous quarter and increased a statistically insignificant 0.2 percent from the first quarter of 2004. Vacant units were up 2.6 percent from last quarter but decreased 1.1 percent from 2004's first quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	123,341	122,740	121,633	+ 0.5**	+ 1.4**
Occupied Units	107,755	107,546	105,870	+ 0.2**	+ 1.8
Owner Occupied	74,488	74,413	72,666	+ 0.1**	+ 2.5
Renter Occupied	33,267	33,133	33,204	+ 0.4**	+ 0.2**
Vacant Units	15,586	15,194	15,763	+ 2.6	– 1.1

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

Vacancy Rates

The homeowner vacancy rate for the first quarter of 2005, at 1.8 percent, was unchanged from the fourth quarter of 2004 but was up a statistically insignificant 0.1 percentage point from the first quarter of 2004.

The 2005 first quarter national rental vacancy rate, at 10.1 percent, was unchanged from the previous quarter but down a statistically insignificant 0.3 percentage point from the same quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	1.8	1.8	1.7	—	+ 6**
Rental Rate	10.1	10.1	10.4	—	– 3**

**This change is not statistically significant.
Source: Census Bureau, Department of Commerce

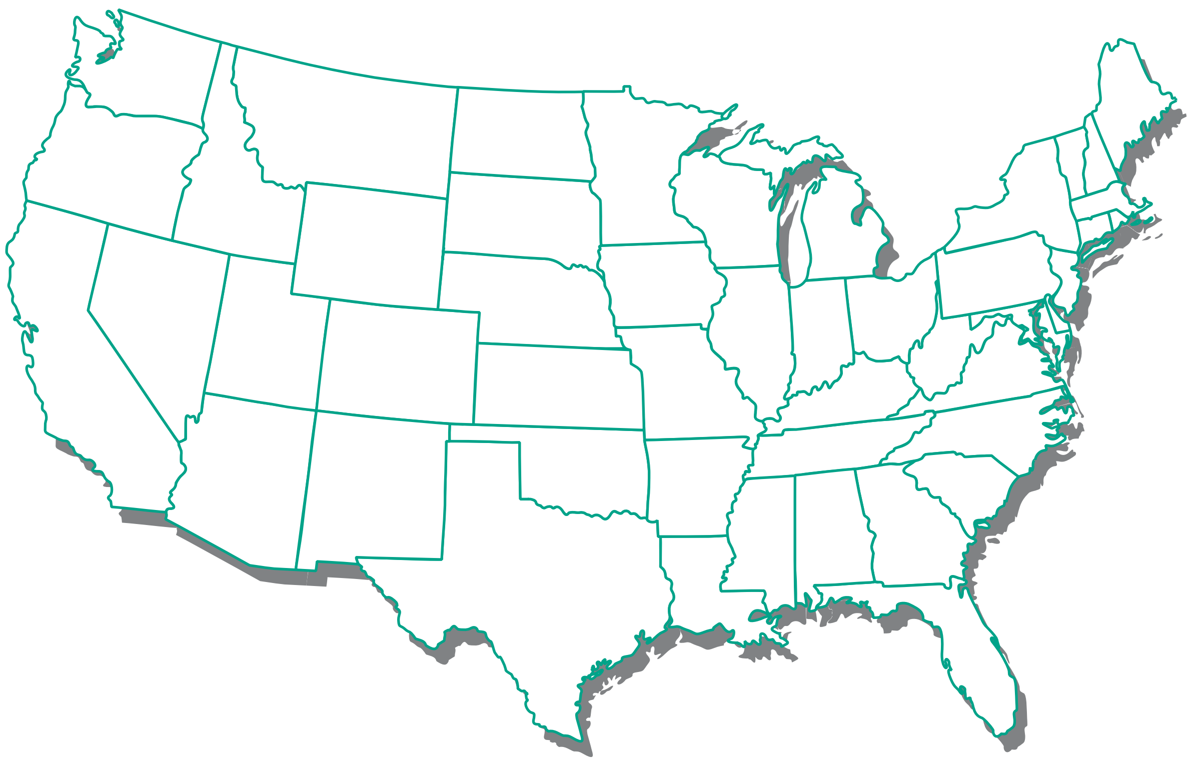
Homeownership Rates

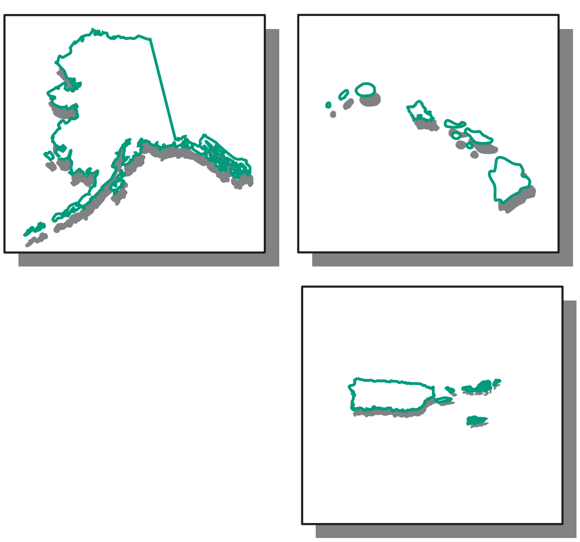
The national homeownership rate for all households was 69.1 percent in the first quarter of 2005, down a statistically insignificant 0.1 percentage point from last quarter but up 0.5 percentage point from the first quarter of 2004. The homeownership rate for minority households, at 51.6 percent, increased a statistically insignificant 0.2 percentage point from the fourth quarter of 2004 and increased 0.8 percentage point from the first quarter of 2004. The 63.6-percent homeownership rate for young married-couple households was up 0.8 percentage point from the fourth quarter of 2004 and increased a statistically insignificant 0.3 percentage point from 2004's first quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	69.1	69.2	68.6	– 0.1**	+ 0.7
Minority Households	51.6	51.4	50.8	+ 0.4**	+ 1.6
Young Married-Couple Households	63.6	62.8	63.3	+ 1.3	+ 0.5**

**This change is not statistically significant.
Source: Census Bureau, Department of Commerce

Regional Activity

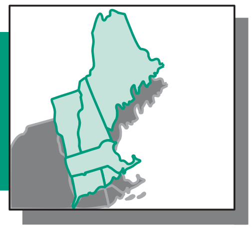




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



Continuing a trend that began earlier in 2004, nonfarm wage and salary employment increased by 75,200, or 1.1 percent, to 6,820,700 jobs in New England during the 12 months ending March 2005. All states in the region gained jobs; however, Massachusetts and Connecticut, the largest job losers during the recent recession, supported almost 65 percent of the job growth. With gains of 9,800 jobs and 5,700 jobs, respectively, New Hampshire and Vermont had the highest percentage gains at 1.6 and 1.9 percent. Although the level of national employment has surpassed its prerecession peak, New England is still 2.7 percent below its peak in 2000.

Individually, state employment in Maine, Rhode Island, and Vermont have reached their prerecession peaks, but New Hampshire, Connecticut, and Massachusetts have yet to reach that milestone. Supporting 19 percent of the regional job growth, goods-producing industries had net gains in construction and manufacturing. The impact of the 4.6-percent gains in construction, however, far exceeded the nominal net gain in manufacturing. As a result of mergers and consolidations or competition and costs, companies are still moving many manufacturing jobs south, west, and to international locations. Massachusetts alone lost about 85,000 manufacturing jobs between 2000 and 2004. The increase in service-providing jobs was 60,900, or 1.1 percent, from March 2004 to March 2005. Massachusetts was the only state that did not increase service-providing jobs by at least 1.0 percent; however, it did provide more than one-third of the total increase in the region.

The unemployment rate in New England as of March 2005 was 5.1 percent, down from 5.6 percent in March 2004. New Hampshire and Vermont have the lowest unemployment rates in the region at 4.0 percent.

Residential building activity, as measured by building permits, was up by 6.9 percent for the 12-month period ending March 2005 compared with the same period in 2004. With almost 22,000 units permitted, Massachusetts is supporting about 39 percent of the total production in the region. The greatest percentage increases in units permitted were in Maine and Vermont, both with gains of 11 percent. The strong markets of Portland and Burlington support much of this construction activity. Single-family units, representing 74 percent of the total, increased 6 percent during the 12-month period ending March 2005. Residential building activity in all states increased from the previous 12 months except Rhode Island, where permits decreased by 11 percent. The level of increases in single-family activity was fairly uniform across most states, but the number of multifamily units permitted varied considerably among the states. Massachusetts, supporting 55 percent of the regional total, permitted almost 8,000 units, an increase of 18 percent over the same period in 2004. Most of these units were in the Boston metropolitan area. Connecticut permitted almost 2,600 multifamily units during the 12-month period ending March 2005; however, this represented virtually no increase from the year earlier period. Vermont with 713 units and Rhode Island with 639 units increased multifamily production by 35 and 73 percent, respectively.

The sales markets in the New England states continued to be strong through 2004. Although interest rates increased somewhat during the past year, the number of sales and median sales price continued to rise significantly. In Massachusetts, according to the Massachusetts Association of REALTORS®, single-family home sales increased by 8.7 percent to 50,441 in 2004 from 2003. The median selling price in Massachusetts for 2004 was $340,000, up 11.5 percent from 2003. The greatest number of sales and the largest increase were in the Greater Boston area, where 11,178 sales were recorded, up 15.7 percent from 2003. In Rhode Island, according to the Statewide Multiple Listing Service, single-family sales were up 8.6 percent to 9,982 in 2004 compared with 2003. The median sales price increased 15.1 percent in 2004 to $264,700, the fourth straight year of double-digit appreciation. In Chittenden County, Vermont, which makes up a large portion of the Burlington metropolitan area, the median home sales price increased 11.4 percent to $234,000 in 2004 compared with 2003. In comparison, median family income rose to $68,800 in the Burlington metropolitan area for 2004, only a 4.8-percent increase over 2003.

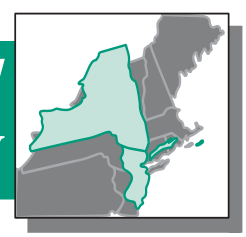
As prices for single-family homes outpace income growth by multiples of two to three, and interest rates remain at historically low levels, many first-time homebuyers and empty nesters are being drawn to the condominium market. The condominium market is expanding dramatically through the construction and conversion of larger projects, underutilized office building conversions, adaptive reuse, and even two- to four-family neighborhood projects. This trend, previously focused in Boston and eastern Massachusetts, has spread throughout the region. In Massachusetts, condominium sales reached 19,710 units in 2004, an increase of 27 percent from 2003. The median sales price increased to $259,000 during 2004, up 15 percent from 2003. According to Spaulding & Slye Colliers, about 1,800 new condominium units have been added to the inventory in Boston and Cambridge over the past 2 years, and another 2,400 units are under construction or conversion, many with considerable presales. In addition to the stronger and trendy markets of downtown Boston and Cambridge, the hot condominium market has spread to less affluent neighborhoods and other cities and towns where inventory is more reasonably priced. Throughout Massachusetts, sales of two-, three-, and four-family unit structures, spurred by condominium conversions, reached a record 9,726 in 2004, up 20 percent from 2003. In Rhode Island, data from the statewide multiple listing service indicates that condominium sales increased by 18 percent to 1,759 units in 2004 compared with 2003. In addition, the median sales price increased to $205,000 in 2004, up 171 percent over 2003.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), prices are continuing to rise in New England but at a slower rate than in the recent past, lowering its ranking among the nation's regions. The rate of appreciation for the fourth quarter of 2004, compared with the fourth quarter of 2003, for New England was 11.6 percent, which positions it in fourth place, behind the Pacific, South Atlantic, and Mid-Atlantic regions, and just above the national appreciation rate of 11.2 percent. Although all New England states had appreciation rates of 10 percent or more, this ranking was the lowest for New England in many years. A recent analysis by PMI Mortgage Insurance Co. placed the Boston and Providence metropolitan areas in a group of the five riskiest housing markets in the nation, assigning a high probability of falling housing prices by 2007. The analysis, which heavily weights recent home price increases and employment strength, ranked Boston first and Providence fifth in the risk assessment.

Rental markets in the New England states have softened over the past several years. The addition of new inventory during a time of economic weakness and the boosting effects of lower interest rates on homeownership, particularly condominiums, have led to higher vacancy rates in most urban markets. Recently released census vacancy data indicates an overall rental vacancy rate for the region of about 6.7 percent in 2004, up from 6.3 percent in 2003. Of the six states, Connecticut and New Hampshire vacancy rates decreased from a year ago; New Hampshire's change was particularly impressive because slower rates of production and higher rates of absorption resulted in the rental vacancy rate falling from 6.0 to 4.8 percent over the year. Vermont and New Hampshire posted the lowest vacancy rates in the nation at 4.7 and 4.8 percent, respectively. Rhode Island at 6.1 percent, Massachusetts at 6.5 percent, and Maine at 6.8 percent were all significantly below the national rental vacancy rate.

According to Reis, Inc., rental vacancy trends in New England's major metropolitan markets have been mixed. The rental market in Fairfield County, Connecticut, adjacent to New York, has been very strong with a first quarter 2005 rental vacancy rate of 3.2 percent compared with a 4.7-percent rental vacancy rate for the first quarter of 2004. A recovering economy and strong positive demographic and income trends have bolstered demand as new supply to the market has slowed. Hartford's rental vacancy rate of 5.0 percent in the first quarter of 2005 was up from 4.8 percent a year ago. Although new supply has been limited because of a moderately recovering economy, some competition from the condominium market, and low interest rates, some rental demand has waned. The Boston metropolitan area rental market has a rental vacancy rate of 5.4 percent as of the first quarter of 2005, down from 5.5 percent a year ago, but up for the last several quarters. Even with the current condominium conversion trend strengthening and removing significant numbers of rental units from the market, the delivery of new rental product during the next 2 years will put upward pressure on vacancy rates.

New York/ New Jersey



Bolstered by recent employment gains in New York City, the New York/New Jersey region continues to experience moderate growth. During the 12 months ending March 2005, total nonfarm employment in the New York/New Jersey region increased by 96,900, or 0.8 percent, to 12.5 million jobs. These gains compared favorably with the loss of 36,700 jobs that occurred during the comparable period ending in the first quarter of 2004.

During the past 12 months, nonfarm employment in New York State increased by 60,700 jobs, up 0.7 percent to 8.5 million. The 14,400 manufacturing jobs lost were offset by 74,300 jobs created in the service-providing sectors, including leisure and hospitality, healthcare and social assistance, and financial activities. In New York City, 22,800 new jobs were created, an increase of 0.7 percent to 3.5 million and the city's first net gain in the past 4 years. Employment in most upstate metropolitan areas increased up to 1 percent with the exception of the Binghamton, Rochester, and Elmira metropolitan areas, which experienced losses. In New Jersey, total nonfarm employment also increased by 36,200 jobs to 4 million, or 0.9 percent above that of 1 year earlier, continuing the state's growth trend of the past 2 years.

Through March 2005, the average annual unemployment rate for New York State decreased to 5.0 percent from 6.4 percent a year ago. Employment growth in New York City resulted in a significant reduction in the unemployment rate in the city from 8.1 to 6.5 percent. During this period, the average annual unemployment rate in New Jersey also declined from 5.7 to 4.5 percent.

Preliminary approval was recently received for a proposed $2.2 billion football stadium and sports complex for the New York Jets to be constructed on a site on the west side of Manhattan. Development plans include a 75,000-seat stadium with a retractable roof, a convention center, commercial office space, and a dedicated subway line directly to the site. If developed, the National Football League has promised that this would be the venue for the 2010 Super Bowl. This project is also intended as a key component of the city's bid to host the 2012 Olympic Games. These two developments would obviously have an enormous impact on the area economy, if approved.

According to the New York State Department of Labor, New York State has benefited from recent defense-related spending. In 2004, New York State received more than $5 billion in military contracts, making it the 12th largest recipient of such contracts in the nation. Lockheed Martin secured a $500 million contract to construct the next generation of presidential helicopters at its Oswego plant in Tioga County. Previously, Lockheed Martin was awarded a $241 million defense contract to develop radar systems in the Syracuse area. Companies in Schenectady County in the Capital District region also received two major defense contracts, including a $950 million contract awarded to Bechtel Plant Machinery and $133 million for the Knolls Atomic Power Laboratory, a subsidiary of the Lockheed Martin Company.

Improving economic conditions continue to sustain real estate activity in New York State. Between 2003 and 2004, the New York State Association of REALTORS® reported that the median price of existing single-family homes in New York State increased by 17 percent from $198,500 to $232,000. During this period, total existing residential sales in New York State increased 8.4 percent to 103,500 units.

The New Jersey Association of REALTORS® indicated that the median price of a single-family home in the state increased to $301,700, or by 7.8 percent, between 2003 and 2004. In Northern New Jersey, the most expensive area of the state, the price increased 10.5 percent to $384,800. Conversely, in Southern New Jersey, the most affordable housing area, the median price increased by 13.8 percent to $181,300. Annual sales volume in New Jersey increased 8.6 percent from 146,200 in 2003 to 158,700 units in 2004. The number of sales transactions increased in all three major areas of the state, ranging from 69,000 sales, up 6.7 percent, in Northern New Jersey to 45,500 sales in the southern part of the state, an increase of 13.1 percent.

Prudential Douglas Elliman, a prominent real estate firm, reported that the median price of a Manhattan apartment increased to $705,000 during the first quarter of 2005, an increase of 16.5 percent compared with a year ago. Price increases occurred in all bedroom-unit sizes with the smallest increase taking place in studio units and the highest in three-bedroom units. Total sales volume, however, was down 6.2 percent to 2,028 units, while the time on the market decreased nominally from 96 to 94 days. Most Upstate New York metropolitan housing market areas experienced either stable or slightly reduced single-family sales during the first quarter of 2005. Price appreciation continues to occur in most areas.

In the Albany-Schenectady-Troy metropolitan area, existing single-family sales activity declined slightly to 2,360 units during the first quarter of 2005 as compared with levels of a year ago. During this period, the median price increased 15.6 percent to $167,500. Although sales volume was down in the two most active single-family housing markets in Albany and Saratoga Counties, price appreciation continued at approximately 15 percent in both counties. The median price of an existing home increased to $174,500 in Albany County and to $217,500 in historically more expensive Saratoga County.

According to the Buffalo Niagara Association of REALTORS®, a total of 10,260 homes were sold in the metropolitan area during the 12-month period ending

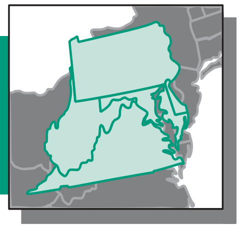
March 2005, a 1.2-percent decline compared with a year ago. The median price of a single-family/condominium unit remained stable at $89,200. A decline in new property listings and a reduced inventory of quality existing homes, however, should cause prices to rise during the spring and summer months.

In the Rochester metropolitan area, year-to-date single-family housing sales increased 6.3 percent to 12,025 units. Both new listings and the number of properties currently on the market increased, suggesting the prospect of somewhat slower price appreciation in the future. Through February 2005, however, the price of an existing home in the area increased by approximately 4.2 percent to $107,700.

Preliminary first quarter 2005 data reported by Reis, Inc., indicated positive absorption of apartment units and low vacancy rates in most of the New York/New Jersey region. In New York City, average asking rents of $2,300 a month were up 5.5 percent on an annual basis, but vacancies increased marginally to 3.3 percent. Both Central and Northern New Jersey registered annual rent inflation ranging between 3.3 and 3.5 percent with vacancies down 30 basis points in the first quarter of 2005. These trends compare favorably with an estimated national apartment vacancy rate of 6.6 percent and 2.5-percent rent inflation during the first quarter of 2005.

For the 12-month period through March 2005, residential building permit authorizations in the New York/New Jersey region increased from 84,584 to 92,813 units, or almost 10 percent above last year's level. This resulted primarily from increased multifamily housing activity, which rose by more than 20 percent to 46,661 units in the two-state region. Over the year, multifamily building permit activity increased 27 percent to 32,816 in New York and 13 percent to 13,845 in New Jersey. In contrast, single-family permit activity in the region declined by less than 1 percent to 46,152 units.

MID-ATLANTIC



During the 12 months ending March 2005, the Mid-Atlantic region matched the national pace of economic recovery as nonfarm employment increased by 198,500, or 1.5 percent, to 13.6 million jobs. Combined gains of 112,600 in the professional, business, educational, and health services sectors accounted for almost 60 percent of the growth. The manufacturing sector appears to be stabilizing with the loss of only 18,500 positions during the period. This loss is a significant improvement over the decline of 76,400 jobs during the 12 months ending March 2004. Pennsylvania has more than half of all manufacturing jobs in the Mid-Atlantic region, and declines in the state dominated the overall statistics, accounting for almost two-thirds of the regional loss during the last 12 months.

The increase in Virginia of 94,450 nonfarm jobs during the last 12 months was the best performance among the five states in the region. Northern Virginia was the strongest job market in the state. It recorded 60 percent of the increase in employment for the state, and, due to continued federal government outsourcing, almost 70 percent of the increase in professional and business services jobs. Although growth in total nonfarm employment was reported in all the major metropolitan areas in the region, almost all areas reflected the national trend of declines in the information sector. Layoffs in the telecommunications and other information service industries resulted in a loss of 9,000 jobs in the region, 40 percent of which were in the Philadelphia metropolitan area.

The average unemployment rate for the Mid-Atlantic region for the 12 months ending March 2005 was 4.6 percent, a decline from the 5.0 percent reported for the same period ending in 2004. With the exception of the District of Columbia, where the unemployment rate rose to 8 percent, rates declined or remained stable in all states and major metropolitan areas.

Single-family construction in the region decreased slightly during the 12 months ending March 2005. The total of 119,619 homes permitted was almost 1 percent below the number reported for the comparable period ending in March 2004. Declines were reported in Pennsylvania and Maryland. Virginia's increase of only 2 percent was half the gain reported during the previous 12 months. New home construction in the Washington, D.C. metropolitan area, fueled by population and employment growth in the Northern Virginia suburbs, far exceeded all others with 26,820 permits issued during the recent 12 months.

Despite increases in mortgage rates, home sales in the Mid-Atlantic continued to outpace the number of sales in previous years. The Virginia Association of REALTORS® reported 138,330 homes sold during the 12 months ending February 2005, a 12-percent gain over the same period ending February 2004. The average price of homes sold increased 24 percent to $237,634. Sales remained strong in the Northern Virginia suburbs of the Washington, D.C. metropolitan area. A total of 41,640 homes were sold, 10 percent more than the number sold during the previous 12-month period. During the last year, the area consistently produced 30 percent of all closed sales in the state and had the highest average price at $470,700. Sales of 16,360 homes in the Richmond metropolitan area were 8 percent higher than during the previous year. Average prices were relatively steady, rising only 3.5 percent to $210,230.

The Maryland Association of REALTORS® continued to report increased sales volume in the state. The total of 100,100 homes sold during the 12 months ending March 2005 was 9 percent greater than during the previous comparable period. Average prices increased by almost 21 percent to $301,700 and are highest in the suburban counties that abut the northern border of Washington, D.C. Average prices in this submarket are $365,300, approximately 27 percent higher than a year ago. Almost half of the homes sold in Maryland were in the Baltimore metropolitan area. Sales activity during the 12-month period ending in March totaled almost 44,600 homes, an increase of 12 percent over the previous period. The average price rose by 19 percent to $256,357.

The sales market in Pennsylvania remained healthy in 2004. According to the most recent data available from the Pennsylvania Association of REALTORS®, sales during the year totaled 211,575 homes, or 10 percent greater than the number recorded during 2003. The average price of $187,720 was 8 percent higher than the average in 2003. Almost half of all homes sold were in the southeastern section of the state encompassing the Philadelphia and Reading metropolitan areas. The average price in this area was $208,750.

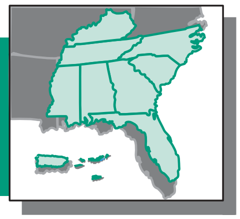
Multifamily development in the Mid-Atlantic region increased during the 12 months ending March 2005. Permits were issued for a total of 30,480 multifamily units, 26,900 of them in buildings of five or more units. In Maryland, the 8,150 units for which permits were issued were almost 44 percent more than the number permitted during the previous 12 months. Washington and Philadelphia were the most active of the metropolitan markets, authorizing 9,920 and 5,855 multifamily units, respectively, during the 12-month period.

Rental market conditions remain strong in the suburban counties of the Baltimore metropolitan area but have softened in the central city. Delta Associates reports that vacancy rates in the northern counties have continued to drop to 4 percent, but rates in the southern counties remain slightly above 6 percent as new units continue to come on the market. The vacancy rate in Class A highrise rentals in downtown Baltimore continued to increase. In March 2005, approximately 1,000 units were leasing, putting the current overall vacancy rate at 16 percent, up from 6 percent a year ago. Market conditions in downtown Baltimore will remain competitive with another 1,500 units in the 36-month pipeline.

The addition of new rental units to the Philadelphia area market caused the overall vacancy rate to increase to 11 percent from 5 percent a year ago. The softening in the market is temporary with rates expected to tighten as new units are steadily absorbed. According to Delta Associates, 22 recent projects were marketing in the Pennsylvania and New Jersey portions of the metropolitan area at the end of the first quarter of 2005 with approximately 3,550 units not yet leased. The 36-month pipeline increased to 7,500 units, as developers looked outside the Center City Philadelphia market to sites in the suburban counties.

The Washington area rental market absorbed more than 5,600 units during the 12 months ending March 2005, outperforming all other major metropolitan markets in the nation. The pipeline of new rental units expected to be available during the next 36 months remains high at 25,300. Completions of new rentals and conversion of some projects to condominium developments, particularly in the District of Columbia and Northern Virginia suburbs, have reduced the pipeline from the 31,300 reported in March 2004. The market tightened over the past 12 months with Delta Associates reporting March 2005 vacancy rates in Class A highrise units in the District of Columbia at 17 percent, down from 23 percent in March 2004. Vacancies in Class A garden-type developments in the Virginia suburbs declined from almost 10 percent to 5 percent currently. Portions of the Maryland suburbs continue to exhibit soft markets. Vacancies in the Rockville area of Montgomery County declined from 30 percent a year ago but remain high at slightly above 10 percent. Rates in Anne Arundel County have risen in response to new product entering the market. Overall the Maryland suburbs of the Washington metropolitan area report a vacancy rate of 5.5 percent, a decline of 2 percentage points from March 2004.

SOUTHEAST/ CARIBBEAN



The economy of the Southeast/Caribbean region continued to strengthen during the first quarter of 2005. All the region's eight states and Puerto Rico posted gains in nonfarm employment during the 12-month period ending March 2005 compared with a year ago. Total nonfarm employment for the region increased from 25,229,700 to 25,724,300, or by 2.0 percent, for the period. Florida accounted for more than half of the 494,600 new nonfarm jobs added in the region, an increase of 3.5 percent over the preceding 12 months. Contributing to the strong performance was a rapidly expanding tourism industry, as evidenced by a 4.7-percent, 38,600-job increase in the leisure and hospitality sector and increases in airport arrivals and resort tax collections during the past year. South Carolina reported a similar increase in leisure and hospitality employment. In contrast, the region continues to lose manufacturing jobs; employment in this sector declined by 14,300 during the past 12 months. Most of the losses occurred in the textile manufacturing industries in Georgia, North Carolina, and South Carolina. Florida helped offset the regional trend by adding 3,300 manufacturing jobs, or a 0.9–percent gain. Aided by increased activity in automobile-related industries, manufacturing employment stabilized in Alabama, Mississippi, and Tennessee. In Tennessee, expansions were completed by Nissan in Smyrna and Decherd, by Peterbilt Motors in Madison, and by General Motors Corporation in Spring Hill. Production continues to increase at the Nissan plant in Canton, Mississippi, along with various parts suppliers in the state. In Alabama, Mercedes-Benz announced that it plans to manufacture its new R-Class series on a new assembly line at its $600 million plant expansion in Vance.

The average unemployment rate for the region was 5.5 percent during the 12-month period ending March 2005, an improvement over the 5.9-percent rate for the preceding 12 months. The states, however, report mixed results. The unemployment rate decreased in Alabama, Florida, Kentucky, North Carolina, Tennessee, and Puerto Rico and increased in Georgia, Mississippi, and South Carolina. Florida reported the lowest rate, 4.7 percent, during the past 12 months. Although Puerto Rico had the highest rate of 10.4 percent, it also reported the greatest percentage decrease during the period, falling from 11.8 percent.

According to census estimates, the population of the Southeast/Caribbean region grew by 1.5 percent, or 867,547, for the 12 months ending July 2004. As of July 2004, the population in the region totaled 60,340,720. Florida accounted for almost 46 percent of the increase; the state registered a 2.3-percent gain for the year with in-migration accounting for 88 percent of the increase.

A total of 483,093 single-family homes were authorized by building permits in the eight states in the region during the 12 months ending March 2005, an increase of almost 12 percent during the preceding 12 months. Increases were reported in all states except for Kentucky and Mississippi. Florida continued to lead the region in absolute and relative gains with an increase of 31,327 units, or 19 percent. South Carolina and North Carolina also had strong gains of 16 and 11 percent, respectively, for the year.

Improved economic conditions, accelerated population growth, and low mortgage interest rates have sustained strong sales demand throughout the region. The Florida Association of REALTORS® reported that during the 12-month period ending February 2005, sales of single-family homes increased by 17,692, or 9.4 percent, to 240,995. Based on data from the South Carolina Association of REALTORS®, the number of homes sold in the state increased from 52,739 during the 12-month period ending March 2004 to 62,514 during the same period ending March 2005. Sales of second homes contributed to a 38-percent gain in the Coastal Carolinas area that includes Horry and Georgetown Counties. The coastal areas of Mississippi also had strong sales during the past 12 months, increasing by 25 percent, according to the Mississippi Gulf Coast Multiple Listing Service (MLS). Alabama Real Estate Research and Education Center sales figures for the coastal areas of Alabama reflect mixed results during the past year because of lingering effects of last summer's hurricanes. Statewide, the center reports home sales increased by 11 percent in Alabama to 55,332 during the past 12 months.

Data from the North Carolina Association of REALTORS® indicate that 115,264 existing homes were sold during the 12 months ending March 2005, an increase of 21 percent over a year ago. Reflecting strong employment growth during the past year, the Charlotte metropolitan area had the biggest increase in both the number of homes sold and the average sales price. Sales increased 25 percent to 34,083, and the average price increased 3.9 percent to $200,889.

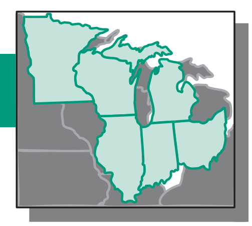
Of the three largest Tennessee metropolitan areas, Knoxville showed the fastest rate of growth in single-family homes during the past 12 months. Local MLS data indicate that the number of homes sold in Knoxville increased by 19 percent from 11,536 to 13,723. Nashville had a 9-percent increase in the number of homes sold, and Memphis had a 12-percent increase.

Throughout the region, condominium and townhouse sales are becoming a growing portion of the market. Large-scale condominium projects are under development in several areas of Atlanta, including the downtown, Midtown, and Buckhead areas. SmartNumbers, an Atlanta real estate research firm, reports that sales of new and existing condominiums and townhomes in the Atlanta metropolitan area increased by 25 percent from 2003 to 2004 to more than 16,500 units. Local MLS data indicate that the number of condominium sales in Nashville increased by 26 percent during the past 12 months. At least seven residential towers are either planned or currently under construction in downtown Charlotte. Of the total 1,700 units in the towers, most are for-sale condominium units. Sales of new condominium homes in the West Palm Beach metropolitan area tripled from 1,276 recorded in 2003 to 4,713 during 2004, according to Reinhold P. Wolff Economic Research, Inc. Sales of new single-family homes, however, decreased 6.6 percent to 11,437 units. The demand for new condominiums is being driven by affordability. The median price of a new condominium in the West Palm Beach metropolitan area increased by 12 percent during the past year to $218,409. In comparison, the median price of a new single-family home increased by 30 percent to $356,186. This rise follows an 18-percent increase the previous year. The rapid increase in prices has raised concerns about the possibility of a housing bubble in the area, although local sources expect that appreciation of single-family homes will slow to less than 5 percent in 2005. Most agree that speculative excess exists in the condominium market, and those who hope to sell condos quickly for a profit might be in for hard times.

A total of 129,068 multifamily housing units were permitted in the eight states during the 12 months ending March 2005, an increase of 17,581, or almost 16 percent, over the same period a year ago. Multifamily units authorized in Alabama decreased by 1,141 units for the period, the only state in the region that reported a decrease in building activity. This loss, however, follows an unusually strong gain by the state of 5,554 units during the preceding year ending March 2004. Florida led the region with an increase of 7,789 multifamily units during the past year, followed by Georgia with a gain of 3,441 units. Although specific numbers are not available in most areas, an increasing share of multifamily units receiving building permits is for-sale housing.

Reis, Inc., completed apartment surveys for 13 market areas in the region during the first quarter of 2005. All but one of the market areas surveyed reported an improved vacancy rate during the past year. Birmingham's vacancy rate increased from 4.0 to 5.5 percent but still reflects a relatively balanced market. Generally lower vacancy rates were found in the Florida markets, ranging from 4.0 percent in Fort Lauderdale to 6.9 percent in Tampa-St. Petersburg. Other vacancy rates included 5.3 percent in Miami, 5.7 percent in Jacksonville, and 6.1 percent in Orlando. Vacancy rates fell below 10 percent in the three North Carolina markets surveyed. Raleigh-Durham posted the greatest improvement, a 2.2-percentage-point decrease to 9.1 percent. Markets in Tennessee continue to improve. Vacancy rates decreased in Memphis and Nashville during the year, but the 10-percent rate in Memphis reflects continuing weakness, while the 7.1-percent rate in Nashville indicates a relatively balanced market. The 9.5-percent vacancy rate for Atlanta is a significant improvement from the 11.2-percent rate recorded last year.

MIDWEST



The Midwest economy grew at a moderate pace over the past year. During the 12 months ending March 2005, nonfarm employment increased by 134,000 jobs, or 0.5 percent, compared with a gain of 10,000 jobs in the previous 12-month period. Employment was up in all major industry sectors except manufacturing and information services, in which employment was down from last year. Illinois, Indiana, Minnesota, Ohio, and Wisconsin reported job gains of up to 2 percent, which more than offset Michigan's 0.5-percent decline. The annual rate of employment growth in the region is expected to remain around 1 percent for the remainder of 2005, supported by a healthy construction industry and service sector expansions. Michigan is expected to recover from employment losses in 2004 and grow by 34,000 jobs in 2005, with most of the gain in the state coming in healthcare and education services and the leisure and hospitality sector.

Single-family building permits were issued for 222,700 units in the Midwest in 2004, the highest annual level in the past 20 years. Activity was up or held steady in all states of the region except Ohio, where activity was down slightly from the record high in 2003. Home construction in the region continued to be strong in the first 3 months of 2005. Builders in the Midwest are optimistic about new home construction this year because of low mortgage interest rates and the continued strong demand for new homes in most major markets of the region.

The Wisconsin Builders Association reported that solid demand for new homes boosted single-family construction in the state to a record level last year. New home construction in 2005 will likely remain robust because of Wisconsin's strengthening economy. In Minnesota, the Builders Association of the Twin Cities also reported that 2005 should be another good year for new home construction. Reflecting this optimism, Minneapolis-St. Paul area builders entered a record 1,173 model homes in the Parade of Homes Spring Preview held throughout the metropolitan area in February.

Despite the slow economy in Michigan, new home construction in 2004 held up well because of low mortgage interest rates. The Building Industry Association of Southeast Michigan reported that continued strong demand from move-up buyers in 2004 encouraged Detroit area builders to start construction of a record 24,300 new homes. Residential construction activity in the metropolitan area is likely to remain robust in 2005 with 21,000 to 23,000 new homes expected to start construction. Indianapolis builders also had another good year for new home construction in 2004 with 13,000 single-family permits, equal to 2003's healthy performance. Builders expect permit levels in 2005 will remain in the 12,000- to 13,000-unit range.

Existing home sales in the Midwest showed continued strength last year because of low mortgage interest rates. Regionwide sales totaled a record 1,142,000 existing homes in 2004, up 2.5 percent from 2003. All states in the region reported that existing homes sales increased in 2004 except Michigan, where activity was down slightly from the high sales volume in 2003. Preliminary information suggests that sales activity in the first 3 months of 2005 remained vigorous in most of the region's major markets. According to the Michigan Association of REALTORS®, sales of existing homes in the first quarter were up 3 percent from the first 3 months of 2004 largely because of Detroit's 20-percent increase. The Ohio Association of REALTORS® reports that 2004 was an exceptionally good year for existing home sales in the state, and sales activity in the first 3 months of 2005 was up 5.9 percent from last year. Existing home sales totaled 140,500 in 2004, the fourth straight year of record home sales. In the Columbus and Cincinnati metropolitan areas, sales activity was up 10 and 7 percent, respectively. The Illinois Association of REALTORS® also reported that 2004 was a record year for sales of existing homes in the state. The 294,000 homes sold in 2004 were up 5.9 percent from 2003; the median sales price of existing homes increased 6 percent to $184,600. Fueled by strong demand from first-time buyers and empty nesters, sales of existing condominiums increased by 9 percent, and the median sales price rose by 6.7 percent to $189,000. The outlook for sales activity in 2005 is favorable because of Illinois' strengthening economy and anticipated employment growth. In Minnesota, the continued strong demand for existing and new homes throughout the state helped boost homeownership in the first quarter of 2005 to a record 78.8 percent.

Chicago Title and Trust Company reported that sales of new and existing homes in 2004 surpassed 2003's high sales volume. Approximately 180,000 homes were sold in the metropolitan area, up 3 percent from 2003. Robust demand for new homes encouraged builders in the area to take out permits for 31,400 single-family units in 2004, the second highest level in the past 10 years. The Homebuilders Association of Greater Chicago expects that 2005 will be another good year in the metropolitan area for residential construction because of the strengthening local economy and the continued strong demand in the first quarter for new home sales.

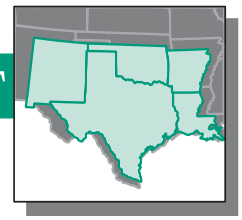
Multifamily building permits in the region were down 10 percent in 2004 to 57,700 units compared with 2003. Multifamily activity in the first 3 months of 2005 strengthened, but activity varied widely by state. In Illinois, activity was the strongest in the region, largely because of Chicago's strong performance. Much of the area's strength continues to come from condominiums, for which demand remains strong. Ohio also reported a significant increase in multifamily activity, whereas activity in Michigan was barely up in the first quarter of 2005. Minnesota, Wisconsin, and Indianapolis all had significant declines in multifamily activity.

Conditions in the major apartment markets in Ohio are expected to strengthen. In Cincinnati, CB Richard Ellis' 2005 Apartment Market Overview predicts higher occupancy and small rent increases because the local economy is forecast to continue expanding this year. The same source expects 1,500 new apartments to enter the market in 2005, nearly double the number that came online in 2004. Columbus area apartment occupancy also should increase in 2005 because fewer new apartments will enter the market this year and the number of renter households continues to grow. CB Richard Ellis expects apartment occupancy to be approximately 91 percent in the metropolitan area, up from 90 percent in 2004. The strengthening economy in the Cleveland area should boost demand for rental housing and slow the use of rent concessions, according to Hendricks & Partners' Forecast 2005. Rents in the area are expected to increase by closer to 2 percent this year, up from 1 percent or less in 2004.

The Detroit apartment market also should benefit this year from moderate job growth anticipated in the metropolitan area. Marcus & Millichap's 2005 Annual Report predicts construction of 1,100 new apartments in the Detroit-Ann Arbor area this year compared with fewer than 1,000 units in 2004. The same report shows apartment vacancies are expected to be in the 6- to 7-percent range, down from 7 to 8 percent in 2004. Rents are forecast to increase 2 to 3 percent in 2005, which would be the biggest annual gain in the past 2 years. In the Minneapolis-St. Paul area, the story is the same. GVA Marquette Advisors expects the Twin Cities apartment market will tighten in 2005 because of the strengthening local economy and a low number of new apartments entering the metropolitan area. Only 1,000 to 1,200 new apartments are likely to come on the market this year, down from approximately 2,000 last year. The Indianapolis apartment market in 2004 remained soft. Rents were flat, and apartment occupancy held steady at 88 percent, unchanged from 2003. CB Richard Ellis reported that fewer apartment projects are in the pipeline for completion in 2005, which should help boost occupancy over the next 12 months.

The Chicago area apartment market also improved in the first quarter of 2005 as the local economy strengthened. Apartment occupancy was up from last year, and rent concessions were neither as widespread nor deep. Suburban apartment occupancy was 92 percent in the first quarter of 2005 compared with 90 percent in the first quarter of 2004, according to Hendricks & Partners. The downtown Chicago apartment market in the first 3 months of 2005 showed signs of tightening. Apartment traffic increased from last year; occupancy was approximately 93 percent, up from 91 percent in the first quarter of 2004; and rent concessions were less prevalent.

SOUTHWEST



Nonfarm employment in the Southwest region averaged 14.87 million during the 12 months ending in March 2005, and all five states reported increases. The region added 192,000 jobs, a 1.3-percent gain, compared with the 12 months ending March 2004. The most significant gains continued to be in three sectors—professional and business services, educational and health services, and leisure and hospitality—each of which increased by at least 2.3 percent and together accounted for more than 120,000 additional jobs. Also critical to the region's turnaround during the past 12 months were the 39,000 additional jobs recorded in the trade, transportation, and utilities sector, which is quite a rebound compared with the loss of 32,000 jobs during the previous year. A significant improvement occurred in the manufacturing sector as well, which recorded a decrease of only 8,000 jobs during the past year compared with a loss of 64,000 a year earlier.

The economy in Louisiana continues to struggle with an increase of only 12,300 jobs, or 0.6 percent, during the year ending March 2005. Losses in all goods-producing sectors were offset by increases of more than 2 percent in the educational and health services and in the "other services" sectors. In Oklahoma, an 8,000-job gain in the government sector enabled the state to record an increase in employment of 19,000, or 1.3 percent. Arkansas also had a gain of 15,000 jobs, or 1.3 percent, and most sectors increased. New Mexico, with the smallest employment base, had the highest rate of growth in the region at 2 percent, or 15,800 additional jobs, during the past 12 months. The 130,000 jobs, or 1.4 percent, added in Texas over the same period totaled two-thirds of all employment growth in the region. Increases in four service sectors—transportation, trade, and utilities; professional and business services; educational and health services; and leisure and hospitality—accounted for 87 percent of the total jobs added in Texas.

The unemployment rate in the Southwest region decreased to an average of 5.8 percent for the 12 months ending March 2005, down from 6.3 percent for the corresponding period ending in March 2004. The state unemployment rate averages for the past 12 months ranged from 4.7 percent in Oklahoma to 6.0 percent in Texas.

An estimated 35.6 million people currently reside in the Southwest region, which is an increase of approximately 485,000 during the past year and 2.4 million since April 2000. Texas is one of the four fastest growing states in the nation according to U.S. Census Bureau estimates. Its population increased at a rate of 1.8 percent, adding 380,000 more residents in the last 12 months, nearly 80 percent of the gains in the entire region. In Texas, Tarrant County—which includes Fort Worth and Arlington—was one of the 10 fastest growing large counties in the nation, adding 32,000 residents, or 2.0 percent, between July 1, 2003, and July 1, 2004. Bexar County, which includes San Antonio, was also in the top 10 and gained 27,000, or 1.8 percent, additional residents during the same 12-month period. The Census Bureau estimates that Texas will continue to be one of the fastest growing states during the next 25 years.

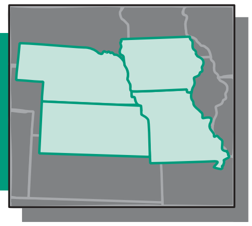
Single-family permit activity in the Southwest totaled 199,129 homes during the 12 months ending March 2005, up 5 percent compared with the number of permits issued during the 12 months ending March 2004. Louisiana recorded the largest numerical increase in the five-state region over the year. The 19,400 single-family permits were 14 percent higher than the previous 12 months. Elsewhere in the region, the high growth rates of single-family construction during the past 3 years show signs of cooling. In New Mexico, the number of homes permitted during the past 12 months decreased by 5 percent compared with the 12 months ending March 2004. In Arkansas, permits for single-family homes increased only 2 percent in the past 12 months. The 144,316 permits issued in Texas during the past 12 months were less than 5 percent higher compared with gains of 12 and 10 percent in the 2 previous years, respectively.

Sales levels continue to hit new highs in Texas. According to multiple listing service (MLS) data, 240,000 homes were sold during the 12 months ending February 2005. This number of sales was an 11-percent increase compared with the previous year and 21 percent more than 2 years ago. The average selling price was nearly $165,000, up 3.2 percent from the 12-month period ending February 2004. The number of listings is also increasing, but with the higher sales level, the months of inventory on hand actually decreased. Among the region's largest metropolitan areas, Austin had the highest rate of growth in sales activity. MLS data indicate a 17.5-percent increase in the number of homes sold in the Austin area during the 12 months ending February 2005 and a 26-percent gain compared with 2 years ago. Austin continues to have the highest average selling price in Texas at $198,700 but recorded the smallest price increase of only 0.9 percent over the past 12 months. The Fort Worth area had the lowest average selling price over the past year at $124,350, up 4.9 percent from the previous year. Home sales in San Antonio and Fort Worth over the past year were 13 percent higher than a year earlier and 20 percent greater than 2 years ago. In San Antonio, the total number of sales exceeded 20,000, and the average price increased 5.2 percent to $145,000. In the Houston area, the MLS recorded 67,000 sales between March 2004 and February 2005, an increase of nearly 10 percent compared with the March 2003 to February 2004 period. The number of sales in the Dallas area increased 9 percent as 54,000 homes were sold during the past 12 months. Average prices for the Houston and Dallas areas were $176,350 and $188,600, respectively.

For the Southwest region, 53,728 multifamily units were permitted during the 12 months ending March 2005, which was an increase of 7 percent compared with the previous 12-month period. Decreases of 43 percent in Louisiana and 52 percent in New Mexico indicate that builders are responding to soft markets in the major metropolitan areas of these states. Perhaps in anticipation of significant employment growth yet to come, the number of multifamily units permitted in Arkansas, Oklahoma, and Texas is up 33, 16, and 10 percent, respectively.

Most apartment rental markets in major metropolitan areas of the Southwest remained soft through the first quarter of 2005. According to ALN Systems, Inc., Austin registered a 0.6-percent increase in apartment occupancy during the past 12 months to 90.1 percent, but the average rent decreased 2.6 percent. Occupancy was flat in Dallas and decreased in Houston, San Antonio, and Fort Worth. In San Antonio, occupancy decreased 0.5 percent to 90.7 percent during the past 12 months, but the average rent increased 2 percent. Dallas averaged 88.3-percent occupancy, and the rates in Houston and Fort Worth were both below 88 percent. Concessions abound as new units compete with projects that are several years old. Generally the highest occupancy rates are in units that are 5 to 15 years old. With approximately 10,000 units under construction in Dallas-Forth Worth, a 12-percent vacancy rate, and an employment level that is still below the nonfarm total of 3 years ago, little demand exists for additional units until conditions improve significantly. The Houston rental market is also very soft. An estimated 12,000 units under construction, a 12-percent vacancy rate, and current employment levels below those of March 2002 indicate an extended period of time will pass before project owners will be able to raise rents and sustain higher occupancy.

Great Plains



The economy in the Great Plains continued to show signs of a broad-based recovery. Nonfarm employment increased by 6.5 million jobs, or approximately 1.5 percent, during the 12-month period ending March 2005 compared with a 0.6-percent increase in the previous 12-month period. Jobs were up in all states in the region with increases recorded in all the major economic sectors, including manufacturing. Construction led with a 2.5-percent increase. Manufacturing was up 2 percent with gains primarily in machinery durables. All states in the region recorded a decline in the unemployment rate during this period, with the region posting an unemployment rate of 5 percent compared to 5.2 percent a year earlier.

Nonfarm employment increased in all major metropolitan areas in the region. In Des Moines, jobs rose nearly 4 percent to 302,400. Leisure and hospitality led all sectors with a 12-percent rate of increase followed by 5 percent in manufacturing. Employment rose nearly 4 percent in Kansas City supported by a 14.5-percent increase in construction.

In economically hard hit Wichita, jobs increased an impressive 2.3 percent. Manufacturing employment in this area was up 3.8 percent largely because of increased production of defense equipment and commercial aircraft. Employment rose 1.3 percent in Omaha and 1.0 percent in St. Louis.

Improved economic conditions resulted in strong demand for new homes throughout the region. Approximately 52,000 single-family permits were issued, up 10 percent over the 12-month period ending March 2005. Iowa led the region with a 23-percent increase during this period. Permit activity rose 8 percent in Missouri, 7 percent in Nebraska, and 6 percent in Kansas. With the largest population in the region, Missouri accounted for 44 percent of the single-family units permitted in the region.

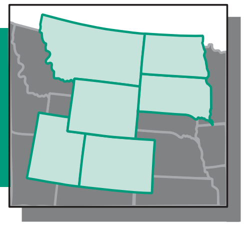
The existing sales market also remained extremely active. The Greater St. Louis Board of REALTORS® reported 22,500 existing homes sold through March 2005 compared with the same period a year earlier, a 4-percent increase. The average sales price rose 4 percent to $141,600. Condominium sales accounted for 12 percent of the sales activity in the area with an average sales price of $143,900, a 4.5-percent increase. According to the Heartland Association of REALTORS®, existing sales in Kansas City totaled nearly 30,000 units, representing a 2-percent increase. The average sales price rose 4 percent to approximately $165,000. Sales activity in Johnson and Platte Counties registered the sharpest rate of increase in prices.

Multifamily permit activity continued to slow in the region over the 12 months ending March 2005 but at a slower rate of decline compared with the previous 12-month period. Nearly 14,000 permits were issued in the region during this period, down approximately 6 percent compared with 2004. Missouri and Nebraska registered increases of 4 and 23 percent, respectively. Activity declined 33 percent in Kansas and 16 percent in Iowa.

Rental vacancies remained more soft than balanced in the major metropolitan areas in the region over the past 12 months. According to CB Richard Ellis, the vacancy rate in Des Moines was 9 percent in March 2005, the highest vacancy rate for the area in 30 years. The highest vacancies were in the south side submarket at 12 percent. Rents increased by 1 percent over the year. Kansas City also posted a 9-percent vacancy rate in March 2005 compared to 11 percent a year earlier. The average rent was $700 during this period, which represents a decrease of approximately 1.5 percent. Overland Park in Johnson County was the weakest submarket area with a 12-percent vacancy rate. The strongest submarket areas were Kansas City Midtown, Country Club Plaza, and downtown Kansas City.

In St. Louis the vacancy rate was nearly 8 percent in March 2005, down from 10 percent in 2004. St. Charles County had the highest vacancy rate at 11 percent followed by a 9-percent vacancy rate in the city of St. Louis. Property managers estimate that approximately 70 percent of renter turnover in the metropolitan area during the past year was a result of homeownership opportunities for residents. The average rent in St. Louis metropolitan area was $710, up 1 percent annually. Rental concessions remained prevalent throughout the St. Louis area, typically 1-month free rent in exchange for a 1-year lease. The vacancy rate was 7 percent in Omaha in March 2005. The Sarpy County submarket posted the lowest vacancy rate at 4 percent, while soft market conditions continued in North Omaha with a 9-percent vacancy rate.

Rocky Mountain



Economic conditions in the Rocky Mountain region continued to improve during the first quarter of 2005. For the 12 months ending March 2005, average nonfarm employment increased by 104,900 jobs, or 2.3 percent, compared with the same period a year ago. Utah led the region by registering an increase of 3.2 percent in nonfarm employment, making it one of the fastest growing states in the nation. Montana and Wyoming, supported by employment gains in the natural resources and mining sectors, had nonfarm employment increases of 3.0 and 2.1 percent, respectively. Strong growth in professional and business services and construction sectors in the first quarter of 2005 helped accelerate Colorado's performance for the 12-month period ending March 2005; the 1.9-percent growth rate was the strongest since 2000. Steady, if modest, gains in North and South Dakota of 1.6 percent helped enhance the first quarter job picture for the region. Low unemployment rates dominate the region, and all states were below the U.S. rate. Seasonally adjusted rates in March 2005 varied from 3.1 percent in Wyoming to 5.1 percent in Colorado.

The robust economic performance in Utah is a result of strong population growth and a weaker U.S. dollar that promoted exports and international tourism. According to the state's Office of Planning and Budget, the July 1, 2004 population of Utah is estimated at 2,469,230, or an annual average increase of 2.4 percent since 2000. This population growth, in turn, created demand for residential housing, retail, and services. The rapidly expanding population and lower relative business costs have attracted new manufacturers while allowing existing firms to increase exports. Because of the stronger economy and weaker dollar, tourism has significantly improved. The 2004–05 ski season broke the record set last year; and visits to national parks and hotel occupancy are up considerably from last year. These factors, population growth, and lower business costs contributed to nonfarm employment increasing by 34,500 jobs through the 12-month period ending March 2005. This increase is the largest 12-month average gain since 1997. Local officials are viewing the upcoming year with some concern because the increase in energy prices could potentially weaken consumer expenditures and the U.S. economy. Although the expectation of future employment growth is positive, some potential exists for a slight slowdown because of the energy-cost factor.

Improved economic conditions contributed to an increase in residential construction in the region. During the first quarter of 2005, permits were issued for 21,100 total units, an increase of 9 percent compared with the first quarter of 2004. Colorado and Utah continued to dominate single-family building activity for the region, accounting for 85 percent of the units permitted. Wyoming, on a smaller base, led the region with a 24-percent increase, followed by Utah with 20 percent and Montana's 18 percent.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), home prices for the fourth quarter of 2005 have increased in all Rocky Mountain states, but the rate of improvement varies. Price increases in Montana and Wyoming are near the national average of 11.1 percent, while the increase in North Dakota was lower but still close to the middle of all states in the United States. In contrast, gains of 4 to 5 percent in Colorado, Utah, and South Dakota placed them in the bottom third of all states.

Sales markets in the region remained active in 2004. The NATIONAL ASSOCIATION OF REALTORS® (NAR) reported that the annual rate of existing home sales in most Rocky Mountain states posted gains. Wyoming's annual sales rate was more than 14 percent ahead of 2003, followed by Colorado's 9.3-percent and North Dakota's 5.3-percent increases.

Median single-family sale prices in many nonmetropolitan and smaller metropolitan areas of Colorado increased rapidly in 2004, according to the Colorado Association of REALTORS®. Median price increases were the greatest in the western part of the state with several areas registering annual gains of more than 20 percent. Cortez, Durango, Gunnison, Telluride, and Vail fell into this category, while price increases in Delta and Grand Junction were closer to 10 percent. Prices in these western areas range from $132,000 in Cortez to $1,250,000 in Telluride. Second-home purchases have contributed to the rapid price increase in many of these areas. Front-range cities Loveland, Pueblo, Estes Park, and Boulder registered more moderate price increases of slightly less than 10 percent. Boulder had the highest median sales price of these cities at $330,200, while Pueblo had the lowest at $116,200. Sterling, located on the eastern plains, posted a 15-percent sales price increase and a median sales price of $95,000.

The sales markets in some of the larger metropolitan areas in the region have been slower to recover, but some areas show signs of gaining strength. The sales market is showing signs of strengthening in Colorado Springs. The Pikes Peak Association of REALTORS® reported that existing sales activity during the first quarter of 2005 is up 15 percent from last year's record pace, and the median single-family sales price increased by 5 percent to $192,850. In the Salt Lake City area, the Wasatch Front Multiple Listing Service reports that existing home sales for the first quarter of 2005 were up by 16 percent compared with a year ago.

In the Denver area, the market for existing single-family homes is still a buyer's market with only modest price increases. The slower appreciation in the Denver area over the past 3 years relative to other metropolitan areas has dropped the area from the NAR ranking of the 7th to the 25th most expensive market in the 125 ranked metropolitan areas in the United States.

Increased employment in the Denver and Boulder metropolitan areas has led to increased rental demand, and improved conditions by continued competition from the sales market and new units entering the market have kept conditions soft. According to the Denver Apartment Association's first quarter 2005 survey, the Denver area apartment vacancy rate was a high 9.3 percent, a slight improvement over the 10.5-percent rate 12 months earlier. Conditions in the Denver rental market are expected to continue to improve during 2005, but a full recovery to balanced market conditions is still several years away.

In Colorado Springs, the deployment of 8,000 soldiers stationed at Fort Carson Army Base to the Middle East last fall, along with competition from the sales market, has affected the rental market. In an apartment survey conducted by Doug Carter, LLC, the first quarter 2005 vacancy rate was reported to be 13.4 percent. Conditions are expected to improve over the next 12 months because few new rental units are in the construction pipeline, and an increase in renter household growth is anticipated.

The overall apartment vacancy rate in the Salt Lake area fell to 6.8 percent in the first quarter of 2005 compared with a year ago, according to a Reis, Inc., survey. The reported increase in rents of 0.9 percent, after 3 years of no change, is another positive indicator that the market is gaining strength.

Multifamily building activity totaled 3,470 units in the region for the first quarter of 2005, up 17 percent from last year at this time. Montana, North Dakota, Utah, and Wyoming had increases of more than 20 percent, while Colorado and South Dakota registered small declines.

PACIFIC

Nonfarm employment in the Pacific region increased by 375,700 jobs, or 2 percent, in the 12 months ending March 2005. This gain was a significant improvement compared with the addition of 38,200 jobs in the previous 12 months. In California, employment rose by 202,500 jobs, a 1.4-percent gain, mainly due to increases in professional and business services, construction, and the leisure and hospitality sectors. State and local government employment began to stabilize due to the easing of the state's fiscal problems, and manufacturing employment in the state held steady after 4 years of declines. Most of the state's new jobs continued to be added in Southern California and the Central Valley, but modest employment growth occurred in the San Francisco Bay Area as well—the first increase in several years. Arizona added 86,100 jobs in the 12 months ending March 2005, up 3.7 percent over the previous year, paced by gains in the trade, construction, and professional services sectors. Employment in Nevada rose by 70,800, a 6.4-percent increase, due to strong gaming and tourist growth, a construction boom, and the recent opening of a major casino hotel in Las Vegas. The continued recovery of international travel and favorable currency rates supported an increase of 10,300 jobs in Hawaii.

The strengthening economy continued to reduce unemployment in the region. The regional unemployment rate fell to 5.7 percent in the 12 months ending March 2005 compared with 6.4 percent in the year earlier period. California unemployment declined to 6 percent from 6.8 percent in the previous 12 months, and in Arizona, the rate declined to 4.8 percent from 5.5 percent. Nevada and Hawaii unemployment measured 4.2 and 3.1 percent, respectively, for the 1-year period ending March 2005. Phoenix, Las Vegas, Honolulu, and California's Orange County all registered unemployment rates of 4 percent or less.

Expanding economic activity, strong in-migration, and favorable financial conditions supported very strong home sales during the first quarter. The California Association of REALTORS® reported an annualized rate of 634,100 resales during the first quarter of 2005, up 6 percent compared with the record-level pace of existing sales in 2004. The median sales price rose 19 percent compared with the previous year to $484,000. Prices continued to increase by double-digit rates in many of the region's markets, reflecting the limited inventory of available resales.

Compared with the first quarter of 2004, total new and existing home sales rose 8 percent in the San Francisco Bay Area and declined 3 percent in Southern California in the first quarter of 2005, according to DataQuick. The median sales price increased 20 percent in both market areas, reaching $553,000 in the Bay Area and $428,000 in Southern California. Phoenix resales in the first quarter exceeded the year earlier period by 38 percent. Phoenix area listings were in short supply, and multiple offers were typical, according to the *Phoenix Housing Market Letter*. Existing home sales in Las Vegas declined 13 percent in the first quarter compared with the record sales pace of the year earlier quarter. According to the Office of Federal Housing Enterprise Oversight (OFHEO), Nevada, Hawaii, and California led all states in house price appreciation in 2004 with price growth of 32, 25, and 23 percent, respectively.

In response to the strong demand for homes throughout the region, single-family building activity increased to 273,000 new units permitted, or by 8 percent, in the 12 months ending March 2005. Arizona and Nevada single-family permits rose 21 and 8 percent, respectively, and together accounted for 43 percent of the region's new home construction. California's single-family production increased 3 percent to 148,350 units, and Hawaii's activity remained stable at 6,100 units. Unsold inventory of new homes remained very low in most areas of the region.

Rental market conditions in the Pacific region were generally stable or strengthening during the first quarter of 2005. In most of the San Francisco Bay Area, conditions remained balanced, although vacancy rates were slightly below rates recorded a year ago. Rental vacancy rates in the San Jose, San Francisco, and Oakland areas ranged from 5 to 5.5 percent, each down approximately 0.5 percentage point from a year earlier, according to the Reis, Inc., survey of larger apartments. In the North Bay area, the vacancy rate rose by 1 percentage point to 6.7 percent between the first quarters of 2004 and 2005 due in part to the relative affordability of home ownership in this outlying suburban area. Despite the decline in vacancy, Bay Area rents were unchanged over the past year according to the Consumer Price Index. The Sacramento rental market was competitive with a rental vacancy rate of 7 percent, 0.3 percentage point below last year's rate in the first quarter. In Fresno, strong in-migration, minimal apartment construction, and rapid home price increases contributed to a 2-percentage point decline in rental vacancies in the past 12 months to 5 percent according to RealFacts.

The rental market remained balanced to tight throughout Southern California during the first quarter of 2005. San Diego County's vacancy rate decreased from 6 percent a year ago to 5 percent, due in part to condominium conversions reducing the supply of rental units. Vacancy rates in Santa Barbara and Ventura Counties were tight at less than 4 percent due to low levels of apartment construction. Rental vacancy rates were stable in Riverside and San Bernardino Counties at 6 and 5 percent, respectively. Market conditions were tight in Los Angeles and Orange Counties at 4.5 percent, down from 5 percent a year ago. The conversion of vacant office space to apartments in downtown Los Angeles increased the supply of upper rent range units in the area.

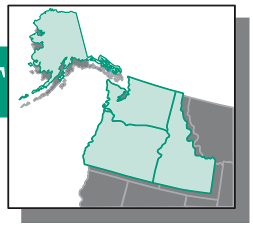
The Phoenix rental vacancy rate declined to 7.5 percent in the first quarter of 2005, a significant decrease from the 9-percent rate registered a year earlier, according to a survey by Arizona State University. Average asking rents rose 2 percent in the first quarter after more than 3 years of slightly declining or flat rents. Employment and population growth, low apartment production, and increased condominium conversions contributed to the improved market conditions.

The Las Vegas rental market vacancy rate tightened to 4.5 percent during the first quarter, reduced from about 7 percent a year earlier as measured in a survey of large apartment properties by CB Richard Ellis. The improvement was caused by a rapid increase in jobs and in-migrants as well as minimal apartment construction and conversion of many rental units to condominiums. Advertised rents increased nearly 6 percent, double the rate of the previous 12-month period. In the first quarter of 2004, concessions were nearly universal, but only 60 percent of apartment units offered them in the current quarter. The Reno market also became slightly tight with a 4.5-percent rental vacancy, a decline of 2 percentage points from the year earlier period.

Multifamily units permitted in the Pacific region increased 9 percent on an annual basis to 76,900 units in the 12 months ending March 2005. California recorded 59,350 units, an 18-percent gain that reflected the strong demand for rental units in most of the state as well as expanding condominium production. In

Arizona, multifamily units permitted rose 4 percent in the past 1-year period with 9,700 units recorded. Nevada permitted 41 percent fewer units due to the continuing scarcity of appropriately zoned sites. The number of multifamily units issued permits in Hawaii rose 58 percent in the past 12 months primarily due to builder response to strong condominium demand.

NORTHWEST



The Northwest economy continued to improve during the first quarter of 2005. Total regional nonfarm employment rose 2.3 percent to an average of 5.22 million for the 12-month period ending March 2005. Oregon had the highest growth rate in the region, up 3 percent, or 46,530 jobs, due to strength in health care and social assistance, construction, and administrative and support services. The gains caused Oregon's nonfarm employment to reach 1.61 million, finally exceeding the record level set in March 2001. Employment rose 2.9 percent in Idaho also due to gains in construction jobs as well as in professional and business services, and health care and social assistance sectors. Washington registered a 1.9-percent increase in nonfarm jobs to reach an average of 2.71 million for the year ending March 2005 with trade, transportation, and utilities; professional and business services; and education and health services leading the gains. Manufacturing jobs rose by 3,500 jobs over the year in Washington primarily due to increases at Boeing for the new 787 Dreamliner jet. Hiring in retail trade and in education and health services contributed to an annual growth rate in Alaska of 1.6 percent, or 4,700 jobs. New jobs in the oil industry caused an increase in natural resources employment; this trend will continue if oil drilling occurs in the Alaska National Wildlife Refuge. The regional unemployment rate averaged 6.2 percent, down from 7.3 percent in the year earlier period ending March 2004. The unemployment rate averaged 4.5 percent in Idaho, 5.9 percent in Washington, 7 percent in Oregon, and 7.4 percent in Alaska.

Housing sales market conditions remained extremely strong throughout the Northwest during the first quarter of 2005 due to low mortgage interest rates and renewed job growth. The Northwest Multiple Listing Service reported 45,650 existing homes sold in the Seattle metropolitan area for the 12 months ending March 2005, a 10-percent increase compared with the previous 1-year period. In addition, the Seattle area median sales price rose 11 percent to $309,700. The Tacoma and Bremerton metropolitan areas registered sales gains of 9 and 6 percent, respectively, over the 12-month period. Sales totaled 14,660 in the Tacoma area, and the median sales price rose 14 percent to $206,460. In the Bremerton area, sales totaled 4,600 with a median price of $213,040, up 12 percent over the year earlier period ending March 2004. For the entire Puget Sound region, the average number of days a home stayed on the market declined from 66 days a year ago to an average of 57 days for the current 1-year period. REALTORS® reported that homes listed near the median price in most Puget Sound areas typically sold within hours and had multiple offers. In eastern Washington, sales rose 21 percent in the Spokane metropolitan area, and the median sales price increased 15 percent to $138,900. Price appreciation reflected strong demand for homes in Washington's rural markets that stemmed from first-time buyers, retirees, and second-home purchasers. Median sales prices increased by more than 20 percent and as much as 50 percent in eight rural counties during 2004: Asotin, Clallam, Columbia, Garfield, Pacific, San Juan, Wahkiakum, and Whitman. With the exception of San Juan County, where the median was $365,000, the median sales price typically ranged below $150,000 in these market areas.

Oregon, Idaho, and Alaska markets also exhibited strong demand for sales housing. Western Oregon's major markets registered a 3-percent increase in total homes sold, and the median sales price rose 13 percent to $199,000. Demand was particularly strong in the Portland metropolitan area where sales reached 38,350 for the 12 months ending March 2005, up 13 percent compared with the year earlier period. The median sales price in the Portland area appreciated 17 percent to $216,100 compared with the year earlier median of $184,330. In Idaho, sales rose 12 percent in 2004, and the average price of a home sold was $174,000, a 13-percent annual gain. Coeur d'Alene, a popular retirement area, registered price gains over an estimated 20 percent. REALTORS® reported, however, that declining inventory had started to reduce choices for buyers in many Idaho markets during the past few months. Single-family sales in Anchorage totaled 3,150 for the 1-year period ending March 2005 according to Alaska Multiple Listing Service data, a 3-percent decrease compared with the 12 months ending March 2004. The average sales price, however, was up 12 percent over the period to $267,400, indicating that demand was still strong.

Single-family building activity reflected the strong demand for homes in the Northwest region. Permits totaled 78,740 homes for the 12-month period ending March 2005, up 16 percent compared with the same period a year earlier. Idaho was the most active state in the region with a 26-percent increase in the number of homes permitted. Single-family permit issues rose 1 percent in Alaska, 20 percent in Oregon, and 13 percent in Washington.

Rental market conditions were generally improved throughout the Northwest during the first quarter but still considered competitive in some markets. In the Seattle metropolitan area, the estimated rental vacancy rate declined to 6.6 percent compared with 7.4 percent a year ago according to the Dupre + Scott *Apartment Vacancy Report*. Average Seattle area rents reversed a 3-year declining trend and rose by just less than 1 percent between the first quarters of 2004 and 2005, but the majority of properties still offered concessions. Conditions were tighter due to the return of military personnel in the Tacoma and Bremerton areas. The vacancy rate equaled 6.5 percent in the Tacoma metropolitan area, down from 8 percent a year ago, and rents increased 1.5 percent to an average of $685. Vacancies in the Bremerton market declined from an average of 5.6 percent in March 2004 to 4.5 percent in March 2005. The average overall rent, however, was flat over the past year in the Bremerton area at $730 for all unit sizes. Market conditions continued to be balanced in the Olympia area where the rental vacancy rate was 5.5 percent, up from 5.1 percent in March 2004. More than half the properties in Olympia offered concessions, and the average rent measured $700 per month.

In the Portland area, rental market conditions improved during the past year with a decline in vacancies to an average of 6.7 percent compared with 8.3 percent in the first quarter of 2004. Salem's rental vacancy rate was balanced at 5.5 percent, also a decline compared with last year. Rents were stable over the past year in Portland and Salem. Conditions in Bend softened due to more than 300 units entering the market; the estimated rental vacancy rate was 10 percent, up from 5.5 percent in fall of 2004. Similar conditions prevailed in the Medford area due to new units entering the market since late 2004. Eugene was the tightest market area in Oregon with a rental vacancy rate of 3 percent, down from 5 percent a year ago. The decline in vacancies prompted the first rent increases for the Eugene area in several years. Boise rental market conditions improved, particularly in Ada County, where the rental vacancy rate was an estimated 6 percent. In Canyon County, vacancies were still above balanced levels at approximately 10 percent but down from the year earlier rate of 12 percent. Other Idaho markets were generally balanced with the exception of Coeur d'Alene, where the vacancy rate was tight at 4 percent. Conditions were still balanced in the Anchorage market with an estimated vacancy rate of 5.5 percent.

Multifamily building activity totaled 24,270 units in the Northwest region for the 12 months ending March 2005 compared with 19,940 units in the same period the previous year. The regional increase in multifamily activity was attributable to Washington and Oregon, where units permitted rose 38 and 16 percent, respectively. Multifamily activity declined in the remainder of the region, down 11 percent in Alaska and 4 percent in Idaho.

Housing Market Profiles

Amarillo, Texas

The Amarillo metropolitan area is located in the center of the Texas Panhandle and consists of Potter and Randall Counties. The area has a population of 230,000, up 1.1 percent from 2000. It serves as a regional center for trade, health services, and higher education for more than 500,000 people. Growth in these sectors, combined with gains in local government jobs and a relatively stable manufacturing sector, has contributed to steady employment increases over the past several years.

During 2004, total nonfarm employment averaged 101,100, up 1,300 jobs, or 1.3 percent, compared with the previous year. Growth has been strongest in the professional and business services sector with an average annual increase of 6.7 percent, or 400 jobs, over the past 3 years. Health services employment rose by 400 jobs during the past 3 years, or a gain of 3.1 percent. The Harrington Regional Medical Center, located in the city of Amarillo, is a major source of healthcare jobs with approximately 10,000 employees at a variety of institutions including facilities operated by Texas Tech and Texas A&M Universities. The combined economic impact is approximately $1 billion.

During 2004, a gain in retail trade employment of 400 jobs, and another 200 jobs in construction, contributed to growth. Construction increased because of residential building and renovations and expansions at the Harrington Regional Medical Center. Manufacturing employment has been steady but is expected to increase during the next few years. Bell Helicopter Textron, a helicopter manufacturing company that currently employs 750 workers, plans to hire several hundred workers at relatively high average wages. The Amarillo Economic Development Council and the city of Amarillo have voted to spend an additional $50 million on the plant that Bell leases for the building of the V-22 Osprey military helicopter. The services sector is also expected to register significant gains with the completion of a new Blue Cross Blue Shield of Texas call center that will eventually employ 550 workers. During 2004, the unemployment rate averaged 3.4 percent, down from 3.7 percent in 2003. The only notable loss registered during 2004 was 300 jobs in state government.

This steady rate of growth, combined with the stable economy and low mortgage interest rates, has contributed to a strong demand for homes. Home sales totaled 3,057 in 2004, an increase of 8 percent compared with the record level registered in 2003, which was 26 percent above the previous year. According to Amarillo Multiple Listing Service data, the average single-family sales price rose to $115,000 in 2004, up 5.6 percent from $108,900 in 2003. Since 2000, the average sales price has increased 4 percent annually. Single-family builders have increased output in response to the favorable market conditions. Single-family permits averaged 700 annually for the last 3 years, or an increase of 35 percent, compared with the annual average of 520 for 1999 to 2002. New homes are primarily located in the city of Amarillo's southwest portion in Randall County and its northwest portion in Potter County. According to area builders, new home prices start at approximately $90,000 for a 1,200-square-foot, three-bedroom/two-bath house with a two-car garage.

Rental market conditions have softened slightly during the past 5 years, primarily due to competition from the sales market. The estimated rental vacancy rate is 8.8 percent, up from 8.3 percent in April 2000. Average rents range from $415 for a one-bedroom unit to $830 for a four-bedroom unit. Multifamily building levels have been relatively constant, averaging 240 multifamily units permitted over the past 3 years compared with an annual average of 200 for 1999 to 2002.

Austin-Round Rock, Texas

The Austin-Round Rock, Texas metropolitan area is the economic center of a five-county region. Residential development in downtown Austin, the resurgence of East Austin, the Texas State Highway (SH) 130 toll road, and the Robert Mueller Municipal Airport redevelopment will have a major impact on the metropolitan area's economy and housing markets for the remainder of the decade. The metropolitan area's economy has shown significant signs of improvement. Employment and population growth and an improving housing market are indicators that the economy has improved over the past year.

The effects of the early 2000s recession have subsided, and a modest recovery has begun. For the 12-month period ending February 2005, average nonfarm employment was 669,400 jobs, up 2.4 percent from the previous 12-month period. For the 12-month period ending February 2005, the unemployment rate of 4.7 percent was down from 5.5 percent during the previous 12-month period. Job gains over the past year were largely in the professional and business services; trade, transportation, and utilities; and leisure and hospitality sectors. The recent employment growth has contributed to a slight increase in in-migration. Since 2000, the population has increased 38,240, or 3.1 percent, annually to 1,412,271 as of July 1, 2004, based on census estimates.

Austin's downtown is fast becoming the place to live, work, and play. About 600 condominium units and the same number of apartment units are contained in the 120-block downtown area; most entered the market over the past 2 years. Intended for the more affluent owners and renters, existing condominium units are listed for sale from the high-$100,000s to more than $2 million for a luxury highrise, while monthly rents will range from $1,000 to more than $3,000. Nine condominium and apartment communities consisting of more than 1,500 units are planned for the downtown area, and sales prices and rents will be similar to the units currently on the market. Construction is tentatively set to start for these communities over the next 2 years.

Separated by Interstate 35 (I-35) from Austin's downtown, East Austin has become a viable and affordable housing alternative in the metropolitan area. The resurgence of East Austin has brought a host of new urban-style condominiums, which are more moderately priced than those in the downtown area. The various condominium and apartment communities completed or planned in East Austin together account for nearly 1,000 units. Because most of the communities are infill developments on land costing much less than in the downtown area, a more affordable product can be built. Condominium prices range from the mid $100,000s to the upper $200,000s. Reis, Inc., reported average apartment rents in East Austin of $620 for the fourth quarter of 2004. Using Austin's SMART (Safe, Mixed-Income, Accessible, Reasonably Priced, and Transit-Oriented) housing initiative, a 120-unit residential community is being developed in East Austin. Groundbreaking for this development occurred in October 2004. Prices in this single-family development will range from $74,000 to $147,000.

Construction began in October 2003 on Texas SH 130, a 49-mile toll road that will skirt the eastern boundary of Austin. Constructed at a cost of $1.5 billion, the toll road will run parallel to I-35 from south of Austin to just north of Georgetown. The toll road should be completed in about 3 years. The impending completion of the toll road has already set in motion a boom in construction. Incorporated areas adjacent to the toll road corridor have experienced a marked increase in single-family building activity. Single-family permits in these areas increased by almost 850 units, or 50 percent, between 2003 and 2004. Most of the single-family building activity is taking place in unincorporated areas, however, where less restrictive building requirements are applied. Over the next 5 years, construction is planned for a hospital, two university campuses, numerous retail stores, and a $100 million outlet mall between Round Rock and the toll road, a span of 5 miles. In this same vicinity, Texas State University will open its new satellite campus in August 2005.

A $175 million mixed-use redevelopment project is under way in North Central Austin at the site of the former Robert Mueller Municipal Airport. Planned redevelopment calls for 3.8 million square feet of commercial space that will include a children's hospital, offices, and retail space. Approximately 2,600 multifamily units, 1,500 single-family homes, and 500 townhouses are also planned. Construction started on the children's hospital in June 2004, and proposals are being sought for the residential and commercial developments.

Homebuilders and developers are planning and building numerous large subdivisions throughout the metropolitan area, especially along the SH 130 corridor. Larger apartment communities are generally built in Austin. More than 26,000 new market-rate rental units have entered the market since 2000, which has led to a decrease of occupancy rates and rents throughout the metropolitan area. Because of the glut of new units, multifamily building activity has declined and has not fully benefited from the improved economy. Single-family and multifamily permits during the 12-month period ending February 2005 are estimated at 14,500 and 3,400 units, respectively. Single-family permits are up approximately 17 percent compared with the previous 12-month period, while multifamily activity decreased by nearly 12 percent. An estimated 4,000 single-family and 3,400 multifamily units are currently under construction compared with approximately 3,900 single-family and 3,800 multifamily units a year ago.

Because of improved job growth and historically low mortgage rates, sales of existing homes have remained strong over the past year. In 2004, the Austin Board of REALTORS® reported approximately 21,000 existing single-family and 1,700 townhouses and condominium sales, a 15- and 10-percent increase over the previous year, respectively. Because of the large number of active listings and an increase in new home construction, the median sales price of existing single-family homes dropped 1 percent to $155,000. During the same time period, the median sales price of townhouses and condominiums increased by 3 percent to $130,000. Sales of high-end townhouses and condominiums in the downtown area contributed to the increase.

Although improving, a soft rental market has persisted in the metropolitan area for the past 3 years. The rental market has remained competitive, and rent specials are prevalent but not to the extent of a year ago. For the 12-month period ending March 2005, ALN Systems, Inc., reported an overall vacancy rate of 8.9 percent, down from 10.7 percent a year ago. During this same period, the average rent increased to $709 from $700. Rental occupancies and rents have increased as a result of the improved job growth and fewer apartment units entering the market.

Boston, Massachusetts

The Boston economy has finally begun to register some net employment gains during the past year. Nonfarm wage and salary employment in the Boston metropolitan area increased by 24,500 jobs, or 1.0 percent, to 2,379,100 during the 12 months ending February 2005. This gain represents the beginning of a moderate recovery from the 136,700 jobs lost in Boston from 2000 to 2004. For the past several years, the Boston market has suffered from considerable consolidation and restructuring, particularly in the financial, information, and business service industries, and, most recently, with the Proctor & Gamble acquisition of The Gillette Company. These transactions not only led to the loss of jobs at the affected companies, but also caused much disruption in other professional business services, such as legal and accounting services. These most recent gains in employment are a result of 7,200 goods-producing jobs, a 2.3-percent increase, and 17,300 service-providing jobs, a 0.9-percent gain. The goods-producing industry jobs were split between manufacturing industries and construction jobs. As the Big Dig employment has lessened, other commercial and residential projects have continued to support construction employment, averaging about 100,000 jobs annually over the past several years. Service-providing job increases have been concentrated in professional business services, education and health, and leisure and hospitality, in which 8,100, 7,700, and 5,800 jobs have been created, respectively, during the past year. The leisure and hospitality increase represents a 3-percent gain since February 2004.

The unemployment rate in the Boston metropolitan area was 4.9 percent as of February 2005, down from 5.3 percent in February 2004 and a reduction in unemployment of more than 12,000 persons.

Residential building activity in the Boston metropolitan area, as measured by building permits, was relatively flat, increasing only 1 percent to 14,779 units during the 12 months ending February 2005 compared with the previous 12 months. The average number of units permitted during the last 2 full years of 2003 and 2004, at 14,325, was about 30 percent higher than the totals for the previous 2 years. Single-family permits have been on a downward trend recently, going from 8,945 units in 1999 to 7,035 in 2003, before rebounding to almost 8,000 in 2004. The primary reason for the recent increase, however, has been the significant multifamily activity. After several years of averaging only 3,375 units, 7,000 units and 6,600 units were permitted, respectively, in 2003 and 2004, a virtual doubling of the production rate. These units are beginning to be delivered to market and have been instrumental in raising local rental vacancy rates. A significant number of these multifamily units are intended for condominium ownership, joining a continuing trend of rental-to-condo conversions to limit the net additions to the rental inventory. Reis, Inc., however, projects that more than 7,000 rental units will be delivered to the market during 2005 and 2006, resulting in negative net absorption and increasing vacancy rates.

Despite the moderate job growth in the Boston area, the sales market has been very strong. According to the Massachusetts Association of REALTORS®, single-family sales in the Greater Boston area increased 15.7 percent to 11,178 units in all of 2004 compared with 2003. During the same period, the median selling price increased from $418,000 to $469,000, a gain of 12.2 percent. Condominium units sold, an ever-increasing portion of the market, increased 42.4 percent to 8,812 in 2004 over 2003. The median sales price increased only 10 percent from $299,900 in 2003 to $330,000 in 2004. The more modest rate of appreciation is due, in part, to the increasing inventory levels available for sale. Active listings for condominiums have increased more than 13 percent during the past year, with more than 10 months of supply currently on the market. Listings-to-sales ratios of more than 8 months are considered locally to represent a buyer's market. The strong condominium market is also responsible for the return of the speculators, those investors who purchase a unit either to rent or "flip" for a quick profit. Remembering the condominium market collapse of the late 1980s, developers and lenders are restricting units available for investor purchase to 10 to 15 percent rather than the 20 to 40 percent prevalent in the 1980s condominium market.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), price appreciation for the fourth quarter of 2004 in the four submarket parts of the Boston metropolitan area ranged, generally, 9 to 11 percent more than the fourth quarter of 2003. That level of appreciation puts the Boston market in the 35th to 40th percentile of the 265 ranked metropolitan areas.

The rental vacancy rate in the Boston Housing Market Area has been increasing each year since 2000 when it reached a low of less than 3 percent. The confluence of recession/job loss, weak demographics, low interest rates, and increasing additions to the inventory have lead to several years of negative absorption and moderating rents. The current rental vacancy rate in the Boston market is around 6 percent, somewhat higher in the newer, Class A inventory and somewhat lower in the older, Class B inventory. According to Reis, Inc., this trend has abated somewhat during 2004. Significant increases to the inventory forecasted for the next 2 years, however, even with the assumption of employment, population, and household gains, are anticipated to push vacancy rates higher. Most sources indicate that, despite these less than optimum conditions, current concessions, such as free rent, will decline, and rents will stabilize and increase modestly. Rising interest rates could also be a limiting factor with regard to ownership housing at the margin and also help boost rental demand. Ultimately, the Boston metropolitan economy will need job growth at annual rates of more than 1 percent to generate and strengthen the positive demographics necessary to adequately absorb the new inventory.

Chattanooga, Tennessee-Georgia

The Chattanooga metropolitan area consists of Hamilton, Marion, and Sequatchie Counties in southern Tennessee and Catoosa, Dade, and Walker Counties in northwest Georgia. The largest city in the metropolitan area, Chattanooga, is located on the Tennessee River and in Hamilton County. Leading industries in the area include health care, manufacturing, warehouse storage, and shipping.

Nonfarm employment in the metropolitan area increased by 3,650, or 1.6 percent, during the 12-month period ending February 2005 compared with the previous 12 months. This gain is an improvement over last year when nonfarm employment decreased by 660, or 0.3 percent. Manufacturing employment has continued its decline from the 1990s, although the pace of losses has slowed during the past 2 years. The last major decrease in manufacturing employment occurred in 2002 with the closing of Wheland Automotive Industries, which eliminated 1,300 jobs. Local leaders are optimistic that the recent opening of the Enterprise South Industrial Park in Hamilton County will curb the decline in manufacturing employment by attracting new companies to the area. In March 2005, the SI Corporation announced that it would relocate its existing headquarters on Lee Highway in Hamilton County to downtown Chattanooga. In addition to retaining its existing staff, the company will add 100 new employees at the new headquarters location. Employment in services continues to increase, particularly in financial activities, retail trade, insurance, and professional and business services. The current 12-month average unemployment rate ending in February 2005 was 3.7 percent, down from the 3.9 percent posted in the previous 12-month period.

The metropolitan area had a population of 476,531 in April 2000, according to the U.S. Census Bureau. The latest census population estimate in July 2004 was 489,609, an average annual increase of 3,077, or 0.6 percent, since the 2000 Census. Nearly half of the population growth from 2000 to 2004 occurred in Catoosa, a rapidly developing suburban county. Catoosa was the fastest growing county in the metropolitan area with an annual average population increase of 1,544, or 2.9 percent, during this period.

The Chattanooga *Annual Downtown Report* produced for the RiverCity Company reported that the downtown population grew by 29 percent during the 1990s to more than 8,500 in 2000. Population increases downtown have continued to date, partially due to the city's 21st Century Waterfront Plan—a $120 million downtown revitalization effort with the goal of making Chattanooga a more favorable place to work, live, and play. It involves many public projects, including the expansion of the Tennessee Aquarium, increased parking, and a pedestrian-friendly Riverfront Parkway. Private projects include significant additions to residential sales and rental markets. A series of celebrations and dedications will run from March through May 2005 to acknowledge the completion of the plan.

In response to increased demand, the housing inventory in downtown Chattanooga for both single-family and multifamily homes has grown. Current additions to the housing inventory downtown include renovations and conversions of commercial properties and construction of new mixed-use developments that consist of apartments, townhomes, and condominiums. According to the RiverCity Company, these current housing additions downtown are valued at more than $100 million, including 290 recently completed units and 175 units to be finished in the coming year. A thriving market for homes exists on the North Shore near Coolidge Park. Condominiums at a new mixed-use development on the North Shore are selling from $570,000 to $710,000. Monthly rents for new units located downtown vary within a wide range from $700 to $2,200.

Residential building permit activity has been increasing in the metropolitan area since 2000. In the 12 months ending in February 2005, total residential units permitted increased from 2,896 to 3,171, or 9 percent, when compared with the previous 12 months. Single-family homes permitted increased from 2,577 to 2,909, or 13 percent. In Hamilton County, the Ooltewah community remains a popular suburb where large developments are being built, including one with a potential of more than 1,000 single-family homes. Relatively higher resale values, interstate access, and large lots have made this a growing residential area. Counties in Georgia are also developing rapidly as more people choose to commute into Chattanooga from the outlying suburban areas.

Sales of existing homes in the metropolitan area continue to increase. The Chattanooga Association of REALTORS® reports an 18-percent increase in the number of single-family homes sold during the past 12 months ending in March 2005 from 6,364 to 7,485. During this same period, the average sales price increased from $141,191 to $147,556, or by 5 percent.

The rental market has softened slightly in the past year. According to Reis, Inc., the metropolitan area recorded an 8.1-percent apartment vacancy rate as of December 31, 2004, compared with the previous year's vacancy rate of 7.3 percent. Chattanooga contains three submarkets: South, North, and Central. The South submarket had the largest change in vacancy rate over the past year, increasing from 6.7 to 9.7 percent. Of the three submarkets, this area has the newest apartment stock, with more than 27 percent of the inventory built after 1994. Available information suggests that the increase in vacancy in the South submarket resulted from new units entering the market at high rents and continuing losses of renters in the higher rent units to homeownership because of lower interest rates. The North submarket, located north of the Tennessee River, was the only submarket to have a decrease in the apartment vacancy rate, which fell from 9.0 to 8.5 percent. The North submarket has the oldest apartment inventory, with almost 60 percent of the units built before 1980, and appears to have benefited from renters shopping for the lowest rents. The average asking rent in the metropolitan area increased from $560 in 2003 to $569 in 2004. Of the submarkets, the South had the largest increase in the average asking rent, rising from $591 in 2003 to $613 in 2004, while the Central and North submarkets stayed virtually unchanged.

College Station-Bryan, Texas

The College Station-Bryan metropolitan area, which is home to Texas A&M University, is located approximately 100 miles northwest of Houston. The two principal cities of Bryan and College Station are in Brazos County. Bryan was the primary city for more than a half century, while College Station was simply a railroad station near the "agricultural and mechanical college." College Station was incorporated in 1938 in anticipation that Bryan might annex it. The 2000 Census was the first time that the official population of College Station, at 67,890, was reported as larger than that of Bryan's 65,660. The current population of the metropolitan area is estimated to be 160,000, a 2.1-percent annual increase since 2000, slightly less than the previous decade. More than half of the increase is due to in-migration, much of which can be attributed to growth at Texas A&M and Blinn College. Together, these institutions enroll approximately 54,000 students.

During 2004, total nonfarm employment averaged 81,100, up 1,900 jobs, or 2.4 percent, compared with the previous year. State government is the largest employer and averaged 23,700 jobs for 2004, or nearly 30 percent of the total. This sector also recorded the most numerical gains in 2004 as 500 jobs were added. Over the past 4 years, the increase in state employment, which includes Texas A&M employment, has been 2,500 jobs, or 56 percent of all employment growth in Brazos County. The financial services sector had the highest rate of growth during the past year at 6.3 percent, followed by a 5.3-percent increase in the construction sector. The area unemployment rate increased from 1.9 percent in 2002 to 2.3 percent in 2003 and then decreased again during 2004 to 1.9 percent. The area has historically had one of the lowest unemployment rates in the nation.

The College Station-Bryan housing market continues to expand with most growth concentrated in the southern and eastern parts of College Station. Brazos County currently includes 61,000 households, an increase of about 1,150 annually over the past 5 years. Homeowners currently represent less than half of all households in the area; however, they represent 75 percent of the growth in households since 2000. During the past 5 years, a total of 4,600 single-family homes have been permitted. Historically low interest rates, employment growth, and affordable prices make single-family homes very attractive. According to the Real Estate Center at Texas A&M, the average sales price for the 12 months ending February 2005 was $141,000, which was a 4.6-percent increase compared with the $134,700 average price for the 12 months ending February 2004. The number of homes sold increased to 2,150 for the 12 months ending February 2005 from 1,900 for the year earlier period, a 12-percent gain compared with the 12 months ending in February 2004 and 33 percent more than 2 years earlier.

During the past few years, builders have been successful in providing infill residential construction. One builder accounted for 25 percent of the single-family construction in 2003 and is building homes at nine different locations throughout College Station-Bryan, about half of them on infill lots and small subdivisions within city boundaries. These homes range in price from $100,000 to more than $300,000. The west side of Bryan is also attracting attention with a new 800-acre housing development that includes a golf course and resort center. This new upscale subdivision provides convenient access to the university and offers homes starting at more than $300,000.

A total of 241 multifamily units were permitted during 2004, a 67-percent decrease from the 728 permitted during 2003 and also below the annual average of 680 for 2000 and 2002. High levels of residential construction and moderate employment growth have resulted in the rental vacancy rate increasing from 6.2 percent in 2000 to the current estimate of more than 9 percent. With a surplus of units on the market, concessions of 1 month's free rent and no deposit on a 12-month lease is typical with some complexes offering free utilities and high-speed Internet. Monthly rents for the one-bedroom units range from $480 to $550, $580 to $660 for two-bedroom units, and $880 to $950 for three-bedroom units. Many complexes are also offering students individual leases. At least one complex in the area offers unlimited meal plans as part of their enticement.

Approximately 41,000 students attend Texas A&M University, which provides only 8,000 dorm units, housing up to 16,000 students. The Blinn College Bryan campus has more than 10,000 students and no dormitory units. About 35,000 students compete for privately owned housing. An increasing number of single-family homes and duplexes are purchased by parents to house their own children while renting the remaining bedrooms to other students. Relatively low pricing and strategic placement along bus routes connecting to the university have created a ready market for these units. Another trend in the rental market has been the leasing of "bedrooms and privileges" in privately owned housing units to individual students. At $600 per student, monthly rents for these units total more than $1,800 per month.

Dayton, Ohio

The Dayton metropolitan area, consisting of Greene, Miami, Montgomery, and Preble Counties, is about 50 miles north of Cincinnati and 75 miles west of Columbus. Dayton's strategic location within a day's drive of 70 percent of North America's manufacturing plants has historically attracted industries focused on satisfying the demands of other manufacturers and businesses. Wright Patterson Air Force Base, located in Fairborn, Greene County, is the area's leading employer with 20,000 civilian and military personnel and has provided a stabilizing component to the local economy through annual expenditures of $2.6 billion.

Nonfarm employment averaged 412,700 for the 12 months ending February 2005 and declined less than 1 percent compared with the prior 12-month average. This change represented an improvement over the previous 3-year period when employment declined by 1.6 percent annually. The improvement occurred despite continued job losses in the goods-producing sector. Employment in this sector decreased 4 percent over the 12 months ending February 2005, only a minor improvement compared with the 6.6-percent annual job losses sustained over the previous 3-year period.

Dayton's economic recovery has lagged the national recovery because many area manufacturers produce goods and equipment targeted to the business sector, which has not significantly improved. The service-providing sector's 0.3-percent increase registered during the past 12 months represented a net increase of more than 1,000 jobs. Leisure and hospitality led the sector's increase with 2,000 additional jobs during the past 12 months; several new lodging establishments have opened at interchanges along the interstate highways and account for part of the employment activity. Education and health care posted an increase of 730 jobs as area hospitals and clinics continued to grow.

The population in the Dayton area is 845,646 as of July 2004 based on a U.S. Census Bureau estimate. Between July 2002 and July 2004, the Dayton area population increased by about 250 persons, an improvement compared with the previous 2-year period when the population decreased by 2,700. This rebound is attributed to Dayton's relatively affordable housing market that has attracted commuters working in other metropolitan areas, especially Cincinnati. As a result, resident employment levels increased by 4,750, or 1.2 percent, during the 12 months ending February 2005 compared with the previous 12-month period. The unemployment rate fell from 6.2 to 6.0 percent during this period.

Relatively affordable home prices, combined with low interest rates, have supported Dayton's new and existing single-family home markets. Permits for single-family units in the metropolitan area increased 1 percent, to 2,520 units, in the 12 months ending February 2005. New homes in the middle of the market typically range in cost from $150,000 to $160,000 and contain 1,900 to 2,100 square feet. The majority of new home construction continues to be in Montgomery County outside the city of Dayton, but Greene County now accounts for more than one-third of all single-family development. Most of the area's new larger, custom-built homes have been built in southern Montgomery County and along the Interstate 675 corridor in Greene County. In the city of Dayton, new development has primarily been smaller, infill units. More than 10,600 existing single-family homes were sold in the metropolitan area from March 2004 through February 2005, an increase of 8 percent compared with the previous 12-month period. The median sales price for existing single-family homes increased less than 1 percent to $110,500 during this period.

The demand for condominiums is rising but remains a small part of Dayton's housing market because of the affordability of single-family homes. About 900 existing condominiums were sold from March 2004 through February 2005, an increase of 6 percent compared with the previous 12-month period, and the median sales price rose more than 10 percent to $94,000. Over the past 3 years, condominiums have accounted for less than 20 percent of the multifamily units permitted. Condominiums in the Dayton market have primarily targeted empty-nester households that want lower home maintenance lifestyles and unit sizes that are larger than typical apartments. New condominiums average about 1,400 square feet and sell for approximately $145,000.

Slow absorption, as well as competitive rental rates and vacancies, have reduced the impetus for new multifamily development. Multifamily permit activity averaged nearly 600 units a year from March 2003 through February 2005. In comparison, about 750 units were permitted annually for the 3-year period from March 2000 to February 2003; most of this development was initiated before the economic recession and the prolonged period of low interest rates, which caused greater than normal shifts of rental households to homeownership.

The rental market has strengthened as overbuilding has subsided, and economic conditions have improved. Apartment vacancy rates have decreased from approximately 9 percent in 2002 and 2003 to 7 percent in 2004. Rents have stabilized, averaging approximately $600 a month for existing market-rate units and $1,000 for newly constructed market rate-units. The number of properties offering concessions has also declined.

The city of Dayton has encouraged the redevelopment of residential neighborhoods in and near its downtown through tax abatements and public-private partnerships. The 674 upscale downtown apartment units developed from the mid-1990s to 2004 are currently averaging 91-percent occupancy. Rents average approximately $975 for two-bedroom units. Two rental projects will add a total of 132 units by spring of 2007. In addition, the 121 downtown condominium units are averaging 87-percent occupancy. Recent sales prices average $225,000. The Genesis Project, a collaborative venture between the city, the University of Dayton, and Miami Valley Hospital to redevelop the Fairgrounds neighborhood, has been nationally recognized for its ability to draw partners and financing sources together. Since 2000, 41 deteriorated structures have been removed, 11 single-family units have been renovated, and 23 new homes have been constructed. Two other hospital-based neighborhoods have been selected for similar redevelopment.

Honolulu, Hawaii

The Honolulu metropolitan area, comprising the island of Oahu, had an estimated population of 916,700 as of January 2005, representing an annual growth rate of 1 percent, or 8,550 persons, since April 2000. For the same period, net migration averaged 20 percent of the population growth. This demographic growth reflects generally growing job opportunities, increased enrollment in local universities, and expansion of the military sector in the past 5 years.

For the 12 months ending February 2005, nonfarm wage and salary employment averaged 430,800, up 10,400 jobs, or 2.5 percent, compared with the prior 12 months. Nearly all the major sectors showed growth. Construction employment led all sectors with growth of approximately 9 percent; the trade, transportation, and utility, and the leisure and hospitality sectors followed with gains of 6 and 5 percent, respectively. The tourist industry is improving due to the growth of U.S and Asian economies and the falling dollar. The unemployment rate fell to 2.9 percent for the 12 months ending February 2005 from 3.5 percent over the previous year, reflecting the continuing gain in jobs.

Construction activity will continue to be a significant factor in the local economy for the next several years due to a number of major military, state, and private projects. The U.S. Army has awarded a contract to renovate and service approximately 7,700 housing units on the island. In addition, an 85,000-square-foot shopping center and a U.S. Navy service support center are under way on Navy property in Pearl Harbor. Several other major construction projects are in the Army's pipeline to accommodate a new Stryker mobile combat brigade, including road improvements and training facilities. State projects at the University of Hawaii include the Cancer Research Center in Kakaako, a new branch campus in Kapolei, and the redevelopment of three dormitories at the Manoa main campus. Some of the many privately funded projects include a 1,000-room hotel currently under construction, a proposed 250,000-square-foot shopping center in Kapolei, the 247-unit Hokua luxury condominiums under construction, and a proposed 350-unit timeshare tower at the Hilton Hawaiian Village.

Because of increased employment growth, in-migration, and low interest rates, the sales market is strong for both single-family homes and condominiums. According to the Honolulu Board of REALTORS®, the median sales price for existing single-family homes is $529,100 and $229,000 for condominiums in the first quarter of 2005, a 26- and 21-percent increase, respectively, over the same period a year ago. Single-family resales rose 4 percent to approximately 4,700 units in the 12 months ending March 2005 compared with the previous 12 months. Between the same period, condominium resales rose 14 percent to more than 8,000 units. The majority of sales occurred in the relatively affordable Ewa area where sales prices typically range between $400,000 and $550,000. Similarly, condominium sales are concentrated in the mature, high-density Waikiki and Makiki areas, where typical sales prices cluster around the island median. The average available inventory hit record-low levels for the first quarter of 2005 at a 3-month supply for single-family homes and a 2-month supply for condominiums. The volume of condominium sales has accounted for about three-fifths of total existing sales during the past 5 years, in part because of a growing number of condominium conversions.

For the 12 months ending February 2005, single-family permits measured 1,889, down by 1,025 permits from the previous year due to a shortage of developable lots. Multifamily building permits have been increasing in response to the strong sales demand for condominiums from owners and investors. For the 12 months ending February 2005, multifamily permits increased to 3,144 units, nearly double the permit activity in the previous 12-month period. According to local sources, at least nine new highrise condominium developments totaling more than 2,500 units are currently in various stages of development for completion over the next several years.

The rental market is tight because of economic growth, in-migration, and a low supply of new rental units. The current vacancy rate is 3.8 percent, down from 8.5 percent in 2000. According to U.S. Department of Housing and Urban Development estimates from a sample survey of rental units taken in fall of 2004, the median rent for a two-bedroom rental unit is approximately $1,100 a month. The tighter market conditions have resulted in rent increases averaging about 7 percent annually during the past 2 years, according to the Consumer Price Index. Because of stronger economic conditions and increased condominium demand, many condominium units have been removed from the rental inventory in recent years, further tightening the rental market. A few affordable rentals and some high-end housing developments for seniors are planned or under way; however, the tight rental market is expected to persist.

Little Rock, Arkansas

The Little Rock-North Little Rock metropolitan area, located in the Arkansas River Valley in central Arkansas, consists of Pulaski, Faulkner, Lonoke, Saline, Grant, and Perry Counties. This area is characterized by rolling hills and turn-of-the-century neoclassical architecture that includes the state capitol building, a replica of the U.S. Capitol. After years of decline in downtown Little Rock, a major transformation of the River Market District into a cultural and entertainment destination is under way. Anchored primarily by the Clinton Presidential Center, the downtown area is experiencing a $500 million renaissance, including several new mixed-use developments for office and housing space.

Nonfarm jobs have increased about 3,000 each year since 2000 except for a loss in 2002. Most recently, employment increased by 3,800 jobs for the 12 months ending March 2005 to 328,000. The entire increase was spread throughout the service-providing sectors; the number of jobs in goods-producing industries remained stable for the past year. The trade, transportation, and utilities sector contributes the largest share of nonfarm employment in the Little Rock area at 21 percent, or 68,300 jobs. The second largest employment sector is government employment at 20 percent, or 64,000 jobs.

The area is also a regional center for hospitals and research, and health and educational services account for nearly 41,000 jobs. The University of Arkansas for Medical Sciences, a major recipient of research grants, employs more than 9,000 and has an annual economic impact of approximately $3.8 billion. The Little Rock Port Authority oversees a 1,500-acre industrial and warehousing development that links rail, truck, and barge transportation. Inbound annual barge tonnage from the Mississippi River has increased nearly 90 percent since 1999. More than 60 trucking companies maintain transportation terminals to move the freight to its final destination.

The six-county metropolitan area is currently estimated to have 646,000 residents, an annual increase of 7,200, or 1.1 percent, since 2000. In-migration to the area is more than half of the population increase. This new growth is spread out in the suburban ring around Little Rock and North Little Rock where out-migration has slowed. Growth is especially strong in Maumelle in western Pulaski County and, further northwest, in Conway in Faulkner County. Lower housing costs and good transportation are resulting in growth to the northeast in the communities of Sherwood and Jacksonville, which are near the Little Rock Air Force Base. An increasing amount of housing development is occurring in the communities of Benton and Bryant in Saline County to the southwest of Little Rock. Much of the growth is reported to be "baby boomers" moving into the metropolitan area from surrounding rural towns, drawn by the exemplary medical facilities and the cultural and entertainment venues.

Single-family home building has been extremely strong during the past few years. In 2004, the 3,440 single-family permits issued were just slightly less than the 13-year high of 3,485 permits for homes recorded in 2003. Most of the permits in the last 2 years were issued in Little Rock and Conway. The Cooperative Central Arkansas Multiple Listing Services (MLS) tracked 5,550 sales transactions in 2004, up 5 percent in each of the past 2 years. The MLS estimates that housing prices in the area have increased an average of 9 percent annually, from $113,000 in 2000 to $153,000 in 2004. Average prices in 2004 ranged from $65,000 in southwest suburban Pulaski County to more than $300,000 in the northwest section of the county.

Little Rock has maintained a healthy condominium and townhouse market for more than 30 years, and average selling prices are about the same as for single-family homes. The first units were in multistory buildings along the Arkansas River and were popular with retirees moving to the area. Young business professionals are increasingly drawn to the area, and prices of new condominiums in prime locations in the River Market District are selling for some of the highest prices in the metropolitan area. Several new condominium developments are planned in the downtown area including a 17-story, 260-unit highrise in the River Market District. The conversion of five warehouse/office buildings to residential lofts is also planned.

Multifamily building activity had a robust year in 2004, as more units were permitted than in each of the 10 previous years. Little Rock and Conway recorded the majority of multifamily units permitted, followed by Maumelle, Sherwood, and North Little Rock. An estimated 1,600 units were under construction at the end of 2004. In addition, North Little Rock has already permitted 300 units, and Conway approved 550 units in 2005.

The current apartment vacancy rate is estimated to be 7 percent. The vacancy rate for units built in the past 10 years is nearly 9 percent, however, due to the high construction levels of the past 3 years. Units that are 15 to 25 years old have the lowest vacancy rate. The average monthly rent at the end of 2004 was $576, less than a 1-percent increase in the past 4 years. Rental concessions of up to 2 months' free rent on a 12-month lease are offered at the newer upscale rental properties. Soft rental market conditions are expected to improve by early 2007 as jobs increase, interest rates rise, and the inventory of multifamily units under construction is absorbed.

Newburgh, New York-Pennsylvania

The Newburgh, New York-Pennsylvania Housing Market Area (HMA) encompasses Orange County, New York, and Pike County, Pennsylvania. Located 50 miles north of New York City, the area is the site of the U.S. Military Academy at West Point, historic cities, and plentiful recreational areas. Since 2000, the population in the HMA has increased at an average annual rate of 1.5 percent, totaling 419,900 persons as of April 1, 2005. Although the economy slowed modestly after 2000, historically low interest rates substantially increased home affordability and drew a record number of people into the HMA. An average of 3,925 people moved into the area annually since 2000, or an additional 1,425 in-migrants a year more than that recorded in the 1990s.

In the metropolitan area, the majority of job gains have occurred in the service-providing sectors, while goods-producing sectors have been weak. As of the 12 months ending April 1, 2005, total nonfarm jobs averaged 139,800. The metropolitan area gained 8,500 jobs since 2000 at a rate of 1.2 percent a year. Manufacturing losses have averaged 5.3 percent annually, or a total loss of 2,700 jobs after 2000. The largest gains during this period in service-providing industries have been derived from the leisure and hospitality, and trade, transportation, and utilities sectors, which added 3,000 and 2,700 jobs, respectively. Leisure and hospitality has been the fastest growing sector in the past 5 years with an annual growth rate of 5.3 percent. This sector in particular has grown as a result of a trend toward regional travel. The trade, transportation, and utilities sector continues to benefit from increasing warehousing activity as a result of access to interstate highways. Also, utility services are being expanded to accommodate new households. According to the New York State Department of Labor's January 2005 *Firm Expansions and Contractions* report, Overnite Transportation Company, one of the largest providers of "less-than-truckload" transportation services in North America, is building a new distribution facility in the town of Montgomery that will employ nearly 150 people.

Employment in the Newburgh HMA is dependent on the regional economy of the greater New York City metropolitan area. As of 2000, 37 percent of workers residing in the HMA worked outside the area, and this figure continues to increase. This trend has made resident employment more dependent on economic centers outside the HMA. As a result of a regional slowdown after 2000, the unemployment rate for the 12 months ending March 2005 increased to 5.0 percent from the 3.7-percent rate in 2000.

Since 2000, an average of 2,650 permits for new homes and multifamily units were issued annually. Building activity, as measured by permits, has been greatest in the Delaware Water Gap area of Pike County and near the Interstate 87 corridor in Orange County. Single-family homes currently account for 90 percent of the total building activity in the metropolitan area. Permits for new single-family construction averaged 2,300 a year after 2000 compared with less than 1,600 annually in the 1990s. Multifamily permit activity has averaged 350 units annually since the beginning of 2000. Almost all multifamily units have been in Orange County.

The HMA contains a substantial number of vacation homes because of its proximity to New York City and its large tracts of available rural land. Currently, 20,400 seasonal units are located in the HMA, of which 75 percent are in Pike County. Seasonal units represent more than 40 percent of the housing inventory in Pike County. Although a concentration of vacation homes exists around Lake Wallenpaupack in Pike County, seasonal units are scattered throughout the county. Home price appreciation for waterfront homes on Lake Wallenpaupack has been significant, with homes now selling for more than of $1 million.

According to the New York State Association of REALTORS®, from 2001 to 2004 the median sales price of an existing home in Orange County increased from $163,150 to $260,000. Home sales activity increased 15 percent during this period to 4,600 in 2004. Most sales in Orange County have occurred in municipalities to the east and south of Middletown. According to the Pennsylvania Association of REALTORS®, average home prices in the northeast region of the state, which includes Pike County, increased by 13 percent a year between 2001 and 2004. During this period, the average home price increased from $133,000 to $184,600.

Tuxedo Reserve, a residential and commercial development in Orange County, is expected to break ground during the second quarter of 2005. When completed, the project is expected to double the population of the town of Tuxedo. Plans currently call for 866 single-family homes, 149 townhomes or duplexes, and 180 apartments. Homes are expected to sell for between $500,000 and $1.5 million. In addition to these homes built on Tuxedo Reserve's Southern Tract, an additional 180 units of active-adult housing are planned. The Northern Tract is expected to include 196,100 square feet of commercial space for research and development or offices. In all, only 19 percent of the 2,300 acres will be developed—the rest will remain green space. Construction is expected to continue for approximately 12 years.

The rental market has been slowly tightening from a 4.4-percent vacancy rate in 2000 to a current vacancy rate of 4 percent as demand for units continues to exceed construction. The majority of the rental stock in the metropolitan area is located in Orange County, where several cities are involved in economic development projects. The Cornerstone Project, a renovation of the 114,000-square-foot building that housed the old Ritz Theater in Newburgh, will combine the arts with affordable housing. The renovation will result in a 500-seat theatre, 116 units of affordable rental housing, 12 "live-work" units for artists, and more than 10,000 square feet of commercial space. All the units will be reserved for tenants earning less than 60 percent of the area median income. This project follows in the steps of another artist-focused economic development project, Bulldog Studios, in nearby Beacon, New York.

Orlando, Florida

The Orlando metropolitan area, comprising Lake, Orange, Osceola, and Seminole Counties in central Florida, is a major tourist and convention destination, including Disney World, and also supports a significant concentration of aerospace industry employment.

Since 2000, the metropolitan area population has continued to grow rapidly, reaching 1,861,707 as of July 1, 2004, an increase of 2.8 percent a year since 2000 with in-migration accounting for approximately 74 percent of total growth. Osceola and Lake Counties continued to grow rapidly at annual rates of 4.3 and 3.8 percent, respectively. These two counties include Disney World and the concentration of tourist attractions and accommodations in the southern end of the metropolitan area. The population of the four-county metropolitan area was 1,644,561 in 2000, an increase of approximately 42,000, or 3 percent, annually since the 1990 Census. The lower post-2000 rate of population growth was a result of the recent recession.

Total nonfarm employment in the metropolitan area increased from 909,700 in 2000 to 971,800 in 2004, or 1.7 percent annually. The annual rate of change over the period, however, varied from the most recent 4.9 percent to a loss of less than 1 percent between 2001 and 2002.

For the 12 months ending February 2005, nonfarm wage and salary employment in the metropolitan area averaged 979,300, representing an increase of 45,700 jobs, or 4.9 percent, from the same period a year ago. The unemployment rate for the 12 months ending February 2005 was 4.5 percent, down from 5.1 percent a year ago. Because of the dominance of the tourism industry, the local economy is very sensitive to fluctuations in that industry. The local economy began to experience a significant slowdown in early 2001, as tourism suffered first from the effects of the national recession and then the effects on travel of the September 11 terrorist attacks. The drag on the local economy caused overall nonfarm employment to decline in 2002 by 7,700 jobs, or less than 1 percent, over 2001 to 906,400.

Since 2002, tourism in the metropolitan area has increased sharply. Nonfarm employment sectors related to tourism have experienced especially brisk growth. For the 12 months ending February 2005, the leisure and hospitality sector increased by 5.5 percent to 180,400, and jobs in retail trade increased by 5.3 percent to 113,900. Orlando International Airport reports that passenger traffic for 2004 was 14 percent more than 2003 and 16.5 percent more than 2002. To provide a perspective on the impact of the convention trade on the tourism industry of the area, the Orange County Convention Center recently hosted a trade show attended by more than 100,000 participants.

Other important employment centers in the metropolitan area include the University of Central Florida, with more than 42,000 full-time students and more than 4,700 employees, and Lockheed Martin's Missiles and Fire Control division, which has spawned a cluster of related industries, including developers and manufacturers of simulation equipment.

The sales housing market in the metropolitan area has remained strong. In the 12 months ending February 2005, single-family units authorized by permits were up 11.8 percent to 27,719 units from the 23,073 authorized for the same period a year ago. Even in the recession year of 2002, the number of single-family units authorized increased to 17,135, or 3.9 percent over 2001. Sales of existing homes, as reported by the Florida Association of REALTORS® for 2004, totaled 36,659, or 14 percent more than during 2003. Sales of new homes built by large-scale production builders, as reported by Charles Wayne Consulting, Inc., for the first three quarters of 2004, were 9,119, or 22 percent ahead of the same period last year. Sales of new multifamily units increased even faster, up 115 percent from 1,137 in the first three quarters of 2003 to 2,440 in the same period in 2004. The increase in condominium sales mirrors recent new construction and conversions as well as low interest rates and liberal financing. The average price of condominium units in the third quarter of 2004 was $185,700, up 16 percent from a year earlier. According to the Charles Wayne Consulting survey, the average sales price for a new home increased to $247,600, up 3 percent over the year.

Since 2000, the downtown housing market has expanded greatly. The first housing projects to be built were large rental projects at the top of the rent distribution. Recently many of those projects were converted to condominiums, and current plans call for more than 15,000 new condominiums in downtown Orlando over the next 4 years as the resurgence of the downtown housing market continues. Conversions from rental to sales are also taking place throughout the metropolitan area. One source estimates that 6,000 to 7,000 rental units are in the process of being converted from rentals to condominiums throughout the metropolitan area.

The Office of Federal Housing Enterprise Oversight (OFHEO) reported that single-family homes in the Orlando metropolitan area appreciated, on a same-house basis, at an annual rate of 15 percent as of the fourth quarter of 2004. This rate was up significantly from the 8-percent annual rate in the fourth quarter of 2003.

Construction of new multifamily units increased from 5,989 in the 12 months ending February 2004 to 6,602 for the same period in 2005. According to Marcus & Millichap, multifamily units authorized by building permits in 2004 were 35 percent owner units, including condominiums. Growth in demand has been brought about by population growth, which is primarily fueled by net in-migration resulting from recent employment increases. At the same time, rental production has been declining, and conversions of rentals to condominiums have removed units from the rental inventory, particularly newer projects. As a result, rental apartment occupancy, according to the Residential Market Reports published by Charles Wayne Consulting, increased to 94.8 percent in September 2004, up from its low point of 89.3 percent for March 2002. A major reason behind the decline in rental production has been the inability of rental developments to compete for land against condominium projects and even single-family subdivisions to some extent. Under current market conditions, a substantial increase in rents will be required to provide incentives for developers to pay higher land costs.

According to M\PF YieldStar, apartment rents for projects in operation for at least a year increased by 6.3 percent. This value reflects true rent increases as opposed to changes caused by, for example, concessions in new product or changes in the mix. The change for all projects between December 2003 and December 2004 was 5.7 percent. Rental concessions are reported for only 22 percent of units compared with 51 percent a year ago. This company forecasts a continuing decline in multifamily rental completions in 2005, following the trend that began in 2002, and a general tightening of the rental market.

Philadelphia, Pennsylvania

The Philadelphia Housing Market Area (HMA) comprises the city of Philadelphia and the four suburban Pennsylvania counties of Bucks, Chester, Delaware, and Montgomery. With more than 3.8 million people as of July 2004, the HMA contains approximately 70 percent of the population in the larger Philadelphia metropolitan area. The sales market is strong as low interest rates continue to promote move-up buying at all price ranges. Rental vacancy rates remain low, and new apartments are being absorbed at a steady pace.

The economy is beginning to improve and is slowly adding jobs. The unemployment rate declined to 5.6 percent as of March 2005, compared with 5.9 percent in March 2004. Nonfarm employment of more than 1.8 million increased slightly by 2,300 jobs, or 0.1 percent, during the 12-month period ending February 2005. During the past year, the rate of job loss in manufacturing has declined, and the service-providing sector is adding jobs at a faster pace. Downsizing at manufacturing firms such as Boeing Helicopter has continued but in smaller numbers than previously. During the past 12 months, the largest job gains have been in professional and business services, which increased by more than 5,700 jobs, and healthcare and social services, which increased by nearly 5,500 jobs.

Tourism has historically provided strength to the economy of the HMA and continues to create jobs at a steady pace. The leisure and hospitality sector has gained an average of 2,000 jobs annually since 2002. The number of tourists to the Philadelphia area increased to more than 24 million annually in 2003 compared with 21 million in 2002. Conventions and trade shows help to provide stability to the Philadelphia economy, and plans exist to enlarge the Pennsylvania Convention Center by 583,000 square feet. The convention center expansion, expected to be completed in 2008, will allow larger conventions and trade shows to occur simultaneously.

The area's largest employer is the University of Pennsylvania, which employs 22,000. The university's impact on Philadelphia's economy is an estimated $1.5 billion. In addition, its presence has helped stabilize the University City area and nearby West Philadelphia neighborhoods by encouraging housing development. The university guarantees mortgages and offers home improvement loans for faculty and staff to purchase or rehabilitate homes in the area. Currently two luxury condominium developments, including 10 privately financed units and 30 university-financed units, are under construction in University City and are to be completed by the spring of 2006. According to TReND Multiple Listing Service, the median price for single-family homes and condominiums in University City was $245,000 in 2004. Monthly apartment rents average $621 for studios, $772 for one-bedroom units, and $1,070 for two-bedroom units, as reported by the University of Pennsylvania Office of Off-Campus Living.

The number of single-family home sales has been increasing steadily over the past few years. The Pennsylvania Association of REALTORS® indicates sales of single-family homes in an area slightly larger than Philadelphia and its four suburban counties increased to 95,500, or more than 16 percent, from 2003 to 2004. The median single-family sales price in the Philadelphia, Pennsylvania-New Jersey metropolitan area was $187,900 at the end of the fourth quarter of 2004, or 15.6 percent higher than in the fourth quarter of 2003, according to the NATIONAL ASSOCIATION OF REALTORS®. Single-family building permit activity during the 12 months ending February 2005 totaled approximately 8,000 units, nearly the same as during the previous 12-month period.

Demand from empty nesters and young professionals continues to drive condominium sales in Center City and its surrounding neighborhoods. Although increasing demand for condominiums exists in the suburbs, limited numbers have been constructed because land is zoned primarily for single-family developments. During 2004, more than 900 condominiums were developed in Center City; more than 85 percent of these were conversions of obsolete office, factory, and warehouse space.

Median home sales prices in Center City range from $179,000 in the Art Museum area to $345,750 in the Rittenhouse Square area, as reported by the Center City District and Central Philadelphia Development Corporation. During 2004, two neighborhoods adjacent to downtown, Northern Liberties and southwest Center City, experienced significant sales price appreciation. The median condominium sales price in Northern Liberties has risen 25 percent to $269,000 in 2004. In southwest Center City, on the site of the first U.S. Naval Academy, 315 townhouses of the nearly 1,000 planned are under development with expected prices ranging from $200,000 to $700,000. Sales at this project will further raise the median condominium price in the southwest portion of Center City, which already increased 27 percent to $190,000 in 2004.

Philadelphia's rental housing market is currently strong. According to Delta Associates, as of the first quarter of 2005 the stabilized Class A rental vacancy rate in Philadelphia and the Pennsylvania suburbs is between 3 and 4 percent, unchanged from the previous year. Overall vacancy rates, including actively marketed properties, increased to 16 percent in the Pennsylvania suburbs, as 1,450 new apartments began leasing during the second half of 2004. The spike in the rental vacancy rate is expected to be of short duration due to the healthy pace of absorption of new units, even with higher rents than at comparable projects.

Multifamily building permit activity increased 79 percent to 5,100 units during the 12 months ending February 2005. Developers continue to be confident of the steady absorption of new units, and the 3-year construction pipeline for Philadelphia and the Pennsylvania suburbs contains more than 3,600 units, or an increase of more than 50 percent above the level of construction planned a year ago, as reported by Delta Associates. More than two-thirds of the units in planning are to be built in the city of Philadelphia. The remaining 1,000 units are to be constructed outside the city, primarily in Montgomery County. Recent experience also indicates that a portion of the proposed apartments may "switch" to condominium developments, depending on the strength of the sales market.

According to Reis, Inc., the median rent in the expanded Philadelphia area was $823 in 2004. Rent levels are considerably higher in Center City, which features several of the newest luxury developments. Center City rent levels averaged $818 for studios, $1,310 for one-bedroom units, $2,109 for two-bedroom units, and $3,138 for three-bedroom units, according to a survey by the Center City District in 2004. As new units entered the market at higher-than-average prices during the past year, existing apartments responded by offering rental concessions. As a result, effective rents declined between 1 and 2 percent in both the city and the Pennsylvania suburbs when comparing March 2005 with the previous year, according to Delta Associates.

The Philadelphia Housing Authority is implementing more than $136 million in HOPE VI grants to revitalize subsidized housing throughout the city. During the past 2 years, more than 460 units have been completed and leased. An additional 80 rental units are nearly finished, and 40 homeownership units are completed and currently being marketed. Philadelphia's HOPE VI grants, in conjunction with other funding sources, are expected to house approximately 4,000 people in approximately 1,600 new and substantially rehabilitated units.

San Diego County, California

San Diego County, California, has the nation's sixth largest population and the third largest in California. From April 2000 to January 2005, the population grew to more than 3 million, a 1.9-percent average annual rate compared with the 1.2-percent average annual growth rate recorded in the 1990s. Net migration, primarily international migration, has accounted for approximately 61 percent of the growth since 2000. New residents are attracted by the diversified economy, the moderate year-round climate, and proximity to the Pacific Ocean.

Although other major counties in Southern California lost nonfarm employment during the recession in the early 2000s, San Diego's diverse employment base has contributed to increases in the county's total nonfarm employment each year since 2000. Defense and aerospace, government, tourism, scientific research and development services, and healthcare-related jobs are major factors in the area's economic base. Sharp HealthCare, with 12,900 employees, is the leading private employer in the county, followed by Scripps Health and Kaiser Permanente with 10,500 and 6,100 workers, respectively. Naval Station San Diego is the county's leading government employer with a combined military, civilian, and contractor workforce of more than 39,100. For the 12 months ending March 2005, nonfarm employment averaged approximately 1.3 million jobs, up 1.6 percent from a year earlier. Gains in construction, retail trade, food services, and administrative and support services were partially offset by losses in computer and peripheral equipment, healthcare and social assistance, and local government education sectors. Strong demand for both single-family detached homes and condominiums resulted in more than 6,400 new jobs in the construction sector compared with the previous 12-month period ending March 2004. The professional and business services; leisure and hospitality; and the transportation, trade, and utilities sectors also contributed to gains during the past 1-year period as each added 4,000 or more jobs. The unemployment rate averaged 4.6 percent over the 12-month period ending March 2005 compared with 5.1 percent for the previous 12 months.

Sales demand remains strong for homes priced below $500,000; however, demand has slowed above that price level, which has caused the pace of sales activity overall to moderate. In the 12 months ending March 2005, sales of 5,000 new and existing homes were recorded, 1.4 percent below the previous 12-month period. The average selling time of homes also increased from a low of less than 30 days in April 2004 to more than 50 days in March 2005, and the current inventory of unsold homes doubled. The rapid increase in inventory was due to investors and homeowners listing homes in anticipation of rising mortgage interest rates and concerns of missing a peak in home prices. Even with the lower level of sales, the median sales price for new and existing homes for the 12-month period ending March 2005 was $472,600, 21 percent higher than the previous 12-month period.

Condominiums are increasing in popularity because they are the only affordable alternative for many first-time homebuyers. Resale condominiums are currently selling for about 72 percent of the price of a resale single-family detached home. In the first quarter of 2005, resale condominiums accounted for 26 percent of the total resale market, up from 20 percent in the first quarter of 2004.

Single-family building permit activity during the 12-month period ending February 2005 totaled 8,850 houses, down 6 percent from the previous 12-month period. The slowdown was caused by the lack of buildable lots and the increased demand for lower priced condominiums. Single-family permits were mainly issued in Carlsbad, Oceanside, and San Marcos in the northern portion of the county, and the cities of San Diego and Chula Vista in the southern portion of the county. After decades of potential new homebuyers mainly considering homes in the northern portion of the county or in the city of San Diego, Chula Vista started to attract new homebuyers in the late 1990s. Since 2000, Chula Vista has accounted for about 22 percent of the single-family permit activity in the county, mainly due to its proximity to downtown San Diego and the availability of vacant land suitable for large-scale subdivisions.

Conditions in the San Diego County rental housing market tightened during the first quarter of 2005. The overall rental vacancy rate at the end of 2004 was balanced at 4.9 percent, but population and household growth, modest levels of new apartment construction, and condominium conversions resulted in a first quarter 2005 vacancy rate of 4.7 percent. The current rate is significantly less than the 6-percent rental vacancy rate recorded for the first quarter of 2004. The vacancy rate is highest in the upper end rental range at 7 percent because these units are more competitive with the sales housing market. Conditions are tighter in the lower end market with vacancies below the 4-percent level. Rental vacancy rates in the Oceanside area have fluctuated between 3.4 and 5.5 percent in the past 2 years because of the deployment and return of military personnel at Camp Pendleton. According to Reis, Inc., asking monthly rents at larger apartment communities in San Diego County rose to an average $1,156 in the first quarter of 2005, a 3.3-percent increase compared with the same period a year earlier.

Multifamily building permit activity totaled 7,900 units for San Diego County during the 12 months ending February 2005, just 2 percent more than the level of production for the same period a year earlier. San Diego City and Chula Vista issued the majority of the multifamily permits during the past two 12-month periods, totaling 6,100 units during the current period, a 17-percent gain compared with the previous period. More than 30 percent of multifamily units permitted during the current 12-month period will be built as condominiums.

The extensive redevelopment of downtown San Diego over the past 10 years and the recent addition of a new major league baseball park have attracted considerable interest in new residential units in the area. About 9,000 residential units are either currently under construction or in the planning stages for the downtown area. The majority of the units will be condominiums starting at about $400,000.

Seattle, Washington

The Seattle metropolitan area is part of the greater Puget Sound region and consists of King and Snohomish Counties. The city of Seattle and several major employers, including Microsoft Corporation, the University of Washington, and Boeing's Renton facility, are located in King County. Snohomish County, in the northern portion of the metropolitan area, is the location of Boeing's Everett facility and Naval Station Everett.

The Seattle metropolitan area economy improved significantly during the first quarter of 2005, as nonfarm wage and salary employment averaged 1.34 million for the 12 months ending March 2005, up 18,900 jobs, or 1.4 percent, compared with the same period a year ago. The gain was notable because the 1-year periods ending in March 2004 and March 2003 registered nonfarm employment declines of 0.6 and 2.7 percent, respectively. Increases in professional and business services, health services, and retail trade led employment gains during the past 12 months. Aerospace product and parts manufacturing rose during the period as well, mainly because of hiring related to Boeing's newest jet, the 787 Dreamliner. The more fuel-efficient 787 passenger jets are being assembled at Boeing's Everett facility and are expected to result in up to 1,200 new jobs. Losses during the year primarily occurred in the financial activities and telecommunications industries. The unemployment rate averaged 5 percent for the 12 months ending March 2005, compared with 6.2 percent for the 12 months ending March 2004.

Because of slow economic conditions, population growth has been relatively modest in the Seattle area according to U.S. Census Bureau estimates, up 0.8 percent between July 2003 and July 2004 to 2.42 million. Since 2000, less than 20 percent of population growth is estimated to be the result of net in-migration, compared with approximately 60 percent in the 1990s. International migration accounted for the majority of migration-related population gains in the metropolitan area between July 2000 and July 2004.

Sales market conditions have remained extremely strong in the Seattle metropolitan area, primarily due to low mortgage interest rates. Existing home sales through the Northwest Multiple Listing Service totaled 45,648 for the 1-year period ending March 2005, a 10-percent annual increase. The median price rose 11 percent to $309,700 in the metropolitan area, with a King County median of $332,000 and a Snohomish County median of $258,000. The new construction home market also reflected high demand throughout the Seattle area. New home sales rose 13 percent in 2004 compared with 2003, and the median sales price increased 9 percent to $328,550.

Rapidly rising single-family prices, as well as lifestyle choices, drove condominium demand in the Seattle area. Total existing condominium sales equaled 11,512 units during 2004, an 18-percent increase over 2003. The median sales price rose 6 percent to $194,700, and the average time on the market declined to 58 days, down from 67 days in 2003. The median sales price for new construction condominiums increased 5 percent in the metropolitan area to an estimated $235,600.

Reflecting the strong sales market in the Seattle metropolitan area, single-family building permit activity increased 8 percent to 11,675 homes permitted during the 1-year period ending February 2005. King County accounted for 56 percent of the permits issued, one-third of which were in unincorporated areas. In the city of Seattle, 704 homes were permitted, down 19 percent from the year earlier period due to the declining supply of available land.

Rental market conditions in the Seattle metropolitan area improved during the first quarter of 2005 but were still considered competitive overall. The estimated rental vacancy rate declined to 6.6 percent, compared with 7.4 percent a year ago. Average overall rents reversed a 3-year declining trend and increased, albeit less than 1 percent in the past year, to $845 in King County and $750 in Snohomish County based on the Dupre + Scott *Apartment Vacancy Report*. Average rents were still below the fall of 2001 averages by 4 percent in King County and 6 percent in Snohomish County. The percent of properties offering concessions declined slightly over the past year to 64 percent of properties in King County and 82 percent in Snohomish County. Property managers indicated that the improving economy and a slight decline in tenure shift to homeownership because of rising home prices were responsible for the small but positive changes in rental market conditions. These factors, combined with modest rental pipeline projections, are expected to result in an overall rental vacancy rate of 6.2 percent in the Seattle metropolitan area by late 2006, according to the O'Connor Consulting Group's *Seattle Apartment Market Report*.

Primarily due to strong condominium demand in King County, and to a lesser extent improving rental market conditions, multifamily building permit activity increased by 24 percent in the metropolitan area overall during the 12 months ending February 2005 to 6,489 units. Activity since the fall of 2004 accounted for most of the past 1-year period's increase in units permitted, of which approximately 80 percent were in King County, where activity rose 35 percent. In the city of Seattle, 2,720 units were permitted, and 739 units were permitted in the combined east King County areas of Bellevue, Bothell, Issaquah, Kirkland, and Redmond for the 1-year period ending February 2005. The activity in east King County represented an annualized increase of 83 percent and reflected renewed interest in a submarket area that was hit particularly hard by declines in the high-technology sector after 2001.

A large-scale redevelopment project and two major transportation initiatives are reshaping housing markets in the Seattle metropolitan area. Sound Transit is currently constructing the first phase of a light rail system that will eventually stretch between south and north King County. Several major housing developments are already either proposed or under way near planned light rail stations, including a Hope VI public housing redevelopment. The Seattle Monorail's first segment, the Green Line, is planned to begin operations in 2009. The Green Line will connect Seattle neighborhoods to downtown employment centers and is expected to reduce traffic congestion, paving the way for greater housing density in the city of Seattle. A major redevelopment of the South Lake Union area, just north of Seattle's downtown, is under way that includes a new housing concept for the city—a condominium/hotel. Condominium residents will be offered hotel amenities, such as 24-hour concierge services, valet parking, cleaning services, and access to shops, a grocery store, and restaurants inside the complex. Plans for the area also include a biotechnology-anchored urban center with other types of housing and public parks. So far, more than 1.8 million square feet of residential, office, research, and hotel space are currently under construction or have been completed.

Springfield, Illinois

The Springfield metropolitan area, located in central Illinois, comprises Sangamon and Menard Counties. Springfield is the state capital and the county seat of Sangamon County. The leading employer in the area is state government, representing 17 percent of total nonfarm employment. Leisure and hospitality, professional and business services, and educational and health services are the other leading employment sectors in the area.

Since the 2000 Census, the population in the metropolitan area is estimated to have increased by 0.3 percent annually to 205,000 persons through March 2005. The population of Springfield city during this same period increased at a slightly faster rate of 0.5 percent to 114,400 persons. Net natural increase in population accounted for most of the metropolitan area's increase since 2000.

The Springfield economy has stabilized from the 2002 economic downturn and is experiencing modest employment growth in several sectors. During the 12-month period ending February 2005, nonfarm employment at 110,270 was stable compared with the previous 12-month period. Job gains recorded in educational and health services and local government helped offset losses in state government that are expected to continue this year. Employment, however, should remain strong in the leisure and hospitality sectors. The October 2004 and April 2005 openings of the $150 million Abraham Lincoln Presidential Library and Museum, respectively, are expected to attract 1 million visitors annually to Springfield. The local economy will also benefit this year from a medical district in the downtown area created by the state legislature in 2003 to promote high-technology research and develop new specialty medical hospitals. Two hospitals have already taken advantage of the incentives to locate in the special district. In November 2005, Memorial and St. John's Hospitals will jointly open a $27 million specialty surgeon's hospital, which should add an estimated 250 healthcare jobs. In February 2005, the seasonally adjusted unemployment rate was 6.0 percent compared with 6.3 percent a year ago.

Despite flat employment growth, historically low mortgage interest rates and affordable housing prices are the primary reasons for stable levels of single-family home construction throughout the metropolitan area. For the 12-month period ending in February 2005, single-family permits were issued for 600 units, unchanged from the previous year. According to local industry sources, single-family residential construction activity should remain at current levels in 2005. New home construction throughout the area was evenly divided between Springfield city and the remainder of the area. The city of Springfield's west side has been the focus of housing developments due to the availability of developable land and access to employment centers and services. Infrastructure improvements, access to highway corridors, and large residential lots also have spurred development in the unincorporated areas. Prices of new homes in the metropolitan area range from $120,000 for move-up homebuyers to $300,000 for custom homes.

Springfield has some of the most affordably priced housing in Illinois and the nation. Supported by low mortgage rates and downpayment assistance programs, the existing single-family market in the metropolitan area has remained balanced over the past year. The Capital Area Association of REALTORS® reported that 3,625 existing homes were sold in the 12-month period ending March 2005, approximately equal to the previous 12-month period. Median sales price for 2004 was $94,000, up 5 percent from 2003. Springfield is one of the lowest priced markets of all metropolitan areas in the state, and its median home price is about half that for the nation.

Multifamily construction activity in the metropolitan area has increased from earlier levels. During 2003 and 2004, multifamily permits averaged 340 units annually compared with the 185 units a year recorded in 2001 and 2002. A large part of the multifamily activity is construction of age-restricted apartments. In 2003, all 190 units in structures with more than five units, or 62 percent of total multifamily units, were designed for seniors. Although the volume of activity continued in 2004, most were general occupancy units. The increased multifamily activity can be attributed to developers taking advantage of relatively low interest rates and building costs in the area.

Springfield's apartment market remains soft. Local sources estimate that the vacancy rate in the metropolitan area is approximately the same as the 10-percent rate recorded in the 2000 Census. Rent specials throughout the area typically include 1 to 2 months of free rent on a 1-year lease and a reduced security deposit. Average monthly rents for new market-rate units entering the market during the past year are estimated to be $550 for one-bedroom units and $650 for two-bedroom units. With renters continuing to shift to homeownership, the 1-year outlook is that vacancies and rents will remain near their current levels.

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

HUD Region and State	2005 Through March			2004 Through March			Ratio: 2005/2004 Through March		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	2,220	1,548	672	2,182	1,652	530	1.017	0.937	1.268
Maine	1,480	1,322	158	1,373	1,260	113	1.078	1.049	1.398
Massachusetts	4,564	2,682	1,882	3,797	2,740	1,057	1.202	0.979	1.781
New Hampshire	1,447	1,153	294	1,675	1,260	415	0.864	0.915	0.708
Rhode Island	436	334	102	461	413	48	0.946	0.809	2.125
Vermont	426	358	68	612	444	168	0.696	0.806	0.405
New England	**10,573**	**7,397**	**3,176**	**10,100**	**7,769**	**2,331**	**1.047**	**0.952**	**1.363**
New Jersey	8,127	4,813	3,314	7,879	4,600	3,279	1.031	1.046	1.011
New York	10,942	3,856	7,086	9,373	4,630	4,743	1.167	0.833	1.494
New York/New Jersey	**19,069**	**8,669**	**10,400**	**17,252**	**9,230**	**8,022**	**1.105**	**0.939**	**1.296**
Delaware	1,808	1,725	83	1,926	1,813	113	0.939	0.951	0.735
District of Columbia	565	43	522	494	91	403	1.144	0.473	1.295
Maryland	7,999	5,470	2,529	5,904	5,066	838	1.355	1.080	3.018
Pennsylvania	8,168	6,438	1,730	11,393	8,421	2,972	0.717	0.765	0.582
Virginia	13,584	11,449	2,135	14,920	11,599	3,321	0.910	0.987	0.643
West Virginia	1,288	1,148	140	1,261	1,107	154	1.021	1.037	0.909
Mid-Atlantic	**33,412**	**26,273**	**7,139**	**35,898**	**28,097**	**7,801**	**0.931**	**0.935**	**0.915**
Alabama	8,155	6,131	2,024	8,298	5,905	2,393	0.983	1.038	0.846
Florida	66,577	49,524	17,053	56,739	40,736	16,003	1.173	1.216	1.066
Georgia	24,755	21,577	3,178	25,769	21,625	4,144	0.961	0.998	0.767
Kentucky	5,003	4,484	519	5,159	4,636	523	0.970	0.967	0.992
Mississippi	2,997	2,654	343	3,307	2,744	563	0.906	0.967	0.609
North Carolina	23,384	19,738	3,646	22,132	18,178	3,954	1.057	1.086	0.922
South Carolina	12,758	9,965	2,793	9,587	8,257	1,330	1.331	1.207	2.100
Tennessee	10,615	9,129	1,486	11,492	9,170	2,322	0.924	0.996	0.640
Southeast/Caribbean	**154,244**	**123,202**	**31,042**	**142,483**	**111,251**	**31,232**	**1.083**	**1.107**	**0.994**
Illinois	12,680	9,018	3,662	11,960	9,359	2,601	1.060	0.964	1.408
Indiana	7,359	6,177	1,182	8,089	6,666	1,423	0.910	0.927	0.831
Michigan	10,106	8,749	1,357	9,572	8,261	1,311	1.056	1.059	1.035
Minnesota	5,149	4,170	979	5,864	4,643	1,221	0.878	0.898	0.802
Ohio	10,293	8,840	1,453	10,088	8,872	1,216	1.020	0.996	1.195
Wisconsin	6,046	4,490	1,556	6,726	4,803	1,923	0.899	0.935	0.809
Midwest	**51,633**	**41,444**	**10,189**	**52,299**	**42,604**	**9,695**	**0.987**	**0.973**	**1.051**
Arkansas	4,241	2,689	1,552	3,269	2,365	904	1.297	1.137	1.717
Louisiana	5,571	5,129	442	4,636	4,019	617	1.202	1.276	0.716
New Mexico	3,177	3,080	97	3,511	3,130	381	0.905	0.984	0.255
Oklahoma	4,311	3,546	765	4,035	3,135	900	1.068	1.131	0.850
Texas	49,409	37,404	12,005	42,259	34,898	7,361	1.169	1.072	1.631
Southwest	**66,709**	**51,848**	**14,861**	**57,710**	**47,547**	**10,163**	**1.156**	**1.090**	**1.462**
Iowa	3,162	2,322	840	2,983	2,139	844	1.060	1.086	0.995
Kansas	2,853	2,298	555	2,585	2,329	256	1.104	0.987	2.168
Missouri	7,165	5,967	1,198	6,529	5,332	1,197	1.097	1.119	1.001
Nebraska	2,237	1,757	480	1,811	1,593	218	1.235	1.103	2.202
Great Plains	**15,417**	**12,344**	**3,073**	**13,908**	**11,393**	**2,515**	**1.108**	**1.083**	**1.222**
Colorado	10,590	9,275	1,315	9,929	8,356	1,573	1.067	1.110	0.836
Montana	1,035	691	344	564	380	184	1.835	1.818	1.870
North Dakota	563	188	375	353	245	108	1.595	0.767	3.472
South Dakota	1,029	816	213	1,160	881	279	0.887	0.926	0.763
Utah	6,176	5,095	1,081	4,814	3,952	862	1.283	1.289	1.254
Wyoming	672	535	137	531	416	115	1.266	1.286	1.191
Rocky Mountain	**20,065**	**16,600**	**3,465**	**17,351**	**14,230**	**3,121**	**1.156**	**1.167**	**1.110**
Arizona	21,467	19,017	2,450	18,207	16,666	1,541	1.179	1.141	1.590
California	47,229	33,623	13,606	47,474	35,982	11,492	0.995	0.934	1.184
Hawaii	2,097	1,853	244	2,402	1,351	1,051	0.873	1.372	0.232
Nevada	9,196	7,810	1,386	10,693	9,060	1,633	0.860	0.862	0.849
Pacific	**79,989**	**62,303**	**17,686**	**78,776**	**63,059**	**15,717**	**1.015**	**0.988**	**1.125**
Alaska	512	301	211	385	303	82	1.330	0.993	2.573
Idaho	4,457	3,982	475	3,064	2,614	450	1.455	1.523	1.056
Oregon	7,443	5,577	1,866	5,338	4,430	908	1.394	1.259	2.055
Washington	11,627	9,303	2,324	9,672	7,718	1,954	1.202	1.205	1.189
Northwest	**24,039**	**19,163**	**4,876**	**18,459**	**15,065**	**3,394**	**1.302**	**1.272**	**1.437**
United States	**475,150**	**369,243**	**105,907**	**444,236**	**350,245**	**93,991**	**1.070**	**1.054**	**1.127**

*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	2005 Through March		
		Total	Single Family	Multi-family**
12060	Atlanta-Sandy Springs-Marietta, GA	16,998	14,681	2,317
26420	Houston-Baytown-Sugar Land, TX	16,086	12,238	3,848
38060	Phoenix-Mesa-Scottsdale, AZ	14,119	12,831	1,288
19100	Dallas-Fort Worth-Arlington, TX	13,343	10,398	2,945
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	12,612	3,986	8,626
40140	Riverside-San Bernardino-Ontario, CA	11,416	9,744	1,672
33100	Miami-Fort Lauderdale-Miami Beach, FL	10,494	6,142	4,352
16980	Chicago-Naperville-Joliet, IL-IN-WI	10,163	7,065	3,098
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	8,455	6,372	2,083
36740	Orlando, FL	8,272	6,595	1,677
45300	Tampa-St. Petersburg-Clearwater, FL	8,256	6,610	1,646
31100	Los Angeles-Long Beach-Santa Ana, CA	7,553	3,702	3,851
15980	Cape Coral-Fort Myers, FL	7,497	5,724	1,773
29820	Las Vegas-Paradise, NV	7,497	6,555	942
27260	Jacksonville, FL	5,927	4,060	1,867
42660	Seattle-Tacoma-Bellevue, WA	5,680	3,908	1,772
41740	San Diego-Carlsbad-San Marcos, CA	5,237	1,898	3,339
41700	San Antonio, TX	5,056	2,977	2,079
19740	Denver-Aurora, CO	4,827	4,050	777
16740	Charlotte-Gastonia-Concord, NC-SC	4,790	4,505	285
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	4,742	3,119	1,623
40900	Sacramento--Arden-Arcade--Roseville, CA	4,464	3,733	731
34980	Nashville-Davidson--Murfreesboro, TN	4,393	3,315	1,078
12420	Austin-Round Rock, TX	4,370	3,661	709
19820	Detroit-Warren-Livonia, MI	3,914	3,281	633
38900	Portland-Vancouver-Beaverton, OR-WA	3,817	2,770	1,047
33460	Minneapolis-St. Paul-Bloomington, MN-WI	3,712	2,974	738
28140	Kansas City, MO-KS	3,666	2,980	686
42260	Sarasota-Bradenton-Venice, FL	3,498	2,610	888
41180	St. Louis, MO-IL	3,420	2,951	469
14460	Boston-Cambridge-Quincy, MA-NH	3,282	1,580	1,702
39580	Raleigh-Cary, NC	3,135	2,933	202
26900	Indianapolis, IN	3,072	2,597	475
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	2,839	1,360	1,479
40060	Richmond, VA	2,806	2,148	658
29460	Lakeland, FL	2,791	2,183	608
17140	Cincinnati-Middletown, OH-KY-IN	2,724	2,387	337
46060	Tucson, AZ	2,714	2,599	115
16700	Charleston-North Charleston, SC	2,530	1,783	747
41860	San Francisco-Oakland-Fremont, CA	2,474	1,695	779
38940	Port St. Lucie-Fort Pierce, FL	2,443	2,305	138
12580	Baltimore-Towson, MD	2,442	1,754	688
14260	Boise City-Nampa, ID	2,442	2,291	151
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,357	1,717	640
48900	Wilmington, NC	2,345	1,964	381
18140	Columbus, OH	2,322	1,899	423
32580	McAllen-Edinburg-Pharr, TX	2,303	1,677	626
36420	Oklahoma City, OK	2,265	1,896	369
32820	Memphis, TN-MS-AR	2,231	2,160	71
41620	Salt Lake City, UT	2,171	1,551	620

* Based on Office of Management and Budget's metropolitan and micropolitan statistical area definitions announced on June 6, 2003.
** Multifamily is two or more units in structure.
CBSA=Core Based Statistical Area.
Source: Census Bureau, Department of Commerce

Historical Data

Table 1. New Privately Owned Housing Units Authorized:* 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
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Jan	1,971	1,532	94		345	NA		186	360	919	506
Feb	1,956	1,551	85		320	NA		172	357	912	515
Mar	2,019	1,600	96		323	NA		203	369	934	513
Apr	2,043	1,574	96		373	NA		201	378	929	535
May	2,111	1,634	95		382	NA		199	362	1,001	549
Jun	1,981	1,581	88		312	NA		201	350	913	517
Jul	2,097	1,616	112		369	NA		193	374	966	564
Aug	2,017	1,588	86		343	NA		183	379	928	527
Sep	2,024	1,583	82		359	NA		200	385	915	524
Oct	2,056	1,590	91		375	NA		176	378	974	528
Nov	2,072	1,582	94		396	NA		202	362	937	571
Dec	2,069	1,612	98		359	NA		196	394	937	542
2005											
Jan	2,132	1,640	84		408	NA		196	352	1,038	546
Feb	2,107	1,641	83		383	NA		188	390	976	553
Mar	2,025	1,556	86		383	NA		185	348	962	530

*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
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Jan	1,934	1,565	NA		339	NA		149	331	940	514
Feb	1,895	1,521	NA		344	NA		176	348	890	481
Mar	2,000	1,624	NA		343	NA		173	373	929	525
Apr	1,963	1,615	NA		312	NA		178	382	957	446
May	1,979	1,654	NA		269	NA		180	357	870	572
Jun	1,817	1,520	NA		272	NA		165	315	864	473
Jul	1,985	1,661	NA		260	NA		182	349	894	560
Aug	2,018	1,685	NA		266	NA		202	370	908	538
Sep	1,905	1,549	NA		325	NA		158	350	898	499
Oct	2,065	1,662	NA		362	NA		176	389	947	553
Nov	1,805	1,486	NA		280	NA		161	318	849	477
Dec	2,056	1,714	NA		293	NA		196	378	958	524
2004											
Jan	2,189	1,776	NA		365	NA		163	337	1,134	555
Feb	2,229	1,798	NA		377	NA		195	437	1,021	576
Mar	1,837	1,539	NA		258	NA		188	309	837	503

*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
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Jan	1,197	822	NA		349	NA		130	237	518	312
Feb	1,207	825	NA		357	NA		132	235	525	315
Mar	1,226	840	NA		360	NA		133	238	533	322
Apr	1,225	838	NA		360	NA		136	239	539	311
May	1,230	850	NA		351	NA		140	235	535	320
Jun	1,224	850	NA		346	NA		139	231	537	317
Jul	1,243	855	NA		357	NA		142	227	551	323
Aug	1,237	867	NA		335	NA		145	222	539	331
Sep	1,240	864	NA		340	NA		143	222	542	333
Oct	1,259	878	NA		345	NA		141	226	550	342
Nov	1,268	885	NA		346	NA		143	226	554	345
Dec	1,280	892	NA		350	NA		147	228	560	345
2005											
Jan	1,307	909	NA		360	NA		152	228	579	348
Feb	1,326	920	NA		368	NA		153	231	587	355
Mar	1,324	918	NA		367	NA		156	230	585	353

*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
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Jan	1,714	1,437	NA		264	NA		129	380	726	479
Feb	1,729	1,458	NA		240	NA		139	377	762	451
Mar	1,782	1,488	NA		274	NA		143	340	837	462
Apr	1,944	1,654	NA		268	NA		140	369	894	541
May	1,928	1,523	NA		383	NA		145	380	919	484
Jun	1,865	1,524	NA		317	NA		177	356	837	495
Jul	1,876	1,541	NA		303	NA		154	369	869	484
Aug	1,914	1,551	NA		344	NA		167	425	870	452
Sep	1,777	1,521	NA		236	NA		159	329	833	456
Oct	1,833	1,531	NA		272	NA		191	353	804	485
Nov	1,735	1,446	NA		267	NA		152	311	835	437
Dec	1,921	1,657	NA		236	NA		145	360	853	563
2005											
Jan	1,886	1,579	NA		261	NA		153	331	865	537
Feb	1,886	1,599	NA		236	NA		177	379	869	461
Mar	1,766	1,503	NA		236	NA		138	323	810	495

*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	138	11	25	76	26	54,900	38
2004	131	122	10	20	66	26	58,000	37
Monthly Data (Seasonally Adjusted Annual Rates)								
2003								
Nov	126	145	13	25	81	25	56,500	40
Dec	125	135	14	26	70	26	57,700	38
2004								
Jan	124	135	8	33	69	25	56,100	39
Feb	123	109	10	18	58	24	59,000	39
Mar	132	119	11	19	64	25	56,700	39
Apr	129	135	10	22	70	33	56,600	39
May	126	123	12	22	65	24	56,800	38
Jun	127	131	12	21	76	22	55,900	36
Jul	125	137	9	23	74	30	58,300	35
Aug	125	118	13	19	64	23	57,400	35
Sep	135	114	10	17	62	25	56,600	36
Oct	141	111	9	17	62	23	61,100	35
Nov	139	113	9	17	64	23	62,300	38
Dec	136	126	11	21	64	30	59,700	39
2005								
Jan	151	136	4	14	88	29	61,500	39
Feb	137	114	8	16	68	22	59,700	40
Mar	127	NA	NA	NA	NA	NA	NA	NA

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

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

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

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

Period	Sold During Period					For Sale at End of Period						Months' Supply at Current U.S. Sales Rate
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West	U.S.	
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
2004	1,203	83	210	562	348	431	30	111	200	91	NA	NA
Monthly Data												
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
2004												
Jan	1,155	95	217	553	290	376	27	96	175	78	374	3.9
Feb	1,165	86	190	536	353	366	25	94	172	74	373	3.7
Mar	1,270	81	191	618	380	375	26	99	176	75	379	3.6
Apr	1,176	89	209	533	345	382	26	100	182	73	384	4.0
May	1,244	105	208	571	360	379	25	101	177	76	385	3.7
Jun	1,198	74	197	589	338	385	26	103	178	78	383	3.9
Jul	1,095	57	222	490	326	397	29	101	184	83	399	4.4
Aug	1,158	67	215	536	340	404	30	102	187	84	405	4.3
Sep	1,211	79	225	553	354	413	30	104	191	89	411	4.1
Oct	1,304	103	248	533	420	414	29	105	196	83	412	3.8
Nov	1,173	83	162	592	336	423	30	111	195	87	419	4.3
Dec	1,246	67	244	621	314	431	23	111	200	91	422	4.1
2005												
Jan	1,178	66	170	603	339	437	32	112	203	90	434	4.4
Feb	1,275	90	178	644	363	431	31	112	201	86	437	4.3
Mar	1,431	82	217	733	399	428	31	111	202	84	433	3.6

*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/newressalesindex.html

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

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,812	577	992	1,431	813	1,470	NA
1996	4,196	584	986	1,511	1,116	1,910	NA
1997	4,382	607	1,005	1,595	1,174	1,840	NA
1998	4,970	662	1,130	1,868	1,309	1,910	NA
1999	5,205	656	1,148	2,015	1,386	1,730	NA
2000	5,152	643	1,119	2,015	1,376	1,840	NA
2001	5,296	638	1,158	2,114	1,386	1,840	NA
2002	5,631	950	1,346	2,065	1,269	2,108	4.7
2003	6,183	1,022	1,468	2,282	1,404	2,250	4.6
2004	6,784	1,114	1,549	2,542	1,577	2,214	4.3
Monthly Data (Seasonally Adjusted Annual Rates)							
2004							
Jan	5,980	980	1,330	2,320	1,360	2,155	4.3
Feb	6,400	1,090	1,440	2,370	1,490	2,388	4.5
Mar	6,570	1,080	1,500	2,450	1,540	2,415	4.4
Apr	6,790	1,120	1,580	2,530	1,570	2,409	4.3
May	6,890	1,110	1,580	2,580	1,640	2,427	4.3
Jun	7,020	1,140	1,630	2,590	1,670	2,378	4.2
Jul	6,840	1,120	1,570	2,610	1,560	2,443	4.4
Aug	6,760	1,120	1,540	2,550	1,560	2,532	4.5
Sep	6,790	1,130	1,540	2,520	1,600	2,382	4.2
Oct	6,840	1,120	1,560	2,580	1,580	2,465	4.3
Nov	6,980	1,140	1,570	2,640	1,640	2,539	4.3
Dec	6,810	1,130	1,550	2,550	1,580	2,214	3.9
2005							
Jan	6,820	1,090	1,470	2,650	1,590	2,147	3.8
Feb	6,820	1,140	1,520	2,560	1,600	2,330	4.1
Mar	6,890	1,140	1,550	2,570	1,630	2,325	4.0

*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
Quarterly Data							
2004							
Q1	212,700	292,000	208,900	173,800	273,300	262,900	232,300
Q2	217,600	290,300	203,500	171,400	278,700	265,300	235,600
Q3	213,500	347,700	198,100	176,100	277,100	274,000	237,800
Q4	228,800	357,400	214,300	190,900	297,000	286,300	243,900
2005							
Q1	221,400	365,500	218,100	174,700	302,600	283,400	242,400

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

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

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

http://www.census.gov/const/quarterly_sales.pdf (See Table Q6.)

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

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,900	139,100	87,900	96,000	147,000	136,800
1995	113,100	136,900	93,600	97,800	148,300	139,100
1996	115,800	127,800	101,000	103,400	147,100	141,800
1997	121,800	131,800	107,000	109,600	155,200	150,500
1998	128,400	135,900	114,300	116,200	164,800	159,100
1999	133,300	139,000	119,600	120,300	173,900	168,300
2000	139,000	139,400	123,600	128,300	183,000	176,200
2001	147,800	146,500	130,200	137,400	194,500	185,300
2002	156,200	160,300	137,200	144,200	211,500	199,200
2003	169,500	188,500	143,400	154,800	231,500	215,000
2004	185,200	219,800	152,300	168,500	263,300	236,600
Monthly Data						
2004						
Jan	171,000	211,000	139,000	154,000	238,000	218,000
Feb	169,000	204,000	140,000	151,000	238,000	216,000
Mar	175,000	211,000	143,000	158,000	243,000	223,000
Apr	179,000	211,000	147,000	163,000	252,000	230,000
May	184,000	216,000	153,000	168,000	256,000	236,000
Jun	191,000	220,000	157,000	177,000	270,000	245,000
Jul	191,000	222,000	159,000	174,000	275,000	243,000
Aug	190,000	218,000	158,000	172,000	268,000	241,000
Sep	187,000	221,000	153,000	170,000	263,000	237,000
Oct	187,000	228,000	154,000	166,000	272,000	239,000
Nov	190,000	229,000	154,000	170,000	275,000	242,000
Dec	191,000	220,000	156,000	174,000	279,000	244,000
2005						
Jan	189,000	231,000	149,000	169,000	278,000	241,000
Feb	189,000	250,000	154,000	163,000	273,000	241,000
Mar	195,000	242,000	159,000	169,000	289,000	249,000

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	62.7	69.2	69.5	69.3	69.7	58.7	64.9	64.6	55.1	45.6
1976	66.6	71.7	70.9	70.9	72.5	63.5	68.9	69.0	60.2	53.4
1977	73.9	77.1	75.4	75.5	79.1	70.7	76.2	76.9	68.7	66.2
1978	83.7	87.8	81.1	83.6	87.8	81.2	87.3	87.6	80.6	79.0
1979	95.0	100.2	94.6	93.2	96.3	93.9	96.6	97.9	94.9	91.3
1980	102.6	104.5	103.7	102.3	100.4	103.2	102.7	101.1	102.5	104.1
1981	108.1	112.5	108.0	108.9	104.3	112.2	101.8	104.0	110.9	112.3
1982	111.4	117.5	112.8	114.5	106.7	122.9	102.3	100.2	117.2	114.5
1983	115.6	131.3	119.2	118.6	111.1	126.0	107.1	103.0	119.9	116.2
1984	120.9	154.9	134.0	123.4	114.7	125.2	111.1	105.4	119.8	120.4
1985	128.0	187.5	151.9	129.1	119.9	124.6	115.7	109.6	122.4	125.8
1986	138.0	228.9	176.4	136.9	126.1	125.8	120.5	116.5	126.4	133.4
1987	148.8	269.0	208.6	145.9	132.9	118.3	125.2	125.8	126.1	145.6
1988	158.2	287.8	229.5	156.1	137.1	111.8	127.7	135.0	124.1	166.1
1989	167.2	289.6	235.5	164.5	140.3	112.4	130.9	143.3	125.4	198.6
1990	171.5	278.0	234.3	168.0	142.7	113.8	133.1	150.2	128.3	216.3
1991	173.6	264.0	232.5	170.4	146.4	116.5	136.3	156.0	133.0	219.0
1992	177.4	260.6	237.2	174.7	151.6	120.6	140.7	162.4	139.5	218.4
1993	180.4	259.6	239.9	177.8	157.2	124.8	145.5	168.2	148.9	213.6
1994	183.7	256.4	237.7	179.7	164.9	128.8	153.4	176.7	163.2	208.7
1995	188.7	259.1	238.0	183.9	173.1	132.2	160.7	185.9	175.1	209.1
1996	195.3	266.1	242.7	190.2	181.3	136.6	168.2	196.0	184.6	212.6
1997	202.1	274.7	246.6	196.5	188.9	140.3	175.7	205.9	192.6	219.5
1998	212.5	291.3	256.8	205.9	198.3	147.2	184.3	215.5	201.6	234.9
1999	223.2	316.0	268.3	214.7	205.1	153.9	195.3	225.7	210.0	248.8
2000	238.7	354.1	287.9	227.1	211.6	161.5	208.7	238.3	222.8	273.6
2001	257.6	393.9	313.0	245.2	222.8	171.5	224.2	251.8	238.7	302.9
2002	275.7	439.2	343.7	262.5	229.8	177.9	238.5	263.4	249.2	330.9
2003	295.0	480.6	375.9	281.6	238.6	184.7	251.4	274.1	260.1	365.4
2004	326.7	538.8	423.8	315.7	249.6	192.8	269.5	290.4	284.1	432.8
Quarterly Data										
2003										
Q4	306.5	504.0	395.8	292.8	242.4	187.5	259.4	280.7	267.0	387.5
2004										
Q1	311.3	512.0	401.5	299.4	244.7	189.0	261.3	282.8	270.7	398.3
Q2	319.7	525.6	412.9	308.3	247.2	191.2	266.3	286.9	278.4	417.4
Q3	335.0	555.4	437.1	323.2	251.7	194.2	274.2	294.6	291.2	452.0
Q4	340.7	562.3	443.6	331.8	254.6	196.6	276.4	297.3	296.3	463.3

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 Existing Price ($)	Mortgage Rate[1]	Median Family Income ($)	Income To Qualify ($)	Composite	Fixed	ARM
Annual Data							
1972	26,700	7.52	11,116	7,183	154.8	154.8	154.8
1973	28,900	8.01	12,051	8,151	147.9	147.9	147.9
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	93,100	10.11	34,213	31,662	108.1	103.6	114.3
1990	95,500	10.04	35,353	32,286	109.5	106.5	118.3
1991	100,300	9.30	35,939	31,825	112.9	109.9	124.2
1992	103,700	8.11	36,812	29,523	124.7	120.1	145.0
1993	106,800	7.16	36,959	27,727	133.3	128.4	154.9
1994	109,900	7.47	38,782	29,419	131.8	122.2	149.5
1995	113,100	7.85	40,611	31,415	129.3	123.7	140.0
1996	115,800	7.71	42,300	31,744	133.3	129.6	142.9
1997	121,800	7.68	44,568	33,282	133.9	130.8	145.2
1998	128,400	7.10	46,737	33,120	141.1	139.7	151.0
1999	133,300	7.33	48,950	35,184	139.1	136.3	150.4
2000	139,000	8.03	50,732	39,264	129.2	127.6	141.3
2001	147,800	7.03	51,407	37,872	135.7	135.7	145.5
2002	158,100	6.55	51,680	38,592	133.9	131.6	147.1
2003	170,000	5.74	52,682	38,064	138.4	125.7	140.5
2004	184,100	5.72	54,527	41,136	132.6	121.1	135.4
Monthly Data							
2004							
Jan	170,200	5.70	53,662	37,920	141.5	137.7	153.1
Feb	168,100	5.74	53,818	37,632	143.0	140.5	155.1
Mar	174,000	5.48	53,974	37,872	142.5	137.5	156.2
Apr	177,100	5.42	54,131	38,256	141.5	136.4	154.3
May	182,400	5.77	54,288	40,944	132.6	127.1	143.3
Jun	191,000	6.01	54,445	44,016	123.7	118.6	132.4
Jul	190,200	5.93	54,603	43,440	125.7	121.1	133.5
Aug	188,800	5.83	54,761	42,672	128.3	124.3	136.1
Sep	185,700	5.70	54,920	41,376	132.7	129.1	140.2
Oct	185,400	5.70	55,079	41,328	133.3	130.1	139.9
Nov	188,100	5.70	55,239	41,904	131.8	128.7	137.5
Dec	188,900	5.76	55,399	42,384	130.7	129.0	134.7
2005							
Jan	186,100	5.78	56,125	41,856	134.1	132.1	138.2
Feb	186,800	5.71	56,323	41,664	135.2	132.7	140.7
Mar	193,600	5.81	56,521	43,680	129.4	127.0	134.9

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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
Quarterly Data			
2003			
Q4	38,800	63	$935
2004			
Q1	34,000	61	$950
Q2	42,600	59	$1,022
Q3	44,900	64	$958
Q4	33,500	64	$972

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
Monthly Data (Seasonally Adjusted)				
2004				
Jan	69	76	76	51
Feb	64	71	73	46
Mar	64	70	70	49
Apr	69	77	76	48
May	69	74	75	55
Jun	68	73	74	53
Jul	67	74	74	51
Aug	71	77	78	56
Sept	67	73	75	52
Oct	69	76	79	51
Nov	70	77	78	51
Dec	71	78	80	52
2005				
Jan	70	77	78	50
Feb	69	76	79	50
Mar	70	76	79	52
Apr	67	73	76	50

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

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

Period	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
Monthly Data						
2004						
Jan	5.71	0.7	5.02	0.7	3.63	0.7
Feb	5.64	0.7	4.94	0.7	3.55	0.7
Mar	5.45	0.7	4.74	0.7	3.41	0.6
Apr	5.83	0.7	5.16	0.6	3.65	0.6
May	6.27	0.7	5.64	0.7	3.88	0.7
Jun	6.29	0.6	5.66	0.6	4.10	0.7
Jul	6.06	0.6	5.46	0.6	4.11	0.7
Aug	5.87	0.7	5.26	0.6	4.06	0.6
Sep	5.75	0.7	5.14	0.7	3.99	0.7
Oct	5.72	0.7	5.12	0.6	4.02	0.7
Nov	5.73	0.6	5.14	0.6	4.15	0.7
Dec	5.75	0.6	5.18	0.6	4.18	0.6
2005						
Jan	5.71	0.7	5.17	0.6	4.12	0.7
Feb	5.63	0.7	5.15	0.7	4.16	0.8
Mar	5.93	0.7	5.46	0.7	4.23	0.8

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
Monthly Data								
2004								
Jan	5.88	0.49	5.95	26.3	4.91	0.46	4.98	29.9
Feb	5.86	0.37	5.92	26.4	4.94	0.46	5.01	30.0
Mar	5.76	0.37	5.82	25.8	4.66	0.35	4.71	29.8
Apr	5.72	0.36	5.77	26.4	4.66	0.32	4.70	29.8
May	6.10	0.36	6.16	26.4	5.04	0.32	5.09	29.8
Jun	6.28	0.40	6.34	26.5	5.34	0.36	5.39	29.8
Jul	6.22	0.40	6.28	27.4	5.36	0.34	5.41	29.7
Aug	6.07	0.48	6.14	27.4	5.31	0.37	5.36	29.7
Sep	5.86	0.54	5.94	27.5	5.24	0.41	5.29	29.9
Oct	5.86	0.47	5.93	27.4	5.33	0.36	5.38	29.9
Nov	5.87	0.45	5.93	27.5	5.40	0.31	5.45	29.9
Dec	5.88	0.45	5.94	27.7	5.58	0.26	5.62	29.8
2005								
Jan	5.87	0.48	5.94	27.4	5.62	0.29	5.66	29.9
Feb	5.87	0.32	5.91	27.6	5.24	0.19	5.26	29.9
Mar	5.95	0.41	6.00	28.0	5.32	0.29	5.36	29.9

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	262,786	1,708,972
Monthly Data					
2004					
Jan	82,241	81,917	49,212	30,548	126,677
Feb	91,903	78,492	44,458	24,458	137,948
Mar	123,094	80,329	44,321	27,910	166,898
Apr	103,888	79,349	42,106	28,631	175,091
May	81,563	74,297	39,890	26,518	144,868
Jun	77,062	76,938	46,547	24,590	161,725
Jul	70,499	66,927	45,632	22,656	137,242
Aug	71,007	67,697	49,139	19,341	145,993
Sep	66,358	67,545	41,139	15,779	134,842
Oct	64,641	53,641	36,665	13,702	135,124
Nov	62,346	49,712	32,623	14,567	118,705
Dec	50,963	49,767	30,570	14,086	123,859
2005					
Jan	52,424	47,688	29,344	13,776	99,042
Feb	61,668	40,146	23,562	11,251	99,180
Mar	70,047	49,097	27,245	14,557	127,879

*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 (3 mos.)	33	5,583	330.3	73	6,343	223.2	21	3,063	148.0

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

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

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

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

Source: Office of 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											
		Conventional Loans						Conventional Loans						Conventional Loans				
	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans	All Loans	All Conv.	Prime Only	Sub-prime Only	FHA Loans	VA Loans
Annual Averages																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998[1]	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.74	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	4.35	NA	2.30	10.38	12.16	7.29	0.80	NA	0.29	2.33	2.73	1.59	0.42	NA	0.19	1.50	0.98	0.49
Quarterly Data (Seasonally Adjusted)																		
2003																		
Q4	4.49	3.31	2.37	11.53	12.23	7.99	0.83	0.53	0.30	2.63	2.77	1.78	0.45	0.39	0.20	2.10	0.91	0.49
2004																		
Q1[2]	4.33	NA	2.26	11.19	11.68	7.37	0.83	NA	0.29	2.65	2.69	1.65	0.46	NA	0.20	1.99	0.93	0.48
Q2	4.43	NA	2.40	10.04	12.52	7.55	0.80	NA	0.29	2.25	2.81	1.66	0.39	NA	0.19	1.18	0.95	0.50
Q3	4.41	NA	2.32	10.39	12.22	7.28	0.78	NA	0.29	2.13	2.54	1.46	0.39	NA	0.18	1.36	0.98	0.51
Q4	4.23	NA	2.22	9.88	12.21	6.96	0.80	NA	0.29	2.29	2.86	1.59	0.44	NA	0.20	1.47	1.05	0.48

*All data are seasonally adjusted.

NA = not applicable.

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

[2] The Mortgage Bankers Association has discontinued publishing data on "All Conventional Loans."

Source: National Delinquency Survey, Mortgage Bankers Association

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

Table 19. Expenditures for Existing Residential Properties: 1969–Present

Period	Total Expenditures	Maintenance and Repairs[1]	Improvements					
			Total	Additions and Alterations[2]				Major Replacements[5]
				Total	To Structures		To Property Outside Structure	
					Additions[3]	Alterations[4]		
Annual Data (Millions of Dollars)								
1969	13,535	5,479	8,055	5,885	1,094	3,409	1,382	2,170
1970	14,770	5,895	8,875	6,246	1,411	3,539	1,296	2,629
1971	16,299	6,361	9,939	6,818	1,685	3,699	1,433	3,120
1972	17,498	6,717	10,781	7,526	1,378	4,447	1,701	3,255
1973	18,512	7,924	10,588	7,386	1,360	4,694	1,332	3,202
1974	21,114	8,491	12,622	8,060	1,529	4,836	1,695	4,563
1975	25,239	9,758	15,481	10,997	1,971	6,844	2,182	4,484
1976	29,034	11,379	17,665	12,314	3,493	6,367	2,454	5,341
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Quarterly Data (Seasonally Adjusted Annual Rates)								
2003								
Q3	187,400	45,300	142,100	97,600	NA	NA	NA	44,500
Q4	166,700	40,100	126,600	92,600	NA	NA	NA	34,000
2004								
Q1	198,800	54,400	144,400	NA	NA	NA	NA	NA
Q2	190,300	52,000	138,300	NA	NA	NA	NA	NA
Q3	201,500	54,100	147,400	NA	NA	NA	NA	NA

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

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

[3]Additions refer to actual enlargements of the structure.

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

[5]Major 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."

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	279,772	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	476,143	345,893	310,575	35,318	130,250
2004	544,424	409,309	370,564	38,745	135,115
Monthly Data (Seasonally Adjusted Annual Rates)					
2004					
Jan	513,899	383,511	347,950	35,561	NA
Feb	516,436	384,900	348,051	36,849	NA
Mar	522,178	391,127	353,529	37,598	NA
Apr	525,895	397,794	360,009	37,785	NA
May	535,543	407,469	368,995	38,474	NA
Jun	538,534	409,750	370,430	39,320	NA
Jul	543,327	411,713	371,889	39,824	NA
Aug	552,655	419,474	380,274	39,200	NA
Sep	556,233	419,318	380,334	38,984	NA
Oct	556,233	419,318	380,334	38,984	NA
Nov	563,450	421,993	381,415	40,578	NA
Dec	573,169	427,393	386,067	41,326	NA
2005					
Jan	576,963	433,163	390,971	42,192	NA
Feb	583,578	440,136	397,935	42,201	NA
Mar	585,258	442,872	400,084	42,788	NA

Source: Census Bureau, Department of Commerce

http://www.census.gov/const/C30/PRIVSAHIST.xls

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

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,128.0	469.3	4.6
2002	10,487.0	504.1	4.8
2003	11,004.0	572.3	5.2
2004	11,735.0	663.4	5.7
Quarterly Data (Seasonally Adjusted Annual Rates)			
2004			
Q1	11,472.6	624.6	5.4
Q2	11,657.5	663.2	5.7
Q3	11,814.9	677.0	5.7
Q4	11,994.8	688.9	5.7
2005			
Q1	12,182.7	706.1	5.8

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	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
Quarterly Data								
2004								
Q1	12	(198)	94	(256)	(153)	211	339	(25)
Q2	196	36	47	(65)	43	176	117	(156)
Q3	804	228	(32)	20	137	209	214	27
Q4	676	(47)	272	(91)	30	(68)	271	309
2005								
Q1	209	(43)	151	(106)	(91)	80	173	44

*Units in thousands.

[r]Implementation of new March CPS processing system.

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

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

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

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

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

Period	Total	Families[4]				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971[1]	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974[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	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
Quarterly Data									
2004									
Q1	12	(199)	(291)	129	240	(141)	15	105	153
Q2	196	(170)	153	88	(63)	182	128	(31)	(91)
Q3	804	(69)	492	140	36	198	(133)	(88)	229
Q4	676	407	(10)	(14)	78	(208)	(32)	257	197
2005									
Q1	209	(70)	(335)	54	386	10	(20)	250	(64)

*Units in thousands.

[r]Implementation of new March CPS processing system.

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

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

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

[4]Primary families only.

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

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

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races[4]	
Annual Data						
1971[1]	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974[r]	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980[2]	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984[r]	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988[r]	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993[3]	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
Quarterly Data						
2004						
Q1	12	98	66	55	37	(244)
Q2	196	157	193	(39)	(18)	(96)
Q3	804	230	78	75	45	375
Q4	676	367	39	103	16	151
2005						
Q1	209	24	30	12	18	126

*Units in thousands.

[r]Implementation of new March CPS processing system.

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

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

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

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

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

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

Period	Total[3]	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										
2004										
Q1	121,633	3,696	117,937	12,067	3,904	1,273	6,890	105,870	72,666	33,204
Q2	122,002	3,989	118,013	11,947	3,775	1,261	6,911	106,066	73,449	32,617
Q3	122,373	3,655	118,718	11,848	3,798	1,321	6,729	106,870	73,772	33,098
Q4	122,740	3,519	119,221	11,675	3,731	1,375	6,569	107,546	74,413	33,133
2005										
Q1	123,341	3,602	119,739	11,984	3,765	1,388	6,831	107,755	74,488	33,267

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

[1]Decennial Census of Housing.

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

[3]Annual 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	Inside MSAs	In Central Cities	Suburbs	Outside MSAs	Regions				Units in Structure		
						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	9.0	11.1	11.7
Quarterly Data												
2004												
Q1	10.4	10.3	10.8	9.7	11.0	7.9	12.3	12.7	7.6	9.1	11.4	11.7
Q2	10.2	10.2	11.2	9.0	10.5	7.0	11.7	13.0	7.7	8.4	11.5	12.0
Q3	10.1	10.2	10.8	9.5	9.7	7.3	12.3	12.3	7.7	9.2	10.9	11.5
Q4	10.0	10.1	10.4	9.8	9.6	6.8	12.4	12.5	7.2	9.3	10.6	11.5
2005												
Q1	10.1	10.1	10.4	9.7	9.7	7.2	12.2	12.2	7.5	9.9	10.3	11.0

Source: Census Bureau, Department of Commerce
http://www.census.gov/hhes/www/hvs.html (See Tables 2 and 3.)

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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993[r]	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002	67.9	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
Quarterly Data								
2004								
Q1	68.6	23.6	40.0	56.4	68.8	77.0	81.7	80.7
Q2	69.2	25.7	40.8	57.6	69.4	77.0	82.4	81.1
Q3	69.0	25.4	39.9	57.7	68.6	77.4	81.2	81.8
Q4	69.2	25.9	40.1	58.0	70.0	77.4	81.6	80.5
2005								
Q1	69.1	25.2	41.5	57.2	70.1	76.5	81.8	80.8

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

Source: Census Bureau, Department of Commerce

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

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

Period	Total	Region				Metropolitan Status[3]		
						Inside Metropolitan Areas		Outside Metro Area
		Northeast	Midwest	South	West	Central City	Outside Central City	
March Supplemental Data								
1983[1]	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993[2]	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
Quarterly Averages of Monthly Data								
2004								
Q1	68.6	65.1	73.5	70.3	63.7	52.6	75.3	76.1
Q2	69.2	65.4	74.2	70.9	64.5	52.9	76.1	77.2
Q3	69.0	64.4	73.8	71.0	64.7	53.2	75.9	75.7
Q4	69.2	65.2	73.7	71.5	63.9	53.8	75.4	76.4
2004								
Q1	69.1	65.4	73.1	71.1	64.9	54.1	76.9	76.7

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

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

[3]From 1983 and 1984, the metropolitan data reflect 1970 definitions. From 1985 to 1994, the metropolitan data reflect 1980 definitions. Beginning in 1995, the metropolitan data reflect 1990 definitions.

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

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

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

Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races[3]	
March Supplemental Data					
1983[1]	69.1	45.6	53.3	NA	41.2
1984[r]	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[r]	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	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
Quarterly Averages of Monthly Data					
2004					
Q1	75.5	49.9	60.1	57.3	47.3
Q2	76.2	50.1	59.4	61.2	47.4
Q3	76.1	49.0	59.1	61.8	48.7
Q4	76.2	49.7	59.7	61.1	48.9
2005					
Q1	76.0	49.3	60.6	59.2	49.7

[r]Implementation of new March CPS processing system.

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

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

[3]Beginning in 2003, the CPS respondents were able to select 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[r]	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[r]	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993[2]	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
Quarterly Averages of Monthly Data					
2004					
Q1	79.4	87.6	43.6	67.9	53.1
Q2	80.2	87.7	46.0	66.8	53.7
Q3	79.4	87.6	45.8	67.9	53.5
Q4	79.9	87.7	45.8	68.5	53.5
2005					
Q1	80.6	87.5	45.1	69.7	53.6

[r]Implementation of new March CPS processing system.

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

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

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

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2004 Annual Index

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

Note: The page number follows the quarter number. For example, data on page 50 of the 3rd quarter report is listed as Q3–50.

1st Quarter [Q1] .... May 2004 issue
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