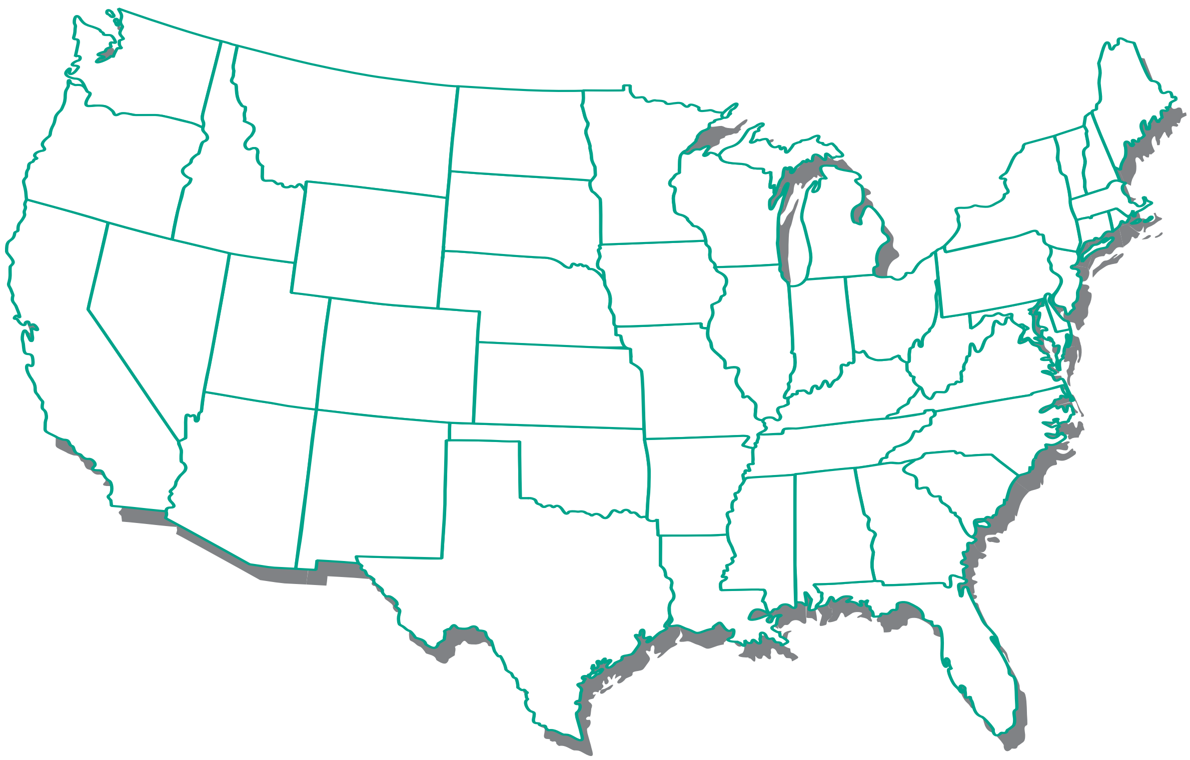
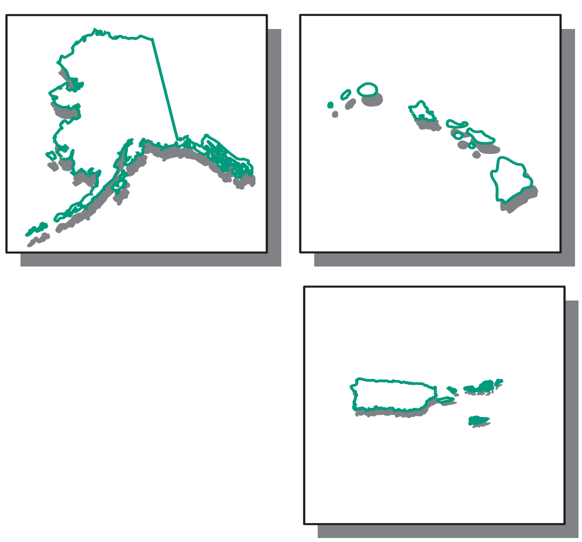
Regional Activity

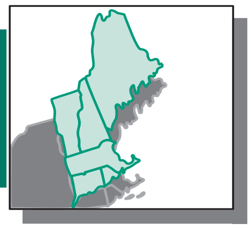




The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included 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 the moderately increasing rate of growth since 2003, nonfarm employment in the New England region averaged 7.0 million jobs, a net increase of 62,600 jobs, or 0.9 percent, during the 12 months ending March 2007 compared with the previous 12 months. Massachusetts increased employment by 1.0 percent, accounting for more than half the net job gains in the region. Connecticut supported a job increase of 1.1 percent, accounting for 18,200 jobs. The northern New England states of Maine, New Hampshire, and Vermont grew at only about half the rate of the region as a whole. Goods-producing sectors lost a total of 10,400 jobs, or 1.0 percent, during the same period, with only Connecticut gaining jobs in construction and manufacturing. New Hampshire lost 4,000 jobs, 3.5 percent of its goods-producing job base, due primarily to losses in manufacturing employment. Service-providing sectors accounted for all the net job growth in the region, with a gain of 73,000 jobs, or 1.2 percent. Massachusetts and Connecticut accounted for almost 80 percent of the increase in service-providing jobs, with gains of 1.4 percent and 1.3 percent, respectively. More than 50,000 of the new service-providing jobs in the region, or 65 percent, were in the professional and business services and education and health services sectors.

The Boston-Cambridge-Quincy Metropolitan New England City and Town Area (NECTA) had the most significant job growth in the region, resulting from an increase in nonfarm employment by 26,600 jobs to 2.5 million, or 1.1 percent, during the 12-month period ending March 2007 compared to the previous 12 months. The professional and business services and education and health services sectors generated the most jobs, 10,100 and 12,900, respectively. Significant job growth also occurred in the Fairfield County, Connecticut area, which is composed of primarily the Bridgeport-Stamford-Norwalk Metropolitan NECTA and the Danbury Metropolitan NECTA. Nonfarm employment increased by 5,200 jobs to 287,000, also a 1.1 percent increase from the previous 12 months. Financial activities associated with the New York financial community accounted for about 25 percent of the job growth.

During the 12 months ending March 2007, the average unemployment rate in the region was 4.6 percent, unchanged from the previous 12-month period. New Hampshire and Vermont maintained the lowest unemployment rates at 3.5 percent and 3.7 percent, respectively. Connecticut continues to show the most improvement in reducing unemployment, with its average rate falling to 4.3 percent from 4.7 percent during the 12-month period ending March 2007. The Massachusetts average annual unemployment rate increased from 4.8 to 5.0 percent during the past year because the improving economy encouraged more people to enter the labor market seeking employment opportunities.

Continuing the trend of the past 2 years or more, 12-month average sales and median sales prices declined in most New England areas. Home sales activity in the first quarter of 2007 may indicate stabilization of some markets. According to the Massachusetts Association of REALTORS® (MAR), single-family sales for the 12 months ending March 2007 totaled approximately 42,350 homes, down 13 percent from the previous 12 months but up 3 percent compared with the first quarter of 2006. The median sales price for the 12 months ending March 2007 was $348,400, down 3 percent from the previous 12 months. The Rhode Island Association of REALTORS® (RIAR) reported that single-family sales in that state totaled about 8,250 homes for the 12 months ending March 2007, down 12 percent compared with the previous 12-month period. The median single-family sales price for the recent 12 months was $280,500, down only 2 percent compared with the previous year. According to the Maine Real Estate Information System, Inc. (MREIS), single-family sales in Maine totaled about 13,200 for the 12 months ending March 2007, down 9 percent from the previous year; however, the median sales price was $193,050, relatively unchanged compared with the previous 12 months. In Connecticut, where the latest data available is for 2006, the Connecticut Association of REALTORS® (CAR) reported sales of existing homes and condominiums were down about 10 percent to 72,700 units for all of 2006 compared with 2005. The median sales price for single-family units was approximately $311,700, down only 1 percent from the previous year.

Condominium sales in the region continued to decline during the 12 months ending March 2007, although some markets began to reverse this trend in the first quarter of 2007. In Massachusetts, MAR reported sales of approximately 20,425 condominium units, a decrease of 11 percent from the previous 12-month period; however, sales were up 5 percent in the first quarter of 2007 compared with the first quarter of 2006. The median sales price was down only 1 percent to $274,450 during the recent 12 months but was up in 3 of the last 6 months. The Listing Information Network, Inc. (LINK) reported that sales of condominium units in downtown Boston were down 8 percent to 662 units in the first quarter of 2007 compared with the first quarter of 2007, but the median sales price was up 4 percent to $479,000. Condominium sales in Rhode Island were down 12 percent to 1,885 units during the 12 months ending March 2007, according to RIAR, but were up 4 percent during the first quarter of 2007 compared with the first quarter of 2006. The median sales price, at approximately $221,225 for the 12 months ending March 2007, was down slightly more than 1 percent compared with the previous year.

In the New England region, according to the Office of Federal Housing Enterprise Oversight (OFHEO), price appreciation for the fourth quarter of 2006 was 2.3 percent compared with the fourth quarter of 2005. This increase is in sharp contrast to the 11-percent average annual increase from 2000 through 2005. New England ranked last of the nine regions, with the Rocky Mountain region posting the highest increase at 9 percent and the entire United States averaging 6 percent. The New England state with the highest rate of appreciation was Vermont at 6 percent.

As rising interest rates and tighter lending standards combined with the effects of significant long-term price appreciation and modest job growth during the past 2 years, overall building activity, as measured by the number of building permits issued, has declined considerably. Single-family homebuilding activity in the region declined more than 24 percent to 31,400 units during the 12 months ending March 2007 compared with 41,500 units during the previous 12-month period. Connecticut, Maine, Massachusetts, and New Hampshire all posted declines of more than 20 percent, with units permitted in Massachusetts declining almost 30 percent from 14,450 to 10,150 homes. Vermont and Rhode Island had more modest declines of 17 and 18 percent, respectively, and the Providence, Hartford, and Boston metropolitan areas had declines ranging from 20 to 28 percent. The Worcester and Manchester-Nashua metropolitan areas had declines of 37 and 41 percent, respectively, as the migration of households seeking more affordable new homes farther from the Boston urban core began to slow.

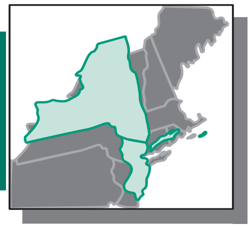
For the 12-month period ending March 2007, multifamily building activity declined significantly in all states except Massachusetts, where 9,000 units were permitted, virtually unchanged from the previous 12-month period. The number of units permitted increased by 1 percent in the Boston metropolitan area, which accounts for more than 90 percent of the multifamily activity in Massachusetts. Rising construction costs and recent moderate job growth have tempered the plans for additional large-scale developments throughout much of the region during the near term.

The performance of the New England rental markets has been mixed over the past 2 years. Data recently released from the Census Bureau indicates that the 2006 average rental vacancy rate for New England was 6.6 percent, up from 6.4 percent in 2005, but down from the 6.7 percent rate in 2004. The increased level of vacancies is primarily due to the continued growth of the rental inventory in the Boston metropolitan area. At 3.6 percent, Vermont's rental vacancy rate was the lowest state in the nation, due, in part, to the very tight rental market in the Burlington metropolitan area.

In the Boston metropolitan area, Reis, Inc., reported that the apartment rental vacancy rate was 5.9 percent in the first quarter of 2007, up from 5.1 percent a year earlier. The recent increase in the vacancy rate is due primarily to the more than 4,100 new rental units completed during the past 6 months. It is anticipated that another 4,100 rental units will be added to the inventory during the remainder of 2007. In spite of the increases in inventory and high vacancy rates, the Reis, Inc., asking price index increased more than 4 percent to $1,650 in the first quarter of 2007 compared with a year earlier.

Unlike the Boston market, the Fairfield County, Connecticut rental market has experienced minimal additions to the rental inventory. According to Reis, Inc., no major additions were completed during 2006 and only 600 units are scheduled for completion in 2007. Accordingly, the rental vacancy rate in the first quarter of 2007 was 3 percent, down from 3.5 percent the previous year. The asking rent index of $1,707, one of the highest in the nation, was up 1.9 percent from the first quarter of 2006.

New York/ New Jersey



During the 12-month period ending March 2007, average nonfarm employment in the New York/New Jersey region increased by 114,500 jobs, or approximately 1 percent, to 12.7 million jobs. During this period, nonfarm employment increased by 83,200 jobs in New York, an increase of 1 percent to 8.6 million, and by 31,300 jobs in New Jersey, an increase of 0.8 percent to 4.1 million. Total service-providing employment in the region increased by 119,800, or 1 percent, primarily due to growth in the professional and business services, education and health services, and financial activities sectors, which offset the loss of 18,900 manufacturing jobs. In the 12-month interval ending March 2007, the average annual unemployment rate in the region declined from 4.8 to 4.4 percent compared with a year ago. In New York, the unemployment rate decreased from 4.9 to 4.4 percent, but the rate in New Jersey remained stable at 4.5 percent.

Employment increased in all Downstate New York metropolitan areas and in most of New Jersey. In the 12 months ending March 2007, job growth ranged from a low of 0.6 percent in the Putnam-Rockland-Westchester area to 1.7 percent in New York City. Conversely, employment trends in Upstate New York metropolitan areas lagged, with gains of less than 0.5 percent in the Albany-Schenectady-Troy and Syracuse metropolitan areas and job losses in the Buffalo-Niagara Falls and Rochester areas. Nonfarm employment in New Jersey increased approximately 1 percent in most metropolitan areas; however, the Trenton-Ewing area, a small metropolitan area consisting of Mercer County, grew more rapidly, at 2.4 percent, with employment gains occurring primarily in professional and business services and state government. During the past year, nonfarm employment in the Atlantic City, Vineland-Millville-Bridgeton, and Bergen-Hudson-Passaic metropolitan areas all remained stable.

During the 12-month period ending March 2007, 60,700 jobs were created in New York City, which accounted for more than 50 percent of the total nonfarm jobs created in the region. Because of increased construction in the city, employment grew in the natural resources, mining, and construction sector by approximately 5 percent to 119,600 jobs through March 2007 compared with a year ago. During this period, employment in both the leisure and hospitality sector and the financial activities sector increased 3 percent to 285,100 jobs and 461,500 jobs, respectively. According to the Federal Reserve Board's "Beige Book," Manhattan's commercial office market has tightened during the past 12 months and asking rents are up approximately 20 percent from a year ago.

Reflecting mixed employment trends, housing market characteristics varied throughout the region. With the exception of the New York City housing market, however, most housing markets in New York and New Jersey softened in response to reduced sales and a corresponding increase in available inventory. According to data from the NATIONAL ASSOCIATION OF REALTORS®, existing single-family home sales in the New York/New Jersey region declined 9 percent from 504,200 units to 457,500 units between 2005 and 2006. In New York, existing single-family home sales declined by 16,400 units, or 5 percent, during this period. The number of existing home sales in New Jersey declined by approximately 30,000 units, or 16 percent, to 153,300 units, with sales decreasing throughout the state. These reductions ranged from 12 percent, or 9,400 units, in Northern New Jersey to a 21-percent decline, or 10,800 units, in Central New Jersey. During the same period, the New Jersey Association of REALTORS® reported that the median price of an existing single-family home increased to $362,900, or 5 percent, from a year ago. In Northern New Jersey and Southern New Jersey, the median price of an existing home increased 6 percent in both areas to $452,400 and $233,300, respectively.

Housing demand in New York City remains strong. According to Prudential Douglas Elliman, Inc., the median price of a Manhattan apartment in the first quarter of 2007 increased 1 percent to $835,000 compared with a year ago. Sales transactions increased by more than 70 percent to 3,480 units, but both the amount of time on the market and the size of the listing inventory decreased. The number of housing units available for sale in the city decreased 14 percent to approximately 5,900 units, and the amount of time on the market decreased 6 percent to 131 days.

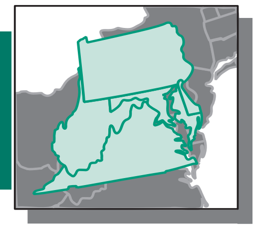
Home sales markets in Upstate New York softened during the 12 months ending March 2007 compared with the 12 months ending March 2006, with lower numbers of sales and slower rates of price increases. According to the Greater Capital Association of REALTORS®, existing single-family home sales in the Albany-Schenectady-Troy metropolitan area declined by 3 percent to 9,900 units compared with a year ago, although the median price increased approximately

3 percent to $189,000. The Buffalo-Niagara Association of REALTORS® indicated that 9,850 homes were sold in the area, an 8-percent decrease from a year ago, with the median price of single-family and condominium units increasing approximately 2 percent to $100,500. In the Rochester metropolitan area, the Greater Rochester Association of REALTORS® indicated that total sales decreased approximately 4 percent to 11,570 units compared with a year ago but the median price of an existing single-family home increased 2 percent to $114,700.

Due to a softening in existing housing markets, residential construction, as measured by the number of building permits issued, declined significantly throughout the New York/New Jersey region. During the 12-month period ending March 2007, 83,700 units were permitted in the region, a decrease of approximately 14 percent compared with the high level of residential activity that occurred a year ago. Single-family housing permits declined by 22 percent to approximately 35,400 units, and multifamily permits decreased 7 percent to 48,300 units, with lower construction levels occurring in both states. During the 12 months ending March 2007, the number of housing units permitted in New York declined 11 percent to 54,400 units, with a 20-percent decrease in single-family units to 19,800 units and a 5-percent decline in multifamily development to 34,600 units. During this period, housing construction in New Jersey declined 19 percent to 29,300 units, with a 24-percent reduction in single-family construction to 15,600 units and a 12-percent decline in multifamily housing to 13,700 units.

During the first quarter of 2007, rental markets were tight and low vacancy rates put upward pressure on rents in New York City and Central/Northern New Jersey. In New York City, average monthly asking rents increased 7 percent to $2,605 compared with a year ago, but the apartment vacancy rate decreased from 2.8 to 2.5 percent. Monthly apartment asking rents increased 4 percent to $1,096 in Central New Jersey and 3 percent to $1,414 in Northern New Jersey, with vacancy rates of 3.6 percent and 4.4 percent, respectively. Upstate New York is characterized by more balanced rental market conditions and lower rent increases. According to Reis, Inc., apartment rents increased between 2 and 3 percent in the Buffalo, Syracuse, and Rochester areas compared with a year ago. Monthly rents ranged from $645 in Syracuse to $714 in Rochester. During this same period, apartment vacancy rates declined slightly in the Buffalo and Syracuse metropolitan areas but remained stable in the Rochester area. Currently, all three housing market areas are balanced, with apartment vacancy rates of approximately 5 percent.

MID-ATLANTIC



The economy of the Mid-Atlantic region continued to grow during the 12 months ending March 2007 but at a slower pace than during the previous year. Nonfarm employment increased by 147,325 jobs, or 1 percent, to an average of 13,982,500, down from the 1.5-percent increase that occurred during the 12 months ending March 2006. The professional and business services and education and health services sectors grew more than any other sectors, at 2.5 and 2.3 percent, respectively. The decline in new homebuilding was reflected in the construction sector, which added only 13,000 jobs compared with the 31,900 added during the previous year. The largest increase in the number of jobs among the states in the region was in Virginia, where the addition of 53,000 jobs reflected a significantly slower annual growth when compared with the 79,000 jobs added in the previous year. Pennsylvania, the largest state in the region, reported total job gains of almost 50,200, approximately 8,050 fewer than were added in 2006. Both states accounted for a combined loss of 13,100 jobs in the manufacturing sector, or 70 percent of the total regional decline in manufacturing. The unemployment rate in the Mid-Atlantic region declined from 4.3 to 4.0 percent during the 12 months ending March 2007.

Moderate increases in interest rates and tighter lending practices combined to reduce the number of existing home sales throughout the region during the past 12 months. Inventories of homes listed for sale and the number of days homes remained on the market both increased. According to the Maryland Association of REALTORS®, the average monthly inventory of homes for sale during the 12 months ending March 2007 rose to approximately 37,850 homes, 73 percent more than the average monthly inventory during the same period ending in 2006. Almost 77,400 existing homes were sold in Maryland during the year, a decrease of 20 percent compared with the 97,200 homes sold during the 12 months ending March 2006. The average home sales price increased 4 percent, to $360,200, a significant change from the 18-percent rise between 2005 and 2006. In the Baltimore metropolitan area, almost 35,800 homes were sold at an average price of $313,700, reflecting an 18-percent decrease in sales but a 5-percent increase in price since March 2006.

Slower economic growth and higher home prices impacted the existing home market in Virginia. The Virginia Association of REALTORS® reported approximately 110,760 existing home sales during the 12 months ending March 2007, 18 percent fewer than the number of homes sold during the 12 months ending March 2006. The average home price was $280,750, slightly more than 4 percent higher than a year ago. The average number of days on the market increased 25 percent to 114 days from 92 days a year ago. Sales activity in the southern half of the state was stronger than in the north. The number of sales in the Richmond metropolitan area remained stable at 16,020 for the 12-month period; the average home price increased by 9 percent to $269,550. In the Northern Virginia market, average home prices have been among the highest in the Mid-Atlantic region during the past 5 years. During the 12 months ending March 2007, the number of sales declined by 28 percent to 25,950 homes. The average number of days that homes remained on the market more than doubled to 77 days in the counties close to Washington, D.C., and to 103 days in those farther out. During the 12 months ending March 2007, the average price of a home in Northern Virginia decreased more than 3 percent to $529,500.

According to the NATIONAL ASSOCIATION OF REALTORS®, the resale market in Pennsylvania, West Virginia, Delaware, and Washington, D.C., softened as buyers responded to increased interest rates, higher homes prices, and tighter loan standards. A total of 245,100 homes were sold in Pennsylvania during 2006 (the most recent data available for the state), indicating a decline of 17 percent compared with 2005. Declines of 20, 18, and 22 percent, respectively, were also reported in West Virginia, Delaware, and Washington, D.C., where 29,300, 15,500, and 8,400 homes, respectively, were sold.

As economic expansion in the region slowed during the 12 months ending March 2007, overall homebuilding activity, as measured by the number of building permits issued, declined significantly. Single-family homebuilding activity declined by almost 25 percent to 93,660 homes permitted during the 12-month period compared with 125,550 during the previous year. Production decreased by 29 percent in both Maryland and Virginia, where 17,360 and 35,375 homes, respectively, were permitted during the period. In Pennsylvania, 31,280 permits for new homes were issued, down 20 percent from the 38,900 homes permitted in 2006. Production declined in all major metropolitan areas in the region. The number of building permits issued for single-family homes declined in the Washington, D.C. metropolitan area nearly 29 percent to 17,200 homes, in the Philadelphia metropolitan area slightly more than 29 percent to 10,780 homes, and in the Baltimore metropolitan area 34 percent to 5,700 homes.

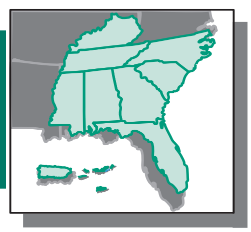
During the 12 months ending March 2007, multifamily building activity declined in all states in the Mid-Atlantic region except in Maryland and Delaware. Approximately 24,650 units were permitted in the region, a decline of 10 percent from a year ago. Delaware reported permits issued for 1,400 units, an increase of 6 percent above the number permitted through March 2006. Maryland had an increase of 4,200 units permitted, to a total of 9,200 units, 83 percent greater than the number permitted a year ago. Multifamily building activity declined in all the largest metropolitan areas in the region except Baltimore, where production increased by 525 to 1,900 units. In the Washington, D.C. and Philadelphia metropolitan areas, the two largest rental markets in the region, the number of multifamily units decreased 27 percent to 8,000 units and 28 percent to 3,700 units, respectively.

Rental market conditions softened slightly among the three largest markets in the Mid-Atlantic region during the 12 months ending March 2007. In the Baltimore metropolitan area, Delta Associates reported that the vacancy rate for Class A apartments increased in the northern suburbs to 5 percent in March 2007 from slightly less than 4 percent a year ago. Rental market conditions tightened in the southern suburbs as the vacancy rate declined to 6 percent from almost 8 percent in March 2006. Although conditions remain soft in Baltimore city, during the year the vacancy rate decreased more than 6 points, from nearly 17 percent to 10 percent. The pipeline of new units expected to be available in the city during the next 3 years has declined from 3,800 in March 2006 to 1,750 currently; if the pipeline does not increase, conditions in the rental market will likely return to balanced.

In the Philadelphia metropolitan area, the rental market tightened but remains somewhat soft. According to Delta Associates, the apartment vacancy rate fell from 9.5 percent in March 2006 to slightly above 8 percent in March 2007. At 9.4 percent, down from 10.3 percent a year ago, the vacancy rate is highest in the suburban Pennsylvania counties, where 425 units in recently completed projects have yet to be leased and another 425 units are expected to begin marketing during the next 3 months. In Center City Philadelphia, the vacancy rate declined from more than 8 percent in March 2006 to 7.8 percent currently. Only one project is currently in initial lease-up, but the vacancy rate is not expected to decline in the near term because another 500 units will be marketed for rent during the next quarter.

The rental market softened slightly but remained strong in the Washington, D.C. metropolitan area during the 12 months ending March 2007. Delta Associates reported a vacancy rate for Class A garden apartments of 7 percent compared with approximately 4 percent a year ago. The primary cause of the increase was the introduction of 1,800 new units into the Northern Virginia submarket. The apartment vacancy rates for Class A highrise units in the Northern Virginia and suburban Maryland submarkets increased from 2 percent and 1 percent, respectively, in March 2006 to the current 7-percent and 3-percent rates, respectively, as of March 2007. The Class A highrise apartment vacancy rate declined slightly in Washington, D.C., to 10 percent currently from 12 percent a year ago. Approximately 18,100 new rental units are planned for delivery in the metropolitan area during the next 3 years.

Southeast/ Caribbean



The economy of the Southeast/Caribbean region continued its 4-year expansion during the first quarter of 2007, though at a slower pace. Average nonfarm employment increased to 26,909,300 in the 12 months ending March 2007, a gain of 471,600 jobs, or 1.8 percent, compared with the 12 months ending March 2006. In the two preceding 12-month periods ending in March, the rates of growth exceeded 2 percent and the number of new jobs averaged 610,100 annually. The professional and business services, education and health services, and construction sectors continued to lead the expansion, with gains of 113,200, 86,500, and 76,400 jobs, respectively. Manufacturing employment continued to decline, with 43,500 fewer jobs than in the previous 12 months. The decline resulted primarily from a loss of 45,600 jobs in nondurable goods operations.

Average nonfarm employment during the past 12 months increased in all eight states in the region compared with the preceding 12 months, but a net decline of 1.1 percent was recorded in Puerto Rico. Florida and North Carolina accounted for almost 60 percent of the growth in the region, with gains of 172,000 and 106,000 jobs, respectively. In North Carolina, the 2.7-percent increase in employment exceeded the 2-percent rates recorded during the preceding 2 years. The growth was led by strong gains in the education and health services and business and professional services sectors. In Florida, the 2.2-percent rate of increase was substantial but was less than the near 4-percent rates of increase recorded during the preceding 2 years.

The unemployment rate for the region averaged 4.8 percent during the 12 months ending March 2007 compared with the 5.1-percent rate for the preceding 12 months. Statewide unemployment rates decreased in all states and in Puerto Rico. Alabama and Florida had the lowest unemployment rates in the region, at 3.5 and 3.3 percent, respectively.

Despite an expanding economy, single-family homebuilding in the region, as measured by the number of building permits issued, slowed significantly during the 12 months ending March 2007. Building permits were issued for 398,500 homes in the region during the period, a decrease of 124,600 units, or 24 percent, compared with the 12-month period ending March 2006. Single-family home production fell in all states except Mississippi, where building permits increased by 13 percent to 13,425 as rebuilding from Hurricane Katrina continued. A 10-percent decline in permits issued during the first 3 months of 2007 compared with the same period last year, however, indicates Mississippi homebuilding is also slowing. The decline in homebuilding activity has been especially steep in Florida, where slower home sales and rising inventories of new and existing unsold homes have caused home builders to curtail building activity. The number of single-family building permits issued in the state fell by 86,950, or 42 percent, to 120,200 during the past 12 months.

In general, existing home sales were down in the region during the 12 months ending March 2007 compared with the previous 12 months, although some markets continued to record sales increases. According to the Florida Association of REALTORS®, sales of existing single-family homes declined statewide by 29 percent to 166,600 during the past 12 months. Sales were down in all 20 markets for which data are available. The average sales price for single-family homes in the state increased by 1 percent to $245,300 during the period, although price changes varied greatly among individual markets. Eight markets reported price increases while 12 reported price decreases. Condominium sales in Florida fell by 35 percent to 49,950 units during the past 12 months. All 20 markets recorded a decline except Tallahassee, where condominium sales increased from 356 to 455, and Panama City, where sales increased from 605 to 724. Condominium prices were also mixed. The statewide average sales price decreased by 1 percent to $209,700, with 8 markets recording sales price increases and 11 markets recording price decreases.

The South Carolina Association of REALTORS® reports that the number of homes sold statewide during the 12 months ending March 2007 decreased by 8 percent to 67,900 units. The median sales price of homes sold during the first quarter of 2007 fell by 3 percent to $152,000 compared with the corresponding figure for the first quarter of 2006. Most of the sales decline occurred in the four coastal markets of Myrtle Beach, Charleston, Beaufort, and Hilton Head Island, where insurance-related issues have dampened sales.

Data from the North Carolina Association of REALTORS®, Inc., indicate existing home sales were down slightly and the average sales price was up in 17 markets in the state during the 12 months ending March 2007 compared with the preceding 12 months. The number of existing homes sold in these markets during the past 12 months decreased by 1 percent to 135,000. The average price in the markets increased by 3 percent from $209,900 to $217,000. Charlotte had a 4-percent decline in home sales to 39,000 for the period, and the average price of homes increased 19 percent to $250,800. The number of home sales increased by 4 percent to 17,650 in the Greensboro area and the average sales price increased 2 percent to $178,400. New and existing home sales increased by less than 1 percent in Raleigh to 36,350, and the average price increased by 7 percent to $231,500.

In Tennessee, the three largest metropolitan areas reported decreases in sales of single-family homes during the 12-month period ending March 2007 compared with the preceding 12 months. Sales decreased 6 percent to 14,900 units in Knoxville, 3 percent to 31,350 units in Nashville, and 1 percent to 17,250 units in Memphis. Conversely, the increasing popularity of in-town living contributed to an increase in condominium sales during the past 12 months in all three areas. In Nashville, the most active area for condominium sales in the state, the number of condominiums sold increased by 22 percent to 5,075 units during the past 12 months.

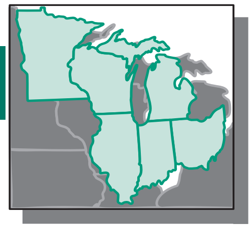
In Alabama, home sales statewide were down 3 percent to 58,900, although the average sales price increased by 6 percent to $158,200 during the 12 months ending February 2007, according to the Alabama Real Estate Research and Education Center. The slowing sales led to a 32-percent increase in the average monthly inventory of unsold homes to 34,700 for the past 12 months.

Multifamily construction in the region, as measured by the number of building permits issued, was down overall during the past 12 months but varied widely among individual markets. During the 12 months ending March 2007, the number of multifamily units permitted in the region declined by 21,650, or 17 percent, to 109,300 units. In Florida, the number of multifamily units permitted decreased by 23,600 units, or 33 percent, as apartment and condominium builders curtailed construction plans in response to rising unsold condominium inventories and softer rental markets. North Carolina recorded the largest gain in the region during the past 12 months—2,600 units—as condominium and apartment activity accelerated in each of the three largest metropolitan areas in the state. The number of multifamily units permitted in Greensboro increased by 910, or 74 percent, to 2,150 units. In Charlotte, the number of multifamily units permitted increased by 1,700, or 51 percent, to 5,050 units, while in Raleigh, permits more than doubled to 3,625 units. Rapidly expanding economies and improving apartment markets led to the increased activity in all three areas.

Apartment market conditions also varied considerably within the region. According to M/PF YieldStar, the Atlanta area apartment market weakened during the first quarter of 2007, although overall the market remains relatively balanced. The apartment vacancy rate increased from 5.5 percent in the first quarter of 2006 to 6.4 percent in the first quarter of 2007. For the first time since the second quarter of 2002, negative annual absorption was recorded in the market. M/PF YieldStar reports that 230 fewer apartment units were occupied in the first quarter of 2007 compared with the same quarter last year. New apartment deliveries continue to be comparatively modest, with 6,164 units added during the past year, relatively unchanged from the previous year but well below the annual average of 13,900 units that were added between 1999 and 2003. During the past 12 months, M/PF YieldStar identified approxi-mately 2,700 apartment units that were removed from the inventory as a result of demolition and condominium conversions. Despite the recent softening in the market, effective rents increased by 3 percent during the past year to an average of $786 a month in the first quarter of 2007.

Reports released by RealData, Inc., during the first quarter of 2007 indicate the major apartment markets in North Carolina are strengthening. In Charlotte, the apartment vacancy rate declined from 8.8 percent in February 2006 to 7.3 percent in February 2007. Rents averaged $712, an increase of 6 percent from a year earlier. More than 3,000 units were under construction in February 2007, up from 2,278 units under construction in February 2006. Despite the large number of units in the construction pipeline, the vacancy rate is expected to decline further during the next year as strong household growth continues.

MIDWEST



The level of employment remained stable in the Midwest region during the first quarter of 2007. In the 12 months ending March 2007, nonfarm employment increased by 66,000 jobs, or 0.2 percent, compared with an increase of 170,000 jobs in the previous 12-month period. Hiring in the education and health services, leisure and hospitality, and professional and business services sectors added 36,000, 14,000, and 56,000 jobs, respectively, which offset losses in the manufacturing and government sectors of 72,000 and 8,000 jobs, respectively. Five of the six states in the region recorded job gains; Michigan was the exception. According to a March 2007 forecast by the University of Michigan, losses of approximately 35,000 jobs in the manufacturing sector are expected in the state during 2007 because of continued restructuring of the automobile industry.

The economy in Illinois has been strengthening since 2003, with nonfarm employment increasing by 41,000 jobs annually during the past 36 months. The education and health services, leisure and hospitality, and professional and business services sectors led the expansion with gains of 20,000, 13,000, and 12,000 jobs, respectively, in the 12 months ending March 2007. The average unemployment rate in the region decreased to 5.2 percent for the 12 months ending March 2007, down from 5.5 percent in the previous 12-month period. Unemployment rates ranged from a low of 4.2 percent in both Illinois and Minnesota to a high of 6.5 percent in Michigan.

Sales of existing homes in the region declined in 2006, primarily because of higher interest rates. According to the NATIONAL ASSOCIATION OF REALTORS®, sales activity decreased 6 percent to 1.1 million existing homes in 2006 compared with the previous year. Activity was down in all states of the region, except in Indiana, where the number of homes sold increased by 6 percent, primarily because existing home sales prices have increased at a slower pace in the state, keeping homes relatively more affordable. Preliminary information for the first quarter of 2007 indicates that sales of existing homes continued to slow in most areas of the region compared with the first quarter of 2006. The Ohio Association of REALTORS® reported that sales eased in the first quarter because of rising interest rates and unfavorable weather. In the 12 months ending March 2007, 138,600 existing homes sold in the state, down 5 percent compared with high sales recorded in the previous 12-month period. The average sales price for existing homes in the state decreased by 2 percent to $152,000 during this period. In the Columbus, Cleveland, and Cincinnati metropolitan areas, existing home sales were down 4, 6, and 7 percent, respectively.

The Illinois Association of REALTORS® also reported that poor weather in the first quarter of 2007 contributed to the slowdown in existing home sales. Sales activity for the 12 months ending March 2007 decreased 12 percent, but the average sales price remained relatively unchanged at $200,000. In the Chicago metropolitan area, sales of existing homes in the past 12 months were down 17 percent to 110,000 homes and declined 13 percent from the 127,000 homes sold annually in the past 3 years.

In Michigan, continued job losses dampened sales of existing homes throughout the state. Sales activity was down 11 percent in the 12 months ending February 2007, and the average sales price declined 2 percent to $147,000 compared with the previous 12-month period. Contributing to the decline in sales activity was a 10-percent decrease in the Detroit metropolitan area. In the Minneapolis-St. Paul metropolitan area, sales activity was down 18 percent, but the average sales price of existing homes increased by 2 percent to $278,000. The strengthening economy in the metropolitan area, however, is expected to cause existing sales to increase in 2007. In Wisconsin, sales of existing homes in major market areas continued to ease in the first quarter of 2007 compared with the first quarter of 2006. Sales activity in the Madison and Milwaukee areas decreased 6 and 8 percent, respectively, according to multiple listing services in the two areas during the past 12 months. In the Indianapolis metropolitan area, sales activity was down 5 percent but the average sales price of existing homes was unchanged at $152,000.

Single-family construction in the region, as measured by the number of building permits issued, continued to decline during the first quarter of 2007 in response to slower sales and increasing inventories of unsold homes. In the 12 months ending March 2007, the number of single-family building permits issued was down 38 percent to approximately 151,000 units and was 25 percent below the 202,000 units averaged annually in the past 3 years. Activity was down in all states in the region, ranging from a 28-percent decline in both Ohio and Wisconsin to a 36-percent decline in Michigan. The number of building permits issued for single-family homes in Illinois, Indiana, and Minnesota was down 29, 30, and 35 percent, respectively.

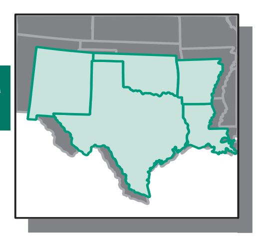
In the Chicago metropolitan area, new home sales slowed in the first quarter of 2007 despite the strengthening of the local economy. In suburban Chicago, new home sales were down 25 percent in the first 3 months of 2007 compared with the same period in 2006. Builders have responded by curtailing construction plans. During the 12 months ending March 2007, the number of building permits issued for single-family homes in the metropolitan area was down 30 percent to 25,600 units compared with the previous 12-month period. Home builders in the Indianapolis area also are scaling back residential construction during 2007 because of the increased inventory of unsold new homes and higher interest rates. The number of single-family building permits issued in the metropolitan area during the 12 months ending March 2007 decreased 28 percent to 8,300 units compared with the previous 12-month period. In Minneapolis-St. Paul, building permits were issued for approximately 11,000 single-family homes, down 35 percent from the preceding 12 months.

Multifamily construction in the Midwest region, as measured by the number of building permits issued, was down 22 percent to 47,000 units for the 12-month period ending March 2007 and was 13 percent below the annual average of 54,000 units permitted in the past 3 years. Activity was down in all states and most major markets in the region. In the Chicago metropolitan area, the number of multifamily building permits issued was unchanged at 18,000 units because condominium construction in downtown Chicago remains strong at approximately 6,000 units despite slower condominium sales since July 2006. Multifamily housing construction in Ohio declined by 3,900 units to 6,700 units in the 12 months ending March 2007. Much of the decline occurred in the Cincinnati and Columbus metropolitan areas, where multifamily building permit activity in both areas was down by approximately 1,000 units. Multifamily permits declined by 2,700 units in both Indiana and Wisconsin. Multifamily building activity in Minnesota and Michigan showed smaller declines of 1,200 and 2,000 units, respectively.

The market for all types of housing for seniors has been very active in the Midwest region. The American Seniors Housing Association's *2006 Construction Report* ranked Chicago first among the 75 largest metropolitan areas in the country for construction of senior housing. Approximately 3,100 units for seniors were under construction in the Chicago area, which represented 40 percent of the 7,600 units under construction in the region. These developments for seniors include 2,400 apartment units, 2,200 independent-living units, 1,600 nursing home beds, and 1,400 assisted living beds.

Most major apartment markets in the region were balanced to tight as of the first quarter of 2007. In the nine Midwest market areas surveyed by Reis, Inc., all but the Detroit market area recorded modest declines or no change in apartment vacancy rates compared with the first quarter of 2006. Because of the slow economy, the Detroit apartment market, with a vacancy rate of 7.4 percent, is expected to remain somewhat soft in 2007. By contrast, the soft Indianapolis apartment market, in which the vacancy rate is 9.7 percent, is expected to tighten in 2007 because of a strengthening local economy, steady population growth, and a small number of new apartments expected to come on line. Downtown Chicago's apartment market remained balanced to tight in the first quarter of 2007. The apartment vacancy rate was 5 percent, unchanged from the first quarter of 2006. The apartment vacancy rate in suburban Chicago also held steady at 5 percent in the first quarter of 2007. In Minneapolis-St. Paul, the apartment vacancy rate fell from 5.8 percent in the first quarter of 2006 to 4.7 percent in the first quarter of 2007. In response to the tightening apartment market, rents increased by 2 percent. In Ohio, modest rent increases of 2 to 3 percent are anticipated in 2007 for the Cincinnati, Columbus, and Cleveland metropolitan areas because of increased demand for apartments and the small number of units expected to enter the rental markets during the year.

SOUTHWEST



Nonfarm employment in the Southwest region totaled nearly 15.6 million jobs during the 12 months ending March 2007. The total represents a gain of 375,000 positions, or 2.5 percent, compared with the 12 months ending March 2006. The largest increases occurred in the professional and business services and construction sectors, with gains of 89,000 and 52,000 jobs, respectively. Texas, with a 3-percent growth rate, accounted for 78 percent of the total gain for the region. Gains in Texas were also bolstered by an increase of 12 percent in natural resources and mining, 4 percent in leisure and hospitality, and 3 percent in manufacturing. The number of jobs in New Mexico and Oklahoma each rose more than 2 percent. In Oklahoma, growth was led by an 18-percent, or 6,500-job, increase in the natural resources and mining sector. Employment in Arkansas was up 1.5 percent, with strong gains in education and health services and government offsetting losses in manufacturing. The number of jobs in Louisiana increased by 10,000, or 0.6 percent, during the 12 months ending March 2007.

The average unemployment rate in the Southwest region decreased to 4.2 percent for the 12 months ending March 2007, down from 4.8 percent in the previous 12 months. Unemployment rates decreased in all states in the region except in Arkansas. Slower employment growth in Arkansas, combined with more people seeking jobs, resulted in an increase of the unemployment rate from 5.0 to 5.2 percent. In Texas, the unemployment rate was at its lowest level since 2001, declining from 5.3 to 4.8 percent. In New Mexico and Oklahoma, the unemployment rate averaged 4 percent. The largest declines in the unemployment rate occurred in Louisiana, with the rate decreasing from 6.4 to 3.9 percent as the local economy continues to recover from the impact of Hurricanes Katrina and Rita.

Stimulated by strong employment growth, existing home sales continued to set new records in Texas. According to data from the Real Estate Center at Texas A&M University, about 287,800 homes were sold during the 12 months ending March 2007. The number of home sales represents a 5-percent increase compared with the previous 12-month period. The average home sales price for the state was up 5 percent to $186,100. Among the larger metropolitan areas in the region, the Fort Worth area had the lowest average selling price at $137,350 but was up 2 percent from the previous year. Home sales in both Houston and Fort Worth during the past year were 7 percent higher. In Houston, with 81,000 home sales, the average price was $196,800. The number of sales in San Antonio was up 3 percent to 25,500 homes, and the average price increased 8 percent to $172,700. In Dallas, the number of sales was relatively unchanged at 61,300 homes and the average price rose 4 percent to $211,800.

The number of homes sold in Oklahoma was unchanged at 53,600 during the 12 months ending March 2007 compared with the previous 12 months, according to the Oklahoma Association of REALTORS®. In the Tulsa area, sales were stable at 15,800 homes and the average price increased 2 percent to $145,700. Sales fell by 2 percent to 19,700 homes in Oklahoma City, but the average price increased more than 12 percent to $155,800. The strong increase in price in Oklahoma City was because of fewer sales at the entry level and a relatively greater number of sales of higher priced homes. According to the Arkansas REALTORS® Association, the number of sales decreased by 10 percent, which was commensurate with slower employment and population growth. The average price for the 30,400 homes sold rose 3 percent to $157,100. In the Fayetteville area, where the estimated sales vacancy rate is soft at 2.4 percent, sales declined 21 percent to 6,550 homes, but the average price increased by 5 percent to $205,350. The number of homes sold in Little Rock decreased by 6 percent to 10,400 homes; the average price gained 2 percent to $162,600. The lower sales levels during the past 12 months in Arkansas metropolitan areas followed record levels set in the previous 12 months. In Albuquerque, sales were down by 5 percent but the average price increased by 11 percent to $230,300, according to the Albuquerque Metropolitan Board of REALTORS®.

In the Southwest region, following 4 successive years of record-setting levels of building permits, construction activity, as measured by the number of building permits issued, slowed considerably during the past 12 months. The slowdown in construction parallels national trends as tighter credit standards and rising levels of unsold inventory have made builders more cautious in delivering new product to the market. The total number of single-family homes permitted in the Southwest region was 202,300, a drop of 21,500, or 12 percent, compared with the total for the 12 months ending March 2006. The only state in the region that recorded an increase was Louisiana, where single-family building permits were up 2,400, or 11 percent. The increase was primarily due to hurricane-related rebuilding. In Texas, the 149,700 permits issued for single-family homes for the past 12 months were 12 percent lower than for the previous year. The number of single-family homes permitted was down more than 19 percent in Arkansas to 9,100 units and down 15 percent in Oklahoma to 13,100 units compared with the levels a year earlier. In New Mexico, the 10,200 homes permitted during the past 12 months were 25 percent less than during the previous 12 months.

Construction activity of homes was down or relatively unchanged in 45 of the 46 metropolitan areas in the region. The only metropolitan area that recorded an increase during the past 12 months was New Orleans; the number of homes permitted—4,800—was up 1,100, or 30 percent, compared with the previous 12 months.

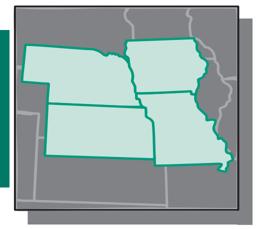
No significant changes occurred in rental markets in the Southwest region during the first quarter of 2007. The strongest rental market of any metropolitan area in Texas was Austin. According to ALN Systems, Inc.

(ALN), the apartment vacancy rate in Austin was 6.8 percent for the past 12 months, down from 7.4 percent for the previous 12 months. In Dallas, the apartment vacancy rate remained at 10 percent for the past 12 months. The average rent has increased more than 3 percent to $752, but this figure is up just $11 from the average rent recorded in March 2003. Although the rental market in Fort Worth is still soft, the average apartment vacancy rate decreased slightly to an average of 11 percent for the past 12 months, according to ALN data. At the same time, the average rent increased by more than 3 percent, the largest 12-month gain in more than 4 years. The rental market in Houston also recorded a slight improvement but remained very soft at a vacancy rate of 11 percent. The average rent in Houston increased almost 4 percent to $712 during the past 12 months. In San Antonio, the vacancy rate was relatively unchanged at 9.4 percent, while the average rent increased by 4 percent to $679.

Elsewhere in the region, Reis, Inc., reported an apartment vacancy rate of 5.5 percent in Albuquerque, where conditions are balanced, and an average rent of $659, a 4-percent increase. In Little Rock, the vacancy rate was 8.5 percent, up from 6.5 percent a year ago, and the average rent was $603, up more than 2 percent. Tulsa and Oklahoma City have soft rental markets, with vacancy rates of 10.2 percent and 9.2 percent, respectively; both rates have remained relatively unchanged during the past year. Average rents were up nearly 3 percent to $502 in Oklahoma City and up more than 3 percent to $538 in Tulsa.

Despite soft markets in many metropolitan areas in the Southwest region, rental construction activity, as measured by the number of building permits issued, increased during the 12 months ending March 2007. The 2,500-unit gain in Louisiana occurred primarily in Baton Rouge, where the number of units permitted increased by 1,400, and in New Orleans, where the gain was more than 700 units. New Orleans is rebuilding following Hurricanes Katrina and Rita, while in Baton Rouge builders are responding to the influx of households from hurricane-impacted areas. The number of multifamily units permitted in Texas was up 15 percent to 44,600. Ongoing soft rental market conditions prompted builders to cut back construction by 40 percent in Arkansas to 2,800 units and by 30 percent in Oklahoma to 2,000 units. In Houston, the number of units increased by 5,400, or 52 percent, to 15,800 units, despite an 11-percent rental vacancy rate. The increase in production will likely keep rental market conditions soft in the metropolitan area. The number of units permitted in Dallas, another soft rental market, was up 3,100 to 13,450. In Fayetteville, Little Rock, and San Antonio, the number of units permitted was down by more than 1,000 units. The cutback in construction activity will help tighten the soft markets in these areas. In New Mexico, the number of multifamily permits increased by 10 percent to 822.

Great Plains



The 3-year expansion of the Great Plains regional economy continued through the first quarter of 2007. During the 12-month period ending March 2007, nonfarm employment increased 1.4 percent to 6,602,300 jobs compared with the previous 12-month period. All employment sectors reported gains ranging from 1.0 to 1.6 percent. Missouri and Kansas led the region with increases of 33,500 and 24,700 jobs, respectively. Iowa followed with 20,200 jobs and Nebraska with 13,100. The job gains through the recent 12 months contributed to an average regional unemployment rate of 4.2 percent compared with 4.6 percent during the previous 12 months. The lowest unemployment rate of 3.0 percent was reported in Nebraska, while Missouri had the highest rate of 4.9 percent.

Higher mortgage interest rates and the moderate increase in home prices have slowed existing home sales in the region. According to the NATIONAL ASSOCIATION OF REALTORS® (NAR), the annual rate of sales in the region was down more than 7 percent to 313,000 for 2006 compared with 2005. The volume of sales was down almost 10 percent in both Missouri and Nebraska to 128,400 and 35,400 homes, respectively. Home sales declined by 5 percent to 72,500 units in Iowa and were down more than 3 percent to 76,700 units in Kansas. NAR reported a moderate increase in the median sales price for a sampling of metropolitan areas. The increase in the median home sales price can be partially attributed to fewer entry-level and more higher end homes sold. The median sales price in St. Louis was up by almost 5 percent to $147,900, while the median price in Wichita was up more than 6 percent to $114,900. The median sales price in Omaha increased by nearly 2 percent to $138,400.

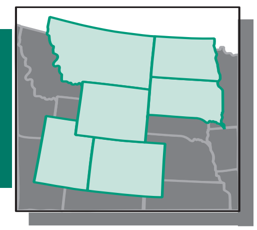
Beginning in early 2006, home builders in the region slowed single-family home production in response to an increase in unsold inventories and slower sales.

Local REALTOR® associations have reported an increase in residential listings. In Kansas City, nearly 19,500 homes were listed for sale in March 2007, up 5 percent from March 2006. During the same period, listings increased in Des Moines by 7 percent to almost 6,500. In Omaha, an increase of 11 percent was reported, with total listings climbing to approximately 5,800. Listings increased by 8 percent in Lincoln to about 2,100. The reduction in single-family home production has continued through the first quarter of 2007. During the 12-month period ending March 2007, single-family homebuilding activity, as measured by the number of building permits issued, was down almost 30 percent to 35,870 units compared with the previous 12-month period. The number of single-family homes permitted in Iowa and Kansas declined by 25 percent to 7,960 and 7,740, respectively. The number of single-family homes permitted decreased by 30 percent in both Missouri and Nebraska to 15,000 and 5,170, respectively. An estimated 9,100 homes are currently under construction throughout the region, with nearly 4,100 located in Missouri.

Rental markets in the larger metropolitan areas of the region are slowly improving but remain somewhat soft. In general, rental markets have improved because of a slowdown in apartment construction and because fewer renters are becoming homeowners. For the 12-month period ending March 2007, according to Reis, Inc., average annual apartment rental vacancy rates were unchanged or declined slightly compared with the previous year. The average vacancy rate in Kansas City was 7.3 percent, down from 8 percent a year earlier. In St. Louis, Wichita, and Omaha, the average vacancy rates were relatively unchanged at 7.9, 9.5, and 6.4 percent, respectively. Average monthly apartment rents were up 2 percent from a year ago in Kansas City, St. Louis, and Wichita to approximately $700, $660, and $470, respectively. In Des Moines, according to a January 2007 CB Richard Ellis apartment survey, the average vacancy rate remained at 8.1 percent compared with a year earlier. Average rents were up slightly to $470 for efficiency units, $580 for one-bedroom units, $670 for two-bedroom units, and $900 for three-bedroom units.

Multifamily developers, faced with escalating land and construction costs coupled with relatively low rent levels, are exhibiting caution in starting new projects in the region. During the 12-month period ending March 2007, multifamily construction, as measured by the number of building permits issued, was relatively unchanged from a year ago and remained at 14,500 units. Missouri and Kansas, at 7,560 and 2,740 units, respectively, accounted for more than 70 percent of the total for the region. According to the McGraw-Hill Construction Pipeline database, about 15,900 units are under way in the region; approximately 7,700 are apartment units and about 8,200 are for-sale condominiums and townhomes. Of the multifamily units under way, approximately 6,500 are in Missouri; about 3,100 are apartments and 3,400 are for-sale condominiums and townhomes. All units are expected to enter the market during the next 2 years.

Rocky Mountain



The economy of the Rocky Mountain region continued its 3-year expansion during the first quarter of 2007. For the 12 months ending March 2007, average nonfarm employment increased by 146,600 jobs, or 3 percent, compared with the same period a year ago. The rate of growth in Utah during the past 12 months was 4.7 percent, or 55,000 jobs. Colorado followed closely with 50,400 jobs, or a 2.2-percent increase. Major employment advances in the construction, trade, and professional and business services sectors occurred in both Utah and Colorado. In Montana and Wyoming, job gains of 11,700 and 12,100 jobs, respectively, were supported by increases in the construction sector and natural resources and mining sector. The steady growth in North Dakota and South Dakota, with approximately 9,000 jobs each, enhanced the strong performance for the region. Because of strong employment growth, the average annual unemployment rate in the region declined from 4.3 to 3.6 percent for the 12 months ending in March 2007. The unemployment rate varied from 2.8 percent in Utah to 4.2 percent in Colorado.

Increasing demand for domestic energy sources continues to advance energy production and employment in the region. The region is responsible for 40 percent of the total coal production in the United States and has large natural gas and oil reserves. In Wyoming, the most energy-impacted state in the region, growth in the natural resources and mining sector added 3,600 new jobs during the 12 months ending March 2007, which is 30 percent of the total job gain for the state. In comparison, the region added approximately 10,000 natural resources and mining jobs. In addition to being involved in resource extraction, the region is active in several renewable energy projects. Colorado State University announced plans to build a wind farm that will enable the campus to completely convert to renewable energy sources over the next 10 years.

Even with a stronger economy in the region, a tightening of credit standards and a large supply of homes on the market have contributed to a decline in single-family home construction in the region. For the 12-month period ending March 2007, single-family construction, as measured by the number of building permits issued, decreased by 21 percent to 61,570 homes compared with the previous 12 months. Although the number of single-family building permits issued decreased in all states through the first quarter of 2007, the decline in Colorado accounted for 75 percent, or 12,200 units, of the 16,300-unit decline for the region. The large drop in Colorado was because of the relatively higher level of building that occurred during the previous 12 months and the increased inventories of unsold homes.

Sales market conditions eased in the region in the fourth quarter of 2006. According to the NATIONAL ASSOCIATION OF REALTORS®, the average annual rate of existing home sales for 2006 was 248,200 units, a decrease of 3 percent compared with 2005. Except for Montana, South Dakota, and Utah, all states in the region recorded a decrease in existing home sales. In Utah, strong household growth, stimulated by one of the fastest growing economies in the nation, has helped maintain home sales activity. The decline in Colorado accounted for 6,700 units of the 8,000-unit reduction in existing home sales for the region.

Contributing to the relatively softer home sales market in Colorado has been the higher rate of home foreclosures compared with other states in the region. According to the fourth quarter 2006 National Delinquency Survey, the 1.5-percent foreclosure rate recorded in Colorado ranked seventh in the nation, well above the regional rate of 1.1 percent and the national rate of 1.2 percent. The high rate in Colorado has been driven by rising mortgage interest rates on adjustable-rate mortgages and subprime loans, which have been used in the state to a greater degree than in other states in the region.

Metropolitan area home sales markets in Colorado are generally characterized by falling sales volume, a slowing of price appreciation, and high levels of inventories of homes for sale. For the 12 months ending March 2007, according to the Denver Board of REALTORS®, existing single-family home sales fell by 7 percent from a year ago. The average sales price overall increased by 2 percent to $315,500, although some submarkets have performed better than others. Denver area locations that have good access to employment centers, including the south Interstate-25 corridor, the northwest Boulder Turnpike corridor, and downtown Denver, have maintained greater home sales activity and sales price increases than has the general market. The Colorado Springs Association of REALTORS® reported that existing sales activity was down 10 percent from last year and that the average single-family sales price increased by 2 percent to $250,400. Active listings as of March 2007 for Colorado Springs and Denver are up by 20 percent from the more balanced market conditions of 2 years ago.

The sales market conditions for single-family homes in major metropolitan areas in Utah have eased but remain tight. The Salt Lake Board of REALTORS® reported that the volume of existing home sales for the 12 months ending March 2007 was 5 percent less than the volume for the same period a year earlier. Active listings are up by 20 percent to 7,500 units from the extremely low inventory 12 months earlier. Despite slower sales and increased inventories, the average sales price increased by 20 percent to $279,000. Strong gains in home sales prices occurred because of the relatively low price gains since 2001 and the recent 2-year period of strong employment and household growth. The market is strongest for homes priced below $300,000, while homes priced between $400,000 and $600,000 take the longest amount of time to sell. Home sales in the Provo-Orem area increased by 7 percent, while the average sales price was up by 21 percent to $269,700. The growth in sales activity is down from the double-digit increases of the previous 2 years. Although the market has slowed in Salt Lake City and Provo-Orem, strong employment and household growth will continue to foster moderate levels of home sales activity and price increases during the next 12 months.

Renter household formations and reduced levels of apartment construction activity have led to improved rental market conditions in the region. According to the Denver Apartment Association's first quarter 2007 survey, the vacancy rate decreased by 0.3 percentage points from a year ago to 7.4 percent and the average contract rent was relatively unchanged at $840. More importantly, as the market has continued to improve, the average value of rent concessions in Denver fell from 16 to 12 percent. The rental market in the Salt Lake City area continues to tighten. The apartment vacancy rate declined to 5.3 percent from 6.2 percent recorded a year ago, while the average rent increased by 5 percent to $690. In the Colorado Springs area, the market remained soft because of ongoing troop deployments from Fort Carson Army Base. In the Reis, Inc., first quarter of 2007 survey, the apartment vacancy rate in Colorado Springs was relatively unchanged at 10.6 percent, while the average rent increased slightly to $680. The rental market in the Salt Lake City area continues to tighten because of the strong economy and renter household growth. The apartment vacancy rate declined to 5.3 percent from 6.2 percent recorded a year ago, while the average rent increased by 5 percent to $690. Rental markets in most metropolitan areas of the region are expected to tighten during the next 12 months because of an increasing, but limited, level of apartment construction and due to growth in the population and the number of households.

Multifamily construction in the region, as measured by the number of building permits issued, was up 2,200 to 15,300 units for the 12 months ending March 2007. Gains in Colorado, Utah, and Wyoming more than offset losses in Montana, North Dakota, and South Dakota. Colorado recorded the largest gain in multifamily units permitted, increasing by 3,200 to 8,370 units during the past 12 months. Although condominiums account for a significant portion of multifamily construction, strengthening apartment market fundamentals and softening sales market conditions have prompted developers to build more apartment units. In the Denver area, developers are on pace to add 1,700 apartment units by the end of the year and another 2,400 units by end of the next year. The latter figure compares with the 740 units that were delivered last year but is well below the annual average of approximately 4,000 units recorded during the past 10 years.

PACIFIC

Economic growth in the Pacific region increased at a moderate pace through the first quarter of 2007. During the 12 months ending March 2007, nonfarm employment in the region increased by 453,000 jobs, or 2.4 percent, after gaining more than 512,000 jobs in the previous 12 months. The region accounted for nearly 20 percent of the new jobs added in the nation. Employment in the professional and business services and wholesale trade sectors rose by 4.3 and 3.7 percent, respectively, leading all sectors in percentage growth. Construction industry employment rose 3.5 percent after increasing more than 9 percent in the previous 12 months, primarily because of the slowing of residential building activity.

California employers added 264,000 jobs for a 1.8-percent gain in the 12 months ending March 2007, slightly less than the 2.0-percent increase in the previous year. The professional and business services sector added the most jobs, nearly 76,000 positions, for a 3.5-percent gain. Growing income levels and an increased interest in tourism contributed to the 44,000 jobs added in the leisure and hospitality industries. Employment in the San Francisco Bay Area rose by nearly 70,000 jobs, double the number added a year earlier, due largely to improvement in the growth of high-technology industries. In Arizona, employment increased by 123,800 jobs, or nearly 5 percent, with about 40 percent of the new jobs in the state being added in the professional and business services and construction sectors. Nevada employers added 50,800 new jobs, a 4.1-percent increase, including nearly 10,000 new jobs in the professional and business services sector and 7,800 in the leisure and hospitality sector. In Hawaii, continued high tourism supported 14,300 new jobs, a 2.4-percent increase.

The unemployment rate in the Pacific region declined to an average rate of 4.7 percent in the 12 months ending March 2007 from 5.0 percent in the previous year. Hawaii continued to have the lowest rate in the region, at 2.3 percent, while California maintained the highest rate, at 4.8 percent. Rates in Arizona and Nevada averaged 4.1 and 4.3 percent, respectively. All states in the region recorded a decline in unemployment rates from the previous 12 months, except Nevada, where the rate rose slightly.

Home sales slowed throughout the Pacific region during the past 12 months. The California Association of REALTORS® reported sales of 459,000 single-family existing homes in the 12 months ending March 2007, a decline of 23 percent from the previous year and below the average annual sales level of the past 10 years. The median sales price rose just 4 percent to $564,500 in the past 12 months after 4 years of double-digit increases. During the first quarter of 2007, the average time to sell an existing home remained unchanged from the previous quarter at 67 days after increasing from 48 days in the first quarter of 2006. Total sales of both new and existing homes declined 23 percent in both Southern California and the San Francisco Bay Area during the past 12 months.

According to the Las Vegas Housing Market Letter, sales of new and existing homes in the Las Vegas area declined 21 and 32 percent, respectively, in the 12 months ending March 2007. The median sales price of existing homes has been relatively unchanged at approximately $285,000 since the beginning of 2006, while the median price of new single-family homes has remained at about $330,000 for the past 6 months. During the first quarter of 2007, the unsold inventory of existing homes remained at record levels, averaging 25,450 units. Home sales also continued to slow in the Phoenix area. The Phoenix Housing Market Letter reported that sales of new and existing homes fell 15 and 37 percent, respectively, in the 12 months ending March 2007. During the same period, the median sales price was approximately $254,000, virtually unchanged from the previous year. According to the Honolulu Board of REALTORS®, sales of existing homes declined nearly 20 percent to approximately 10,000 units in the current 12-month period. During that time, the median sales prices for single-family and condominium homes rose 3 and 10 percent, respectively, after both increased more than 25 percent in the previous 12 months.

Home construction activity continued to decline throughout the region in the 12 months ending March 2007 in response to lower sales and high unsold inventories. The construction of new homes, as measured by the number of single-family building permits issued, declined by more than one-third to 172,500 units in the past 12 months—the lowest level since 1998. In California, building permits for 94,700 new homes were issued, down 33 percent from the previous year. Homebuilding in Arizona fell 34 percent to 50,150 homes permitted and in Nevada declined 43 percent to 22,400 homes permitted, due to substantially lower building in Phoenix and Las Vegas. The number of new homes permitted in Hawaii was off 20 percent to 5,300 units.

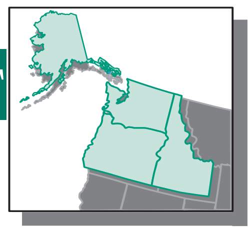
Continued population growth, relatively expensive home prices, and moderate apartment construction levels supported tight to balanced rental market conditions in the Pacific region through the first quarter of 2007. According to Reis, Inc., the apartment vacancy rate in the San Francisco Bay Area increased to approximately 5 percent in the first quarter of 2007 compared with 4.5 percent a year earlier, reflecting more balanced market conditions. The San Jose apartment market was the tightest in the Bay Area, with an estimated rental vacancy rate of 4.5 percent since 2005, reflecting in part the resurgence of high-technology industry employment. The increase occurred primarily in the San Francisco submarket area, where the vacancy rate rose from 4 percent in the first quarter of 2006 to nearly 5 percent in the current quarter due to new apartment completions and a reduction in condominium conversions. The apartment vacancy rate in the Oakland-East Bay area remained relatively unchanged at about 5 percent. Average rents increased 6 percent in the San Francisco and Oakland areas and 8 percent in the San Jose area. In California's Central Valley, RealFacts apartment surveys of the Fresno and Sacramento areas registered vacancy rates of 5 and 7 percent, respectively.

Rental market conditions remained tight throughout most of Southern California, reflecting limited apartment production and the inability of many renters to afford increasing home prices. In Los Angeles, Orange, and Ventura Counties, overall rental vacancy rates were approximately 4 percent. The rental vacancy rate in San Diego County remained at 4.5 percent, unchanged from a year ago. Southern Santa Barbara County had the lowest rental vacancy rate in the region, less than 4 percent, primarily because fewer than 150 new apartment units were completed in the area during the 12-month period ending March 2007. Rental market conditions in Riverside and San Bernardino Counties remained balanced, with vacancy rates of 7.5 and 6.5 percent, respectively, as the two counties continued to absorb the 4,000 units completed during the past 12-month period. According to the Consumer Price Index that covers most of Southern California, rents increased nearly 7 percent during the 12 months ending March 2007 compared with almost 6 percent during the previous year.

According to the Arizona Realty Studies survey, the apartment vacancy rate in Phoenix was 5.5 percent in the first quarter of 2007, an increase from less than 4 percent in early 2006. The higher rate reflected an increase in the number of new apartments undergoing initial lease-up and some reconversions of unsold condominiums to the rental market. The average rent in Phoenix rose nearly 5 percent in the past year, according to RealData, Inc. In Las Vegas, the Reis, Inc., apartment survey reported a vacancy rate of 5 percent in the first quarter of 2007 compared with an average of 4.5 percent in 2006. The average rent in the area rose approximately 4 percent in the past year compared with a gain of almost 5 percent in the previous year. The Honolulu rental market remained tight; the overall rental vacancy has remained at approximately 4 percent since the beginning of 2006.

Multifamily construction activity, as measured by the number of building permits issued, declined 15 percent in the past 12 months through March 2007, to 67,300 units, as builders responded to the slowdown in the sale of condominiums. Despite the decline, the level of activity remained relatively strong; the number of multifamily units authorized exceeded the average permit volume of the previous 5 years in every state except Nevada. California accounted for 47,200 units authorized, a decrease of 10 percent from the previous 12 months. Multifamily units permitted in Los Angeles rose 9 percent, accounting for nearly 30 percent of the regional total. Arizona recorded 10,500 multifamily units, a decline of 14 percent, while multifamily permit issuance in Hawaii fell 24 percent to about 2,200 units. In Nevada, multifamily activity declined 38 percent, to 7,400 units, due to the major drop in Las Vegas condominium production.

NORTHWEST



Nonfarm employment in the Northwest region increased by 2.7 percent to average 5.5 million jobs during the 12 months ending March 2007 compared with the previous 12-month period. The reduced pace of hiring in sectors related to sales housing, such as residential construction and financial activities, contributed to a slight reduction in the rate of nonfarm job gains compared with the 3-percent increase that occurred during the 12-month period ending March 2006. During the 12 months ending March 2007, Idaho had the fastest rate of job growth at 4.4 percent, followed by Oregon and Washington, each at 2.6 percent, and Alaska, at 1.7 percent. In Idaho and Oregon, hiring in the retail trade, education and health services, and leisure and hospitality services sectors accounted for much of the employment gains. In Washington, gains in the professional and business services, commercial construction, and manufacturing sectors led job growth. The aerospace products and parts industry continued to increase manufacturing payrolls in Washington, a trend that started in late 2004, due to hiring at The Boeing Company. In Alaska, nonfarm employment increased by 5,300 jobs during the past 12 months ending March 2007, mainly due to hiring in the oil and gas industry and in the health services and retail trade industries. As a result of job growth, the regional unemployment rate declined from 5.4 percent to 5 percent in the 12 months ending March 2007.

Home sales markets throughout most of the Northwest region returned to more balanced conditions during the 12 months ending March 2007, following 3 years of rapid sales increases. In the Puget Sound area, which includes the Bremerton, Olympia, Seattle, and Tacoma metropolitan areas, sales of new and existing homes totaled 75,300 units, down 10 percent from the 12 months ending March 2006, based on data from the Northwest Multiple Listing Service. In the Seattle and Tacoma areas, sales of new and existing homes declined 11 percent to 47,890 units and 13 percent to 16,975 units, respectively. In the Bremerton area, sales totaled 4,400 units, 12 percent below the total sold in the previous 12 months. The Olympia area had the only sales volume increase in the Puget Sound area, up 11 percent to 6,050 homes. The relative affordability of homes in the Olympia area, where the average sales price is $287,350, a 9-percent gain from last year, contributed to the strong sales. The average sales price increased 9 percent in the Bremerton area to $358,400, 13 percent in the Tacoma area to $318,540, and 15 percent in the Seattle area to $494,000. Gains in the average sales prices have moderated by approximately 10 percentage points, on average, in the Puget Sound area compared with 12-month sales price increases a year ago.

The number of sales of new and existing homes declined in Oregon during the 12 months ending March 2007, down 17 percent in major markets to 67,700 units compared with 81,800 in the previous 12 months, based on data from the RMLS™. In the Portland-Vancouver metropolitan area, 39,900 sales were recorded, down 9 percent. Despite the slower pace of sales, the average sales price increased 12 percent to $301,350 in major Oregon markets. In the Portland-Vancouver area, the average sales price also increased 12 percent, from $289,650 to $322,850.

Markets in Idaho and Alaska also recorded declines in sales of new and existing homes over the past 12 months ending March 2007. Based on Intermountain Multiple Listing Service data, home sales declined from record levels in the previous 12 months, off 14 percent in the Boise-Nampa metropolitan area to 15,500 units and down 31 percent in central and southwest Idaho to 3,200 units. The average sales price in the Boise area for the 12 months ending March 2007 was $234,100, a 6-percent increase compared with the previous 12 months. In Anchorage, home sales declined 3 percent to 3,050 units, according to data from the Alaska Multiple Listing Service, Inc., while the average sales price increased 8 percent to $320,000.

The slower pace of home sales caused single-family homebuilding activity, as measured by the number of building permits issued, to decline throughout the Northwest region during the 12 months ending March 2007. Single-family building permits issued in the Northwest region totaled 67,800 units, down 19 percent from 83,787 units issued in the 12 months ending March 2006. The number of single-family building permits totaled 32,650 units in Washington and 19,500 in Oregon, down 17 percent and 19 percent, respectively. Single-family building permits totaled 14,200 units in Idaho, off 24 percent, and declined by 13 percent in Alaska to 1,500 units.

Rental market conditions tightened throughout the Northwest region during the past 12 months ending March 2007, mainly because of increased renter household demand stemming from strong job growth and rising prices in the sales market. In the Puget Sound area, the apartment rental vacancy rate was approximately 4.3 percent as of March 2007, down from 4.7 percent in March 2006, based on data from Dupre+Scott Apartment Advisors, Inc. The average rent increased nearly 7 percent to $883 and property managers were projecting a 3.5-percent average increase in rents during the next 6 months. Properties offering concessions declined to 15 percent compared with 26 percent in March 2006. The apartment rental vacancy rate was approximately 4 percent in the Seattle metropolitan area, where conversions of rental units to condominiums during the past year reduced rental supply. Rental market conditions in the Puget Sound area were tightest in the Olympia area, with a 3.3-percent apartment vacancy rate, resulting from increased rental demand and few new rental units. In the Bremerton and Tacoma areas, military deployments from Naval Base Kitsap and Fort Lewis, respectively, increased the apartment rental vacancy rates during the past year. The Bremerton area rental vacancy rate rose from 4 percent to 7.8 percent between March 2006 and March 2007, while the Tacoma area increased from 4.8 percent to 5.8 percent during the same period.

Rental market conditions in the Portland area were balanced, with a 5-percent apartment rental vacancy rate, down from 6.5 percent in the first quarter of 2006. Rents increased 4 percent during the past 12 months and fewer properties offered concessions. Market conditions were tight in the Eugene-Springfield metropolitan area with an estimated 2-percent apartment rental vacancy rate, unchanged from a year ago. In the Boise metropolitan area, market conditions were balanced as the estimated apartment rental vacancy rate declined from 7 percent in the first quarter of 2006 to 6 percent as of the first quarter of 2007. The average rent in the Boise area increased nearly 7 percent during the past 12 months to approximately $745. Rental market conditions in the central and eastern regions of Idaho and in the Lewiston area were balanced, with vacancy rates in the 5-percent range. Market conditions were tight in northern Idaho.

The tighter rental market conditions throughout much of the Northwest region resulted in an increase in multifamily building activity, as measured by the number of units permitted, during the 12 months ending March 2007 compared with the previous 12 months. The number of multifamily units permitted increased by 25 percent to 28,300 units. Washington accounted for most of the regional gain, up by 47 percent, or 5,200 units, to 17,550 units. Approximately 40 percent of the building activity in Washington was for condominiums in the Seattle area. In Oregon, multifamily building activity increased by 12 percent, or 800 units, to 7,350 units permitted. Multifamily building permit activity declined 18 percent in Alaska to 1,150 units and 2 percent in Idaho to 2,200 units.

Housing Market Profiles

Austin-Round Rock, Texas

The Austin-Round Rock metropolitan area is the economic and healthcare center of central Texas. The metropolitan area comprises Bastrop, Caldwell, Hays, Travis, and Williamson Counties and encompasses more than 4,600 square miles. The city of Austin, located in Travis County, is the state capital and home to The University of Texas at Austin. The city of San Marcos, located in Hays County, is approximately 30 miles south of Austin and is the home to Texas State University.

The economy in the Austin-Round Rock metropolitan area is strong. According to the Texas Workforce Commission, during the 12-month period ending February 2007, average nonfarm employment was 725,400 jobs, up 4.2 percent from the previous 12-month average. The government sector had the largest gain, adding 6,200 jobs. The retail sector followed, with a gain of 5,800 new jobs. As a result of the strong employment growth, the average unemployment rate declined from 4.4 to 4.0 percent.

The recent employment growth has contributed to a slight increase in net in-migration to the area. Local sources indicate many of the people migrating into the area are from the East Coast. Since January 1, 2004, the population of the metropolitan area has increased 31,700, or 2.3 percent, annually to an estimated 1,490,500 as of February 1, 2007. Corresponding with the increase in population, the number of households in the metropolitan area also increased significantly. As of February 1, 2007, an estimated 601,800 households are in the metropolitan area, up from 531,300 in January 1, 2004.

Employment growth is expected to remain strong over the next few years. As of the first quarter of 2007, the Greater Austin Chamber of Commerce has announced that 11 companies plan to expand or build new facilities in the area, adding approximately 1,500 new jobs. In addition, more than 2 million square feet of retail space are being developed in Bastrop County, one of the 10 fastest growing counties in the nation, according to the U.S. Census Bureau.

The University of Texas, Texas State University, and several smaller colleges and universities have a significant impact on the local economy and housing markets. The University of Texas employs 16,300 faculty and staff and, according to a study prepared by the University of Texas at San Antonio, has an economic impact on the area in excess of $2.5 billion. Enrollment for the fall 2006 semester totaled 114,000 students in all the colleges and universities, approximately the same as the fall 2005 enrollment. Nearly 16,000 students reside in on-campus residence halls and university-owned apartments off campus. The remaining 98,000 students, comprising an estimated 35,600 student households, live in off-campus housing throughout the area.

Home builders and developers in the metropolitan area have cut back single-family construction, as measured by the number of building permits issued, because of the industrywide tightening of credit standards and rising interest rates. Single-family permits for the 12-month period ending February 2007 were down 9.6 percent to 16,600 homes compared with the previous 12-month period. Currently, about 4,200 single-family homes are under construction. Demand for new custom luxury homes has been increasing in western Travis County, northern Hays County, and western Williamson County. In western Travis County and northern Hays County, approximately 6,300 lots are being developed for homes expected to be priced at $300,000 and above. Near Leander, in western Williamson County, more than 10,000 lots are being developed primarily for the move-up and custom home markets. Although some homes will be priced in the $200,000s, the development will primarily include homes priced from $300,000 to $500,000.

Although a slowdown in construction in the new home market has occurred, the existing home sales market is tight. Strong household growth has contributed to a significant increase in existing home sales and higher prices. For the 12-month period ending February 2007, the Real Estate Center at Texas A&M University reported approximately 30,000 residential sales, up 9 percent compared with the previous 12-month period. The median sales price of a single-family home was $177,400, up from $165,600 during the same period a year ago.

The redevelopment of the site of the former Robert Mueller Municipal Airport (Mueller) is expected to add a substantial number of affordable housing units to the metropolitan area. After 10 years of planning and infrastructure work, housing construction is set to begin the summer of 2007. Located in north central Austin, the development is expected to include 1,500 single-family homes, 900 condominiums and townhomes, and 2,200 apartments. Of all the housing units, 25 percent will be restricted to households earning less than 80 percent of the area median family income of $69,300. The first phase of more than 340 affordable homes, priced from $120,000 to $160,000, is expected to be ready for occupancy in early 2008. Although a final completion date of the redevelopment of Mueller has not been announced, it could take up to 20 years to complete.

Multifamily development, primarily apartments, has increased in the metropolitan area. Nearly 9,400 units were permitted in the area for the 12-month period ending February 2007, compared with 6,600 the previous year. During the same period, in Williamson County, multifamily units permitted were up approximately 150 percent to 1,600. Strong employment growth in the county and the completion of the 183A tollway, which eases the commute into Austin, led to the increased demand for rental units. According to McGraw Hill Construction Pipeline data, approximately 80 percent of the 8,300 multifamily units under construction in the metropolitan area are apartments; the remaining 1,960 units are for-sale condominiums.

Even with the increase in apartment construction, the rental market is expected to remain relatively balanced. Recent household growth and fewer renters moving to homeownership have contributed to a lower rental vacancy rate and higher apartment rents. For the 12-month period ending February 2007, ALN Systems, Inc., reported an average apartment vacancy rate of 6.4 percent, down from 7.3 percent a year ago. During the same period, the average monthly rent increased from $734 to $785.

Burlington-South Burlington, Vermont

The Burlington-South Burlington, Vermont Metropolitan Statistical Area (MSA) consists of Chittenden, Franklin, and Grand Isle Counties and is located in the northwestern corner of the state, adjacent to Lake Champlain. The city of Burlington, with a population of nearly 40,000, is the largest city in Vermont and serves as a center for business, commerce, and government.

A declining economy after 2001 resulted in slower population growth compared with the 1990s. Between 1990 and 2000, the total population of the MSA increased 1.2 percent annually to 198,889. Population gains from net natural change (resident births minus resident deaths) and in-migration have slowed since 2000, resulting in an estimated October 1, 2006, population of 206,300, or a 0.6-percent annual increase.

In 2006, average annual nonfarm employment in the Burlington-South Burlington MSA remained unchanged from a year ago. Employment increased in 2006 with 600 new jobs in the professional and business services, education and health services, and leisure and hospitality sectors. These gains were offset by the loss of 250 manufacturing jobs and declines in the information and other services sectors. Despite the lack of growth, the MSA is characterized by a low unemployment rate, which is typically among the lowest in New England. During 2006, the average annual unemployment rate was 3.3 percent, relatively unchanged from a year ago.

The city of Burlington is the home of the University of Vermont (UVM) and Fletcher Allen Health Care, a large regional healthcare provider. Including the medical school, UVM had a fall 2006 enrollment of 10,800. Both student enrollment and investment in the area are continuing. University Heights, a $60 million housing complex designed to house 800 students, was completed in September 2006. The Dudley H. Davis Student Center, a $61 million construction project, is scheduled for a fall 2007 completion. Fletcher Allen Health Care, which serves both Vermont and Northern New York, is affiliated with the UVM College of Medicine. With 2006 revenues in excess of $680 million and more than $90 million in research grants, Fletcher Allen is a major contributor to the area economy. Other large employers include International Business Machines Corporation, Chittenden Bank, and IDX Systems Corporation.

The lack of employment growth combined with rising interest rates led to a recent decline in home sales. From 2000 through 2005, single-family home sales averaged 3,660 units a year. In 2006, home sales declined to 3,130 units, an 18-percent decrease when compared with the previous year. The slowing market has also impacted home prices. Between 2004 and 2005, the median price of a single-family home increased 13 percent to $243,000. In 2006, for the first time in more than 10 years, the median price of a single-family home decreased, by approximately 5 percent to $232,000. Average sales prices throughout the MSA for 2006 also indicated a slowdown in the single-family housing market compared with 2005. Local sources reported that the average sales price of a single-family home increased by less than 1 percent in both Chittenden and Grand Isle Counties to $330,000 and $268,000, respectively.

Builders responded to the slowdown in sales by reducing production. Since 2000, total housing construction in the MSA, as measured by the number of building permits authorized, averaged 950 units annually. Housing construction declined

13 percent in 2006 to 611 units compared with a year ago, including 446 single-family units, or approximately 73 percent of the total, and 165 multifamily units, primarily in Chittenden County. Two large-scale multifamily projects are nearing completion in the city of Winooski: Keen's Crossing apartments, a 213-unit rental property, which contains both affordable and market-rate units, and the Cascades Riverfront Condominiums, a 180-unit condominium property with prices starting at $300,000. No other large multifamily housing projects were permitted in the MSA during the past 2 years.

Current rental market conditions in the MSA remain tight, and monthly rent levels continue to rise. In the past year average rents increased approximately 5 percent, with a two-bedroom apartment in the area typically renting for approximately $1,000 a month, including utility costs. The rental market in the city of Burlington is particularly tight because approximately 50 percent of the students at UVM live in off-campus housing. Recent construction added more than 1,100 beds of student housing to the market, including 800 beds of on-campus housing and 312 beds in the city of Winooski. Although these additions to the rental housing supply have helped address student demand, the overall rental vacancy rate in the MSA remains extremely low at an estimated 3 percent.

Corpus Christi, Texas

The Corpus Christi metropolitan area, located on the Gulf of Mexico in south Texas, consists of Aransas, Nueces, and San Patricio Counties. The principal city of Corpus Christi, located in Nueces County, is the retail and tourism center of a 150-mile coastal region. According to the Corpus Christi Convention and Visitors Bureau, approximately 5 million people visit the metropolitan area annually, with tourism generating an annual economic impact of $1 billion.

As of February 1, 2007, the population of the metropolitan area is estimated at 419,900, an increase of 1 percent annually since 2000. The population growth has been primarily from net natural increase (resident births minus resident deaths), which accounted for more than 80 percent of the growth during each of the past 2 years. Net migration was positive in 2003 for the first time since 1999. Steady job growth and affordable housing costs have resulted in increased net in-migration from surrounding areas, primarily from larger metropolitan areas within the state.

The economy in the metropolitan area is strong. Total nonfarm employment increased by 4,200 jobs to 174,300, a 2.5 percent gain, during the 12 months ending January 2007. As of January 2006, Christus Spohn Health System, with 4,500 employees, was the largest private-sector employer in the metropolitan area, according to the Corpus Christi Regional Economic Development Corporation. The education and health services sector employs approximately 26,000 people throughout the area. More than 700 new jobs were created in the manufacturing sector, a 6.6-percent increase, primarily in industrial machinery and cabling. Hiring in the leisure and hospitality sector was strong during the past 12 months. The sector added 700 jobs, an increase of 3.5 percent, with most hiring occurring in the core tourism industries such as restaurants, attractions, and hotel/motels.

One main economic driver in the area is the Port of Corpus Christi Authority (Authority), which has served the metropolitan area for more than 80 years. The Authority currently ranks as the 7th largest port in the United States in terms of tonnage. According to the Corpus Christi Metropolitan Planning Organization, the Authority accounts for approximately 11,900 direct jobs and nearly 28,000 indirect jobs in the metropolitan area. The jobs provide $2.2 billion in income for families throughout the coastal region.

The market for existing single-family homes in the metropolitan area is tight as a result of steady population growth and strong job gains. According to the Real Estate Center at Texas A&M University, sales of existing homes during the 12 months ending January 2007 totaled 5,850 units, an increase of 16 percent compared with the previous 12 months. The average sales price increased to $154,200, up 4 percent compared from a year ago.

During the 12 months ending January 2007, new home construction slowed to allow for the absorption of recently constructed units. The number of single-family homebuilding permits was down 5 percent to 1,700 compared with the record-setting level of 1,800 during the previous 12-month period ending January 2006. Activity during the past 24 months has been well above the average of the 2000-to-2004 period when nearly 1,175 permits were issued annually.

During the past 2 years, condominiums have become increasingly popular in the metropolitan area with both retirees and vacation homebuyers. Currently, several projects are under way. The Moorings at

Mustang Island, which began construction in 2005, is located on the southern edge of Port Aransas. The Moorings will feature 23 townhomes and 36 midrise condominiums, each with its own boat slip. The Moorings condominiums are currently priced at $450,000 per unit and are expected to be completed by yearend 2007. Maravilla Del Mar, a planned 500-unit highrise condominium complex near Mustang Island State Park, will include three buildings, each of which is expected to be more than 30 stories high. Construction is expected to begin the summer of 2007, with completion by the summer of 2009. Unit prices start at $400,000; penthouses are being sold for more than $1.5 million.

The Corpus Christi metropolitan area apartment market is currently balanced and has been for several years. The vacancy rate decreased from 8 percent in April 2000 to 6 percent currently, according to Axiometrics Inc. Apartment rents in the area average $590 for a one-bedroom unit, $670 for a two-bedroom unit, and $840 for a three-bedroom unit. Apartments account for approximately 40 percent of all rental units with the rest consisting of single-family homes and mobile homes. The current overall rental vacancy rate in the area is estimated to be 10 percent.

Apartment construction, as measured by the number of multifamily building permits issued, increased by 50 percent during the 12 months ending January 2007 compared with the previous 12-month period ending January 2006, rising to a record high of 930 units. During the past 4 years, multifamily building activity has been volatile, primarily in buildings with five or more units. Very little production in 2005 was followed by a large amount of construction in 2006, a replica of the pattern that occurred from 2003 to 2004. Apartment construction activity during the next 12 months is expected to slow to an estimated 500 units.

Indianapolis, Indiana

The Indianapolis metropolitan area, located in the center of Indiana, consists of 10 counties. The city of Indianapolis, nearly coterminous with Marion County, is the headquarters of Eli Lilly and Company, the leading private employer in the area, with 14,000 employees and a 2006 annual economic impact of $2.2 billion dollars, according to the company. Indiana University-Purdue University at Indianapolis and FedEx are the second and third leading area employers, with 7,100 and 6,300 employees, respectively.

Population growth in the metropolitan area averaged 23,400 a year, or 1.5 percent annually, since the 2000 Census, resulting in an April 1, 2007, estimated population of 1,689,000. Population growth since 2000 has been evenly divided between net natural change (resident births minus resident deaths) and net in-migration. Migration into the Indianapolis area is mainly a result of job growth in high-paying service-providing employment sectors and a cost of living below the national average. More than two-thirds of the population growth since 2000 has been in the northwestern counties of Hamilton, Boone, and Hendricks. Located along Interstate-65 (I-65) and I-69, these suburban counties attract many dual-income households that are employed in nearby metropolitan areas such as Anderson and Lafayette and in Indianapolis.

The economy of Indianapolis has been growing at a relatively steady pace for the past 2 years. Nonfarm employment increased by 1.2 percent in 2005 and 1.4 percent in 2006 compared with an average annual rate of 0.7 percent between 2000 and 2004. In the 12 months ending February 2007, average nonfarm employment increased by 12,500 jobs, or 1.4 percent, to 902,500. The primary growth industries in the Indianapolis economy are in the service-providing sectors. During the past 12 months, employment in the professional and business services sector grew by 3,200 jobs, or 2.6 percent; the education and health services sector gained 4,000 jobs, or 3.7 percent; and the transportation and utilities sector added 1,400 jobs, or 2.8 percent. In 2007, Wellpoint Inc., the largest health insurer in the country, will add 600 jobs and an additional 600 jobs by 2011 at the corporation's Indianapolis headquarters.

Employment gains in the goods-producing sector have been modest during the current 12-month period. Employment increased by 400 jobs, or 0.2 percent. A slight 0.7-percent decline in manufacturing employment was offset by a 2.1-percent gain in construction employment. Current large construction projects include additional airport facilities for the $214-million FedEx expansion, the new $1-billion Lucas Oil Stadium built for the Indianapolis Colts, and multiple upgrades to the Indiana Convention Center. In manufacturing, new facilities at both Subaru of America, Inc., and Rolls-Royce North America will create 1,600 additional jobs by the end of 2008.

Despite a growing economy, the rate of single-family home construction, as measured by the number of building permits issued, declined significantly during the 12-month period ending

February 2007. Single-family building permits declined by 28 percent, to approximately 9,100 homes, after averaging nearly 13,000 homes permitted annually since 2000. Rising interest rates and a buildup of unsold new home inventory, which reached a record level of 2,300 units in December 2006, were the primary reasons for this decline. The average sales price for new homes was approximately $206,000 in 2006, relatively unchanged from 2005. A growing proportion of new single-family home construction will occur in traditional neighborhood developments (TNDs), the newest suburban development concept in the area. TNDs are completely self-sustaining suburban communities, characterized by smaller homes built on interconnecting walkable streets and interspersed with retail, office, and green space. New TNDs in the Indianapolis metropolitan area include Anson in Boone County and Saxony and Gramercy in Hamilton County, all of which are currently under construction.

Conditions in the single-family home sales market remain balanced with continued strong demand during the past 12 months. According to the Metropolitan Indianapolis Board of REALTORS®, approximately 27,500 new and existing homes were sold in the metropolitan area in the 12 months ending February 2007, unchanged from the previous 12-month period. The median sales price for new and existing single-family homes also remained flat at $125,500. The highest level of activity occurred in Marion County, with 13,700 sales during the current 12-month period ending February 2007. Boone County recently surpassed Hamilton County as the highest priced county in the metropolitan area, with an average sales price of $258,800. Nearly one-third of the units built in Boone County in 2006 were priced in excess of $325,000.

Condominium sales accounted for 8 percent of all new and existing home sales in the metropolitan area. During the 12 months ending February 2007, approximately 2,300 condominiums were sold, an increase of 1 percent from the previous 12 months. The median sales price increased by 2 percent to $125,900 during the same period. More than 68 percent of all condominium sales occurred in Marion County, with many in downtown Indianapolis. Currently 8,300 condominiums are in downtown Indianapolis, with 400 additional units in the pipeline for 2007. Sales prices for mostly highrise, upscale condominium units average $300,000.

Although the Indianapolis metropolitan area rental market is currently soft, market conditions should improve given limited new supply, steady population growth, and rising mortgage interest rates.

According to CB Richard Ellis, the vacancy rate declined from 11 percent in 2005 to 10 percent in 2006. Rents increased a modest 0.7 percent during the same period. Average rents for newer units are currently $649, $903, and $1,046 for one-, two-, and three-bedroom units, respectively. Among area submarkets, the downtown Indianapolis area reports the lowest vacancy, at 5 percent. On average, the highest priced units are located in Hamilton County, where most units were built in upscale properties during the past 6 years.

Multifamily construction, as measured by the number of building permits issued, declined during the past 12-month period. Multifamily permits totaled approximately 2,300 units in the 12 months ending February 2007, a 25-percent decrease compared with the previous 12-month period. Excess vacancies in both the rental and condominium markets during 2006 led multifamily developers to scale back production. According to Marcus and Millichap, 960 rental units were added in 2006 and 740 rental units are anticipated to be completed in 2007, which is 30 percent fewer units than the annual average recorded since 2000. The most active submarket in 2006 was northwest Indianapolis, comprising Boone and Hendricks Counties, which added 350 units. For 2007, north suburban Hamilton County reported the largest pipeline of 680 units.

Oklahoma City, Oklahoma

The Oklahoma City Housing Market Area (HMA) includes seven counties in central Oklahoma. Oklahoma City, the state capital, is home to Tinker Air Force Base (AFB). The population of the HMA as of January 2007 is estimated at 1.2 million, an average annual increase of 14,300, or 1.3 percent, since July 2005. Net in-migration accounted for 46 percent of the population increase during that period compared with 42 percent since 2000.

Nonfarm employment averaged 567,900 for the 12 months ending January 2007, an increase of 11,000 jobs, or 2 percent, from the previous 12 months. Jobs have increased primarily due to hiring in the professional and business services sector and the education and health services sector. Nonfarm employment growth occurred in all sectors, except for the manufacturing sector, in which a loss of 2,700 jobs occurred, primarily due to the closure of a General Motors assembly plant in Oklahoma City in early 2006. Economic initiatives have attracted approximately 2,000 additional information sector jobs in call centers for companies such as Hertz, Southwest Airlines, and Dell. Despite these gains, total employment in the sector remained at 13,600, unchanged during the past 24 months. The government sector accounts for approximately 113,000 jobs, 20 percent of total nonfarm employment. According to the Greater Oklahoma City Chamber of Commerce, approximately 38,000 people are employed by the state government, followed by 26,000 employed by the federal government at Tinker AFB. The base provides logistic services for the U.S. Air Force and has an economic impact on the HMA of $800 million annually. The number of military personnel and the number of civilian employees are expected to remain near current levels based on recommendations from the Base Realignment and Closure Commission.

The 16 universities located in the HMA have a combined enrollment of more than 100,000 students. The largest, the University of Oklahoma (OU), contributes more than $1 billion annually to the local economy, according to the OU Public Affairs Office. Approximately 23,000 students and 6,000 staff and faculty are at OU's main campus in Norman, Oklahoma, 19 miles south of downtown Oklahoma City.

Despite economic gains during the 12 months ending January 2007, the home sales market has softened slightly, primarily as a result of a slowdown in the sales of new homes. The overall estimated vacancy rate is 3 percent, up from 2.1 percent a year ago. At the end of 2006, the inventory of unsold homes was 7,770, an increase of nearly 1,700, or 21 percent, compared with the previous year. In response to higher vacancy rates, developers of single-family homes decreased production in mid-2006, as measured by the number of single-family building permits issued. During the 12 months ending January 2007, permits were issued for 6,725 homes, a 24-percent decrease from the record high of 8,375 permits issued a year earlier. An estimated 1,200 single-family homes remain under construction compared with approximately 1,700 homes a year ago, indicating a 29-percent decline. With the decline in production, the market is expected to absorb the excess unsold new home inventory within the next 12 months.

The demand for existing homes remains strong and the sales price for existing homes continues to increase. The average price of $154,400 during the 12 months ending January 2007 was a gain of nearly $17,000, or 12 percent, above the average price for the same period a year ago. According to the Oklahoma Board of REALTORS®, the number of sales for existing homes in the 12 months ending January 2007 was 19,590, down less than 2 percent from the previous year.

Public-private partnerships have revitalized downtown Oklahoma City with retail, recreational, and residential centers being developed in an area called Bricktown. Office buildings that have been vacant since the 1980s have been converted to condominiums and apartments. Projects undertaken since the late 1990s include a new minor league baseball stadium, a 20,000-seat arena for sports and entertainment, and the Bricktown Canal, which extends through the entertainment district to the Canadian River and features lakes, parks, shops, restaurants, and hiking and biking trails.

Approximately 1,000 multifamily units are expected to be completed in downtown Oklahoma City, mainly in Bricktown, in 2007 compared with an average of 800 units a year since 2000. This new construction includes a 176-unit conversion of an office building into apartments. Apartment construction activity, as measured by building permits, has slowed during the 12 months ending January 2007, with only 457 multifamily units permitted compared with 550 units during the previous 12 months. Nearly 1,800 units were permitted in the 12 months ending January 2005. Multifamily permits during the past 12 months included fewer than 100 condominium units, primarily in downtown Oklahoma City.

Rental housing market conditions in the Oklahoma City HMA are soft. The current overall vacancy rate is 10 percent, relatively unchanged since 2000. According to data from Reis, Inc., in the fourth quarter of 2006, the average rents for one-bedroom, two-bedroom, and three-bedroom units were $473, $589, and $649, respectively. Average effective rent increases of 5 percent occurred during 2006 despite more than 50 percent of surveyed complexes offering concessions. Typical rental concessions consist of 1 month's free rent prorated on a 13-month lease. In Norman, despite the impact of the large number of OU students, the average vacancy rate, at 10 percent, has been relatively unchanged during the past 2 years. Approximately 15,000 students account for about 70 percent of the renter households in the city. The overall rental market in the HMA is expected to tighten in 2007 due to the reduced number of apartments being constructed.

Phoenix, Arizona

The Phoenix metropolitan area, the leading economic and government center of Arizona, comprises Maricopa and Pinal Counties. The Phoenix economy is highly diversified, with employment concentrations in aerospace and semiconductor manufacturing, financial services, and tourism. Major private employers include Banner Health, Wells Fargo, and Honeywell Aerospace. Arizona State University (ASU), which enrolls more than 60,000 students and employs more than 12,000 faculty and staff, has an annual economic impact of approximately $3.8 billion.

Nonfarm employment in the Phoenix area averaged 1,910,000 jobs in the 12 months ending February 2007, an increase of 102,800 jobs, or 5.7 percent, from the previous 12-month period. In the past 2 years, Phoenix area employers led the nation in job creation. The professional and business services sector added 23,700 jobs in the current 12-month period, a gain of nearly 9 percent, notably in legal, employment, architectural, and planning services. Employment in the leisure and hospitality industries rose by nearly 10,000, or 5.7 percent, reflecting continued expansion of tourism and business travel. The education and health services sector contributed more than 10,000 new jobs, while employment in the construction industry rose 11.5 percent, by more than 19,000 jobs. Some of the largest construction projects in progress include a $3 billion Intel semiconductor chip plant, the 167-bed Banner Gateway Medical Center in Gilbert, the $600 million Phoenix Convention Center Phase Two, and more than 700 units of highrise condominiums in downtown Phoenix and Tempe. The unemployment rate in the Phoenix area averaged just 3.5 percent in the past 12 months, down from 4.0 percent in the preceding year.

Employment growth is expected to continue in the next several years, supported by a number of major developments. AAA (American Automobile Association) announced plans to build its regional center in Glendale, hiring about 1,400 people by early 2009. In Chandler, the completion of the new Intel Fab 32 semiconductor chip plant is expected to add 1,000 jobs by late 2007. In North Phoenix, USAA insurance and the Mortgage Lenders Network USA, Inc., expect to hire as many as 1,700 workers in 2007. The health services sector is expected to expand due to the completion of at least four new hospitals in 2007, with seven more in various phases of planning. Employment in downtown Phoenix will expand in the next several years due to the tripling in size of the Phoenix Convention Center, the building of a new 1,000-room Sheraton Hotel, the completion of the Valley Metro light rail system scheduled for December 2008, and the further buildout of the just-opened ASU downtown branch campus.

The Phoenix area continues to be among the highest in the nation for population growth due to its rapidly expanding employment base and a wide range of housing choices, attracting both job seekers and retirees. The metropolitan area population was estimated to be approximately 4.16 million as of January 2007, an annualized gain of 173,500, or 4.4 percent, since July 2005 compared with an average annual increase of 124,000 in the previous 5 years. Migration, primarily from California and other surrounding states, accounted for three-fourths of the increase. The population of Maricopa County rose nearly 130,000, more than any other county in the nation, to nearly 3.8 million. Pinal County population increased to 271,000, a gain of 31,000, or 13 percent, compared with an average annual increase of less than 12,000 in the previous 5 years. Approximately one-fourth of total metropolitan population growth occurred in Pinal County due to abundant land for development and more affordable home prices.

The Phoenix home sales market continues to slow to more normal levels of sales after several years of consecutive record levels. According to the Phoenix Housing Market Letter, sales of existing homes declined 36 percent to about 85,360 homes in the 12 months ending February 2007, compared with the near-record level of the previous 12 months. Unsold inventory averaged nearly 43,000 homes during this period, more than triple the average of 13,000 units in 2005, when the market was strongest. Between the first quarter of 2005 and the first quarter of 2007, the average time to sell an existing single-family home increased steadily from a low of 24 days to 95 days currently. The slow existing sales market and reduced investor demand also impacted sales of new homes, which declined 14 percent to nearly 50,000 homes in the 12 months ending February 2007 compared with the record sales volume in the preceding year. The sales market is currently soft but is expected to move toward more balanced conditions during 2007 and into 2008 due to continued rapid in-migration and a reduction in homebuilding activity.

The median sales price for existing homes has been relatively stable within a $250,000 to $260,000 range since early 2006, after increasing more than 40 percent in 2005. For the 12 months ending February 2007, the median sales price was approximately $254,000, just 1 percent more than in the previous 12-month period. After rapid price increases in 2004 and 2005, the median price for a new home was up to approximately $280,000 at the beginning of 2007, an increase of just $10,000 from a year earlier. Home prices in the Phoenix area have doubled in the past 5 years, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

An increased desirability of urban living, a preference for a shorter commute to work, and the steep rise in single-family home prices all have contributed to increased demand for condominiums, townhouses, and other higher density home options. The share of existing condominium sales rose from 5 percent of the total resale market in 2003 to about 8 percent in 2006. During those intervening years, the median sales price of condominiums rose from $104,000 to $182,000, a 75-percent increase. The Arizona Real Estate Center of ASU reported that sales of condominiums and townhouses rose from 1,800 units in 2003 to 7,100 in 2006. Nearly 20,000 multifamily rentals converted to condominiums in the 2004 to 2006 period, though conversions had essentially halted by the end of 2006 due to the slowdown in the sales market. More than 500 units of highrise condominiums or lofts are under construction in downtown Phoenix, beginning at about $300,000 for a one-bedroom residence. The 176-unit, 22-story first phase of the Centerpoint Condominiums development in Tempe is scheduled to open in 2008.

In response to the slowdown in new home sales and the rise in new home inventory, builders have significantly reduced home construction. Single-family home construction, as measured by the number of building permits issued, declined by nearly 18,800 homes, or 35 percent, to 34,200 homes in the 12 months ending February 2007 compared with the previous 12-month period, about equal to the average production level in the late 1990s. The search for lower cost land for subdivisions has led builders to shift production increasingly to the West Valley of Maricopa County and to Pinal County, which accounted for more than 20 percent of the building in the metropolitan area, up from less than 10 percent in 2001.

The Phoenix rental market remained balanced to tight in 2006. The Arizona Real Estate Center survey of large apartments reported an average vacancy rate of 4.5 percent, down from an average of 6.5 percent in 2005 and 8.5 percent in 2004. The decline in vacancy resulted from the increased demand associated with strong job and household growth, moderate apartment supply, the conversion of many rental units to condominiums, and the rapid increase in home prices over several years. The vacancy rate in the fourth quarter of 2006 has risen slightly to 5.3 percent due to the completion of new apartments in the fourth quarter and some condominiums returning to the rental market. According to RealData, Inc., the average rent for apartment units in the Phoenix area in the fourth quarter of 2006 was $790, a 6-percent increase from the previous year, the largest gain since the late 1990s. The average rent was $692 for unfurnished, one-bedroom units; $844 for two-bedroom units, and $1,158 for three-bedroom units.

Multifamily construction activity, as measured by the number of building permits issued, declined 13 percent, or 1,200 units, to approximately 8,240 units in the 12 months ending February 2007, about the average annual volume of the previous 5 years. RealData, Inc., indicated that 3,400 of the units permitted in 2006 were in large rental complexes of at least 50 units, down from 5,600 permitted in 2005 and the lowest level since 1993. The drop in the number of rental units permitted was offset in part by an increase in permits for new condominiums. Due to the rapidly growing demand for rental units and moderate increased rental supply, the rental market is expected to remain balanced for at least the next 2 years.

Roanoke, Virginia

The Roanoke metropolitan area, located near the foothills of the Blue Ridge Mountains, comprises the counties of Botetourt, Craig, Franklin, and Roanoke and the cities of Salem and Roanoke. As of February 1, 2007, the estimated population of the metropolitan area was 296,500, an average increase of 1,200, or 0.4 percent, annually since 2000. The area is a transportation hub servicing Norfolk Southern Corporation (railroad), Advance Stores Company (auto parts distributor), and United Parcel Service. More than 70 local, state, and interstate trucking companies serve the Roanoke Valley. The area is also the regional medical center for western Virginia. Carilion Health System, which manages the largest hospital in the area, is the leading private sector employer, with approximately 9,700 employees.

The economy is recovering from job losses that occurred between 2001 and 2004. Within that period, nonfarm employment declined by 6,800 jobs, an average annual loss of 1.4 percent. Manufacturing layoffs accounted for 4,000 of those jobs, with nearly 1,600 in machinery manufacturing. Since 2004, the economy has rebounded and continues to grow. In the past 2 years, 5,400 jobs were added, or an average 1.7 percent annual growth. In the 12-month period ending February 2007, nonfarm employment averaged 162,600 jobs, an increase of 2,300 jobs compared with the previous 12-month period. The fastest growing sectors were education and health services, with approximately 1,100 new jobs; professional and business services, with 700 additional jobs; and wholesale and retail trade, with more than 600 new jobs. The transportation and utilities sector averaged 8,625 jobs, relatively unchanged from a year ago. The average unemployment rate was 3.1 percent for the 12 months ending February 2007, a decline from 3.3 percent for the same period a year ago.

Employment is expected to steadily increase during the next 3 years. According to Roanoke Valley Economic Development Partnership, Inc., MW Manufacturers Inc. will expand its Rocky Mount headquarters in Franklin County, investing $23 million and creating 175 new jobs in the next 2 years. McAirlaid's® Vliesstoffe GmbH & Co. KG, will spend $85 million to open a manufacturing plant and corporate headquarters, employing 160 people within the next 20 months. Carilion Health System and Virginia Tech will begin construction in early 2008 of a joint medical school and research building in the Riverside Centre for Research and Technology of Roanoke city. According to the *Virginia Tech News*, the school will inaugurate its first class in 2009 or 2010.

An expanding economy and relatively low interest rates supported single-family home construction, as measured by the number of building permits issued in the area. During the 12-month period ending February 2007, approximately 1,330 single-family homes were permitted, with most of the construction in Franklin and Roanoke Counties. This number shows a slight decrease from the 1,450 homes permitted for the metropolitan area during the previous year. Currently, about 300 single-family homes are under construction in the Roanoke metropolitan area.

Continued economic growth has helped maintain a balanced sales market in the metropolitan area. According to the Virginia Association of REALTORS®, for the 12-month period ending February 2007, the average sales price for a home was $211,362, an increase of $8,024, or 4 percent, compared with the same period a year ago. The average number of days on the market remained unchanged at 67. The number of homes sold decreased slightly to 5,613 from 5,782 for the same period last year, a 3-percent decline. According to the House Price Index of the Office of Federal Housing Enterprise Oversight, based on repeated valuations of the same property over time, homes continue to appreciate in the metropolitan area.

Multifamily development has occurred primarily in the counties of Franklin and Roanoke. During the 12 months ending February 2007, the construction of multifamily units, as measured by the number of permits authorized, has slowed, with only 42 units permitted, relatively unchanged from the previous 12 months. Of the 414 multifamily permits issued in the last 3 years, 56 percent have been for condominium units. In eastern Roanoke County, according to the McGraw-Hill Construction Pipeline database, a 128-unit condominium project is scheduled to be completed by September 2007. Also, a 95-unit active adult condominium development is expected to be completed by April 2007 in Roanoke city.

The rental market is currently balanced. The vacancy rate declined from 9.1 to 5.9 percent during the past 12 months, as reported by Real Data, Inc. Current average monthly rents for one-bedroom, two-bedroom, and three-bedroom units are $563, $635, and $733, respectively. Rents have been increasing in the past 2 years by approximately 3.5 percent annually. Since few rental units are in the production pipeline, vacancy rates are expected to continue to decline in the next year. Currently, according to RealData, Inc., about 10 percent of the apartment communities are offering concessions, down from 15 percent last year.

Spokane, Washington

The Spokane metropolitan area consists of Spokane County and is located in eastern Washington along the Idaho border. Spokane, the second largest city in Washington, is the healthcare, business, and education hub for eastern Washington and northern Idaho. As of April 1, 2007, the population of the Spokane metropolitan area is estimated to be 451,400, up 1.3 percent in the last 12 months and 1.1 percent annually since 2000. Due to job growth and relatively affordable housing, 70 percent of the population increase in the past 2 years is attributable to net in-migration, primarily from northern California and western Washington.

The leading employer in the area is Fairchild Air Force Base (FAFB); 1 of every 11 jobs in Spokane County is related to the base, which employs 700 civilian and 2,494 military personnel. Including the spending of approximately 17,500 military retirees and the 500 employees of the Department of Veterans

Affairs, the annual economic impact of FAFB on the metropolitan area is nearly $2 billion. Employment at the base has remained stable during the past several years and no changes are anticipated during the next 12 months.

Nonfarm employment increased at the fastest annual rate in more than a decade during 2006. Total nonfarm employment reached 214,000 jobs during the 12-month period ending February 2007, an increase of 6,700 jobs, or 3.2 percent, compared with the previous 12-month period. Employment gains were recorded in nearly every sector. The largest increase occurred in the construction sector, with more than 1,400 jobs added. The 11-percent increase in construction jobs has been supported by numerous commercial projects, including the development of Wal-Mart, Home Depot, and Target retail stores. The manufacturing sector added 900 jobs, almost double the number added in the previous 12-month period. Service-providing sectors that showed significant job gains during the 12 months ending February 2007 were the wholesale and retail trade sector and the professional and business services sector, with more than 1,200 and 1,000 additional jobs, respectively. The average unemployment rate decreased to 5.3 percent between March 2006 and February 2007 compared with the 5.6-percent average unemployment rate recorded for the previous 12 months.

Strong population growth and relatively low mortgage interest rates sustained single-family homebuilding activity at an average of 2,000 units between 2000 and 2005. After a record-setting 2005, with more than 3,550 single-family building permits issued, construction activity returned to a more normal level, with 2,647 permits issued. For the 12-month period ending March 2007, single-family building permits totaled 1,836, which is 20 percent below the previous 12-month period and closer to permit issuance levels in the early 2000s. Construction activity has occurred throughout Spokane County, but the southeast portion has been particularly attractive for single-family development because of its proximity to retail businesses and western Idaho recreational attractions. Sales prices for new three-bedroom, two-bath homes that include a basement and an attached garage start at approximately $230,000.

According to the Spokane Association of REALTORS®, existing and new residential sales prices, which had risen an average of 6 percent annually for the first 4 years of this decade, rose by 18 percent in 2005 and 15 percent in 2006. Total residential sales increased annually by 10 percent between 2000 and 2005. In 2006, total sales decreased 7 percent to 7,221 homes compared with the record level of 7,781 homes in 2005, returning to 2004 sales levels. The sales decrease was partly attributable to rapidly rising sales prices and higher mortgage interest rates. Between April 2006 and March 2007, single-family home sales were about 10 percent below sales in the previous 12-month period, but the average single-family sales price increased from $182,200 to $203,600, or 11 percent.

Multifamily construction activity in Spokane, as measured by building permits, has averaged 875 units a year between 2000 and 2006. Nearly 85 percent of the multifamily development has been for apartments, with the remaining being for condominiums. Total multifamily construction during the 12-month period ending March 2007 was 945 units. Kendall Yards, a public-private, mixed-use development on 78 acres north of the Spokane River and downtown Spokane, will begin development in mid-May 2007. The development has been approved for up to 2,600 residential units to be constructed in a 10-year timeframe.

Renter household growth and recent moderate apartment production have resulted in tight rental market conditions in Spokane since 2004. According to December 2006 Summary Statistics from the Washington Center for Real Estate Research at Washington State University's College of Business, the Spokane apartment rental vacancy was 4.3 percent, which is below the 5.4-percent vacancy rate for the previous year. Tight market conditions supported an average rent increase of $15, or nearly 3 percent, annually between 2004 and 2006. Average monthly rents for one-, two-, and three-bedroom units are $487, $689, and $795, respectively. The South Hill and Spokane Valley submarkets, adjacent rental submarkets in the southern portion of Spokane County, are experiencing the strongest levels of demand. The South Hill submarket has an apartment rental vacancy rate of 4.2 percent and an average apartment rent of $597, and the Spokane Valley submarket has an apartment rental vacancy rate of 3.8 percent and an average apartment rent of $595.

St. Paul, Minnesota

The St. Paul Housing Market Area (HMA) is the eastern portion of the Minneapolis-St. Paul Metropolitan Area. The HMA consists of Ramsey County, which includes the city of St. Paul, and Anoka, Chisago, Dakota, and Washington Counties in Minnesota and St. Croix and Pierce Counties in

Wisconsin. St. Paul is the state capital and home to several private and public colleges and universities. As of March 2007, the population of the HMA is estimated at 1,494,000, an annual increase of 9,875, or 0.6 percent, since 2003. Among the largest private employers in the HMA are 3M, Medtronic, and Thomson West, with 16,000, 6,900, and 6,000 employees, respectively.

Resident employment in the HMA averaged 892,300 workers for the 12 months ending February 2007, an increase of 6,475, or 0.7 percent, from the previous 12 months. The number of employed residents exceeds the number of jobs in the HMA by more than 18 percent, indicating a significant net out-commutation from the HMA, much of it to Minneapolis and neighboring Hennepin County. The unemployment rate has been low, averaging 3.8 percent both for the 12 months ending February 2007 and for the preceding 12 months.

Service-providing industries account for more than 80 percent of the estimated 760,500 jobs in the area. The leading employment sector is education and health services, accounting for more than 20 percent of the total employment in the HMA. St. Paul has several hospitals employing a total of more than 15,000 workers. The largest of these are HealthEast-St. Joseph's Hospital, Regions Hospital, and United Hospital-Allina Health System. Among the private universities and colleges in St. Paul, the University of St. Thomas is the largest, with more than 7,000 students and 1,975 faculty and staff at its St. Paul campus. The impact of St. Thomas on the local economy is estimated at approximately $275 million annually.

As the state capital and the location of a major campus of the University of Minnesota, St. Paul, with more than 13,000 workers in the state government sector, helps provide stability in the economy of the HMA. The University of Minnesota-St. Paul campus has an enrollment of 11,500 students and employs 2,625 faculty and staff members. In Pierce County, the University of Wisconsin-River Falls, which has more than 5,900 students, is the major local employer, with more than 900 faculty and staff.

After a robust home sales market for much of this decade, the existing home sales market has softened considerably in the 12 months ending March 2007. Sales of existing homes declined 18 percent to 22,077 for the period, compared with 26,962 for the previous 12 months. The average sales price for the most recent 12 months was $258,400, relatively unchanged from a year ago. The market slowed from record sales levels and annual double-digit appreciations during the past several years because of the recent rise in interest rates and high levels of new home construction.

Because of the soft sales market, the construction of single-family homes, as measured by the number of building permits issued, has slowed. For the 12 months ending February 2007, permits were issued for 5,350 single-family homes, compared with 8,625 units during the previous 12 months, or a decline of 38 percent. New single-family homes are priced from $210,000 for starter homes and from $350,000 to $440,000 for move-up single-family homes.

Multifamily construction also has slowed because of the weak sales market. The number of building permits issued for multifamily housing showed a decline of 33 percent to 1,100 units for the most recent 12 months ending February 2007 compared with 1,650 units authorized in the previous 12 months. The decline is primarily a result of a reduction in the number of townhouses and condominiums permitted.

The rental market in the HMA is balanced to tight. According to GVA Marquette Advisors, the vacancy rate for apartments in March 2007 was 4.9 percent, down from 6.0 percent a year earlier. Average rents increased by more than 2 percent from $842 in March 2006 to $862 for March 2007. As a result of softer conditions in the early 2000s, builders have cut back production of new market-rate rental housing in the HMA since 2004. The limited rental housing that has been produced has primarily been mixed-income projects in St. Paul. The recent improvement in the rental market is a result of a sharp decline in construction of market-rate apartments and a downturn in the number of renters moving to homeownership during the most recent 12 months.

Ventura County, California

Ventura County is located on the Pacific Ocean between Santa Barbara County to the north and Los Angeles County to the south. The population of Ventura County was approximately 827,000 as of April 1, 2007. Net natural increase (resident births minus resident deaths) accounted for the entire population increase of 7,200, or about 1 percent, during the past 12 months. Net migration has been declining since 2001, as families with children moved to other California counties or out of the state to find lower priced housing. Also, as home values increased rapidly in recent years, many retirees chose to sell their homes and use their large equity proceeds to purchase or rent comparable housing in lower cost areas.

The Ventura County economy added 6,500 jobs to total 298,800 jobs, a 2.2-percent increase, during the current 12-month period ending February 2007 compared with the preceding 12-month period. The construction sector had the largest rate of gain at 7.4 percent, or 1,400 jobs, followed by the professional and business services sector with an increase of 3.7 percent, or 1,400 jobs. Unemployment declined to 4.3 percent during the current 12-month period compared with 4.6 percent during the previous 12-month period ending February 2006.

Although the county is home to many biotechnology, insurance, and mortgage companies, especially in the southern portion of the county, the local economy remains dependent on the military, county and local government, and agricultural sectors. Naval Base Ventura County is the leading government employer, with a workforce of 6,000 civilian, 9,000 military, and 1,300 contractor personnel. Amgen, a biotechnology research firm is the leading private employer, with 10,000 employees. Other major private employers include Countrywide Financial Corporation; WellPoint, Inc.; and Verizon. In Ventura County's agricultural sector, where the total value of crops currently exceeds $1 billion, the primary crops are lemons and oranges.

People who work in neighboring Los Angeles County have created a demand for move-up housing in the southern portion of Ventura County. More than 68,000 Ventura County residents commute to work in Los Angeles County. People who work in Santa Barbara County also affect the demand for housing in northern Ventura County. The median price for an existing detached home in southern Santa Barbara County was more than $1 million in February 2007 compared with $590,000 in the northern part of Ventura County. More than 9,000 residents of Ventura County commute to work in Santa Barbara County.

Historically low mortgage interest rates and population growth maintained the demand for new and existing homes during the first half of the 2000s. Since August 2005, sales activity has dropped significantly. High home prices combined with rising mortgage interest rates have resulted in fewer potential homebuyers qualifying for mortgages. According to DataQuick®, the 11,650 new and existing home sales recorded during the 12 months ending February 2007 were 26 percent, or 4,100 homes, less than the number recorded during the comparable period ending February 2006. New and existing home sales averaged 17,300 annually between 2000 and 2005. The median price for new and existing homes for the 12-month period ending February 2007 was $584,000, which was $21,000, or 3.5 percent, less than during the previous 12-month period. The median home price started to decline in September 2006.

Builders responded to the slowing sales by reducing single-family building activity, as measured by the number of building permits issued, to only 1,300 homes from March 2006 to February 2007. This level of construction was 48 percent, or 1,200 homes, below the 2,500 single-family homes permitted during the previous 12-month period. Between 2000 and 2005, single-family construction activity averaged 2,500 homes annually.

The number of days required to sell a home has increased for all price ranges during the past 3 years. Three years ago, homes in all price ranges usually sold in less than 30 days at 5 percent or more above the listing price and with multiple offers. Currently, the number of days required to sell a home ranges between 60 and 120, often at 5 percent less than the original listing price. Before 2000, the number of days it took to sell a home was between 30 and 90, depending on price levels.

Between March 2006 and February 2007, more than 25 percent of the 10,000 existing home sales in Ventura County were condominiums. According to DataQuick, the February 2007 median price for an existing condominium was $407,000 compared with $619,000 for an existing single-family detached home.

New homes, especially condominiums, are no longer selling out before construction is completed. At the end of 2006, the number of unsold units under construction increased to approximately 450 homes. Between 2002 and 2005, the average year-end number of unsold units under construction was 120. More than 62 percent of the unsold new condominiums are located in the northern portion of the county. The unsold new single-family detached units are evenly split between the two parts of the county. The current countywide median new home price, including both single-family detached homes and condominiums, is approximately $660,000.

Although sales have slowed and the median home prices have declined, the overall conditions in the homeowner market are tight. The current estimated owner vacancy rate is less than 1 percent and the 3-year forecast demand for homeowner units exceeds the current rate of production.

Multifamily construction activity, as measured by the number of building permits issued, declined significantly during the past 12-month period ending February 2007. Multifamily permits totaled approximately 650 units, down 1,300 units, or 68 percent, from the previous 12-month period. All multifamily units currently under construction are rental apartments. Builders are waiting for the inventory of unsold condominiums to decline before starting construction on additional projects.

Rental market conditions are tight throughout the county. The average rental vacancy rate was 4 percent for the 12-month period ending February 2007, unchanged from the previous 12-month period. The units built in the first half of the 1980s represent approximately 9 percent of the current rental stock. These units have a vacancy rate of less than 4 percent and have a median rent of $1,350. Units built since 2000 represent approximately 5 percent of the total rental stock. These newer units have a 6-percent vacancy rate and a median rent of $1,700.

Rents countywide increased more than 6 percent during the past 12-month period ending February 2007 compared with the previous 12 months. The highest rent increases, more than 7 percent, were in the southern portion of the county, closest to employment centers in Los Angeles County. The low level of rental unit construction during the past 12-month period will continue to cause rents to increase. The median rent for a new two-bedroom apartment in Ventura County is currently $1,650.

Washington, D.C.

The Washington, D.C. metropolitan area comprises the District of Columbia (DC) and 21 neighboring counties in Maryland, Virginia, and West Virginia. It is one of the strongest housing markets in the nation, but the fast-paced growth experienced during 2004 and 2005 moderated during the past year.

The population in the metropolitan area is estimated to be approximately 5.3 million as of February 2007, an increase of 1.6 percent annually since 2000. Of the residents in the metropolitan area, 46 percent live in Virginia, where the highest rates of population growth are recorded. Between July 1, 2005, and July 1, 2006, the population of Loudoun County, Virginia, grew by 5 percent, the highest rate in the metropolitan area and the fourth highest rate for all counties in the nation, according to the Census Bureau.

During the 12 months ending February 2007, approximately 47,950 jobs were added in the Washington, D.C. metropolitan area. Although this figure represented a gain of 1.6 percent, it is significantly less than the 2.0-percent increase during the previous 12 months. The federal government, which accounts for nearly 12 percent of the 2,967,700 total jobs currently in the area, added only 125 new positions during the year compared with the addition of almost 1,200 a year earlier. The business and professional services sector added only 20,000 jobs, 8,300 less than in the previous year, because of reduced federal spending for contracts. As home to the nation's capital, the area attracts more than 15 million business and leisure travelers annually. The leisure and hospitality sector accounts for 9 percent of current employment and is growing, adding 4,300 jobs during the 12-month period, up more than 3 percent from the previous year. Losses in the information, utilities, and wholesale trade sectors contributed to the overall reduction in the number of new jobs created. In addition to Lockheed Martin and Northrop Grumman, which are major Department of Defense contractors, other prominent private employers in the area include GEICO Insurance, Marriott International, Sprint Nextel, and Booz Allen Hamilton. During the most recent 12-month period, the unemployment rate was 3.1 percent, a decline from 3.3 percent a year ago.

Existing home sales declined throughout the Washington, D.C. metropolitan area during the past year, as moderate increases in interest rates combined with increased home prices to soften the resale market. According to data from Metropolitan Regional Information Systems, Inc., the Maryland Association of REALTORS®, and the Virginia Association of REALTORS®, approximately 78,750 existing homes were sold during the 12 months ending February 2007, a decrease of almost 27 percent compared with the 107,150 homes sold during the previous year. In the Virginia suburbs, the number of homes sold declined by 32 percent, to 38,100 homes, and the percent of regional sales attributed to Virginia declined from 53 percent during the 12 months ending February 2006 to less than 48 percent during the past year. Although the Maryland suburbs increased their share of regional sales from 38 percent to slightly more than 41 percent, the total number of homes sold decreased by 21 percent to 32,500 homes. Sales in DC declined by 1,600 homes, or 18 percent, during the year.

During the 12 months ending February 2007, average home prices in the metropolitan area were relatively stable at $462,000, rising less than 1 percent from the previous year. An increase of almost 5 percent in the Maryland suburban counties, to $422,000, was offset by declines throughout the remainder of the metropolitan area. Average prices in the close-in Virginia suburbs of Alexandria city and Arlington, Fairfax, and Loudoun Counties fell more than 2 percent to $530,300 after increasing more than 21 percent during the previous year. The number of homes sold in those submarkets declined by 28 percent to 26,200 homes. In addition, homes stayed on the market twice as long as they did during the previous year.

The rental market in the Washington, D.C. metropolitan area is one of the strongest in the nation, but it softened slightly during the 12 months ending March 2007, because a large number of new apartment projects were added to the stock. Traditional apartments are also competing with approximately 2,000 new investor-owned condominium units currently being marketed for rent. According to Delta Associates, vacancies in garden apartments rose to almost 7 percent in March 2007 compared with approximately 4 percent a year ago. The increase was due primarily to the doubling of vacancy rates in the Virginia suburbs, from 4 percent to 8 percent, because more than 1,800 new units entered the market. Vacancy rates for garden apartments in the Maryland suburbs remained relatively stable at slightly more than 5 percent.

Class A highrise apartment vacancy rates rose in the suburban areas but declined slightly in DC. In the Virginia submarkets, vacancy rates rose from approximately 2 percent to almost 7 percent as the area absorbed 700 new units. An increase in concessions helped reduce vacancy rates in DC to 10 percent as of March 2007, down from 12 percent in March 2006. In Maryland, the market for Class A highrise units is strong, with vacancy rates of 3 percent, up slightly from 1 percent in March 2006. An additional 18,100 rental units are planned for delivery in the metropolitan area during the next 3 years; approximately 52 percent will be developed in highrise buildings. According to M/PF YieldStar, the average rent for all apartments in the metropolitan area was $1,226 during the fourth quarter of 2006, up from $1,179 a year ago. Rents for one-bedroom units averaged $1,126 per month, two-bedroom units averaged $1,276, and three-bedroom units averaged a slightly lower $1,143, because most three-bedroom units are in older properties.

Builders in the Washington, D.C. metropolitan area have responded to decreased demand for new homes by slowing the pace of development. Construction of new single-family homes, as measured by the number of building permits issued, declined by 30 percent during the 12-month period ending February 2007, which is 7,300 fewer permits than were issued during the previous year. The number of multifamily units permitted declined to 8,100 units from 10,850 the previous year. An estimated two-thirds of the units are being developed as rental apartments, with the remainder constructed as condominium units for sale. Development has been limited in some areas, particularly in Maryland, because of a shortage of buildable sites or lack of infrastructure.

Condominiums are an attractive and affordable alternative for homebuyers in the Washington, D.C. metropolitan area market. During the past year, developers were offering incentives such as help with closing costs and developer-paid association fees. According to Delta Associates, approximately 21,500 condominium units were being marketed for sale in March 2007, down 17 percent from the number in March 2006. Another 20,500 are planned and expected to begin marketing within the next 3 years. The median price for existing condominium sales at the end of 2006 was $299,500 and the price for a newly constructed one-bedroom unit typically started at $300,000.

DC is the center of major redevelopment in the metropolitan area. According to the DC Marketing Center, approximately 20,000 new and renovated housing units valued at more than $4 billion were completed in DC since 2001. Nearly 6,300 additional units are under construction or renovation, with planned delivery between 2008 and 2015, and 3,600 more units are in the planning stages. In addition, several large-scale economic developments are helping to revitalize the city. One project will employ new construction and adaptive reuse to create 1,800 for-sale units, 900 rental units, 1.8 million sq. ft. of office space, 250,000 sq. ft. of retail space, and open space that will include a public park and riverfront esplanade. The project is expected to break ground during the summer of 2007, with the first phase completed by 2009.

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

HUD Region and State	2007 Through March			2006 Through March			Ratio: 2007/2006 Through March		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	1,395	992	403	2,177	1,515	662	0.641	0.655	0.609
Maine	1,095	1,010	85	1,435	1,308	127	0.763	0.772	0.669
Massachusetts	3,970	1,764	2,206	5,279	2,992	2,287	0.752	0.590	0.965
New Hampshire	971	834	137	1,275	1,138	137	0.762	0.733	1.000
Rhode Island	531	343	188	638	415	223	0.832	0.827	0.843
Vermont	418	342	76	598	466	132	0.699	0.734	0.576
New England	**8,380**	**5,285**	**3,095**	**11,402**	**7,834**	**3,568**	**0.735**	**0.675**	**0.867**
New Jersey	5,262	3,122	2,140	7,716	4,716	3,000	0.682	0.662	0.713
New York	12,126	3,850	8,276	12,388	4,423	7,965	0.979	0.870	1.039
New York/New Jersey	**17,388**	**6,972**	**10,416**	**20,104**	**9,139**	**10,965**	**0.865**	**0.763**	**0.950**
Delaware	1,363	1,195	168	1,525	1,246	279	0.894	0.959	0.602
District of Columbia	834	469	365	1,327	11	1,316	0.628	42.640	0.277
Maryland	5,508	3,396	2,112	6,135	5,545	590	0.898	0.612	3.580
Pennsylvania	7,643	6,059	1,584	10,314	8,364	1,950	0.741	0.724	0.812
Virginia	9,529	8,076	1,453	13,445	11,170	2,275	0.709	0.723	0.639
West Virginia	838	801	37	1,489	1,410	79	0.563	0.568	0.468
Mid-Atlantic	**25,715**	**19,996**	**5,719**	**34,235**	**27,746**	**6,489**	**0.751**	**0.721**	**0.881**
Alabama	6,301	5,409	892	7,848	6,753	1,095	0.803	0.801	0.815
Florida	32,574	22,039	10,535	68,866	51,257	17,609	0.473	0.430	0.598
Georgia	21,020	16,639	4,381	26,795	22,006	4,789	0.784	0.756	0.915
Kentucky	4,200	3,345	855	3,616	3,076	540	1.162	1.087	1.583
Mississippi	4,713	3,269	1,444	3,518	3,218	300	1.340	1.016	4.813
North Carolina	23,038	19,299	3,739	26,325	21,812	4,513	0.875	0.885	0.828
South Carolina	11,003	9,139	1,864	14,806	11,609	3,197	0.743	0.787	0.583
Tennessee	9,896	8,278	1,618	12,555	10,359	2,196	0.788	0.799	0.737
Southeast/Caribbean	**112,745**	**87,417**	**25,328**	**164,329**	**130,090**	**34,239**	**0.686**	**0.672**	**0.740**
Illinois	11,977	5,713	6,264	15,793	9,731	6,062	0.758	0.587	1.033
Indiana	5,335	4,340	995	7,542	6,164	1,378	0.707	0.704	0.722
Michigan	3,452	3,198	254	6,606	5,622	984	0.523	0.569	0.258
Minnesota	3,120	2,411	709	5,721	4,517	1,204	0.545	0.534	0.589
Ohio	7,295	5,599	1,696	10,088	8,145	1,943	0.723	0.687	0.873
Wisconsin	3,909	2,832	1,077	5,918	4,382	1,536	0.661	0.646	0.701
Midwest	**35,088**	**24,093**	**10,995**	**51,668**	**38,561**	**13,107**	**0.679**	**0.625**	**0.839**
Arkansas	3,052	2,087	965	4,086	2,761	1,325	0.747	0.756	0.728
Louisiana	4,956	4,057	899	5,737	5,409	328	0.864	0.750	2.741
New Mexico	2,392	2,289	103	3,705	3,450	255	0.646	0.663	0.404
Oklahoma	3,899	3,048	851	4,473	3,815	658	0.872	0.799	1.293
Texas	46,673	33,480	13,193	56,848	43,678	13,170	0.821	0.767	1.002
Southwest	**60,972**	**44,961**	**16,011**	**74,849**	**59,113**	**15,736**	**0.815**	**0.761**	**1.017**
Iowa	2,006	1,511	495	2,781	2,268	513	0.721	0.666	0.965
Kansas	2,343	1,819	524	3,250	2,545	705	0.721	0.715	0.743
Missouri	4,649	3,537	1,112	7,387	4,873	2,514	0.629	0.726	0.442
Nebraska	1,242	1,112	130	2,434	1,733	701	0.510	0.642	0.185
Great Plains	**10,240**	**7,979**	**2,261**	**15,852**	**11,419**	**4,433**	**0.646**	**0.699**	**0.510**
Colorado	7,107	5,063	2,044	10,774	8,540	2,234	0.660	0.593	0.915
Montana	973	747	226	1,151	821	330	0.845	0.910	0.685
North Dakota	336	240	96	212	172	40	1.585	1.395	2.400
South Dakota	879	670	209	1,830	877	953	0.480	0.764	0.219
Utah	5,204	4,537	667	5,873	5,235	638	0.886	0.867	1.045
Wyoming	618	524	94	584	510	74	1.058	1.027	1.270
Rocky Mountain	**15,117**	**11,781**	**3,336**	**20,424**	**16,155**	**4,269**	**0.740**	**0.729**	**0.781**
Arizona	15,946	12,018	3,928	20,143	16,729	3,414	0.792	0.718	1.151
California	31,423	20,692	10,731	44,293	28,551	15,742	0.709	0.725	0.682
Hawaii	2,104	1,310	794	2,335	1,687	648	0.901	0.777	1.225
Nevada	5,699	4,930	769	14,087	9,184	4,903	0.405	0.537	0.157
Pacific	**55,172**	**38,950**	**16,222**	**80,858**	**56,151**	**24,707**	**0.682**	**0.694**	**0.657**
Alaska	350	171	179	578	272	306	0.606	0.629	0.585
Idaho	3,380	2,699	681	4,398	4,052	346	0.769	0.666	1.968
Oregon	6,532	4,253	2,279	6,545	5,260	1,285	0.998	0.809	1.774
Washington	12,139	7,835	4,304	10,783	8,539	2,244	1.126	0.918	1.918
Northwest	**22,401**	**14,958**	**7,443**	**22,304**	**18,123**	**4,181**	**1.004**	**0.825**	**1.780**
United States	**363,218**	**262,392**	**100,826**	**496,025**	**374,331**	**121,694**	**0.732**	**0.701**	**0.829**

*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	2007 Through March		
		Total	Single Family	Multi-family*
26420	Houston-Sugar Land-Baytown, TX	17,758	12,528	5,230
12060	Atlanta-Sandy Springs-Marietta, GA	13,571	10,056	3,515
38060	Phoenix-Mesa-Scottsdale, AZ	12,621	8,864	3,757
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	11,614	2,730	8,884
19100	Dallas-Fort Worth-Arlington, TX	11,555	7,599	3,956
16980	Chicago-Naperville-Joliet, IL-IN-WI	10,076	4,300	5,776
31100	Los Angeles-Long Beach-Santa Ana, CA	7,151	2,702	4,449
42660	Seattle-Tacoma-Bellevue, WA	7,123	3,554	3,569
40140	Riverside-San Bernardino-Ontario, CA	6,834	5,451	1,383
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	6,233	4,255	1,978
16740	Charlotte-Gastonia-Concord, NC-SC	5,635	4,687	948
36740	Orlando-Kissimmee, FL	5,238	3,447	1,791
29820	Las Vegas-Paradise, NV	4,923	4,264	659
12420	Austin-Round Rock, TX	4,676	3,478	1,198
38900	Portland-Vancouver-Beaverton, OR-WA	4,298	2,384	1,914
33100	Miami-Fort Lauderdale-Miami Beach, FL	4,153	2,038	2,115
39580	Raleigh-Cary, NC	4,064	3,151	913
41700	San Antonio, TX	3,821	2,741	1,080
45300	Tampa-St. Petersburg-Clearwater, FL	3,786	2,261	1,525
34980	Nashville-Davidson--Murfreesboro, TN	3,596	3,197	399
19740	Denver-Aurora, CO	3,531	1,975	1,556
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3,404	2,312	1,092
27260	Jacksonville, FL	3,295	1,942	1,353
14460	Boston-Cambridge-Quincy, MA-NH	2,817	925	1,892
40900	Sacramento--Arden-Arcade--Roseville, CA	2,722	2,224	498
32820	Memphis, TN-MS-AR	2,681	1,629	1,052
41740	San Diego-Carlsbad-San Marcos, CA	2,643	992	1,651
41180	St. Louis, MO-IL	2,599	2,087	512
15980	Cape Coral-Fort Myers, FL	2,561	1,759	802
41860	San Francisco-Oakland-Fremont, CA	2,340	1,433	907
33460	Minneapolis-St. Paul-Bloomington, MN-WI	2,158	1,660	498
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,054	1,335	719
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	1,960	1,194	766
17140	Cincinnati-Middletown, OH-KY-IN	1,934	1,472	462
40060	Richmond, VA	1,877	1,655	222
26900	Indianapolis, IN	1,848	1,655	193
28140	Kansas City, MO-KS	1,795	1,557	238
12580	Baltimore-Towson, MD	1,729	1,128	601
48900	Wilmington, NC	1,720	1,233	487
31140	Louisville, KY-IN	1,718	1,214	504
14260	Boise City-Nampa, ID	1,684	1,377	307
17900	Columbia, SC	1,674	1,532	142
32580	McAllen-Edinburg-Mission, TX	1,664	1,453	211
25060	Gulfport-Biloxi, MS	1,558	822	736
16700	Charleston-North Charleston, SC	1,543	1,443	100
24860	Greenville, SC	1,537	1,283	254
36420	Oklahoma City, OK	1,528	1,438	90
46140	Tulsa, OK	1,518	1,105	413
41620	Salt Lake City, UT	1,512	1,146	366
13820	Birmingham-Hoover, AL	1,454	1,406	48

*Multifamily is two or more units in structure.
**As per new OMB Metropolitan area definitions.
Source: Census Bureau, Department of Commerce