



U.S. Housing Market Conditions

August 2005

SUMMARY

In the second quarter of 2005, real gross domestic product increased over the first quarter 2005 value at an annualized rate of 3.4 percent, slightly above the 3.3-percent consensus growth rate expected by market analysts. This growth rate was below the 3.8-percent growth rate of the first quarter of 2005. Residential fixed investment (housing) was a major contributor to the second quarter growth. Residential fixed investment grew at an annualized rate of 9.8 percent in the second quarter of 2005. Employment continued to grow with 542,000 new jobs added to the economy in the second quarter. The single-family housing sector did exceptionally well in the second quarter. New records were set for single-family permits, new home sales, and existing home sales. Interest rates remained less than 6 percent, but affordability declined because of rising home prices and may be the cause of the decline in the homeownership rate to 68.6 percent, down 0.5 percentage point from the first quarter of 2005.

Housing Production

The production of conventionally built housing continued to be very strong in the second quarter of 2005, especially for the single-family component of the market. Total building permits and completions increased in the second quarter of 2005 from the first quarter and from the second quarter of 2004. Single-family production is running at a very high pace. Single-family permits set a new quarterly record. Single-family starts declined but are still at the second highest level ever. Manufactured housing, on the other hand, remains at very low levels.

- In the second quarter of 2005, builders took out permits for new housing units at a seasonally adjusted annual rate (SAAR) of 2,114,000, up 1.5 percent from the first quarter of 2005 and up 2.1 percent from the second quarter of 2004. The second quarter 2005 value is the sixth highest level in the 45-year

history of this series. Permits were issued for 1,640,000 (SAAR) single-family housing units, up 2.3 percent from the first quarter of 2005 and up 0.9 percent from the second quarter of 2004. This single-family figure is a new quarterly record. The June and April monthly rates were the second and third highest monthly rates, respectively, in the history of the series.

- Construction was started on 2,012,000 (SAAR) new housing units in the second quarter of 2005, down 3.4 percent from the first quarter but up 4.6 percent from the second quarter of 2004. This quarterly rate is the 17th highest in the 45-year history of the series. Construction was started on 1,672,000 (SAAR) single-family housing units in the second quarter, down 2.2 percent from the first quarter of 2005 but up 4.5 percent from the second quarter of 2004. This single-family starts figure was the second highest on record. The monthly rates for June and April were the fourth and fifth highest ever, respectively.
- In the second quarter of 2005, completions totaled 1,996,000 (SAAR) new housing units, an increase of 6.9 percent from the first quarter of 2005 and an increase of 4.7 percent from the second quarter of 2004. This is the sixth highest value in the 37-year

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history of the series. Single-family completions equaled 1,673,000 (SAAR) in the second quarter, up 6.1 percent from the first quarter and up 6.9 percent from the second quarter of 2004. This quarterly figure is the sixth highest for single-family completions.

- Shipments of new manufactured homes averaged 128,000 (SAAR) housing units in the second quarter of 2005, down 6.8 percent from the first quarter of 2005 but up 0.5 percent from the second quarter of 2004. Manufactured housing shipments have been below 150,000 (SAAR) for the past 11 quarters. The last time such low shipment levels existed for a prolonged period was in the early 1960s.

Housing Marketing

Sales of both new and existing homes set new records in the second quarter of 2005. Prices were somewhat mixed—new home prices were down in the second quarter while existing home prices increased significantly. Inventories have grown for both new and existing homes but remained healthy in terms of the current sales paces. Builders were as optimistic in the second quarter as they had been in the first quarter, and a little more so than in the first quarter of 2004.

- In the second quarter, 1,326,000 (SAAR) new single-family homes were sold, up 6.1 percent from the 1,249,000 (SAAR) sold in the first quarter and up 10.2 percent from the second quarter of 2004. This total is a new quarterly record for the 42-year history of the series. New home sales have been more than 1,000,000 (SAAR) for the past 27 months. The June monthly level for sales was a new monthly record at 1,374,000 (SAAR).
- During the second quarter of 2005, REALTORS® sold 7,217,000 (SAAR) existing homes, up 5.6 percent from the first quarter of 2005 and up 4.6 percent from the second quarter of 2004. This quarterly level is the highest in the 37-year history of the series. The past 17 quarters had the 17 highest quarterly levels ever.
- The median price of a new single-family home was \$226,700 in the second quarter of 2005, down 2.5 percent from the first quarter of 2005 but up 4.2 percent from the second quarter of 2004. The average sales price was \$282,100 in the second quarter of 2005, down 2.2 percent from the first quarter of 2005 but up 6.3 percent from the second quarter of 2004. The estimated sales price for a constant-quality

house was \$251,600 in the second quarter, up 1.5 percent from the first quarter of 2005 and up 6.8 percent from the first quarter of 2004.

- The median price of existing homes sold in the second quarter of 2005 was \$210,000, up 10.3 percent from the first quarter of 2005 and up 13.7 percent from the second quarter of 2004. The average sales price was \$259,700 in the second quarter of 2005, up 6.9 percent from the first quarter of 2005 and up 9.6 percent from the second quarter of 2004.
- At the end of the second quarter of 2005, 454,000 new homes were in the unsold inventory, up 1.8 percent from the first quarter of 2005 and up 18.5 percent from the second quarter of 2004. This inventory would support 4.0 months of new home sales at the current sales volume, down 0.2 month from the end of the first quarter of 2005 but up 0.1 month from the second quarter of 2004. The inventory of existing homes was 2,653,000 at the end of the second quarter of 2005, up 15.5 percent from the end of the first quarter of 2005 and up 11.7 percent from the second quarter of 2004. Given the current sales pace, this inventory would last 4.3 months, up 0.3 month from the end of the first quarter of 2005 and up 0.2 month from the second quarter of 2004.
- Homebuilders were about as optimistic in the second quarter as they had been in the first quarter. The National Association of Home Builders/Wells Fargo composite Housing Market Index was 69.7 in the second quarter, unchanged from the first quarter of 2005 but up 1.0 index point from the second quarter of 2004. Two of the three components of the composite index—current sales expectations and future sales expectations—declined 1 point from the first quarter of 2005; the component for prospective buyer traffic was up 2 points from the second quarter of 2004.

Affordability and Interest Rates

In the second quarter of 2005, the interest rate for 30-year, fixed-rate mortgages averaged 5.72 percent, down 4 basis points from the first quarter and down 41 basis points from the second quarter of 2004. This is the third lowest quarterly average in the 34-year history of this data series. Although interest rates remained low, American families' affordability situation worsened in the second quarter of 2005, according to the NATIONAL ASSOCIATION OF REALTORS®. Significant house price increases offset the modest increase in income and the low mortgage interest rate to move the index



downward to 120.9 in the second quarter of 2005, a 12.4-point decrease from the first quarter and a 11.7-point decrease from the second quarter of 2004. This value indicates that a family earning the median income (\$56,917) had 120.9 percent of the income needed to purchase a median-priced existing home, using standard underwriting guidelines. The second quarter drop in the index is the result of a 10.7-percent increase in the median price offsetting the 1.1-percent increase in the median family income. The year-over-year decrease was caused by a nearly 14-percent increase in the median home price, and a 9-basis-point increase in the mortgage interest rate that more than offset the 4.8-percent increase in the median family income. The decline in the affordability index may help explain the 0.5-percentage point decrease in the homeownership rate to 68.6 percent in the second quarter of 2005 from 69.1 percent in the first quarter of 2005.

Multifamily Units

Multifamily (5+ units) production in the second quarter of 2005 was mixed but showed some signs of strength. Permits and starts decreased but were both more than 300,000 (SAAR) and were above their first quarter 2004 levels; completions, on the other hand, increased from the first quarter of 2005. Permits for the last three quarters were the highest since the first quarter of 1990. On the rental side, the vacancy rate declined, but the rental absorption rate declined in the second quarter of 2005.

- Permits were issued for 390,000 (SAAR) new multifamily housing units in the second quarter of 2005, down 1.5 percent from the first quarter of 2005 but up 8.9 percent from the second quarter of 2004.
- Multifamily housing starts equaled 301,000 (SAAR) units in the second quarter of 2005, down 8.7 percent from the first quarter of 2005 but up 5.9 percent from the second quarter of 2004.
- Completions of multifamily housing units totaled 287,000 (SAAR) units in the second quarter of 2005, up 15.9 percent from the first quarter of 2005 but down 10.3 percent from the second quarter of 2004.
- The rental vacancy rate was 9.8 percent in the second quarter, down 0.3 percentage point from the first quarter of 2005 and down 0.4 percentage point from 10.2 percent in the second quarter of 2004. The rental vacancy rate had been 10 percent or above for the prior five quarters.
- Market absorption of new rental apartments declined slightly with 61 percent of new apartments completed in the first quarter of 2005 being leased or absorbed in the second 3 months following completion. This rate is down 1 percentage point from the first quarter rate but unchanged from the second quarter rate of 2004.

BUILDING WITH NEW TECHNOLOGIES

Introduction

New housing technologies can improve the value of housing through incremental and radical changes in residential construction products or processes. These available technologies can improve the constructability and affordability of new homes as well as the long-term durability, strength, and value of the housing. While not intended to be a comprehensive listing of building technology innovations, this article provides a basic understanding of innovative construction technologies.

In this article, the term “technologies” refers to construction products or processes that can improve the home’s affordability, durability, strength, or design flexibility. In many cases, affordability is directly related to the speed of construction. The use of products that reduce the construction period can shorten the length of the construction loan, thus lowering financing and other construction-related costs. Using innovative, more durable materials enables the builder to build homes with reduced maintenance costs (savings that accrue to the homeowner). Structurally stronger materials may enable designers to use fewer materials (and conserve resources) or provide space that better supports the homeowner’s needs.

Awareness of innovative technologies can improve the understanding of how they contribute to the value of the home. As improved home values are reflected in appraisals and sales, manufacturers and builders will accelerate the acceptance and use of those technologies. The logical result of such acceleration is a greater demand and availability of technology innovations in housing, leading to stronger and more affordable, durable, and energy-efficient homes.

The Partnership for Advancing Technology in Housing (PATH) is a public-private partnership focused on increasing the rate of innovation and the acceptance of residential technologies. Administered by the Office of Policy Development and Research at the U.S. Department of Housing and Urban Development, PATH works with industry groups, manufacturers, builders, and others to speed the acceptance of innovations in housing.

Challenges

Builders seeking to use technologies in residential construction face many challenges. They may be unable to locate the products at their suppliers or may not fully understand how to use them. It may be impossible to locate subcontractors with skills to install the technologies, and builders may face building code officials unwilling to approve the use of new products. Builders also must address hesitant homebuyers who do not understand new products or materials.

Balancing these challenges, today’s builders must find the technology acceptance “sweet spot,” where benefits accrue to the builder and homeowner yet the home remains marketable to most buyers. If designs lag the capabilities of the technologies and customers’ understanding, the homes will be less efficient and capable. If designs go beyond customers’ acceptance, the builder will have to dedicate resources to raise buyer awareness, potentially slowing sales.

Recent experiences with builders successfully using innovative technologies suggest that most have identified the need to serve as an “educator,” helping the homebuyer understand how the use of technologies adds value to the home. That these builders are as successful as their counterparts demonstrates that innovation adoption does not necessarily result in a marketing disadvantage.

Historical Perspective

Although the builders who first used light wood framing in the United States almost 200 years ago would recognize many construction techniques used today, they would also find many aspects of today’s construction new.

For many of us, the home we live in is very similar to the home where we grew up. That means a light wood frame structure (typically using 2 by 4 studs) built from lumber transported to the jobsite. Last year, about 88 percent of new home starts were light-frame construction. Light-frame construction (often called “stick framing”) has been traced to the Midwest where it was observed in the early 19th century. Since that time, available supplies and labor prompted changes in home design and construction. An early example of light-frame construction, known as balloon framing, used wall studs more than 20 feet long and attached (hung) the floors to a continuous wall. This technique gave way to today’s platform framing, with studs only 8 to 10 feet long and the floor system sitting on top of the



wall. This change has been attributed to the fact that lumber is shipped great distances and is not locally harvested and milled. Handling shorter pieces of lumber, from shipping to installation, is much easier.

Changes to the selection and use of construction materials are influenced by cost, performance, and availability of materials. As some products increase in cost, builders will shift to others. For example, builders once built interior walls from wood studs with strips of wood (lath) covered with plaster. Over time, they began using cement backer board covered with plaster. Today, most builders use a single layer of gypsum board (drywall) for interior walls. Each change enabled the builder to increase the use of manufactured materials, reducing the need for labor in the field.

Similar changes have occurred with sheathing and siding material. With some products, the improved performance of the newer product facilitated the change. Lumber producers are marketing engineered wood studs for critical installations such as kitchen walls that must be flat to accept cabinets. Although the engineered product costs more than conventional studs, the new product's consistency and lack of warping benefit the builder in intangible ways, such as customer satisfaction.

Such innovation continues today. Manufacturers, builders, and designers continue to develop and integrate new technologies that add value to housing. The definition of value, however, may vary among the various parties in the homebuilding process (manufacturers, designers, builders, subcontractors, and homebuyers). If one party does not recognize the value, the product may not be accepted and used.

The acceptance of new technologies is also affected by experience with or knowledge of past innovations in housing. Aware of past failures and perceiving a potential liability risk, builders may be reluctant to embrace a new technology. Their concern is reasonable as the past is marked with notable, unanticipated materials failures. For example, in the 1960s, builders used aluminum electrical wiring. The wiring was safe to use as designed, but when used incorrectly it suffered failures from corrosion and loose connections. In the 1970s, many builders sheathed townhome roofs with fire-retardant-treated plywood, a material that degraded when subjected to the heat of the attic. In the 1980s, polybutylene pipe was widely used, but it experienced leaks at the connections. In the 1990s, builders used a product new to residential construction called EIFS (exterior insulation and finish system), in which foam panels were installed on the outside of the home and

covered with a stucco-like finish. Because some installation requirements were not followed, many leaks occurred that caused significant moisture damage to homes.

In each case, the use of a product in the home resulted in a failure with significant litigation and liability consequences, fueling builders' hesitation to embrace innovation. In some cases, the opinions of other parties to the homebuying process also may influence the decisions that builders and purchasers make. REALTORS®, inspectors, appraisers, friends, and neighbors all can influence those decisions.

Housing Innovations

To whet the appetite for a more thorough examination of housing innovations, this article now examines notable examples, from the ground up. This discussion is not intended to be comprehensive, nor does it suggest that each innovation might be incorporated into a single home.

Foundations

Traditionally, basement foundations have been constructed with concrete blocks or cast-in-place concrete. When these materials are installed in the field, the foundation walls are often inconsistently sized and must be corrected later during construction. A correctly sized and square foundation is critical if a builder is using components (such as modular or panelized construction) that do not lend themselves to field adjustments. Once the foundation walls are completed, later construction must address any foundation inadequacies. When using an innovation such as precast concrete basement wall panels, the builder excavates the basement, installs the underground utilities, and uses a crane to set the panels on a gravel bed. After aligning the walls (which are precast and cannot end up the wrong size), the builder connects them and places the concrete floor slab. While the cost of this method is comparable to other foundation methods, the speed of construction is faster. Because they are precast under factory conditions, the high-quality panels are strong and moisture resistant. After the excavation and site preparation (which take the same amount of time as with traditional methods), the builder can set the wall panels in less time than it takes to assemble forms for a conventional basement wall. A builder may be able to gain several days through this process.

Housing built on slab (without basements) is common across the country. In many areas foundations must extend below the frost line (the depth where the ground freezes), requiring builders to dig several feet down and then fill the trenches with concrete. Because excavation and concrete are expensive, innovators developed a construction technique called a frost-protected shallow foundation. The technique reduces footing depth by insulating the outer wall. This method allows the home to recapture heat lost through the floor slab and “raises” the frost line, allowing for shallower footings. The use of frost-protected shallow foundation technology enables builders to produce homes with a greater portion of the construction cost dedicated to living space. The ToolBase Web site (sponsored by PATH at www.toolbase.org) estimates that frost-protected shallow foundations can reduce the cost of foundations by 15 to 20 percent, with actual savings reported up to \$4,750 over the cost of conventional foundations.

Walls and Floors

Historically, most homes have been built with masonry or light-frame wood. Other specialized systems—such as log, timber frame, straw bale, and adobe construction—have been used, but they have never received any degree of acceptance in the market.

The traditional method for constructing walls in a light-frame home involves assembling site-built wall panels on the just-built floor. After framing the wall panels and attaching sheathing to the exterior side, the builder tilts the panels and nails them in place. After constructing the next story and the roof and making the home weather tight, the builder installs wiring and insulation. During this process the interior of the home may be exposed to the weather, resulting in moisture infiltration and warped lumber and leading to problems such as mold.

Wall panels constructed off site can address many scheduling, speed, and moisture issues. With a number of approaches available, many builders have elected to replace on-site panel construction with a panel assembly method using structural insulated panels (SIPs) or wood-framed panels.

A SIP is a sandwich of insulating foam covered with oriented strand board sheathing. A SIP’s insulating value (R value) can provide significantly more energy efficiency than a conventional wall can. SIPs typically are produced with foam cores ranging from 4 to 10 inches (R-20 to R-50). During production, door and window openings and utility chases are installed in

the panels. On site, the builder need only connect the panels and install the utilities, drywall, and exterior siding.

The use of wood-framed panels is an approach that does not change the materials, labor, or tools normally used in wall installation. Wood-framed panels are conventionally framed wall panels with lumber and sheathing built at an off-site location. Following installation, the builder installs the utilities, insulation, drywall, and exterior siding.

As an alternative to framed or panelized walls, builders can build walls with insulating concrete forms (ICFs), a stay-in-place concrete insulating and form product. Most ICF forms have about 2 inches of foam on each side. The forms are stacked and filled with concrete. Builders save time using ICFs because the easily assembled concrete wall forms remain in place as the home’s insulation. Homeowners value ICF homes because the technology provides disaster resistance (a solid concrete wall) and energy efficiency. Because the walls have a 4- to 6-inch concrete core, ICF walls are very quiet. Builders now use ICFs in about 5 percent of all exterior walls. Some communities building HUD-funded homes construct ICF homes as their normal homebuilding strategy.

A number of innovative technologies have improved walls and floors. Historically, structural materials for walls and floors have been dimensional, such as 2 by 4 (or larger) lumber. If spans for floor systems were too long to be supported with lumber, builders were forced to use steel beams or support columns. With interest in larger, more open spaces in homes, use of support posts or load-bearing walls is no longer an accepted alternative. Today, builders have a variety of alternatives to dimensional lumber such as open-web joists, engineered lumber I joists, light-gauge steel, and solid engineered lumber. Although it has taken more than 20 years for such engineered products to be widely accepted, engineered structural products are now well received. Builders benefit from using these products. The materials are significantly lighter than steel beams (eliminating the need for a crane), can be cut in the field, and often provide openings for installing utilities.

Plumbing

Innovation has provided alternatives to the conventional copper water supply and cast iron waste pipes used in homebuilding. In addition, new products have changed the design and construction of residential plumbing systems.



Water supply piping was once predominantly copper. Alternatives such as polyvinyl chloride (PVC) or cross-linked polyethylene (PEX) now are widely used. Both materials are more easily (and affordably) installed and, in the case of PEX, have the potential to reduce water waste and reduce the potential for leaks. Because PEX tubing is flexible and comes on long rolls, it requires fewer connections. These joints are accessible, making any potential repair easier. PEX is typically used in a “home-run” configuration with a single PEX tube delivering water to an individual water-using appliance. The PEX tubes start at a plumbing manifold with hot and cold valves for each tube. Because the tubes service only a single appliance, very little water pressure or flow variation occurs when multiple flows are started. Because most PEX tubing is smaller than copper piping (3/8 inch vs. 1/2 inch), homeowners spend 50 percent less time (and waste 50 percent less water) while waiting for hot water. This saves energy and conserves water.

The vent lines in a home’s waste lines are designed to equalize pressures and prevent sewer gasses from entering the home. Vent lines are required by the building code. Residential waste lines connect to the sewer system; the vent lines penetrate the home’s roof and exhaust into the atmosphere. For many homes, the air admittance valve (AAV) provides an attractive alternative for many direct vent requirements and roof penetrations. An AAV is a one-way valve, about the size of a soda can, that attaches to the waste lines under a sink or in another accessible space. As running water in the waste line creates suction, the AAV draws a small amount of air from the home into the waste pipe, equalizing the pressure and preventing the suction from drawing water out of the trap under the sink, which would allow sewer gasses to enter the home. Highly reliable, AAVs help builders save labor and materials by reducing the number of vent lines and making residential utility systems less complicated. AAVs also allow for plumbing fixtures on islands or other areas where vent installation would be difficult or costly. AAVs have been used for a number of years in the United States and are accepted by the building code.

Tankless water heaters provide significant benefits for all homes. These devices are high-capacity water heaters that save energy by heating water only as it is used. The amount of energy a conventional water heater uses in “standby” mode frequently is estimated at more than 30 percent of its total energy use. The size of a small roll-behind suitcase, a tankless water heater can be easily hung on a wall close to the point of use. This mounting saves energy and water; it reduces the length of hot water lines that must be flushed of cooled water.

Inside the home, water saving technologies include low-flow fixtures and low-flush toilets. Although homeowners experienced problems with low flush-toilets when they were first introduced, newer low-flush toilets perform well. Outside the home, xeriscaping offers significant water savings. This landscaping technique emphasizes the use of irrigation-free plants and drip irrigation. Xeriscaping prevents waste by delivering water directly to the plants.

Heating, Ventilating, and Air Conditioning

Today, most new home heating, ventilating, and air conditioning (HVAC) systems include a furnace and air conditioner or a heat pump that provides heating and cooling. Older homes often have furnaces or boilers for heating and window units for air conditioning.

While central air conditioning systems have great capacity to dehumidify homes, selecting the correct size is critical, particularly in energy-efficient structures. Working collaboratively with the Portland Cement Association, PATH has developed a refined model for sizing air conditioners in concrete homes, which are particularly energy efficient.

Newly developed air conditioners can operate at multiple speeds, matching the unit’s cooling output to demand. Heat pumps can now operate in a wider range of climate conditions. Because the devices typically use the outside air as a source of heat and cold, the extreme days of summer and winter can affect the performance. By using a heat source that remains at a stable temperature (the soil well below the surface), the heat pump works more efficiently. As a result, heat pumps can now be effectively used in both warmer and cooler climates.

Ventilation, which controls moisture in the home, is as important as temperature control. Homeowners want the option to ventilate their homes with fresh air, and modern, energy-efficient homes may require additional fresh air to maintain a healthy environment. Ventilation innovations include extremely quiet exhaust fans (either in the room or in-line fans at a remote location) and delay switches that cause the fans to run for predetermined periods. People are more likely to use a quiet fan. Delay switches allow the fans to run longer to exhaust moisture; the switches also ensure the fans are turned off after use.

Demand is increasing for radiant heating. This technology heats floors with warm water (or electricity,

in some cases) and the warmed surface subsequently heats the room. Recent investigations indicate that homeowners value radiant heat because of the even distribution of heat and the cleanliness of the system. Because air is not forced through ducts, dust is not distributed through the home, and room temperatures remain stable. Homes heated with radiant heat may still require duct systems for air conditioning. Recent evaluations indicate that radiant heat has about the same energy costs as conventional heat but is much better received by homeowners.

Roofing

Roofing has not undergone dramatic changes. Instead, incremental changes have improved existing roofing products. This evolution may be due to the highly visible nature of residential roofs; radical visual changes are unwelcome. Roofing innovations include more-durable materials that resemble traditional materials. For example, builders may use highly durable “artificial” slate made from recycled materials, architectural style asphalt shingles that offer longer service life and more wind resistance, and concrete roof tiles that substitute for clay tiles.

Some innovative roofing products are beginning to grow in market share. These products include steel shingles that look like wood shakes, roofing made with metal panels, and roofing with built-in photovoltaic energy cells.

The newer products provide greater durability and improved disaster resistance. In some cases, the products also decrease costs because the roof frame does not have to support as much weight.

Interior Treatments

New flooring material options include bamboo and cork. Both materials are sustainably harvested products and provide increased durability or comfort. Bamboo is strong and wears well, while cork provides cushioning under foot.

With increasing awareness concerning the need for clean air (both indoors and outside), volatile organic compounds (VOCs), associated with “fresh paint smell,” have been identified as contributing to air quality issues. As a result, paint manufacturers now produce low-VOC paints and no-VOC paints.

Modular Construction

Modular construction is built to the same local construction standards (building codes) as conventional construction, but the individual elements are assembled in factory settings into large, nearly complete components frequently called “boxes.” Modular construction is separate and distinct from manufactured (HUD Code) homes. The boxes are delivered with exteriors finished and all interior treatments (drywall, windows, doors, cabinets, carpet, and paint) installed. Homes often use four or more individual boxes. Because most of the construction process occurs before boxes are delivered to jobsites and homes are subsequently quickly assembled, modular construction presents tremendous opportunities for infill construction in urban areas. The home site progresses from a completed basement or foundation to a virtually completed home in just a few days. Because the home is not exposed to the elements during construction, the walls, floors, and lumber remain dry and are less likely to experience moisture problems. Advantages of the modular construction process include the factory setting for construction, the established quality systems, protection from the elements during construction, and the availability of lifting equipment to ease the physical labor of construction.

Energy Conservation

Innovations developed to conserve household energy include materials such as high-efficiency windows and insulation and products that use less energy. New energy-saving materials include spray-foam insulation, products made with recycled materials such as sprayed-in cellulose insulation, and windows with thermal coatings.

Building homes that include large ENERGY STAR® appliances such as furnaces, water heaters, and air conditioners (which consume about 65 percent of the energy a newer home uses) can provide real savings to the homeowner.

Barriers to Innovation

Well-documented barriers to innovation are often cited as reasons for the sluggish market penetration of most innovations among homebuilders.



Regulatory Barriers

Before a product is approved for use in construction, the manufacturer must demonstrate that it conforms to the appropriate building code. During construction, the local government performs reviews and inspections to ensure the products are being assembled correctly. These requirements help prevent materials or construction failure. As a result, they protect homeowners' safety and help maintain the quality of homes constructed with a given product.

Yet, failures in the approval process can create regulatory barriers. One widely reported barrier occurs when a local building code official denies a builder permission to use products that comply with the relevant building code. The code official may not be familiar with the products and requests additional information from the manufacturer, testing labs, or others. Instead of delaying the project, the builder may select a more "palatable" product. Or, the builder may retain an engineer or architect to review the product and certify its conformance with the building code. This substantial expense ultimately is passed on to the homebuyer.

Trade Contractor Availability

Many builders struggle to find contractors with the experience or desire to install a new product. The reasons for the scarcity of trade or specialty contractors include (1) requirements for the purchase of new equipment to install the new product, (2) training employees to install the new product, (3) perceived liability or performance issues, (4) increased product costs that may increase bids from the trade contractors, (5) lack of manufacturer support, (6) and more "hand holding" following installation. As a result, many trade contractors choose to wait until the technology is widely accepted before adding it to their offerings.

Builders' Willingness To Innovate

Builders retain significant liability when they complete a home. Because of their contractual role in the project and their visibility, builders are often identified if any-

thing goes wrong in a home. For many small builders, the potential liability greatly exceeds the amount of their profit. As a result, risk aversion among builders may reduce the use of technologies in the home.

HUD Activities

The PATH program at HUD focuses on strategies to improve the penetration of innovation in housing. PATH approaches this challenge by sponsoring basic research, facilitating applied research, conducting field evaluations of available technologies, identifying strategies, and providing information to builders and product manufacturers. PATH's Technology Roadmaps describe research needs to advance the use of innovative technologies in housing. Technology Roadmaps have been developed for Energy Efficiency in Existing Homes, Whole-House and Building Process Redesign, Manufactured Housing, Information Technology, and Advanced Panelized Construction. These roadmaps help to describe a collaborative vision for research to advance technologies in the topic areas.

In many areas, innovative building products are difficult to find. To help builders and homeowners, PATH lists many innovative products in the PATH Technology Inventory. This information service is found on the ToolBase.org Web site (www.toolbase.org). It describes the technologies, discusses costs and benefits, and provides information to locate manufacturers.

PATH has conducted research to better understand how innovations are valued in the homebuilding process. The following two reports on that subject are available on the PATH Web site (www.pathnet.org):

Building Industry Roundtable—Housing Innovation and the Appraisal Process.
<http://www.pathnet.org/si.asp?id=554>.

Measuring and Assessing the Consequences of Technology and Innovation for Affordability of Housing: Proceedings of the NIST-PATH Workshop, National Institute of Standards and Technology Report NISTIR 7064.
<http://www.pathnet.org/si.asp?id=957>.

Realtors and Appraisers

REALTORS and appraisers rely on the recent activity of the residential real estate market. These professionals' home value assessments reflect what the market just did, not what it should (or could) do. As a result, innovative technologies may be perceived as worthless until the market values them. Faced with this chicken-egg conundrum, REALTORS and appraisers level with their clients and report that, for example, a highly durable roof provides virtually no additional value to the home.

Summary

Integrating innovative technologies into housing can be a daunting task. Because builders must keep projects moving, product acceptance difficulties or delays frequently force them to abandon efforts to use new technologies. These barriers can be overcome through training, information, and in many cases, time. Information is a key factor that can accelerate the integration of new technologies into residential housing. If homebuyers and others in the homebuying process desire (and require) homes with specific technologies, builders will find a way to incorporate those innovations into their products.



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

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National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were up 1 percent in the second quarter of 2005, at a seasonally adjusted annual rate (SAAR) of 2,114,000 units, and were up 2 percent from the second quarter of 2004. One-unit permits, at 1,640,000 units, were up 2 percent from the level of the previous quarter and up a statistically insignificant 1 percent from a year earlier. Multifamily permits (5 or more units in structure), at 390,000 units, were a statistically insignificant 1 percent below the first quarter of 2005 but 9 percent above the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	2,114	2,083	2,071	+ 1	+ 2
One Unit	1,640	1,604	1,625	+ 2	+ 1**
Two to Four	83	84	88	- 1**	- 5**
Five Plus	390	396	358	- 1**	+ 9

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the second quarter of 2005 totaled 2,012,000 units at a seasonally adjusted annual rate, a statistically insignificant 3 percent below the first quarter of 2005 but a statistically insignificant 5 percent above the second quarter of 2004. Single-family starts, at 1,672,000 units, were a statistically insignificant 2 percent lower than the previous quarter but a statistically insignificant 5 percent above the second quarter level of the previous year. Multifamily starts totaled 301,000 units, a statistically insignificant 9 percent below the previous quarter but a statistically insignificant 6 percent above the same quarter in 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	2,012	2,083	1,923	- 3**	+ 5**
One Unit	1,672	1,709	1,600	- 2**	+ 5**
Five Plus	301	329	284	- 9**	+ 6**

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Under Construction*

Housing units under construction at the end of the second quarter of 2005 were at a seasonally adjusted annual rate of 1,329,000 units, a statistically insignificant 1 percent above the previous quarter and 8 percent above the second quarter of 2004. Single-family units stood at 917,000, unchanged from the previous quarter but 8 percent above the second quarter of 2004. Multifamily units were at 375,000, up a statistically insignificant 3 percent from the previous quarter and up 8 percent from the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,329	1,314	1,225	+ 1**	+ 8
One Unit	917	913	851	—	+ 8
Five Plus	375	364	346	+ 3**	+ 8

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

**This change is not statistically significant.

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



Completions*

Housing units completed in the second quarter of 2005, at a seasonally adjusted annual rate of 1,996,000 units, were up a statistically insignificant 7 percent from the previous quarter and up 5 percent from the same quarter of 2004. Single-family completions, at 1,673,000 units, were up a statistically insignificant 6 percent from the previous quarter and up 7 percent from the rate of a year earlier. Multifamily completions, at 287,000 units, were a statistically insignificant 16 percent above the previous quarter but 10 percent below the same quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,996	1,867	1,907	+ 7**	+ 5
One Unit	1,673	1,577	1,565	+ 6**	+ 7
Five Plus	287	248	320	+ 16**	- 10

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

**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 128,000 units in the second quarter of 2005, which is 7 percent below the previous quarter but 1 percent above the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	128	137	127	- 7	+ 1

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

Source: National Conference of States on Building Codes and Standards



HOUSING MARKETING



Home Sales*

Sales of new single-family homes totaled 1,326,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 2005, up a statistically insignificant 6 percent from the previous quarter and up a statistically insignificant 10 percent from the second quarter of 2004. The number of new homes for sale at the end of June 2005 was 454,000 units, up a statistically insignificant 2 percent from the past quarter and up 19 percent from the second quarter of a year ago. At the end of June, inventories represented a 4.0 months' supply at the current sales rate, down a statistically insignificant 5 percent from the end of the previous quarter but up a statistically insignificant 3 percent from the second quarter of last year.

Sales of existing single-family homes for the second quarter of 2005 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 7,217,000 (SAAR), up 6 percent from last quarter and up 5 percent from the second quarter of 2004. The number of units for sale at the end of the second quarter of 2005 was 2,653,000, 15 percent higher than the previous quarter and 12 percent higher than the second quarter of 2004. At the end of the first quarter, a 4.3 months' supply of units remained, which is 8 percent more than last quarter and 5 percent more than the second quarter of a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,326	1,249	1,203	+ 6**	+ 10**
For Sale	454	446	383	+ 2**	+ 19
Months' Supply	4.0	4.2	3.9	- 5**	+ 3**
Existing Homes					
Existing Homes Sold	7,217	6,837	6,900	+ 6	+ 5
For Sale	2,653	2,297	2,378	+ 15	+ 12
Months' Supply	4.3	4.0	4.1	+ 8	+ 5

*Units in thousands.

**This change is not statistically significant.

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



Home Prices

The median price of new homes during the second quarter of 2005 decreased to \$226,700, down a statistically insignificant 2 percent from the previous quarter but up a statistically insignificant 4 percent from the second quarter of 2004. The average price of new homes sold during the second quarter of 2005 was \$282,100, down a statistically insignificant 2 percent from the last quarter but up 6 percent from the second quarter of a year ago. The price adjusted to represent a constant-quality house was \$251,600, up a statistically insignificant 2 percent from last quarter and up 7 percent from the second quarter of 2004. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing single-family homes in the second quarter of 2005 was \$210,000, up 10 percent from last quarter and up 14 percent from the second quarter of a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, \$259,700, increased 7 percent from the previous quarter and was 10 percent higher than the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$226,700	\$232,500	\$217,600	- 2**	+ 4**
Average	\$282,100	\$288,500	\$265,300	- 2**	+ 6
Constant-Quality House¹	\$251,600	\$247,800	\$235,600	+ 2**	+ 7
Existing Homes					
Median	\$210,000	\$190,300	\$184,700	+ 10	+ 14
Average	\$259,700	\$243,000	\$237,000	+ 7	+ 10

**This change is not statistically significant.

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



Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the second quarter of 2005 shows that families earning the median income have 120.9 percent of the income needed to purchase the median-priced existing home. This figure is down 9 percent from both last quarter and the second quarter of 2004.

The decrease in the second quarter 2005 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate for existing single-family homes increased 6 basis points from the previous quarter to an interest rate of 5.83 percent. The median price of existing single-family homes rose to \$208,500, an increase of 11 percent from the first quarter of this year and an increase of 14 percent from the second quarter of last year. Median family income rose 1.1 percent from the previous quarter to \$56,917, a 4.8-percent gain from last year's second quarter.

The fixed-rate index decreased 9 percent from last quarter and declined 7 percent from the second quarter of 2004. The adjustable-rate index also decreased 9 percent from the previous quarter, while declining 13 percent from the second quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	120.9	133.3	132.6	- 9	- 9
Fixed-Rate Index	118.7	131.0	127.4	- 9	- 7
Adjustable-Rate Index	125.3	138.3	143.3	- 9	- 13

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the first quarter of 2005, 25,600 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down a statistically insignificant 21 percent from the previous quarter and down a statistically insignificant 25 percent from the first quarter of 2004. Of the apartments completed in the first quarter of 2005, 61 percent were rented within 3 months. This absorption rate is a statistically insignificant 2 percent below the previous quarter but unchanged from the same quarter of the previous year. The median asking rent for apartments completed in the first quarter was \$932, which is a statistically insignificant 5 percent below the previous quarter and a statistically insignificant 2 percent below a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	25.6	32.6	34.0	- 21**	- 25**
Percent Absorbed Next Quarter	61	62	61	- 2**	—
Median Rent	\$932	\$979	\$950	- 5**	- 2**

*Units in thousands.

Sources: Census Bureau, Department of Commerce, and Office of Policy

**This change is not statistically significant.

Development and Research, Department of Housing and Urban Development



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the first quarter of 2005 totaled 120,000 at a seasonally adjusted annual rate, a statistically insignificant 3 percent above the level of the previous quarter but 7 percent below the first quarter of 2004. The number of homes for sale on dealers' lots at the end of the first quarter totaled 40,000 units, a statistically insignificant 3 percent above the previous quarter and a statistically insignificant 3 percent above the same quarter of 2004. The average sales price of the units sold in the first quarter was \$62,300, a statistically insignificant 2 percent above the previous quarter and 9 percent above the price in the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	120.0	116.7	128.3	+ 3**	- 7
On Dealers' Lots*	40.0	39.0	39.0	+ 3**	+ 3**
Average Sales Price	\$62,300	\$61,400	\$57,300	+ 2**	+ 9

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

**This change is not statistically significant.

Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) The second quarter 2005 value for the index of current market activity for single-family detached houses stood at 75, down 1 point from the first quarter but unchanged from the second quarter of 2004. The index for future sales expectations, 78, was down 1 point from the first quarter value but up 2 points from the same quarter in 2004. Prospective buyer traffic had an index value of 53, which is up 2 points from the first quarter 2005 value and up 1 point from the second quarter 2004 level. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. In the second quarter, this index stood at 70, unchanged from the first quarter level but up 1 point from the value in the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	70	70	69	—	+ 1
Current Sales Activity—Single-Family Detached	75	76	75	- 1	—
Future Sales Expectations—Single-Family Detached	78	79	76	- 1	+ 3
Prospective Buyer Traffic	53	51	52	+ 4	+ 2

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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 5.72 percent in the second quarter of 2005, 4 basis points lower than the previous quarter and 41 basis points lower than the second quarter of 2004. Adjustable-rate mortgages (ARMS) in the second quarter of 2005 were going for 4.24 percent, 7 basis points above the previous quarter and 36 basis points above the second quarter of 2004. Fixed-rate, 15-year mortgages, at 5.29 percent, were up 3 basis points from the first quarter of this year but down 20 basis points from the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	5.72	5.76	6.13	- 1	- 7
Conventional ARMs	4.24	4.17	3.88	+ 2	+ 9
Conventional, Fixed-Rate, 15-Year	5.29	5.26	5.49	+ 1	- 4

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



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 186,700 (not seasonally adjusted) properties in the second quarter of 2005, up 1 percent from the previous quarter but down 29 percent from the second quarter of 2004. Total endorsements or insurance policies issued totaled 129,100, down 6 percent from the first quarter of 2005 and down 44 percent from the second quarter of 2004. Purchase endorsements at 83,800 were up 4 percent from the previous quarter but down 35 percent from the second quarter of 2004. Endorsements for refinancings decreased to 45,300, a 20-percent decrease from the first quarter and a 56-percent decrease from the second quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	186.7	184.1	262.5	+ 1	- 29
Total Endorsements	129.1	136.9	230.6	- 6	- 44
Purchase Endorsements	83.8	80.2	128.5	+ 4	- 35
Refinancing Endorsements	45.3	56.8	102.0	- 20	- 56

*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 422,900 policies or certificates of insurance on conventional mortgage loans during the second quarter of 2005, up 22 percent from the first quarter of 2005 but down 12 percent from the second quarter of 2004; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 40,900 single-family properties in the second quarter of 2005, up 3 percent from the previous quarter but down 49 percent from the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	422.9	346.3	481.7	+ 22	- 12
Total VA Guaranties	40.9	39.6	79.7	+ 3	- 49

*Units in thousands of properties.

Sources: PMI—Mortgage Insurance Companies of America; and VA—Department of Veterans Affairs



Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 4.31 percent in the first quarter of 2005, down 2 percent from the fourth quarter of 2004 and down 3 percent from the first quarter of 2004. Delinquencies for subprime loans past due were at 10.62 percent, up 3 percent from the fourth quarter of 2004 but down 9 percent from the first quarter of 2004. Ninety-day delinquencies for all loans were at 0.87 percent, up 1 percent from the fourth quarter of 2004 but down 3 percent from the first quarter a year ago. Subprime loans that were 90 days past due stood at 2.61 percent at the end of the first quarter of 2005, down 2 percent from the fourth quarter of 2004 and down 16 percent from the first quarter of 2004. During the first quarter of 2005, 0.42 percent of all loans entered foreclosure, a decrease of 9 percent from the fourth quarter of 2004 and a decrease of 11 percent from the first quarter of 2004. In the subprime category, 1.54 percent began foreclosure in the first quarter of 2005, an increase of 5 percent over the fourth quarter of 2004 but a 22-percent decrease from the first quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.31	4.38	4.46	- 2	- 3
Subprime Loans	10.62	10.33	11.66	+ 3	- 9
90 Days Past Due (%)					
All Loans	0.87	0.86	0.90	+ 1	- 3
Subprime Loans	2.61	2.66	3.10	- 2	- 16
Foreclosures Started (%)					
All Loans	0.42	0.46	0.47	- 9	- 11
Subprime Loans	1.54	1.47	1.98	+ 5	- 22

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



HOUSING INVESTMENT



Residential Fixed Investment and Gross Domestic Product*

Residential Fixed Investment (RFI) for the second quarter of 2005 was at a seasonally adjusted annual rate of \$740.1 billion, 3 percent above the value from the first quarter of 2005 and 10 percent above the second quarter of 2004. As a percentage of the Gross Domestic Product (GDP), RFI for the second quarter of 2005 was 6.0 percent, 0.1 percentage point above the previous quarter and 0.2 percentage point above the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	\$12,376.2	\$12,198.8	\$11,666.1	+ 1	+ 6
RFI	\$740.1	\$718.5	\$673.9	+ 3	+ 10
RFI/GDP (%)	6.0	5.9	5.8	+ 2	+ 3

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock*

At the end of the second quarter of 2005, the estimate of the total housing stock, 123,732,000 units, was up a statistically insignificant 0.3 percent from the first quarter of 2005 and up a statistically insignificant 1.4 percent above the level of the second quarter of 2004. The number of occupied units increased a statistically insignificant 0.1 percent from the first quarter of 2005 and rose a statistically insignificant 1.7 percent above the second quarter of 2004. Owner-occupied homes decreased a statistically insignificant 0.7 percent from the first quarter of 2005 but were up a statistically insignificant 0.7 percent above the second quarter of 2004. Rentals increased a statistically insignificant 1.8 percent from the previous quarter and increased 3.9 percent from the second quarter of 2004. Vacant units were up 1.9 percent from the last quarter but decreased a statistically insignificant 0.3 percent from the second quarter of 2004.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	123,732	123,341	122,002	+ 0.3**	+ 1.4**
Occupied Units	107,850	107,755	106,066	+ 0.1**	+ 1.7**
Owner Occupied	73,974	74,488	73,449	- 0.7**	+ 0.7**
Renter Occupied	33,876	33,267	32,617	+ 1.8**	+ 3.9
Vacant Units	15,882	15,586	15,936	+ 1.9	- 0.3**

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

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Vacancy Rates

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

The national rental vacancy rate for the second quarter of 2005, at 9.8 percent, was down a statistically insignificant 0.3 percentage point from the previous quarter and was down a statistically insignificant 0.4 percentage point from the same quarter of last year.

 FOR RENT	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	1.8	1.8	1.7	—	+ 6**
Rental Rate	9.8	10.1	10.2	- 3**	- 4**

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate was 68.6 percent in the second quarter of 2005, down 0.5 percentage point from last quarter and down 0.6 percentage point from the second quarter of 2004. The homeownership rate for minority households, at 50.8 percent, decreased 0.8 percentage point from the first quarter of 2005 and decreased a statistically insignificant 0.2 percentage point from the second quarter of the past year. The 63.2-percent homeownership rate for young married-couple households was down a statistically insignificant 0.4 percentage point from the first quarter of 2005 and decreased 0.8 percentage point from the second quarter of 2004.

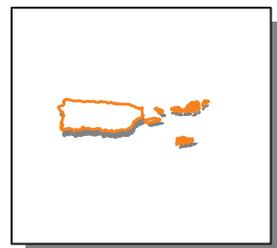
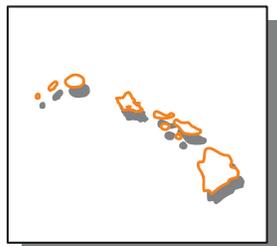
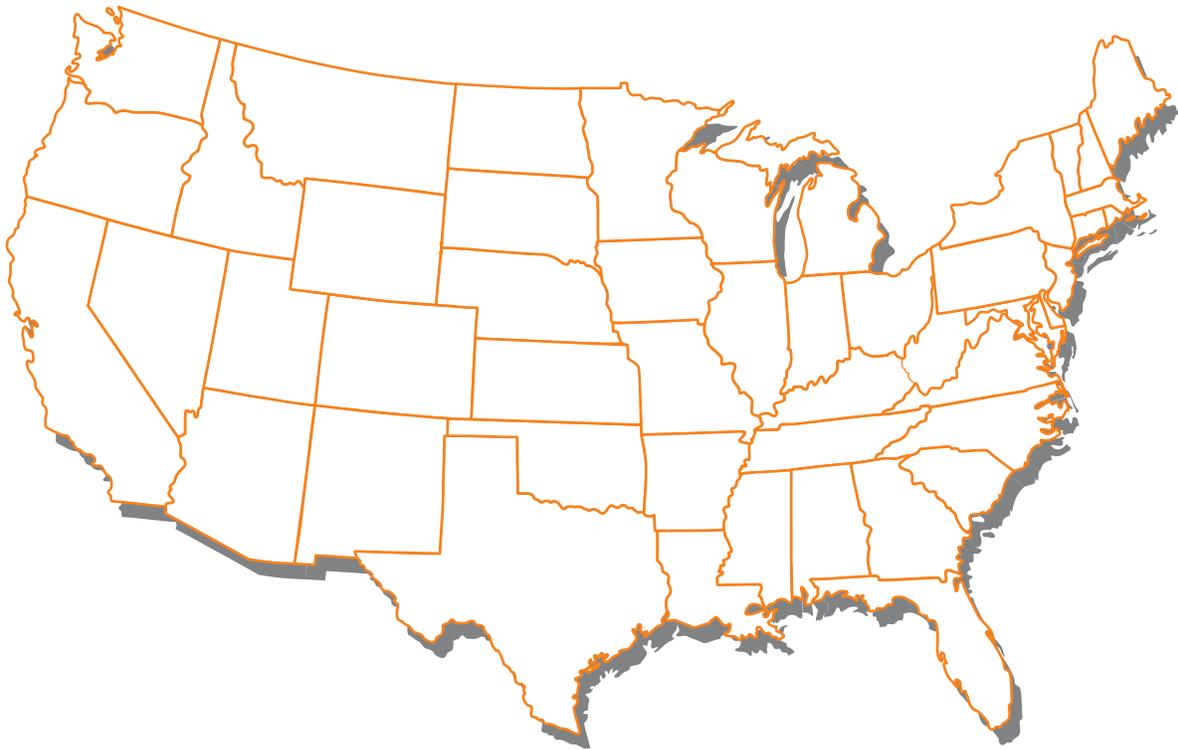
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.6	69.1	69.2	- 0.7	- 0.9
Minority Households	50.8	51.6	51.0	- 1.6	- 0.4**
Young Married-Couple Households	63.2	63.6	64.0	- 0.6**	- 1.3

**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Regional Activity

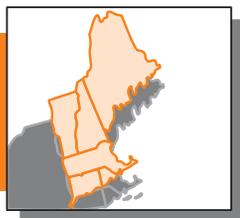


The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



Regional Reports

NEW ENGLAND



The economy of the New England region continues to improve moderately as nonfarm wage and salary employment increased by 68,700 jobs, or 1.0 percent, to 7,020,900 jobs during the 12 months ending June 2005. June 2005 is the first month nonfarm wage and salary employment recorded more than 7 million jobs since June 2002. This total, however, is still about 2 percent below the peak of December 2000. As in the recent past, Massachusetts and Connecticut supported the bulk of this increase with 41,400 jobs created. New Hampshire, Vermont, and Connecticut had the highest percentage gains at 2.1 percent, 1.6 percent, and 1.3 percent, respectively.

The net employment increase in goods-producing industries was 6,800 jobs, representing 12,000 new construction jobs offsetting 5,200 lost manufacturing jobs. Maine, Massachusetts, and Rhode Island continue to lose manufacturing jobs as the region becomes more service oriented. Service-providing industries continue to outpace goods-producing industries with 61,900 new jobs created. During the past year, Massachusetts had a service-providing job increase of 19,200, representing the lowest percentage gain of only 0.7 percent. A recent study by Global Insight found that over the past 2 years the financial services sector recorded losses. During the 24 months ending May 2005, the sector lost 4,800 jobs. On the other hand, the temporary employment sector increased by 10,000 jobs. Service-providing jobs in New Hampshire increased by 11,900, or 2.3 percent, during the past year, representing the highest growth rate in the region. Rhode Island, Vermont, and Connecticut had growth rates of 1.7 percent, 1.3 percent, and 1.1 percent, respectively.

As of June 2005, the unemployment rate in the New England region was 4.7 percent, down from 5.1 percent in June 2004 but up slightly from the level of the past 2 months as new job seekers entered the labor force.

Residential building activity, as measured by building permits issued, was up 3 percent to 56,424 units for the 12-month period ending June 2005 compared with

the same period in 2004, but up 23 percent from the same period in 2003. Massachusetts, Maine, and Connecticut posted increases in units permitted, with Massachusetts increasing by 10 percent to more than 22,700 units. Rhode Island, New Hampshire, and Vermont suffered decreases, with Rhode Island down 11 percent or 2,300 units. The number of single-family building permits was up 2.3 percent, with Connecticut having the largest gain of 7.8 percent to more than 9,300 units. Activity was down 13 percent in Rhode Island to 1,800 units. Multifamily activity varied widely in the region, with activity in Massachusetts increasing by 26 percent to more than 8,800 units, while New Hampshire and Vermont posted decreases of 38 percent and 21 percent, respectively. In the Boston metropolitan area permits were issued for 4,300 multifamily units, almost 50 percent of the multifamily activity in Massachusetts. The Providence, Rhode Island, and Hartford, Connecticut, areas had the next highest totals at 440 units and 423 units, respectively.

In Massachusetts, a recent study conducted by the Citizen's Housing and Planning Association reported on a significant industry trend: the development of a number of age-restricted communities, primarily in eastern and central Massachusetts. The report found an estimated 10,000 units built or currently under construction during the past 5 years, including sales and rental housing, are available for occupancy by residents who are age 55 or older. These units represent as much as 10 to 15 percent of new housing production since 2000. In addition, another 14,000 units are in the planning stages. More than 1.5 million Massachusetts residents are 55 and older and form part of an estimated 78 million baby boomers nationwide. The report indicated that these types of developments will be a significant factor in housing markets throughout the region in the future.

Single-family sales markets throughout the New England region remain strong in general. Signs of slowing sales activity are occurring, however, as interest rates rise and job growth continues to be moderate. Inventories for sale are increasing and properties are staying on the market longer. Pricing, however, continues to increase at a moderate rate. According to the Rhode Island Association of REALTORS®, for the first 6 months of 2005, single-family sales were down 1.7 percent to just more than 4,500 units compared with the first 6 months of 2004. During the same period, the median sales price was up 7.4 percent to \$267,250. The Massachusetts Association of REALTORS® reported that single-family sales were down 3.5 percent to about 22,300 units in the first half of 2005 compared with the same period in 2004. For this period, the median sales price increased 5.9 percent to \$354,000. According to the Maine Real Estate Information System, during the first half of

2005, total home sales were down less than 1 percent to about 6,300 units compared with the first half of 2004, but the median sales price increased 10.3 percent to \$189,000.

The condominium market throughout the New England region, however, is still very strong and growing. In the first half of 2005, condominium sales in Massachusetts totaled about 10,800 units, an increase of 22 percent from the same period in 2004. The median sales price increased 10.5 percent to \$276,200. In Rhode Island, condominium sales were up more than 40 percent during the first half of 2005 and the median price increased almost 7 percent to \$206,950 compared with the first 6 months of 2004. In Hartford, a new condominium development of 50 units is currently under construction as part of a multimillion dollar public-private revitalization effort. Almost half the units are under contract at prices ranging from \$200,400 to \$358,000. The downtown "ownership" generated here is expected to spur further condominium development and provide the critical mass of prospective residents necessary to support the additional planned commercial and cultural improvements.

Data from the Office of Federal Housing Enterprise Oversight (OFHEO) indicates that the New England region, at 12.7 percent, occupies the median position of the nine regions ranked for price appreciation for the first quarter of 2005 compared to the first quarter of 2004. For each of the past several quarters, the New England region has lost a ranking position as its relative sales price appreciation rate was surpassed by higher price increases in southern, western, and other coastal regions.

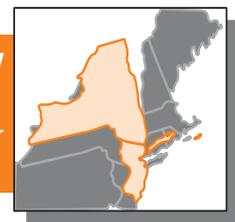
Rental markets in the New England region, with vacancy rates ranging from 3 to 6 percent, are more competitive than usual, but they are still tighter than most major metropolitan market areas across the nation. According to Reis, Inc., the second quarter 2005 average apartment rental vacancy rate was 6.4 percent. The most vulnerable rental market would appear to be the Boston metropolitan area. Although the area has a current vacancy rate of 5.1 percent, Reis, Inc., forecasts the completion of almost 7,700 apartment units during 2005 and 2006. Continuing condominium conversions are expected to lessen some of the potential softer conditions. A less than robust economy, however, could mean a vacancy rate considerably higher than the 6 percent forecast by Reis, Inc., for 2006.

Conditions in the Fairfield County, Connecticut, rental market continue to be tight. Although several projects are under construction, most are condominiums.

The second quarter 2005 apartment vacancy rate, according to Reis, Inc., was 3.3 percent, down from 3.9 percent a year earlier. Almost 1,000 additional units are expected to come on the market in 2006, but the vacancy rate is forecast to remain low. The Portland, Maine, rental market has softened in the past year. The moderately growing economy, continued shift of renters to homeownership, lower interest rates, and a growing supply of condominiums have resulted in a reduction in the demand for market-rate rental units. Rental vacancy rates are now in the 5- to 6-percent range compared with a 1- to 2-percent rate in the early 2000s.

The New England region is home to two of the three most expensive rental markets in the nation. Reis, Inc., reports that Fairfield County and the city of Boston have second quarter 2005 "rent asked" indices of \$1,635 and \$1,554, respectively, up 1.2 percent and 0.8 percent from year-earlier periods. Only New York City rents are higher. A recent residential rental cost survey conducted by the New Hampshire Housing Finance Authority indicates that the median two-bedroom gross rent in New Hampshire increased only 1.1 percent to \$989 from 2004 to 2005, considerably less than the more than 6-percent annual average increase from 2000 to 2004. As of April 2005, the most expensive metropolitan rental market in New Hampshire was the Nashua area, with a median two-bedroom gross rent of \$1,056, up 1.3 percent from April 2004.

NEW YORK/ NEW JERSEY



An improving economy and low mortgage interest rates in the New York/New Jersey region continue to promote strong housing market activity. In the 12 months ending June 2005, the New York/New Jersey region exhibited moderate employment growth, increasing almost 1 percent to 12.5 million jobs. Nonfarm employment increased in New York State by 70,400, up 0.8 percent to 8.5 million jobs. Employment in New York City has improved steadily since 2002. Through June 2005, employment in the city increased at the same 0.8-percent rate as the state to a total of 3.6 million jobs. During this period, employment in New Jersey increased by 1.1 percent to 4.0 million, a net increase of 43,800 jobs.



Nonfarm employment in Long Island and other downstate metropolitan areas increased between 1 and 2 percent through June 2005, while employment increased by up to 1 percent in most upstate labor market areas. A notable exception in Upstate New York was in the Albany-Schenectady-Troy metropolitan area, which realized the highest level of employment growth at 5,300 jobs, up 1.2 percent from a year ago. Employment decreased in the Rochester area and in both Elmira and Binghamton in the Southern Tier of New York State.

Job losses in the manufacturing sector continue to occur in New York State. In the 12-month period through June 2005, the state sustained a loss of 14,000 manufacturing jobs. These losses were offset by the creation of more than 82,000 service-providing jobs, including growth in the leisure and hospitality, financial activities, and healthcare and social assistance sectors.

Employment gains in New York City and the New Jersey suburbs are supporting the continued strong demand for sales housing and subsequent price increases. Condominium construction and conversion activity has recently increased in these areas. In Hoboken, New Jersey, the owners of the existing 525-unit Hudson Tea Building are considering the conversion of this rental property into condominiums, with some of the larger units expected to be priced in excess of \$1 million.

The Prudential Douglas Elliman real estate firm reported that the median price of an existing Manhattan co-op/condominium increased to \$775,000 during the second quarter of 2005, an increase of 24 percent from a year ago. Price increases occurred in all unit sizes, with the lowest relative increase in studio and one-bedroom apartments and the highest in four-bedroom units. Total sales volume in Manhattan increased by 1.6 percent, while the number of days on the market decreased marginally to 102 days. Although the real estate market remains strong, local sources indicate that the seller's market has abated slightly during the second quarter of the year, especially for high-priced luxury units.

To address housing affordability issues in New York City, Mayor Michael Bloomberg previously implemented an ambitious 5-year plan to develop 65,000 units targeted for low- and middle-income households. The intent is to streamline zoning laws and building codes to facilitate reuse of abandoned manufacturing sites and development of the waterfront. The first phase of 10,000 housing units is currently under construction, with initial occupancy expected early next year. Approximately half of this initial phase involves new construction.

Significant price appreciation and high levels of sales activity continue to occur in the New York/New Jersey region. New York State Association of REALTORS® statistics indicate that the median price of an existing single-family home in the state increased by almost 15 percent to \$250,000 during the 12-month period ending June 2005. Existing single-family sales in New York increased approximately 3 percent to an annual average of 101,600 units during the year. Similarly, first quarter 2005 statistics from the New Jersey Association of REALTORS®, the most recently available information, indicate that the median price of an existing home in New Jersey increased to \$325,200, up 16 percent from a year ago. The median price of an existing single-family home in Northern New Jersey, the most expensive area of the state, increased 11 percent to \$391,200. Through the first quarter of 2005, single-family housing sales activity in the state remained stable compared to a year earlier.

During the first 6 months of 2005, the median price of an existing home in the Albany-Schenectady-Troy metropolitan area increased 13 percent to \$170,000. Existing single-family housing sales increased to 5,730 units, up 3 percent compared with a year ago. Limited inventory, coupled with strong demand, has continued to favor sellers, allowing for double-digit housing price appreciation. Through June 2005, sales volume increased 14 percent in both Albany and Saratoga Counties, the most active single-family housing market areas in the Capital District. The median price of an existing home increased to \$176,000 in Albany County and to \$229,900 in Saratoga County.

According to the Buffalo-Niagara Association of REALTORS®, 10,422 homes were sold in the metropolitan area during the 12-month period ending June 2005. This figure represents a 2.9-percent increase above the previous year and established a record-high sales volume for the month. During this period, the median price of a single-family home/condominium increased by almost 3 percent to \$93,400. Well-maintained homes in desirable locations continue to sell quickly, often in less than 30 days.

In the 12-month period through June 2005, single-family housing sales in the Rochester metropolitan area increased 4 percent to 5,106 units. Monroe County, the largest and most active county, experienced a 4.5-percent increase in total sales volume. The median price of an existing home in the metropolitan area increased by 6 percent to \$106,000 during this period. Year-to-date property listings in the metropolitan area also increased by 6 percent to more than 8,500 units.

Preliminary second quarter 2005 data from Reis, Inc., indicate increased absorption of apartment units in New York City, Long Island, and New Jersey. In New York City, average asking rents of more than \$2,300 per month were up 5 percent on an annual basis. Central and Northern New Jersey also registered annual rent inflation of 3.2 percent compared with a national annualized rate of only 2.3 percent. Reis, Inc., data also reported second quarter 2005 rental vacancy rates in Long Island, New York City, and Central New Jersey to be the lowest of the 67 major housing market areas that the firm profiles. Overall rental vacancy rates ranged from a low of 3.0 percent in Long Island to 3.2 percent in Central New Jersey. Condominium conversion activity, which appears to be increasing in certain high-priced housing market areas, may create even tighter rental market conditions.

For the 12-month period ending June 2005, residential building permit authorizations in the New York/New Jersey region increased to 96,850 units, or approximately 10 percent above that of last year. Based on residential building permit authorizations, housing activity increased 11 percent in New York State to 58,360 units and was up 9 percent in New Jersey to 38,490 units. During this period, single-family residential construction in the region declined by 2 percent to 46,000 units, which was offset by a 25-percent increase in multifamily housing development to 50,850 units.

MID-ATLANTIC



The economy of the Mid-Atlantic region continues to show steady improvement. During the 12 months ending June 2005, nonfarm employment increased by 205,400, or 1.5 percent, to almost 13.7 million jobs. Two sectors, professional and business services and educational and health services, continue to lead the growth. Northern Virginia accounted for slightly more than 40 percent of the 63,650 new professional and business services jobs created in the region. These jobs reflect the development of support services for the new Homeland Security Agency as well as increased private contracting by the federal government. The Maryland suburbs of the Washington, D.C. metropolitan area gained 5,200 new jobs in that sector.

The Philadelphia and Baltimore metropolitan areas combined to contribute one-third of the 44,500 new educational and health services jobs in the Mid-Atlantic region. The economies of both areas are dependent on universities, medical facilities, biotechnology, and biomedical research. Virginia reported the largest gain of any of the states in the Mid-Atlantic region, gaining 84,500 jobs during the past 12 months.

As the economy strengthens, unemployment rates are declining throughout most of the Mid-Atlantic region. During the 12 months ending June 2005, the average unemployment rate for the region was 4.5 percent, down from 4.9 as of June 2004. A rate of 3.5 percent in Virginia was the lowest among the states and the rate in West Virginia, while still above the regional average, declined from 5.7 to 5.0 percent. The District of Columbia maintains the highest unemployment rate at 8.1 percent, up from 7.5 percent a year ago, with losses in the information and government sectors. Improvements were reported in almost all of the major metropolitan areas with current unemployment rates below 4 percent in the Richmond, Washington-Arlington-Alexandria, and Bethesda-Frederick-Gaithersburg areas.

Despite economic improvement throughout the Mid-Atlantic region, construction of new single-family homes declined in Pennsylvania. During the 12 months ending June 2005, permits were issued for 33,600 homes, a decrease of 16 percent compared with the 12-month period ending June 2004. Both Maryland and Virginia increased the number of permits by approximately 7.5 percent, issuing 23,900 and 51,050 permits, respectively, during the 12 months. Continued population and employment growth in the Northern Virginia suburbs makes the Washington, D.C. metropolitan area the most active in the region for new single-family home construction with 28,000 permits issued during the most recent 12 months.

The sales market is strong throughout the Mid-Atlantic region because of continued job growth and low mortgage interest rates. The Maryland Association of REALTORS® reported 101,800 homes sold during the 12 months ending June 2005, an increase of 7 percent compared with the same period in 2004. The average price rose almost 20 percent to \$323,300. The Baltimore metropolitan area showed continued strength, accounting for 48 percent of the sales in the state. During the 12-month period, 45,380 homes were sold with an average price of \$277,200, a 17-percent increase from 2004. Approximately 70 percent of homes sold within 30 days.

The Virginia Association of REALTORS® reported that the average price of a home sold in Virginia during the



12 months ending June 2005 was \$146,750. The rate of price increase slowed, declining to 9 percent from 13 percent a year ago. A total of 140,743 homes were sold, an 8-percent gain from the previous 12-month period. The Northern Virginia suburbs of the Washington, D.C. metropolitan area continue to record the largest number of sales in the state. Sales volume rose by 4 percent as 41,375 home sales closed. Average prices, the highest in the Mid-Atlantic region, increased 22 percent to \$517,900. In the Richmond metropolitan area, sales were stable with 16,050 homes sold, 50 fewer than during the period ending June 2004 and prices increased only 3.5 percent to an average of \$210,225.

The sales market in Pennsylvania remained strong, setting new records for both the number of homes sold and prices. According to the most recent data available from the Pennsylvania Association of REALTORS®, 220,775 homes were sold during the 12 months ending March 2005, almost 13 percent greater than the number reported for the comparable period a year ago. The average price rose 15 percent to \$195,600. The southeastern section of the state, which includes the Pennsylvania portion of the Philadelphia metropolitan area, is the most active, reporting 45 percent of all sales and the highest average price of \$214,300.

Development of new multifamily units increased in Maryland and the District of Columbia, but decreased in all other states. In total, permits were issued for 29,700 new units in the Mid-Atlantic region during the 12 months ending June 2005, down from 30,250 during the comparable period ending June 2004. The Washington, D.C. metropolitan area was the most active market, with approximately 10,200 multifamily units authorized during the 12-month period.

Rental market conditions vary throughout the Mid-Atlantic region as markets respond to continued strength in the sales market and the growth in condominium development. In the Baltimore metropolitan area, the leasing of several large projects in the southern suburbs is producing a softer market. Delta Associates reports overall vacancy rates of close to 10 percent, compared with less than 2 percent a year ago, with another 1,750 units expected to become available during the next 36 months. In the northern and western suburbs, overall vacancy rates are reported at 5.6 percent. Rates are expected to rise in this submarket as the projected addition of 800 new units in western Baltimore County during the next 3 years may be more than population and employment growth will support. Approximately 1,450 Class A rental units leasing and under construction are competing with condominium construction in downtown Baltimore's Inner Harbor. As a result, the

overall vacancy rate increased to 21 percent, up from 14 percent reported at mid-year 2004. Market conditions in downtown Baltimore will remain highly competitive as 2,000 new units become available over the next 3 years.

The strong Washington, D.C. metropolitan area apartment market absorbed 5,135 units during the 12 months ending June 2005. The number of units expected to become available during the next 36 months continues to decline with current estimates at approximately 9,200 units. Almost 60 percent of the units are located in the Maryland suburbs of the metropolitan area where the overall vacancy rate for Montgomery and Prince George's Counties is 5 percent. Apartment occupancy improved in Rockville, Montgomery County, with vacancies in garden-style apartments declining to 8 percent from 21 percent a year ago, and vacancies in high-rise units falling from 26 percent to less than 4 percent during the same period. Overall vacancies in Class A garden-type developments in the Virginia suburbs declined from more than 6 percent to 4 percent. The markets in Loudoun and Prince William Counties are temporarily soft as the markets absorb new units. Conversions of both existing and planned rental projects to condominiums continue to reduce the number of planned units in the District of Columbia and tighten the market. Overall vacancy rates fell from 26 percent in June 2004 to slightly less than 9 percent at mid-year 2005.

In the Philadelphia metropolitan area, vacancy rates have declined in the Southern New Jersey portion of the apartment market, where rents are generally lower, but the rental market in the Pennsylvania suburbs is having difficulty absorbing new units. According to Delta Associates, the vacancy rate in the metropolitan area as a whole has risen from 7 to 10 percent between June 2004 and June 2005. In the New Jersey counties, the current rate of 2.5 percent is half the rate from a year ago. Vacancy rates in the Pennsylvania suburbs rose from 8 percent to almost 12 percent during the 12-month period. The market is expected to become more balanced because the pipeline of new units scheduled to come on the market in the next 36 months has decreased to fewer than 2,300 units. The condominium market has strengthened. Because of the increased demand in the metropolitan area, during the past year developers purchased almost 6,000 units in both garden and high-rise rental apartment buildings for conversions to condominiums. The current overall rental vacancy rate in Center City Philadelphia as of June 2005 is more than double the 6 percent reported in June 2004 due to an estimated 500 new units currently in lease up. The number of new units planned

for construction during the next 3 years has declined to approximately 800 due to the softer rental market conditions and continued demand for condominiums.

SOUTHEAST/ CARIBBEAN



Nonfarm employment in the Southeast/Caribbean region continued to increase during the second quarter of 2005, reflecting the further strengthening of the economy in the region. Employment growth was reported for all eight states and Puerto Rico for the 12-month period ending June 2005 compared with the same period a year ago. Employment increased to 25,786,600 or 1.9 percent. Employment in the manufacturing sector for the overall region continued its decline, falling by 4,000, or less than 1 percent, to 2,942,300. Florida led in job gains during the period, up 3.5 percent. The economy in Florida is benefiting from the resurgence in tourism. Jobs in the leisure and hospitality sector increased by 34,800, or 4.2 percent. The weakest overall growth was in Kentucky, Puerto Rico, and South Carolina, each up less than 1 percent. In all other states, employment increased between 1 and 2 percent. In Georgia, Savannah posted the largest percentage increase in employment among metropolitan areas during the past 12 months, increasing by 3.0 percent as 4,200 jobs were added. Employment grew by 3.4 percent in Charleston due to increases in the trade, transportation, and utilities sector. Employment increased by 5.8 percent in Myrtle Beach, where leisure and hospitality employment increased by almost 10 percent.

The average unemployment rate for the Southeast/Caribbean region was 5.2 percent for the 12-month period ending June 2005, nearly unchanged from the same period a year ago. The unemployment rate in Georgia increased from 4.5 percent to 4.9 percent. The unemployment rate was unchanged in Alabama and South Carolina at 5.1 and 6.8 percent, respectively. In North Carolina, the rate declined from 6.0 percent to 5.3 percent, as the number of unemployed declined by more than 11 percent over the year. In Florida, Kentucky, Mississippi, and Tennessee, the unemployment rate also declined.

Growth in the sales market throughout the Southeast/Caribbean region slowed somewhat during the second quarter. More than 492,500 single-family homes were authorized by building permits in the region during the 12 months ending June 2005, an increase of 37,496, or 8.2 percent, over the preceding 12-month period. Historically low interest rates continue to encourage homebuying, but some evidence of a slowdown is emerging as production increased at a slower rate throughout most of the region than for the same period a year ago. All states except South Carolina recorded slower rates of increase in single-family building permit activity and small declines occurred in Alabama, Kentucky, and Mississippi. The number of single-family units authorized in North Carolina increased 10 percent to 80,211.

In Florida, single-family building permit activity during the past 2 years has been increasing rapidly, although the pace slowed in the past year. For the 12 months ending June 2005, activity increased by 21,995 homes, or 13 percent, over the previous 12-month period. The increase was even more rapid the year before, however, when the number of units permitted increased by 27 percent. Home prices in the sales market for the state have been increasing much more rapidly than in other states in the Southeast/Caribbean region. The Office of Federal Housing Enterprise Oversight (OFHEO) reported home prices statewide increased at an annual rate of 21.4 percent during the first quarter of 2005 compared with the first quarter of 2004.

Increases in home prices in other states were more moderate than in Florida, with South Carolina reporting the highest rate at 7 percent and Mississippi the lowest at 5 percent. Higher prices are forcing buyers to seek ways to lower payments. The Federal Deposit Insurance Corporation reported interest-only mortgages represented more than half of all securitized mortgages originated in Georgia during 2004, the highest share in the nation. In Florida and North Carolina, 30 percent of mortgages were interest only, and in Alabama, 18 percent were interest only. According to a survey conducted jointly by the Florida Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, of sales occurring during the 12-month period ending May 2005, foreign investors accounted for 15 percent of home sales in Florida. Sales to foreign investors were concentrated in the Miami-Fort Lauderdale and Orlando metropolitan areas. Reflecting trends at the state level, rapid increases in home prices are occurring in several Florida metropolitan areas. Prices increased by 21 percent over the past year in the Miami metropolitan area and 19 percent in the Orlando and Tampa metropolitan areas.



The Florida Association of REALTORS® reported 244,833 existing homes were sold during the 12-month period ending May 2005, an increase of 5 percent. During the previous 12 months, however, the number of homes sold increased by 29 percent. In two of the most active metropolitan areas, the same trend is evident over the past 12 months. In the Orlando area, the number of homes sold increased by nearly 4 percent compared with 23 percent for the earlier period. The number sold in the Tampa area increased by 14 percent compared with 61 percent in the earlier period. According to the Real Estate Research and Education Center in Alabama, 23,097 existing homes were sold, an increase of 7 percent over the same period in 2004. The North Carolina Association of REALTORS® reported 120,370 existing homes sold in the state, up 19 percent over the previous year. The Lexington-Bluegrass Association of REALTORS® reported 3,729 single-family home sales during the first 5 months of 2005. Sales during the period represent a 10-percent increase. The Knoxville Association of REALTORS® reports that single-family home sales have increased 14.6 percent to 14,186 in the past 12 months ending June 2005. Sales of condominiums have increased by 8.2 percent.

More than 135,500 multifamily units were authorized for construction in the Southeast/Caribbean region in the 12-month period ending June 2005, an increase of 21,233, or 19 percent, over the previous 12 months. Many new multifamily developments, initially planned as rentals, have since been converted to condominiums. In Georgia, 20,611 multifamily units were authorized, up 22 percent. In Florida, 72,160 multifamily units were authorized, a 20-percent increase. Tennessee was the only state to report a decline in activity, down 6 percent.

Rental apartment market conditions varied widely among the metropolitan areas in the Southeast/Caribbean region. The apartment markets in the Orlando and Tampa areas continued to tighten dramatically. According to a survey by Charles Wayne Consulting, Inc., conducted in March 2005, the vacancy rate in the Orlando metropolitan area declined to 4.9 percent from 8.4 percent in March 2004. M/PF YieldStar reported an apartment vacancy rate in the Tampa area of 3.6 percent as of March 2005 compared to 5.5 percent a year earlier. This company also reported an 8.4-percent apartment vacancy rate in the Atlanta metropolitan area during the first quarter of 2005, slightly above the 8.3-percent rate of a year ago. The May 2005 *Columbia Apartment Index* published by Real Data reported a vacancy rate of 9.5 percent, a slight improvement over the 9.8-percent rate of a year ago. Reis, Inc., reported apartment vacancy

rates fell for Charlotte, Greensboro, and Raleigh. Greensboro registered the lowest vacancy rate at 8.5 percent, down from 9.3 percent the previous year. In Charlotte, the vacancy rate declined from 9.6 percent to 9.2 percent, and in Raleigh, the vacancy rate declined from 10.4 percent to 9.3 percent. By contrast, the apartment market in Nashville is tightening, with Reis, Inc., reporting a vacancy rate of 6.7 percent in the second quarter of 2005, down from 7.3 percent in the second quarter of 2004.

MIDWEST



The economy in the Midwest region continued to grow modestly in the second quarter of 2005. Nonfarm employment in the region averaged 24.2 million in the 12 months ending June 2005, an increase of 163,000, or 0.6 percent, from the previous 12-month period. Gains in the leisure and hospitality, education and health services, and professional and business services sectors offset losses in the manufacturing and information services sectors. All states recorded job gains except Michigan, where the rate decreased by 0.3 percent. Private surveys of business conditions in the first 6 months of 2005 showed local economies strengthening in the Chicago, Milwaukee, Cincinnati, Cleveland, and Grand Rapids metropolitan areas compared with the first 6 months of 2004. The unemployment rate in the region declined from 5.9 percent to 5.6 percent during the past year. Unemployment rates ranged from a low of 3.7 percent in Minnesota to a high of 6.8 percent in Michigan.

The strengthening economy throughout the Midwest region and low mortgage interest rates helped maintain the annual level of existing home sales at more than 1.1 million for the first quarter of 2005, up 3 percent from a strong first quarter of 2004. The momentum continued in the second quarter of 2005, helping to sustain the high sales volume in most states of the region. The Illinois Association of REALTORS® anticipates another record year for sales of existing homes in the state; 87,300 homes were sold in the first 6 months of 2005 compared with 85,400 in the first 6 months of 2004. Existing home sales showed continued strength in Wisconsin during the second quarter of 2005. Home

sales totaled 66,700 for the 12 months ending June 2005, up 7.2 percent from the previous 12-month period. Sales activity in the Milwaukee and Madison areas increased 2 and 4 percent, respectively, according to the Wisconsin REALTORS® Association. Despite the slow economy in Michigan, existing home sales and median sales prices both were up 2 percent in the past year. The Ohio Association of REALTORS® reported a record 143,200 existing homes sold during the 12 months ending May 2005, while the average sales price was up 2.8 percent to \$153,600. In Minnesota, sales and price appreciation of existing homes in the Minneapolis-St. Paul area remain strong, reflecting the strengthening Twin Cities area economy. According to the Minneapolis Area Association of REALTORS®, the 26,300 sales for the first 6 months of 2005 held steady with the strong pace of last year.

In much of the Midwest region, single-family building activity in 2005, although slightly down from last year, continues to show depth. Building permits were issued for 221,700 new homes in the 12 months ending June 2005, down 2 percent from the record pace a year ago. Chicago builders reported that residential construction activity is brisk throughout the metropolitan area. Approximately 30,000 to 33,000 new homes are expected to start construction in the area this year compared with 31,000 in 2004. In south suburban Will County, the housing market in the city of Joliet continued to boom in 2004 and for the first 6 months of 2005. The record of 1,600 new single-family home starts in 2004 will likely be surpassed in 2005. During the first 6 months of 2005, single-family permit activity already is up 23 percent from last year.

The number of building permits for single-family homes in Michigan, Ohio, Indiana, and Wisconsin was down 2 to 3 percent during the 12 months ending June 2005. Single-family permit activity in Minnesota was down 5 percent from a year ago. Despite the slowdown in permit activity, homebuilders in most major metropolitan areas of the Midwest region are optimistic about the current state of residential construction. Minneapolis-St. Paul area builders are upbeat about new home construction, particularly for attached homes. The Parade of Homes EasyStreet held in April and May 2005 drew a record 238 developers of townhomes and condominiums. According to Housing Consultants, Inc., in 2005 Detroit area builders plan to start construction of 21,000 to 23,000 homes compared with 24,000 homes last year. Indianapolis area builders also expect 2005 to be another good year for residential construction. Permits were issued for approximately 6,000 single-family homes through June 2005, equal to the number at this time last year.

The market for all types of housing for seniors has been very active in the Midwest region. The American Seniors Housing Association's *2004 Construction Report* ranked Illinois, Michigan, and Minnesota in the top 10 states for construction of senior housing. Approximately 6,200 units are under construction for seniors in the region. These developments include 22 assisted living facilities, 19 independent living projects, 14 apartment buildings, and 5 continuing care retirement communities. In 2004, Chicago ranked second among the metropolitan areas in the country for construction of senior housing, according to the American Seniors Housing Association.

Multifamily permit activity in the Midwest region also was down 2 percent for the 1-year period ending June 2005. Activity continued to vary widely by state. In Indiana, multifamily activity was down 18 percent in the past 12 months, which more than offset an increase of 14 percent in Michigan. In Minnesota and Ohio, activity was down 3 percent, and multifamily activity in Wisconsin declined by 6 percent. The number of multifamily units permitted in Illinois was unchanged from last year at approximately 16,000 units.

According to Appraisal Research Counselors, the rental market in Chicago continued to improve in the second quarter of 2005. Apartment traffic is up in the second quarter, occupancy is higher, and rent concessions are fewer than in the second quarter of 2004. The market outlook in Chicago is favorable for 2005 because the local economy is expected to expand this year. Approximately 2,000 to 2,500 new apartment units are likely to enter the market this year, up from 1,950 units in 2004. The Minneapolis-St. Paul rental market is tightening. The June 2005 quarterly survey by GVA Marquette Advisors shows a vacancy rate of 6.0 percent, down from 7.1 percent last year.

The major rental market areas in Ohio are rebounding. The apartment market in Cincinnati has shown signs of strengthening in the second quarter of 2005, according to Reis, Inc. Rents are increasing 2 to 3 percent annually, while the metropolitan area vacancy rate is 8.5 percent, down 1 percentage point from a year ago. Reis, Inc., indicated that the apartment market in Cleveland is tightening in the second quarter of 2005; the 6.9-percent vacancy rate is down from 7.3 percent a year ago. Multifamily construction activity in downtown Columbus has been strong. Approximately 1,000 new rental and condominium units were completed since 2001, and another 700 units are under construction.

Major apartment markets in Wisconsin are mixed in the second quarter of 2005. The rental market in



Milwaukee remains balanced, while the apartment market in Madison has softened some since the second quarter of 2004. Reis, Inc., reported that the vacancy rate in Milwaukee is 6.5 percent, unchanged from last year. Developers' interest in the city of Milwaukee is strong. One of the biggest planned projects is the \$315 million Pabst Brewery redevelopment project. The mixed-use project includes 600 new residential units and 500,000 square feet of retail, entertainment, and office space. The rental vacancy rate in Madison increased from 6 percent in the second quarter of 2004 to 7 percent in the second quarter of 2005. A slowing of the local economy and a temporary oversupply of new rental units near the campus of the University of Wisconsin contributed to the above-normal vacancy rate in Madison.

The Detroit-Ann Arbor rental market is balanced to soft because of the slow economy and robust sales market. Terzo & Bologna Inc.'s 2005 Detroit Apartment Market Study shows vacancy rates in the area are holding steady in the 7- to 8-percent range, while rents are flat or lower from 2004. Apartment vacancies range from 6 to 8 percent in suburban Oakland, Wayne, and Washtenaw Counties and 9 to 10 percent in Detroit and suburban Macomb County. Apartment production in the area is expected to remain low at 1,000 units.

SOUTHWEST



Nonfarm employment in the Southwest region averaged 14.9 million jobs during the 12 months ending June 2005, an increase of 194,200, or 1.3 percent, compared with the 12 months ending June 2004. Increases were recorded in all employment sectors except manufacturing. The manufacturing sector lost only 4,700 jobs during the 12 months ending June 2005 compared with a loss of 48,400 jobs for the previous 12-month period. Employment in the professional and business services sector increased by 42,700 jobs, and 39,300 jobs were added in the educational and health services sector. The number of jobs in the government sector was 35,000 higher during the past 12 months compared with the year ending June 2004.

The 131,700 jobs added in Texas over the past 12 months were approximately 68 percent of the total employment

growth in the Southwest region. Oklahoma recorded an increase in nonfarm employment of 22,300. The Oklahoma gain included almost 10,000 more jobs in government and 6,300 additional jobs in professional and business services. During the past 12 months, New Mexico added 15,700 additional jobs, and Arkansas had a gain of 14,400 jobs. The rate of job growth in Louisiana was modest at 0.5 percent for the year ending June 2005. In Louisiana, increases of more than 4,300 jobs in the educational and health services sector and 4,300 in the professional and business services sector offset losses in all the goods-producing sectors and the information sector. The unemployment rate in the Southwest region continued to decrease and reached an average of 5.6 percent for the 12 months ending June 2005, down from 6.2 percent for the corresponding period in 2004. The state unemployment rate averages for the past 12 months ranged from 4.6 percent in Oklahoma to 5.8 percent in Texas. For the first time in 3 years, Texas recorded an average unemployment rate below 6 percent.

Residential construction activity remains strong through the second quarter. Preliminary signs of cooling during the first quarter were premature. During the 12 months ending June 2005, 255,500 units were permitted, an increase of 5 percent compared with the year ending June 2004. A slight decrease in multifamily permit activity was more than offset by a 7-percent increase in single-family permits. An estimated 206,000 single-family homes were permitted in the Southwest region over the past 12 months. New Mexico was the only state in the region to record a decline in activity with 11,752 single-family homes permitted in the past 12 months, down 9 percent compared with the year earlier. In contrast, 19,746 single-family permits were issued in Louisiana, a 15-percent increase over the previous year. Permits for single-family homes in Arkansas increased 7 percent in the past 12 months to 10,466. The 14,378 permits issued in Oklahoma were 11 percent higher than in the previous year. Texas recorded nearly 149,500 single-family permits, up 7 percent compared with the 12 months ending June 2004.

Home sales in Texas continue to set records. According to multiple listing service (MLS) data, more than 246,000 homes were sold during the 12 months ending May 2005, which was a 9-percent increase compared with the previous year. In the Houston area, the MLS recorded 68,800 sales between June 2004 and May 2005, an increase of nearly 8 percent compared with the previous 12 months. Home sales in the Dallas-Fort Worth area totaled 63,900 over the year ending May 2005, an increase of 6.5 percent compared with the previous 12-month period. The Austin area recorded 23,900 sales during the past 12 months, a 14-percent

increase above the number of homes sold during the 12 months ending May 2005. Home sales in San Antonio totaled 21,300, up 13 percent compared with a year earlier. The average of 116,000 homes available for sale during the past year in Texas, which was up 6 percent, included more than 35,000 homes in Houston and 32,000 in the Dallas-Fort Worth metroplex.

Sales prices increased in the Southwest region at a moderate level compared with other parts of the nation. The average price in Texas was approximately \$167,000, up 3.2 percent from the average for the 12-month period ending May 2004. Among the largest metropolitan areas, Austin recorded the smallest price increase at only 2 percent over the past 12 months, but continues to have the highest average price at \$201,600. The average price increased by 2.9 percent in the Dallas area to \$196,300 and by 2.5 percent in Houston to \$178,000. The Fort Worth and San Antonio areas had the highest rates of increase in sales price at approximately 7 percent over the past year, but they also had the lowest average prices, both below \$150,000.

In spite of soft conditions in the rental markets of all the major metropolitan areas, 39,698 multifamily units were permitted in Texas during the 12 months ending June 2005, a 6-percent increase over the previous 12-month period. Texas accounted for 81 percent of the 49,100 multifamily units permitted throughout the Southwest region. Activity was down in all other states, led by Louisiana where the number of units permitted was 43 percent lower than in the previous 12 months. The declines were more moderate in Arkansas, New Mexico, and Oklahoma, ranging from 5 to 10 percent.

Rental markets in major metropolitan areas of the Southwest region continue to be competitive as relatively affordable sales prices, low interest rates, and innovative financing packages encourage renters to become homeowners. According to ALN Systems, Inc., Austin registered a 1.7-percent increase in apartment occupancy during the past 12 months to 90.7 percent, as the average rent declined 1.2 percent. In Dallas, occupancy was unchanged from a year ago at 88.3 percent and average rent declined 1.2 percent. The occupancy rate declined in San Antonio to 90.5 during the past 12 months and average rent increased 2.4 percent. Occupancy in Houston and Fort Worth continued to decline; both are below 87.5 percent and average rents also decreased. In many market areas, newer apartment developments are offering the deepest concessions, but are gaining occupancy at the expense of older developments, particularly those older than 15 years.

GREAT PLAINS



The economy of the Great Plains region continued to improve during the 12-month period ending June 2005. Average nonfarm employment increased by some 50,000 to 6.4 million employees during the period. Employment increased in all major metropolitan areas and in all the primary economic sectors in the region. The finance and insurance, construction, and health and education sectors increased in employment by 2 percent.

Employment in the manufacturing sector rose 1 percent in the Great Plains region due to job gains in aerospace and transportation equipment manufacturing. Increased orders for new aircraft at Cessna and Bombardier Lear caused manufacturing jobs to increase 7 percent in Wichita, Kansas. The outlook for manufacturing employment in Wichita is positive. The Onex Corporation, which recently purchased Boeing Commercial Wichita and is now a Boeing contractor, will increase hiring to retrofit Boeing 767 aircraft for the military and will manufacture the new Boeing 787 commercial passenger model. Boeing had once considered closing the plant. Aerospace improvement also affected St. Louis, where manufacturing was up 1 percent due to increased orders at Boeing Aircraft.

The average annual unemployment rate in the Great Plains region increased to 5.2 percent compared with 4.9 percent a year earlier. The increase occurred primarily because of workers re-entering the labor force seeking jobs. The civilian labor force in the region increased nearly 1 percent, or by nearly 40,000 workers, to 7,117,000 workers, only half of whom found jobs.

Residential construction activity remains relatively stable. Approximately 51,000 single-family building permits were issued over the 12-month period ending June 2005, up 5 percent compared with the same period in 2004 and 15 percent above the comparable 2003 level. Single-family permit activity during the past 12 months was up 10 percent in Iowa, 9 percent in Kansas, 2.4 percent in Missouri, and 1 percent in Nebraska.



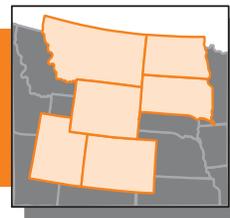
The existing home sales market continued to exhibit strength in the Great Plains region. Sales volume and prices increased in all major metropolitan areas over the past 12 months ending June 2005. According to the Heartland Board of REALTORS®, existing home sales in the Kansas City area were up 9 percent to 29,500 units. The average sales price rose to \$150,000, up 5 percent. According to the Greater St. Louis Board of REALTORS®, home sales rose 20 percent to 24,000 units, while the average sales price rose 9 percent to \$145,000. The Omaha Board of REALTORS® reports that existing home sales increased 6 percent to 10,000 units sold in the metropolitan area, while the average sales price increased 6 percent to approximately \$150,000.

Multifamily building permit activity increased in the Great Plains region for the first time in 3 years, up 4 percent with 14,000 units permitted during the 12-month period through June 2005. Activity was up 33 percent in Missouri and 16 percent in Nebraska but declined 33 percent in Kansas and 5 percent in Iowa.

Rental market conditions remain slightly soft throughout the Great Plains region, but conditions are improving. According to Reis, Inc., the apartment vacancy rate in Kansas City was 7.5 percent in June 2005 compared with 9 percent in June 2004. The softest submarket was the downtown area with a vacancy rate of 10 percent. The downtown submarket had been the strongest in the metropolitan area, but has become more competitive during the past 12 months as large numbers of new rentals have entered the market. The average rent in the metropolitan area remains unchanged at \$710 and concessions are becoming less prevalent than they have been over the past 3 years.

According to Kramer and Associates, the rental vacancy rate in the St. Louis metropolitan area was 8.5 percent in June 2005 compared with 9 percent in June 2004. The vacancy rate was highest in St. Charles County at 12 percent and lowest in the Interstate-70 corridor near Lambert Field at 5 percent. Average rents in the metropolitan area increased by approximately 2 percent to \$710. The rental vacancy rate in Omaha remained unchanged at 7 percent.

ROCKY MOUNTAIN



The economy of the Rocky Mountain region continued to improve during the second quarter of 2005. Nonfarm employment for the 12 months ending June 2005 increased by 108,600 jobs, or 2.4 percent, compared with the same period a year ago. All states posted solid gains. Utah and Colorado together gained 81,600 jobs, or 75 percent of the increase for the region. The growth rates of 3.3 percent for Utah and 2.1 percent for Colorado were supported by large increases in the construction sector and the professional and business services sector. Montana and Wyoming, with growth rates above 2 percent, benefited from growth in the natural resources and mining sectors. North Dakota and South Dakota posted job growth of less than 2 percent, but their economies continue to improve. Denver, Colorado Springs, and Salt Lake City all registered employment growth rates of 2 percent or greater through June 2005.

Low unemployment rates continue across the Rocky Mountain region. In June 2005, the seasonally adjusted unemployment rate for the region was 4.6 percent, down from 5.0 percent a year ago. All states were below the national rate of 5 percent. North Dakota had the lowest unemployment rate with 3.4 percent and was the third lowest of all states in the nation. At rates of 3.7 percent and 4.4 percent, Wyoming and North Dakota, respectively, were the next lowest in the region. Utah with a rate of 4.7 percent and Colorado with a rate of 4.9 percent improved the most in the region, decreasing by 0.6 percentage points from a year ago.

Improved economic conditions and low interest rates resulted in continued demand for single-family homes. For the 12 months ending June 2005, nearly 69,300 single-family homes were permitted, an 8-percent increase from the previous year. Colorado and Utah accounted for more than 80 percent of the gain. The 32-percent increase in Montana, on a smaller base, was the highest in the Rocky Mountain region. This rate was followed by increases of 18 percent in Utah and 11 percent in Wyoming. As homebuilders held back production due to some increase in inventory, the rate of permit growth in Colorado slowed from earlier in the year to 3 percent. South Dakota recorded a slight gain of 1 percent, while North Dakota logged a 14-percent decrease from last year.

According to the NATIONAL ASSOCIATION OF REALTORS®, the annual rate of existing home sales in the Rocky Mountain region increased by 4.3 percent in the first quarter of 2005 compared with the first quarter of 2004. North Dakota, Utah, and Wyoming registered increases from 14 to 18 percent and were the only states to exceed the national rate of 8.3 percent. For South Dakota, 8 percent was in the mid-range of states in the Rocky Mountain region, while Colorado was up by just 1 percent. Montana was the only state to record a decline in home sales. Median sales prices for existing homes in a sampling of metropolitan markets were \$236,000, \$132,900, and \$125,300 for Denver, Sioux Falls, and Fargo-Moorhead, respectively. The higher median price in Denver coincides with higher income levels and construction costs in the area.

Home price appreciation has increased in the Rocky Mountain region according to the first quarter 2005 Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index. All states recorded growth rates that are at their highest level since 2002, but the rates remain below the national rate of 12.5 percent. The price increase of 10.6 percent in Montana and 11.1 percent in Wyoming came close to the national rate. North Dakota and South Dakota followed with gains of 8.5 and 7.5, respectively. Although improving by 4.8 and 6.3 percent, respectively, Colorado and Utah recorded the lowest gains in the region. Recent job growth in both states has begun to revive price appreciation.

Second-home buyers and retirees moving to resort areas continue to impact the housing markets in Utah and Colorado. The Utah Association of REALTORS® reports sales activity and price appreciation were among the strongest in Cedar City, St. George, and Park City. During the 12-month period ending March 2005, the number of existing sales in these areas increased by an average of 35 percent; sales price increases averaged between 15 to 20 percent. The average price of \$613,800 in Park City was the highest in the state. The \$217,600 average in St. George was above the state average of \$194,900, while Cedar City was below the state average at \$164,500. Local real estate sources in Colorado report that home sales in six resort counties are up 31 percent during the 5 months ending May 2005 from the same time last year. A significant number of sales were to second-home buyers from out of the area. In Eagle County, for example, 26 percent of home purchases in 2004 were by out-of-state residents.

The existing home sales markets in some larger metropolitan areas of the Rocky Mountain region are also strengthening due to increased job growth. For the 12 months ending June 2005, the Colorado Springs Association of REALTORS® reported a 14-percent increase in single-family sales from a year ago. During this period, the average price of a home sold increased by 7 percent to \$214,000. East Colorado Springs is the most active submarket and is where builders target the first-time homebuyer range of \$150,000 to \$225,000. Continuing weakness in the condo/rental market has kept sales price increases modest. Although condominium sales were up 5 percent, the average sales price was up by less than 1 percent to \$138,000. The Wasatch Front Regional Multiple Listing Service reports an increase of 15 percent in existing home sales in the Salt Lake City area through the first 5 months of 2005 compared with a year ago. The average sales price during the same period increased by 10 percent to \$194,500.

Rental market conditions are mixed in the Rocky Mountain region. According to EquiMark Properties, Inc., the Salt Lake City area second quarter 2005 vacancy rate of 7.3 percent is down from 9.4 percent recorded a year ago. The average rent increased by 2 percent from a year ago to \$650 and concessions are subsiding. The same report indicated that the vacancy rate in the Provo-Orem market decreased from 8.5 percent a year ago to 6.5 percent. The Salt Lake City and Provo-Orem markets should continue to strengthen because of fewer units entering the market and expected strong employment growth. An oversupply of new rental units has softened the market in Fargo-Moorhead. An Appraisal Services, Inc., first quarter 2005 survey reports that the 8.5-percent vacancy rate is the highest on record for this period.

The Colorado Springs rental market is soft. A second quarter 2005 survey by Doug Carter, LLC, indicates a vacancy rate of 12.5 percent, up from 10 percent recorded a year ago. The return of U.S. Army personnel from the Middle East to Fort Carson and the transfer to the base of the 2nd Brigade, 2nd Infantry Division, beginning in June 2005, will help the market recover. These soldiers and their dependents should absorb most of the current surplus rental inventory. A full recovery could be evident by 2008. If the latest base realignment and closure recommendations and transfer announcements are implemented, another 12,000 personnel could be stationed at Fort Carson, bringing the base total to 30,000. The Colorado Springs market faces a potentially dramatic turnaround should this occur within the next few years.

PACIFIC



In the 12 months ending June 2005, nonfarm employment in the Pacific region reached 18.9 million, an increase of 418,000 jobs, or 2.3 percent. Construction jobs led all sectors with an 8-percent gain, reflecting strong residential building activity. Increased tourism supported a 3-percent growth in leisure and hospitality jobs during the past year, benefiting all states in the region. Employment rose 2 percent or more in each of the following sectors: professional and business services, education and health care, and retail trade. The manufacturing, information, and government sectors began to grow moderately during the past 12 months, up 0.5 percent or less.

Employment in California increased by 238,100 jobs in the 12 months ending June 2005, representing a 1.7-percent increase, and a major improvement from the slight decline in jobs in the previous year. The Central Valley continued to be the most rapidly growing region because of employment opportunities and the relatively affordable home prices in its metropolitan areas. Employment in the Fresno, Modesto, and Redding areas in the Central Valley increased at annual rates of more than 2 percent during the 12-month period.

In Arizona, employment rose by 90,500, a 3.9-percent gain, led by increases in the retail trade, construction, and professional and business services sectors. The high-technology manufacturing sector in Arizona, down 15 percent in the past 4 years, will benefit from a plan by Intel Corporation to build a semiconductor production plant in the Phoenix area. The new plant will add 1,000 jobs by late 2007 to the company's existing local workforce of 9,000 employees.

Nevada employment increased by 72,600 jobs, or 6.5 percent, in the 12 months ending June 2005. Las Vegas added jobs at an annualized rate of 7.4 percent, a near-record pace, on the strength of residential and hotel-casino construction and increased numbers of tourists and convention visitors. Nonfarm employment in Hawaii rose 16,800, or 2.9 percent, also due primarily to the tourist-driven retail and leisure and hospitality sectors.

Labor markets tightened throughout the Pacific region during the second quarter of 2005. In the 12 months ending June 2005, the overall regional unemployment rate declined to 5.5 percent from 6.3 percent in the previous 12 months. Hawaii unemployment was just 2.9 percent, still among the lowest rates in the country. Nevada and Arizona recorded jobless rates of 4.1 and 4.7 percent, respectively, each down 0.7 percentage points from the previous 12-month period. The unemployment rate in California declined to 5.8 percent compared with 6.6 percent a year earlier. San Diego, San Luis Obispo, and Santa Barbara have jobless rates of 4 percent or less.

Sales demand remained high in the four-state region, supported by growing economic activity, increased population, and continued low interest rates. Sales prices are increasing at double-digit rates annually throughout most of California and listings generally remained low. According to the California Association of REALTORS®, the annual rate of sales totaled 639,000 for existing home sales as of the second quarter of 2005, a 1.8-percent increase compared with a year earlier. The median sales price in California rose 16 percent to \$504,700. In Southern California, total new and existing sales remained near record levels in the first 6 months of 2005 and the median sales price increased 17 percent, according to DQNews.

In the Las Vegas area, existing home sales declined 15 percent in the first half of 2005 from the record pace of the year-earlier period, and listings have significantly increased in the last year, according to the Las Vegas Housing Market Letter. According to the Honolulu Board of REALTORS®, existing single-family home sales in the first half of 2005 were up 4 percent compared with a year earlier. In the same period, condominium resales in Honolulu, which are two-thirds of all home sales in the state, rose 6 percent.

Single-family building permit activity in the Pacific region reflected the strong demand for new homes, rising 3 percent to 273,800 in the 12 months ending June 2005. Activity in Arizona increased 15 percent to 83,200 homes, accounting for 30 percent of the regional total. California builders obtained 149,800 single-family permits in the 12 months ending June 2005, a 1-percent increase over the previous 12 months. The Riverside-San Bernardino, Sacramento, Los Angeles, and San Diego areas issued the most permits in the state. In Nevada, 34,700 single-family permits were issued during the 12 months, a 12-percent decline compared with the record level of permits issued in the previous 12 months but still strong compared with historical levels.

Single-family permit activity in Hawaii declined 2 percent to 6,100 units, close to the record pace of 6,200 permits issued in 2003.

Most rental markets in the Pacific region remained relatively stable or continued to strengthen due to job growth, moderate apartment production levels, and increased conversion of rentals to condominiums. The San Francisco Bay rental market began to stabilize in the past year as the vacancy rate fell to nearly 5 percent, but rents were still flat or slightly declining in most submarkets. In the Central Valley of California, rental markets were balanced to tight due, in part, to increased employment and in-migration from the more expensive coastal areas of California. In Sacramento, the apartment vacancy rate was about 6 percent, a decline of nearly a percentage point from a year earlier, according to Reis, Inc. According to a survey conducted by CB Richard Ellis, the Fresno and Modesto markets remained tight with apartment vacancy rates of approximately 4 percent each. The rental markets in Merced and Stockton are balanced with apartment vacancy rates of 5 and 6 percent, respectively.

Rental vacancy rates remained mostly unchanged throughout Southern California during the second quarter. The rental vacancy rates in Riverside and San Bernardino Counties remained at 6 percent and 5 percent, respectively. Although the relatively affordable home prices in those counties continued to encourage renters to become homeowners, new renter households were attracted to the area by rapid job growth. San Diego County remained balanced with a rate under 5 percent, despite the continued conversion of rental units to condominiums. Due to low levels of apartment construction in the South Coast portion of Santa Barbara and Ventura Counties, the rental market remained tight with a vacancy rate of less than 4 percent. The conversion of empty office space to apartment units continued to add rental units to downtown Los Angeles. Vacancy conditions remained tight in Los Angeles and Orange Counties at around 4.5 percent. According to the Consumer Price Index, rents in the greater Los Angeles area rose 6.7 percent in the second quarter of 2005, compared with the same quarter a year ago.

The Las Vegas rental market tightened significantly to 4 percent for large apartments in the second quarter of 2005, a decline of 2 percentage points in the past year, according to Reis, Inc. Asking rents have increased 4 percent in that time, and concessions have greatly diminished. The improvement was attributable to job and population growth (among the fastest in the country), modest apartment construction, conversion of rentals to condominiums, and rapid appreciation of single-family home prices. According to CB Richard Ellis, the

firming of the rental market is expected to continue, due in part to condominium conversion projects totaling 16,300 units that are under way, double the number converted a year earlier.

In the 12 months ending June 2005, multifamily building permit activity in the Pacific region increased overall by 5 percent to 77,000 units. California multifamily building permits issued rose 11 percent to 58,000 units, but this amount remains relatively low, similar to the depressed levels of the early 1990s. In Arizona, multifamily permit activity totaled 9,700 units, little changed from the previous 12 months. During the 12 months ending June 2005, Nevada builders received permits for 6,400 multifamily units, 31 percent below the relatively strong levels of the previous 12-month period. Nevada multifamily building permit issuance is expected to expand from these low levels due to high-rise condominiums planned for Las Vegas in the next 2 years. Multifamily units permitted in Hawaii rose 33 percent to 2,900 over the previous 12 months. New condominiums accounted for most of the increase.

NORTHWEST



Economic conditions continued to improve in the Northwest region during the second quarter of 2005. Total regional nonfarm employment increased by 126,500 jobs, or 2.5 percent, to an average of 5.3 million jobs for the 12 months ending June 2005. Oregon registered the highest rate of annual growth in the region at 3.2 percent due to gains led by the trade, transportation, and utilities sector, as well as the educational and health services sector. In Idaho, nonfarm employment increased by 3 percent, triple the rate recorded for the previous 12 months ending June 2004. Job gains in Idaho were widespread and led by the construction, educational and health services, and professional and business services sectors. Nonfarm employment increased 2 percent in Washington and 1.7 percent in Alaska. Gains in Washington resulted from hiring in the construction, professional and business services, and health services and social assistance sectors. In Alaska, the healthcare services, leisure and hospitality, and retail trade sectors contributed largely to job gains. The regional unemployment rate averaged 6 percent, down from 7 percent in the year ending June 2004.



Average unemployment rates ranged from 4.3 percent in Idaho to 7.1 percent in Alaska.

Steady employment growth and low mortgage interest rates maintained strong housing sales market conditions throughout the Northwest region during the second quarter. In Washington, sales of existing homes for the first 6 months of 2005 increased 4 percent in the Seattle metropolitan area to 22,000 compared with the first 6 months of 2004, according to Northwest Multiple Listing Service data. During the same period, in the Tacoma area, sales rose 11 percent and the Olympia area registered a 14-percent increase in the number of existing homes sold. Sales declined 1 percent in the Bremerton area due to a decrease in available inventory, but the median sales price rose 20 percent to \$239,000. The median sales price rose by 14 percent to \$336,000 in the Seattle area, \$228,000 in the Tacoma area, and \$234,500 in the Olympia area. Realtors reported steady demand from first-time buyers, as well as strong demand for second homes as rental investments or vacation property. Sales of existing condominiums throughout the Puget Sound area increased 19 percent in the January through June 2005 period compared with the same period a year earlier. Median sales prices for existing condominiums ranged from \$134,500 in the Olympia area to \$207,000 in the Seattle metropolitan area.

In the major markets of western Oregon, new and existing sales rose 17 percent to 31,460 homes for the 12 months ending June 2005 compared with the same period a year earlier. The median sales price during the period was \$220,450, a 14-percent increase. Price appreciation was greatest in Jackson and Coos Counties at 25 percent. In the Portland-Vancouver metropolitan area, total sales rose 18 percent to 22,470 and the median price increased 14 percent to \$221,830.

In Idaho, sales for the 12 months ending April 2005 were up 23 percent in the Boise area compared with the previous 12 months. The median sales price in the area increased 8 percent compared with the previous 12 months, reaching \$146,000. Sales markets in Twin Falls, Blaine, and Lewiston were also strong. Single-family sales volume in the Anchorage area totaled 3,200 homes and was unchanged from a year ago. The average sales price was \$273,870 in the Anchorage metropolitan area, an 11-percent increase.

Building permits for single-family homes rose 17 percent in the Northwest region for the 12 months ending June 2005 compared with the same period a year earlier. Permits were issued for 43,320 homes, of which nearly half were in Washington where activity increased by 7 percent. Permit activity increased 40 percent in Idaho and 21 percent in Oregon. Alaska was the only state to register a decline, down 10 percent.

Rental market conditions in the Northwest region generally improved during the second quarter of 2005. In the Seattle area, the rental vacancy rate was an estimated 6.5 percent, down from 7.3 percent a year ago. Concessions were still common in Seattle markets, however, and rent increases were minimal during the year. The vacancy rate was similar in the Tacoma area but lower in the Bremerton market, which was at an estimated rate of 4.5 percent. In the Portland area, rents increased by an average of 1.6 percent between the second quarters of 2004 and 2005 based on data from RealFacts. The estimated rental vacancy rate for the Portland market area was 6.5 percent and conditions were balanced. As of the second quarter of 2005, rental market conditions were tight in the Salem area where the vacancy rate was 4.5 percent and rents increased 2.8 percent in the past 12 months, according to Hendricks & Partners, Inc. The Eugene-Springfield market was also tight with a vacancy rate of 4 percent. Bend was the only market in Oregon still considered highly competitive with a vacancy rate of 9 percent. Most rental markets were tight in Idaho, particularly in the northern areas where investors have converted smaller rental complexes into condominiums. Blaine, Twin Falls, and Lewiston all registered vacancy rates at or below 5 percent, but markets were softer in Cassia and Minidoka where weak economic conditions have reduced rental demand. New supply in the Moscow area will likely ease the tight market conditions there for the next 1 to 2 years.

Multifamily building activity totaled 10,300 units in the Northwest region for the 1-year period ending June 2005 compared with 8,960 units permitted in the same period the previous year. The regional increase was attributable to activity in Washington and Oregon where developers' renewed interest in the improving rental markets, as well as strong consumer demand for condominiums, caused the number of multifamily units permitted to rise by 1,000 and 500 units, respectively. Multifamily activity declined 1 percent in Idaho and 17 percent in Alaska.

Housing Market Profiles

Boise, Idaho

The Boise City-Nampa metropolitan area, located in southwestern Idaho, consists of Ada, Canyon, Boise, Gem, and Owyhee Counties. Between April 2000 and July 2004, the population of the area grew at an average annual rate of 3 percent to 524,884, according to the U.S. Census Bureau. A growing economy, affordable sales housing, and the attraction of the area's small-town lifestyle are the main reasons that approximately 15,000 people a year moved to the Boise City-Nampa metropolitan area during the period. Boise City in Ada County and Nampa in Canyon County are the major population and employment centers in the metropolitan area. The Community Planning Association of Southwest Idaho estimated the population of Boise City at 200,062 and the population of Nampa at 67,401 as of April 1, 2004. Between 2000 and 2004, the population of Boise City grew at a 1.8-percent average annual rate and Nampa's population increased at an average annual rate of 6.8 percent.

After 2 years of minimal job growth, the economy began to recover in early 2004, leading to a 3-percent increase in employment as of the 12-month period ending May 2005. The service-providing sector, which supported the population growth, led the recovery during this period. New hires in education, food service, and retail trade accounted for 50 percent of the 8,000 jobs added to local payrolls. Nearly 1,000 service-providing jobs were created because of hiring at call centers and the needs of employment service agencies. T-Mobile and Citi Cards recently had grand openings in Boise. Together these firms employ 2,300 people and each plan to hire an additional 200 workers during the next several months. The financial services and healthcare sectors added another 500 jobs each. Revival of the commercial construction industry added 700 jobs to the goods-producing sector, while manufacturing showed little change in employment levels across all industry groups for the 12-month period ending May 2005.

The unemployment rate fell from 4.9 percent for the 12-month period ending May 2004 to 4.2 percent for the 1-year period ending May 2005. The jobless rate was down a full percentage point from 2 years ago.

Sales housing demand continues to be very strong in the Boise City-Nampa metropolitan area. Accelerating

job growth, affordable prices, attractive lending terms, and steady population growth, combined with strong investor demand, have sales moving at a record pace. For the 12-month period ending April 2005, 14,023 homes were sold in the Boise City-Nampa Housing Market Area, according to the Intermountain Multiple Listing Service, up 22 percent from the previous 12 months. The median price of all homes sold was \$146,000, 8 percent above the price of a year ago. The median price of a home sold in Ada County was \$163,000 and in Canyon County was \$109,350. Most sales in Ada County fell in the \$140,000 to \$170,000 price range, and in Canyon County, in the \$90,000 to \$120,000 range. Homes priced under \$200,000 typically receive multiple offers, many of which include escalation clauses because of the intense competition among buyers in this price range. The strongest submarkets in the Boise City-Nampa housing market area are the suburban cities of Eagle, Star, Kuna, and Meridian in Ada County, as well as Nampa in Canyon County.

While new arrivals earlier in the decade mostly came from neighboring states, REALTORS® note that more newcomers to the area are coming from throughout the United States. Newcomers from the nation's largest metropolitan areas have been attracted to the small-town atmosphere and reasonably priced housing found in the suburban cities of the Boise City-Nampa area. For example, in the city of Kuna, which had a population of 9,460 as of July 2004 and is only a 15-minute drive from downtown Boise, the median price of a home sold was just \$124,000 through the first quarter of 2005. In Nampa, just 10 minutes west of Kuna, the median price of a home sold during the first quarter of 2005 was \$115,000. Strong investor and homebuyer demand resulted in an increase in building activity. Single-family permits totaled 9,128 for the 12-month period ending May 2005, a 42-percent increase over the previous 12-month period.

Rental market conditions in the Boise City-Nampa metropolitan area are still somewhat soft but have improved during the past 12 months. Much of the improvement is due to a lack of apartment production. The soft market and competition from the sales market continue to result in widespread concessions, especially in the larger upscale apartment complexes with more than 50 units. According to the Ada Real Estate Apartment Survey of 14,000 apartment units, the vacancy rate was 7.5 percent as of April 2005 compared with 9.5 percent a year earlier. The survey showed rents unchanged from a year ago, with the average monthly rent for a two-bedroom, 825-square-foot apartment at \$615. Average rents are still below levels reached in 2000.



Over the past year, no large apartment complexes were built and none were in the pipeline as of June 2005. For the 12-month period ending May 2005, 1,007 multifamily units were authorized for construction, down 2 percent compared with the previous 12-month period. Most newly constructed apartments have been triplexes and quadraplexes. Competition from the sales market and small-scale rental complexes is expected to extend the recovery of market conditions for apartment complexes with more than 50 units well into next year.

Bremerton-Silverdale, Washington

The Bremerton-Silverdale metropolitan area is located along the western shore of the Puget Sound region and consists of Kitsap County. U.S. Navy installations dominate employment in the area, but population-related growth in retail trade has increased economic diversity. New residents have been drawn to the area because of steady employment growth, adding to population gains along with the net in-migration of commuters and retirees. Bremerton-Silverdale's scenic and recreational amenities, relatively affordable housing, and proximity to Seattle and Tacoma by ferry or car contribute to the area's widespread appeal.

Government employment accounts for one-third of the Bremerton-Silverdale area's nonfarm jobs, down from 40 percent 10 years ago. Naval Base Kitsap, which includes the Puget Sound Naval Shipyard, the Naval Undersea Warfare Engineering Station, and a U.S. Navy hospital and support facilities, employs an estimated 25,650 civilian and military personnel. Since 2000, the number of military personnel has increased 14 percent, and the Navy's economic impact is estimated at \$1.76 billion annually in Kitsap County. During the past year ending May 2005, military employment was stable, but a total of 2,540 new jobs were registered in the retail trade, construction, and leisure and hospitality sectors. As a result, nonfarm employment increased to an average of 83,700 for the 12 months ending May 2005, 3.1 percent above the average for the previous 1-year period. Reflecting the growing number of Bremerton-Silverdale area residents commuting to Seattle and Tacoma for jobs, total employment rose 9 percent to 110,400 during the past 12 months ending May 2005 compared with the previous 12 months' average. The Bremerton-Silverdale area's unemployment rate declined from 6.1 to 5.4 percent over the same period.

Between April 2000 and April 2004, the population of the Bremerton-Silverdale metropolitan area increased at an average annual rate of 0.8 percent to 239,500. One-third of the population gain stemmed from net in-migration and most of the population growth occurred in unincorporated areas of Kitsap County, Bainbridge Island, and Poulsbo. Bremerton is the metropolitan area's largest city with a population of 37,520, followed by Bainbridge Island with a population of 21,760.

Sales market conditions in the Bremerton-Silverdale area tightened during the second quarter of 2005 due to inventory declines. According to Northwest Multiple Listing Service data, the average number of existing homes available for sale decreased 15 percent for the January-through-June period in 2005 compared with the same period a year earlier. As a result, existing home sales declined 1 percent to 2,100 and the median sales price rose 20 percent to \$228,000. The number of new construction sales was down 20 percent to 254 homes for the first 6 months of 2005 compared with the same period in 2004, due to a 21-percent decline in available listings. The median sales price for new homes was \$328,200, up 22 percent from \$269,000 in the same period a year earlier. Bainbridge Island, located 30 minutes from downtown Seattle by ferry, has become extremely popular with Seattle area jobholders. The change in the median sales price including both new and existing homes on Bainbridge Island reflected strong demand, up approximately 15 percent to \$542,000 year-to-date through mid-July 2005, based on data from Deschamps Realty. The number of total sales closed increased 9 percent in Bainbridge Island for the first 6.5 months of 2005 compared with the same period in 2004.

The issuance of fewer single-family permits reflected the decline in available land zoned for residential development, although several major projects were in the pipeline. Permits were issued for 1,153 homes for the 1-year period ending May 2005, a 14-percent decrease compared with the 12 months ending May 2004. Three-fourths of new single-family permit activity occurred in unincorporated areas of Kitsap County. The McCormick Woods development, located near Port Orchard, includes a golf course and nearly 1,150 homes, half of which have already been constructed. The existing single-family, detached homes are priced at \$400,000 and above, and attached zero-lot line homes are priced between \$280,000 and \$330,000. REALTORS® indicated that the attached homes, some of which are fully furnished or offer home and yard maintenance, have been extremely popular with working and retired couples. Another phase available next year includes

440 homes ranging between \$195,000 for 1,500 square feet to \$310,000 for 4,100 square feet. In addition, 125 homes with prices of \$220,000 and above for attached, duplex units and \$320,000 and above for detached homes will enter the McCormick Woods market next year. In the next 2 years, the Olhava Master Plan in Poulsbo will offer 175 single-family homes starting at \$325,000.

Low levels of new rental supply, steady employment growth, and stable numbers of military personnel contributed to improved rental market conditions in the Bremerton-Silverdale area during the past year. The rental vacancy rate was an estimated 4.5 percent as of March 2005 based on the Dupre + Scott *Apartment Vacancy Survey*, down from 5.6 percent a year ago. Military strength levels heavily impact market conditions because approximately 60 percent of military renter households are in the private market. The Navy currently has 2,300 housing units and no plans for additional units. The current vacancy rate of 4.5 percent would typically indicate a balanced market in the Bremerton-Silverdale area, but rental trends and concessions reflect continued competition from the sales market. The overall average monthly rent over the year was unchanged at \$730, and as of March 2005, 47 percent of properties were offering concessions.

During the 12 months ending May 2005, multifamily construction remained at moderate levels, with 28 multifamily units permitted compared with 60 units permitted in the year-earlier period. Several proposed developments will significantly increase multifamily construction in the next 2 years. The Kitsap County Consolidated Housing Authority plans to develop 260 multifamily units in Poulsbo, with the first phase of 96 mixed-income rental units proposed to start construction in 2006. A 180-unit condominium project on Bainbridge Island near the ferry terminal will have units available in mid-2006 at prices between \$200,000 and \$1.1 million. Based on data from Williams Marketing, two-thirds of the units presold in 3 months to buyers equally from Kitsap County, Seattle, and areas outside of Washington. In downtown Bremerton, a waterfront condominium complex under construction is the first residential development for the downtown market in more than 20 years. Of the 78 units in the initial phase, almost half have been presold. The project includes a city-owned plaza and will eventually total 198 units priced between \$315,000 and \$1.2 million. The condominium development is one of several proposed or recently constructed developments that are revitalizing downtown Bremerton, including a conference center, government building, hotel, and maritime park.

Charlottesville, Virginia

The Charlottesville, Virginia Housing Market Area (HMA) comprises the city of Charlottesville and the counties of Albemarle, Fluvanna, and Greene. The HMA is located in the Blue Ridge Mountains near the Shenandoah National Park, approximately 70 miles northwest of Richmond, Virginia. Charlottesville is the central city of the HMA and the location of the University of Virginia (UVA), the leading employer. Many publications rank the city of Charlottesville among the nation's best in which to live. Between April 2000 and January 2005, the population of the Charlottesville HMA increased from 159,600 to 173,400, an average annual growth rate of 1.8 percent.

From January 2001 to January 2005, total nonfarm employment grew by 750 jobs a year, nearly double the increase in the labor force. Most of the job growth occurred in the service-providing sectors; the leisure and hospitality industry added 1,100 jobs, and state government payrolls increased by 2,000. Gains in the service-providing sectors more than offset losses in manufacturing sectors, in which employment decreased by 1,800 jobs. Two employers in that sector, ConAgra Frozen Foods and Technicolor Home Entertainment Services, closed their plants after 2002. The unemployment rate in January 2005 was only 2.7 percent.

UVA has 12,500 employees and the UVA Medical Center, the second largest employer in the area, employs approximately 5,500. Together they provide approximately 20 percent of the jobs in the Charlottesville HMA. The university's enrollment of 20,000 students contributes greatly to the local economy, with an estimated annual spending on housing and living expenses of \$85 million.

Strong housing demand led to increased building permit activity both for single-family and multifamily units through 2004, the most recent data available for the defined HMA. The number of permits for single-family homes increased 16 percent from 486 in 2003 to 565 in 2004. The number of multifamily permits increased by 8 percent to nearly 400 units in 2004. The largest increase came in Albemarle County where the number of single-family permits increased by nearly 40 percent and overall permits more than doubled.

Low interest rates and steady in-migration resulted in record home sales and continued price increases in 2004. Total sales set a new record for the 6th straight year at 3,145. Approximately 53 percent of the sales were in Albemarle County and 17 percent were in the



city of Charlottesville. From 2003 to 2004, the median sales price increased nearly 24 percent in Charlottesville to \$218,500 and 3.3 percent in Albemarle County from \$254,500 to \$262,975.

Increased development has occurred in the Charlottesville HMA rental market over the past 3 years. Several large complexes were built on the southern outskirts of the city, adding more than 1,000 units to the rental stock. The newest complexes initially leased slowly, which led to some price competition in efforts to attract renters. The rental vacancy rate is currently estimated to be 5.5 percent.

The city of Charlottesville recently formed the Housing Policy Task Force to identify strategies and goals to achieve a more affordable housing stock for the low- to moderate-income population. Included in the plan are measures to ensure a mix of low- and high-density development, leverage funding for households that wish to purchase a home, and encourage the development of new units intended for lower income households. The city also adopted a measure stating that 15 percent of all new units resulting from rezoning or special-use permits are to be affordable.

The most significant change in the nature of housing in the Charlottesville area is the development of Planned Unit Developments (PUDs) that contain a mix of residential and commercial properties. Hollymead Town Center and Albemarle Place Town Center will contain a variety of housing types within walking distance of retail stores, eateries, and movie theaters. The pedestrian friendly design of each PUD is intended to reduce traffic congestion. Hollymead, which is under construction, will contain about 800 townhouses and Albemarle Place is currently zoned for 780 higher density condominiums and rental units. A third PUD, North Pointe, is in the planning and approval process, and, if built, would include approximately 450 apartments and condos and 350 single-family homes built around a commercial town center.

Denver-Boulder, Colorado

The Denver-Boulder metropolitan area encompasses 12 counties in north central Colorado. The population of the metropolitan area as of July 2004 was 2.6 million according to census estimates. The population has increased 35,000 annually since the 2000 Census, or 1.5 percent a year. This growth is the result of a diversified economy that continues to attract workers and families to the area. Leading private sector employers

include United Airlines, Ball Corporation, Qwest Communications, EchoStar Communications, Lockheed Martin Space Systems, Coors Brewing Company, and the University of Denver. Economic conditions in the metropolitan area are considerably better for the 12-month period ending in May 2005 compared with the same 12-month period of the previous year. Total non-farm employment increased by an average of 23,000 jobs during this period to 1.3 million, up 1.9 percent. The unemployment rate averaged 5.3 percent during the past 12 months, down from the 6.2 percent average of a year ago.

Because of strengthening business conditions, the momentum for healthy economic growth over the next few years is good. Aerospace manufacturing employment is expected to expand. Federal government contracts worth more than \$1 billion were awarded to DigitalGlobe to develop an intelligence satellite and to Lockheed Martin Space Systems to build a new generation of rockets. The contracts are expected to add thousands of new jobs to the metropolitan area. Employment in the information sector should begin to improve with expansions announced at DoubleClick, the First Data Group, and EchoStar Communications, although this sector remains highly volatile. Employment in the leisure and hospitality sector, advancing at a strong pace, is expected to continue to grow. The completion of the new Colorado Convention Center earlier this year has prompted the development of three major hotels in downtown Denver. Nearly all the economic indicators tracked by the Metro Denver Economic Development Corporation have increased during the 12 months ending May 2005. Employment is expected to grow between 2 and 3 percent annually over the next 2 years.

Low interest rates and household growth helped maintain strong demand for new homes in the metropolitan area, but price increases have been modest. According to the U.S. Census Bureau, the number of single-family building permits for the past 12 months ending in May 2005 was up 4 percent from a year ago. In its first quarter 2005 survey, the Genesis Group reported that new home sales were unchanged for the most recent 12 months, while the average detached home price increased by 2 percent to \$306,000. Sales of new attached homes were stronger than sales of new detached homes, increasing 7 percent from a year ago. The average sales price for a new single-family detached home was up slightly to \$224,000. In addition to more affordable prices, the increase in sales of attached homes is due to the introduction of a variety of product types. Infill urban row homes, for example, have become increasingly popular. These infill developments have sold quickly for prices

ranging from \$280,000 to \$400,000. They are popular with older buyers who want to downsize and professionals who like the proximity to services. Loft- and apartment-style housing in transit-oriented developments (TODs) near proposed or existing light-rail stops also have been popular. Mixed-use TODs will play a larger role as plans are developed for FasTracks, a \$4.7 billion light-rail and bus system improvement project. FasTracks will extend and enhance services throughout the Denver-Boulder metropolitan area by adding six new lines and 120 miles of track to the three existing lines with about 50 miles. Construction should begin in a few years. More than 200,000 housing units related to the transit system could be developed during the next 20 years, according to local estimates.

The Denver Board of REALTORS® reports that existing home sales for the 12-month period ending May 2005 were up 6 percent from a year ago. The average sales price during the same period increased by 4 percent to \$295,000. Sales of homes priced between \$200,000 and \$299,000 were the most active, but the sales of homes priced above \$500,000 were also strong. The inventory of existing homes for sale is down 10 percent from last year at this time. A lower inventory will pressure prices upward as the market becomes more competitive. Existing attached home sales were up 1 percent and the average price increased by 2 percent during the past year to \$183,000. The NATIONAL ASSOCIATION OF REALTORS® lists Denver among the top of large metropolitan area housing markets with strong growth potential because of the positive economic outlook for the area. Boulder area sales activity was slightly slower than Denver's, but prices continue to increase with houses selling for more than \$500,000 in some submarkets.

The Denver-Boulder metropolitan area rental market is soft but improving. In a survey published by the Apartment Association of Metro Denver, the rental vacancy rate was 9.3 percent in the first quarter of 2005, down from 10.5 percent a year ago and 13 percent 2 years ago. Over the past year, the average rent increased by 3 percent to \$833 a month and the average value of concessions fell slightly to 15 percent of rent. The factors contributing to the gradual recovery of the apartment market were stronger job growth and limited new supply. The market, however, remains oversupplied. In its first quarter 2005 report, Apartment Appraisers & Consultants projects 2005 deliveries to be approximately 3,000 apartment units, about equal to the number delivered in 2004. This figure compares with the 8,000 units that entered the market in 2003. Multifamily permit activity for the first 5 months of 2005 is on pace with last year's 3,200 units. Demand is expected to exceed supply in 2006 and 2007. A full recovery is not expected until 2007 or later.

According to M/PF YieldStar's first quarter 2005 report, submarkets with strong demand potential for rental development include central Denver, Thornton, Denver International Airport, Boulder County, and Douglas County. Occupancy and rental rate increases in these submarkets should continue to improve ahead of other submarkets. Developer interest is strongest near light-rail stops and in the downtown area.

Several economic development and infrastructure improvements in downtown Denver contributed to a surge in new housing development. According to the Denver Downtown Partnership, almost \$5.5 billion were invested during the past 15 years. Projects include construction of the light-rail system, three major sports stadiums, and the Colorado Convention Center and additions to the Denver Center for the Performing Arts and the Denver Art Museum. These improvements and added amenities enhanced the attractiveness of downtown living for empty nesters, young professionals, and trade and service workers. The development of nearly 5,000 loft- and apartment-style rental and for-sale condominium units since 2000 demonstrates the extent of this demand. Several downtown housing developments that sold out before opening this year include the Art Museum Residences in the Golden Triangle area, the Art House Townhomes next to the future home of the Denver Contemporary Art Museum in lower downtown, and the historic renovation of the Benjamin Moore paint factory in the ballpark area. Units were priced from \$220,000 to more than \$2 million in these developments. The city's downtown affordable housing program will be given a lift with the construction of Monarch Mills in the riverfront area; prices will stay close to \$150,000 a unit for income-qualified buyers. Downtown will continue to be the recipient of large infrastructure and housing investment. Developments will center on the historic Union Station that will serve as the primary multi-modal hub for light rail. Plans are being drawn up for an \$800 million renovation of Union Station that will include housing units, offices, and retail space.

Grand Junction, Colorado

The Grand Junction, Colorado metropolitan area, located about 250 miles west of Denver, is the regional trade, service, and healthcare center for much of western Colorado and eastern Utah. The growth in population since 2000 is largely the result of the influx of retirees who moved to the metropolitan area. The U.S. Census Bureau estimated the population of the metropolitan area to be 127,254 as of July 1, 2004, an annual increase of approximately 2,590, or 2.2 percent, since the 2000



Census. The city of Grand Junction accounts for approximately 40 percent of the residents living in the area.

Tourism and the oil and gas industries are also important to the local economy. Mesa County School District and Mesa State College (MSC) are the leading public sector employers with about 2,800 and 1,200 employees, respectively. The leading private sector employers are Saint Mary's Regional Medical Center and Wal-Mart. Because of the area's service-based economy, the primary employment sectors are wholesale and retail trade with 9,900 jobs, followed by the government sector with 8,500 jobs and educational and health services with 7,700 jobs. These sectors account for nearly 45 percent of total nonfarm employment. During the 12-month period ending May 2005, total resident employment averaged 65,400, up almost 3 percent from the previous 12-month average. The average unemployment rate during the same period declined to 5.2 percent from 5.8 percent a year ago.

Since 2000, sales of existing homes and the construction of new homes in the Grand Junction metropolitan area have continued to increase. Because of low interest rates and a steady growth in the number of households, especially retirees, sales of existing and new homes have remained strong. Retirees are attracted to the metropolitan area because of the moderate climate, relatively affordable housing costs, exceptional health-care facilities, and easy access to some of the nation's premier national forests, parks, and monuments. In contrast, the rental market is softening because of the preference and affordability of homeownership.

Several subdivisions are currently being developed throughout the metropolitan area. The Orchard Mesa and Redlands Mesa areas, for example, have sold well for prices ranging from \$140,000 to \$150,000 for a starter home to more than \$1 million for a custom luxury home. For the 12-month period ending May 2005, the number of single-family homes permitted was 1,284, down from 1,433 homes permitted a year ago. Even though building permit activity is down for the current 12-month period, 2005 is on pace to equal or slightly exceed any of the previous years' permitting activity. An estimated 400 single-family homes are currently under construction.

Sales of existing homes have remained strong. For the 12-month period ending March 2005, existing sales were up 7.6 percent to 2,879 and the median sales price increased by 9.1 percent to \$162,000 from a year ago. Local sources report approximately 30 percent of

sales since 2000 were cash transactions. A significant number of sales were to households locating to the metropolitan area from higher cost regions of the nation. Currently, approximately 1,000 homes are listed for sale, the same level as a year ago.

The nearly 5,800 students enrolled at MSC have a significant impact on the local rental market. Approximately 15 percent of the students reside in university housing, and the Grand Junction housing market absorbs the remaining 4,900 students. At 100 percent capacity, MSC can house approximately 930 students on campus in four residence halls and one apartment complex. Scheduled to open by fall 2006 is a suite-style residence hall that will house close to 250 students. Students living off campus have several options available for housing, including rental homes and apartment complexes located near the campus.

Although a limited number of new market-rate and affordable rental units have entered the market since 2000, rental vacancies have slightly increased. Conditions in the rental market are somewhat soft because of the tenure shift from renter to homeowner. In its first quarter 2005 survey, the Colorado Division of Housing (DOH) estimated an apartment vacancy rate of 8.7 percent, up from the more balanced rate of 5.8 percent posted in the 2000 Census. Most of the vacant rental units are in older market-rate apartment complexes that offer few amenities. Newer market-rate and affordable complexes maintain vacancy rates that are generally less than 5 percent. DOH reported that, as of the first quarter of 2005, the average increase in rent was less than 1 percent a year since the first quarter of 2000. Average rents are approximately \$240 for an efficiency, \$420 for a one-bedroom unit, \$520 for a two-bedroom/one-bath unit, \$590 for a two-bedroom/two-bath unit, and \$615 for a three-bedroom unit.

Because of the competitive rental market, developers have reduced their activities significantly during the past year. Multifamily building permits for the 12-month period ending May 2005 totaled 42 units, down from 261 units a year earlier. Currently, no apartment developments are in the pipeline and few units are under construction. The last major market-rate project to enter the market was in the late 1990s. A small market-rate project with fewer than 20 units was completed in 2003, and a 92-unit affordable rent-restricted project was completed in April 2005. Because of the growth of retiree households, there has been an increasing demand for senior housing. Since 2000, about 60 percent of the 700 multifamily units permitted have been for age-restricted housing.

Hamilton-Middletown, Ohio

The Hamilton-Middletown Housing Market Area (HMA) in southwestern Ohio consists of Butler County. Located between the Cincinnati and Dayton metropolitan areas, the HMA has grown because increasing numbers of workers in the Cincinnati and Dayton job centers have moved to Hamilton-Middletown for the new, relatively affordable housing.

As of April 2005, the population in the HMA was estimated to be 350,800, an average annual increase of 1.1 percent since the 2000 Census. Nearly half the population growth is due to in-migration. Since 2000, much of the population growth has occurred primarily in the eastern unincorporated areas of Union Township and Liberty Township.

Since 2000, total employment in the HMA has increased at a rate of 1.3 percent annually and averaged 185,000 for the 12-month period ending May 2005. The unemployment rate for the Hamilton-Middletown HMA averaged 5 percent for the same period, up from 4.5 percent during the previous 12 months. Since 2000, the unemployment rate for the HMA has been below that of the state.

Growth in the financial and healthcare sectors has contributed to the continued diversification of the local economy from goods-producing to service-providing employment. Since 2000, the healthcare sector has added more than 220 jobs annually. Miami University, with more than 4,250 faculty and staff, is the leading employer in the HMA and provides a level of economic stability to the area. While the manufacturing sector has declined over the past several years, AK Steel, headquartered in Middletown, remains a leading force in the economy with close to 3,000 workers. Homebuilding, new commercial and retail development necessary to support households in the growth areas, and the addition of several new buildings at Miami University have contributed to the steady growth of construction employment, averaging 160 jobs annually since 2000.

The stable economy of the region and relatively low home prices have stimulated home sales in the Hamilton-Middletown HMA in recent years. The Cincinnati Multiple Listing Service reported a record 5,680 sales in Butler County in 2004, a 4-percent gain over 2003. For the 12-month period ending May 2005, 5,155 single-family homes were sold and the median sales price was \$155,000. In addition, 629 condominium units were sold, with a median sales price of \$92,000. Existing home and condominium sales for the first 5 months of 2005 are on pace to set a record. Since 2000,

the median sales price for a single-family home has increased 3.6 percent annually, while the median sales price for a condominium has increased 5.3 percent a year. Most new homes in the area sell in the range of \$250,000 to \$400,000. Single-family building permit activity for 2003 and 2004 averaged approximately 2,300 homes annually. The pace of activity for the past 12 months ending May 2005 is slightly below that level. Developers are most active in the eastern part of the county, within timely commuting distance to Cincinnati and Dayton employment centers.

The Hamilton-Middletown rental market is currently somewhat soft, with an overall vacancy rate of 8.5 percent. During the past 12 months, rents have remained generally flat. In the cities of Hamilton and Middletown, two-bedroom rents typically range between \$550 and \$600. In the growing West Chester and Liberty Township areas, two-bedroom rents range between \$750 and \$800. With the decline in mortgage interest rates and the relatively low price of homes in the HMA, the sales market has been increasingly competitive. A significant number of renter households has moved to homeownership at a time when rental development is outpacing the growth in renter households. As a result, rental vacancy rates have increased, especially in the higher rent Class A properties. In response to softer market conditions, multifamily building permit activity declined to an average of 400 units annually from 2000 through 2004.

Contrary to the overall rental market, rental conditions in the Oxford area are tight, with approximately 3 percent vacancy. The limited supply of rental housing in the area and the increasing demand from students at Miami University keeps vacancies very low. For off-campus housing, the typical monthly rent per student ranges from \$700 to \$1,000, depending primarily on location, size of the unit, and availability of a private bedroom. The university is scheduled to open a new apartment complex for upper class students in August 2005. Because this complex will replace older on-campus housing, it is not expected to have any effect on the off-campus rental market.

Phoenix, Arizona

The Phoenix, Arizona metropolitan area, consisting of Maricopa and Pinal Counties, is one of leading growth areas in the nation. Phoenix is the nation's sixth-largest city, with an estimated population of more than 1.4 million. According to Arizona State University estimates, the Phoenix metropolitan area population was 3.74



million as of July 2004, a gain of 115,400, or 3.5 percent, a year since April 2000. Domestic and international in-migration accounted for more than two-thirds of this growth. Expanding employment opportunities and lower housing costs compared with some surrounding states attract job seekers and retirees. Maricopa County led the nation's counties in annual population growth, based on July 2004 Census estimates, and accounts for 94 percent of the metropolitan area's population. Pinal County had an estimated population of 218,285, an increase of 5 percent annually since 2000. Growth in Pinal County has been due mainly to the abundance of lower priced land for subdivisions.

The Phoenix economy continued to grow rapidly during the second quarter of 2005. In the 12 months ending May 2005, nonfarm employment rose by 63,800 jobs, a 3.9-percent increase. The gain in jobs was nearly double the number added in the previous 12 months and among the highest in the nation. The leading sector was construction, which contributed one-fourth of net new jobs due to the high volume of commercial and residential development. Manufacturing employment was close to stabilizing because local aerospace firms were buoyed by an increase in defense contracts. Jobs in the service-providing industries rose 48,000, or 3.4 percent, primarily due to increases in retail trade, professional and business, and education and health services employment. The leisure and hospitality sector added 6,600 jobs due to the recovery of business travel and tourism after several years of sluggish activity. The strengthening economy has created a relatively tight labor market. The unemployment rate averaged 4.2 percent in the 12 months ending May 2005, down from 5 percent in the previous 12 months.

Rapid population growth, low mortgage interest rates, and demand from investors and second-home buyers maintained extremely strong market conditions for existing and new homes in Phoenix. The Phoenix Housing Market Letter reported a record level of nearly 113,000 existing homes sold in Maricopa County in 2004, a 30-percent increase compared with 2003. In the 12-month period ending May 2005, sales rose 35 percent from the same period a year earlier. The average time on the market for single-family homes declined quickly from an average 65 days in 2003 to 44 days in 2004 and only 25 days in May 2005. Increased equity in the existing home market has fueled demand for new homes. The Phoenix Housing Market Letter reported a record 48,880 new home sales in 2004, a 24-percent gain compared with the previous year. As of the January through May 2005 period, sales were up 21 percent compared with the first 5 months of 2004, indicating that new home sales would likely reach a new record by the end of 2005. In response to the strength of

home sales, builders received permits for a record of nearly 61,000 single-family homes in 2004, a 28-percent increase from the number permitted in 2003. For the 12-month period ending May 2005, single-family permits were up 19 percent compared with the same period a year ago. The demand for new homes far exceeds the supply, with a reported 7 months' average backlog of presales in the area. The areas with greatest subdivision development are the city of Phoenix, the East Valley, the West Valley, and Pinal County. The search for developable land has led developers to Pinal County where nearly 20 percent of the metropolitan area's single-family building permits were issued in 2004 compared with only 6 percent in 2000.

The high demand for homes, combined with an inventory shortage, has resulted in rapid price appreciation. The Arizona Real Estate Center survey estimated a median resale price of \$203,000 and a median new home sales price of \$218,200 for the first quarter of 2005, rising 27 and 21 percent, respectively, from the same quarter a year ago. This percentage increase shows a marked acceleration in price compared with the same period in 2003 and 2004 when existing and new home prices increased 7 and 10 percent, respectively.

The Phoenix metropolitan area rental market continued to strengthen during the quarter, but the overall vacancy rate was still considered competitive. According to the Arizona Real Estate Center survey, the rental vacancy for larger apartments declined steadily over the year to about 7.5 percent in the first quarter of 2005 from 9 percent in the same quarter a year earlier. This decline represents a significant improvement from the weak rental market in late 2001 through 2003 when apartment vacancies peaked around 10 percent. Considerable variation occurred among submarkets, with the lowest vacancies in the upper end Scottsdale and Northeast Phoenix areas and above-average vacancies in the Central Phoenix, Chandler-Gilbert, and Southwest Valley areas. Effective rents increased 2.4 percent overall as of the first quarter of 2005 from the same quarter a year earlier, after declining for 3 previous years. Despite the increase, average rents still remain below 2000 levels according to Reis, Inc., estimates.

The moderate level of multifamily building permit activity since 2000, combined with condominium conversions, has contributed to the firming of the rental market. In the 5 months ending May 2005, multifamily permits were down 10 percent from the same period of the previous year. In the last 18 months, about 2,500 rental units have been converted to condominiums, reducing rental availability. Combined with improved employment and population growth, continued condominium conversion of rental units and low levels of

apartment construction are expected to contribute to additional declines in the rental vacancy rate over the next year.

Several public and private developments are reshaping residential and commercial markets in the downtown Phoenix market area. The existing convention center is currently tripling in size and a 1,000-room Sheraton luxury hotel will break ground this year. A light-rail system, currently under construction, will link north Phoenix, downtown Phoenix, and Tempe when completed in 2008. An Arizona State University 15,000-student branch campus and medical school have been proposed to begin construction within 3 years. Several high-rise condominiums totaling nearly 1,300 units are either planned or under construction. The Matthew Henson HOPE VI development is in the process of replacing 358 older public housing units with 600 new, lower density, mixed-income units. The project involves transforming 160 acres near the state capitol building and includes several parks and community centers for teens and seniors.

St. Tammany Parish, Louisiana

St. Tammany Parish is part of the New Orleans, Louisiana metropolitan area and includes the cities of Slidell, Covington, and Mandeville. The parish lies along the northern shore of Lake Pontchartrain. St. Tammany Parish has increasingly become the focus of new development during the past decade as housing costs and traffic congestion have increased in the rest of the metropolitan area. With an annual growth rate of 2.8 percent since 2000, St. Tammany has Louisiana's third fastest growing population, primarily due to migration from New Orleans. Currently, an estimated 219,500 people reside in the parish, making it the fifth largest in the state.

Since 2003, nonfarm employment expanded by an average annual rate of 5.4 percent, which is substantially higher than the 2.3-percent annual increases in 2001 and 2002. St. Tammany is a bedroom community of New Orleans, but is moving toward an independent economy with most job growth in the service-providing and construction sectors. During the 12 months ending June 2005, nonfarm employment increased by 2,520 jobs to 67,600. From 2001 to 2005, the service-providing sector accounted for 83 percent of employment gains, or nearly 1,800 jobs annually. The St. Tammany Parish public school system is the largest employer with approximately 7,000 employees.

Resident employment in the parish increased by 5,000 workers to 98,000 during the past 12 months. Since 2000, the average increase has been almost 2,400, or 2.6 percent, annually. Approximately 40 percent of the resident employees, or 39,000 people, work outside the parish, but primarily within the metropolitan area. The unemployment rate is the lowest among all metropolitan parishes in Louisiana and averaged 3.5 percent for the 12 months ending June 2005, down from 3.8 percent for the previous 12 months.

Construction activity is consistent with the resident employment growth in the parish. The number of new single-family homes authorized by building permits averaged 2,450 annually during the past 5 years. More recently, permits for 3,226 single-family homes were issued during the 12 months ending May 2005, a 14-percent increase compared with the previous 12-month period.

According to the New Orleans Metropolitan Association of REALTORS® sales of existing homes for the 12 months ending June 2005 totaled 4,227 units, an increase of 2 percent compared with the previous 12 months. Single-family properties are typically on the market for only about 2 months. The average home price increased by 8 percent to \$193,143, with considerable variation within the parish. In western St. Tammany, which includes Covington and Mandeville, the average price during the past year was \$218,000. In eastern St. Tammany, which includes Slidell, it was \$151,000. The difference in price is attributed to a much lower lot cost and smaller homes in the eastern part of the parish. Throughout the parish, about 25 percent of new homes sold in recent years are classified as speculative, or built and marketed to any buyer without a contract.

The overall sales market is expected to remain strong over the next few years. More than 1,000 lots are available for building homes and condominiums outside the city limits of Covington; another 250 lots are available in the city of Mandeville. The largest construction project in southern Louisiana, Lakeshore Estates, is currently being developed in the Slidell area. The 3,000-acre development has a 2-mile shoreline along Lake Pontchartrain. Lakeshore Estates is an upscale community that currently has 150 homes completed and another 150 under construction. When completed, it will include luxury single-family homes, townhouses, condominiums, and apartment units. All building sites are on the water and are priced from \$200,000 to \$500,000. Construction of three condominium projects with a total of 584 units and prices ranging from \$400,000 to more than \$1 million is



expected to begin by January 2006. Area facilities already include the 45,000-square-foot Northshore Harbor Center, the newest convention and event center in Louisiana. Lakeshore Estates will include a 500-slip marina and boardwalk, an athletic and fitness facility, a megaplex theater, hotels, restaurants, office buildings, and a 250-acre industrial park.

Only 18 percent of the households in the parish are renters, down from 20 percent in 2000 and 24 percent in 1990. Approximately 500 rental units were added in St. Tammany each year during 2002 and 2003, compared with fewer than 80 units annually during the previous 10 years. As a result, the multifamily rental market softened to a vacancy rate of 12 percent as of November 2004. During the past 6 months, all multifamily building projects were completed and the vacancy rate increased to 14 percent. Two waterfront multifamily rental projects with a total of 402 units opened approximately 1 year ago at an average rent of \$945 and were 75 percent occupied as of June 2005. Although the market remains competitive, the vacancy rate is expected to decline since no units are under construction.

San Francisco Bay Area, California

The San Francisco Bay Area, encompassing the nine counties surrounding the bay, is home to 7.2 million people, or one-fifth of the population in the state. Since 2000, the population has increased at an annual rate of less than 1 percent. Net in-migration continues to be relatively low, reflecting local economic conditions and housing costs. Net natural increase (resident births minus resident deaths) accounted for 92 percent of total growth. The fastest population growth, at an annual rate of 1.5 percent, occurred in San Benito and Contra Costa, the southernmost and easternmost counties, respectively. These two areas have the lowest housing costs in the Bay Area. Although still experiencing a steady out-migration since the rapid decline in high-technology jobs in 2000, gains in Santa Clara County accounted for 25 percent, the largest share, of the Bay Area's total population growth since 2000.

After several years of decline, the Bay Area economy is showing signs of employment recovery. In the 12 months ending May 2005, nonfarm employment increased by 5,400 to total just under 3.2 million jobs, up 0.2 percent from the previous 12-month period. The unemployment rate improved from 6.5 percent to 5.3 percent. The recent decrease in the unemployment rate is attributable to overall job creation, increased self-employment, and the departure of discouraged job seekers.

The leading sectors of the Bay Area job recovery were primarily construction, educational and health services, and leisure and hospitality, with gains of 6,500, 5,100, and 2,550 jobs, respectively. The educational and health services sector was the only sector to create jobs every year since 2000. Job losses were concentrated in the government sector and the trade, transportation, and utilities sector, which lost 5,800 and 3,800 jobs, respectively. The weakness in trade and transportation employment was due primarily to retail job losses in Santa Clara County and to higher oil prices hurting the overall transportation segment. Most of the government sector's decrease occurred at the local level as cities and counties dealt with continued budget deficits and the reduced allocation of state funds.

Because of historically low mortgage rates and high demand, the housing sales market remains the strongest sector in the local economy. The total sales volume has recovered steadily after dropping to a 5-year low in 2001, and prices have continued to set record levels. New and existing home sales peaked at 135,600 during the 12 months ending in March 2005, but sales dropped slightly during the current period. A total of 132,500 units were sold in the 12 months ending June 2005, virtually unchanged from the previous 12 months. The median sales price was \$548,900, a 17-percent increase compared with the same period the year before. The strong rate of price appreciation reflects a seller's market in which multiple offers were commonplace with few, if any, contingencies. In the first quarter of 2005, the unsold subdivision inventory in the six most active Bay Area counties was down to about a 1 to 2 weeks' supply, according to the Gregory Group.

In the 12 months ending May 2005, single-family building permits were approved for 14,900 homes, an 8-percent decline from the previous 12-month period. Bay Area developers find it difficult to keep pace with demand in the face of environmental concerns, neighborhood opposition, and rising development costs. Land development is more feasible in the eastern and southern parts of the Bay Area. Thus, fast-growing Contra Costa County, where new single-family houses start in the relatively low \$600,000s, issued 31 percent of the single-family permits in the Bay Area during the past 12 months. Alameda, Santa Clara, and Solano Counties followed, each with 15 percent of the approved single-family permit activity. The cities of San Jose and San Francisco are addressing the scarcity of development sites by selectively approving the conversion of existing industrial/office space to residential development.

Multifamily building permit activity has rebounded since registering a sharp downturn in 2002. In the 12

months ending May 2005, permits were issued for 12,100 units, an increase of 26 percent from the previous period of 9,600 units. Of the multifamily units permitted in the Bay Area during the past 12 months, Santa Clara County issued one-third, Alameda County accounted for 25 percent, and San Francisco issued 17 percent. In response to the strong demand for homeownership, most of the developments are condominiums. A number of the rental developments are being built under condominium specifications anticipating possible future conversion. Most of the new construction in the city of San Francisco is concentrated in the redeveloping Mission Bay and Rincon Hill areas.

The rental market in the Bay Area remains competitive. The rental vacancy rate was virtually unchanged at 5.4 percent in the 12 months ending June 2005 compared with the same period the previous year. In Santa Clara County, where job losses have been greatest, rents average \$1,275, a decrease of 0.7 percent from the previous year. Rents decreased 0.3 percent in Alameda and Contra Costa Counties to average \$1,182. San Francisco rents did not change from the year-ago average of \$1,525. Rental concessions remain but, according to reports, they may not be as widespread as they previously were. The improving job market, diminishing home affordability, conversion of multifamily rental units to condominiums, and a modest supply of new rental units are expected to gradually lower vacancy levels in the Bay Area through next year.

Washington, D.C.-Maryland-Virginia-West Virginia

The Washington metropolitan area, consisting of the District of Columbia (DC) and 22 neighboring counties in Maryland, Virginia, and West Virginia, continues to be one of the strongest housing markets in the nation. Despite significant price increases, home sales continue to increase because of strong economic growth. The rental market is also strong with low vacancy rates and relatively fast absorption of new apartments. Since 2000, population in the metropolitan area increased at a rate of 1.6 percent a year to an estimated 5.2 million as of July 1, 2004, according to the U.S. Census Bureau. The rate of growth was highest in West Virginia at 2.9 percent, followed by 2.3 percent in Virginia and 1.5 percent in Maryland. Nearly 46 percent of the population resides in Virginia, 43 percent in Maryland, and almost 11 percent in DC. DC had a slight decrease in population at a rate of less than 1 percent a year.

The federal government accounts for 12 percent of the 2,881,200 total jobs currently in the area. A study by the National Capital Planning Commission states that more than 20 percent of all jobs in 2000 were related to government contracts. In addition, the study indicates that federal contracts and procurement contributed an estimated \$31.5 billion to the Washington metropolitan area economy in 2001. During the past year, the professional and business services sector grew by 4.5 percent, or 27,000 jobs, reflecting the continued importance on contract employment.

Approximately 70,000 jobs were added to the local economy during the 12 months ending May 2005, up 2.5 percent compared with the previous 12 months. The natural resources, mining, and construction sector grew by 4.7 percent, more than any other sector because of the significant amount of housing construction and development activity occurring throughout the area. The leisure and hospitality sector, which benefits from the numerous museums, monuments, and other historical attractions, added 10,000 new jobs during the past 12 months. Several major firms have operations in the metropolitan area including Giant Foods, Lockheed Martin, Inova Health System, Booz Allen Hamilton, Sprint Nextel, and Northrop Grumman. During the most recent 12-month period, the unemployment rate remained unchanged from a year ago at 3.4 percent, a slightly higher rate than the 2.7-percent rate in 2000, as labor force growth has outpaced gains in resident employment.

According to data from Metropolitan Regional Information Systems, Inc., sales of new and existing homes totaled nearly 119,200 during the 12-month period ending June 2005, a 7-percent increase from a year ago. The changes ranged from a decline of 2 percent in Arlington County, Virginia, to increases of more than 20 percent in Manassas city and Manassas Park city, Virginia, and 30 percent in Culpepper County and Falls Church city, Virginia. Nearly 50 percent of all homes sold were in Fairfax County, Virginia, and Montgomery and Prince George's Counties, Maryland. Prices in the metropolitan area increased by 22 percent from a year ago to an average of \$409,600. Currently, the average number of days on the market has declined to less than 30 days in many locations.

Condominiums are an increasingly attractive and affordable alternative for homebuyers. In an effort to meet demand, several existing apartment developments have been converted to condominiums and other planned rental complexes have switched before completion, reflecting trends that are likely to continue. According to Delta Associates, Inc., these conversions



account for more than 70 percent of the condominium supply added during the second quarter of 2005. Approximately 57 percent of the total sales during the past year were in Virginia, 26 percent in DC, and 17 percent in Maryland. Prices for newly constructed condominiums range from \$200,000 to \$500,000 throughout the metropolitan area.

High absorption rates continue to keep the metropolitan area rental housing market tight. According to Delta Associates, the stabilized vacancy rate, which excludes projects in rent up, was 2.4 percent for Class A and B apartments in the second quarter of 2005, almost unchanged from a year ago. Overall vacancy rates, including actively marketed properties, were 4.5 percent for Class A units in the metropolitan area, down from 7.3 percent a year ago. The overall rate in DC was 8.6 percent because of increased supply, although absorption remains strong. In Maryland and Virginia, the overall vacancy rates were 5.5 and 3.5 percent, respectively. Since 2000, rents have increased 3.4 percent a year throughout the metropolitan area, with a higher rate in Maryland and DC than in Virginia. According to Reis, Inc., the median rent in DC for the first quarter of 2005 was \$1,091. Gross rents in the metropolitan area for recently constructed market-rate rentals typically range between \$1,250 and \$1,450 for a one-bedroom unit, \$1,500 to \$1,700 for a two-bedroom unit, and \$1,800 to \$2,000 for a three-bedroom unit.

The continued substantive demand for new homes and apartments has kept construction levels high. Building permits were issued for 37,275 housing units during the 12-month period ending May 2005, approximately the same number issued in the previous 12 months. Development has been limited in some areas, particularly in Maryland, because of a shortage of buildable sites or lack of infrastructure. Approximately 24 percent of all units permitted were multifamily, reflecting the construction of large-scale apartment and condominium complexes. According to Delta Associates, an estimated 5,000 planned apartment units are expected to enter the market in Virginia during the next 3 years, with several complexes to be constructed in Reston. Approximately 7,400 units are planned for Maryland during the same period, with almost 1,200 planned in Silver Spring. Nearly 17,800 condominium units are planned for construction in the entire market area during the next 3 years.

According to the DC Marketing Center, nearly 10,000 new and renovated housing units valued at more than \$2 billion have been completed in DC since 2002. Nearly 10,000 additional units are under construction or renovation and 8,000 more units are in the planning stages. In addition, several large-scale economic developments are helping to revitalize certain segments of the city and promote new housing construction. One such project is the 20-year, \$8 billion plan to redevelop areas near the Anacostia River, which includes plans for a new Major League Baseball stadium.

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

HUD Region and State	2005 Through June			2004 Through June			Ratio: 2005/2004 Through June		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	5,408	4,218	1,190	5,262	4,103	1,159	1.028	1.028	1.027
Maine	4,364	3,912	452	4,277	3,889	388	1.020	1.006	1.165
Massachusetts	11,173	6,590	4,583	9,626	6,741	2,885	1.161	0.978	1.589
New Hampshire	3,776	3,115	661	4,339	3,153	1,186	0.870	0.988	0.557
Rhode Island	1,069	875	194	1,238	961	277	0.863	0.911	0.700
Vermont	1,548	1,358	190	1,876	1,438	438	0.825	0.944	0.434
New England	27,338	20,068	7,270	26,618	20,285	6,333	1.027	0.989	1.148
New Jersey	19,179	10,582	8,597	16,726	10,667	6,059	1.147	0.992	1.419
New York	28,921	11,044	17,877	25,522	11,674	13,848	1.133	0.946	1.291
New York/New Jersey	48,100	21,626	26,474	42,248	22,341	19,907	1.139	0.968	1.330
Delaware	4,127	3,627	500	3,930	3,669	261	1.050	0.989	1.916
District of Columbia	1,476	69	1,407	1,254	166	1,088	1.177	0.416	1.293
Maryland	17,143	13,155	3,988	13,609	11,181	2,428	1.260	1.177	1.643
Pennsylvania	20,489	17,146	3,343	26,300	21,506	4,794	0.779	0.797	0.697
Virginia	31,837	26,543	5,294	32,011	24,621	7,390	0.995	1.078	0.716
West Virginia	2,836	2,645	191	2,663	2,451	212	1.065	1.079	0.901
Mid-Atlantic	77,908	63,185	14,723	79,767	63,594	16,173	0.977	0.994	0.910
Alabama	15,530	12,359	3,171	15,905	12,415	3,490	0.976	0.995	0.909
Florida	143,018	105,642	37,376	125,375	93,810	31,565	1.141	1.126	1.184
Georgia	52,807	45,385	7,422	52,678	45,099	7,579	1.002	1.006	0.979
Kentucky	11,335	9,818	1,517	11,441	9,699	1,742	0.991	1.012	0.871
Mississippi	6,567	5,833	734	6,440	5,746	694	1.020	1.015	1.058
North Carolina	50,488	43,341	7,147	46,735	39,267	7,468	1.080	1.104	0.957
South Carolina	27,118	21,946	5,172	20,804	17,779	3,025	1.303	1.234	1.710
Tennessee	23,353	20,109	3,244	23,323	19,355	3,968	1.001	1.039	0.818
Southeast/Caribbean	330,216	264,433	65,783	302,701	243,170	59,531	1.091	1.087	1.105
Illinois	30,949	23,190	7,759	28,061	22,372	5,689	1.103	1.037	1.364
Indiana	18,491	15,521	2,970	19,498	16,133	3,365	0.948	0.962	0.883
Michigan	23,857	20,705	3,152	24,344	21,450	2,894	0.980	0.965	1.089
Minnesota	16,393	13,854	2,539	18,213	14,700	3,513	0.900	0.942	0.723
Ohio	26,444	22,334	4,110	24,795	21,162	3,633	1.067	1.055	1.131
Wisconsin	17,250	13,099	4,151	18,115	13,433	4,682	0.952	0.975	0.887
Midwest	133,384	108,703	24,681	133,026	109,250	23,776	1.003	0.995	1.038
Arkansas	7,879	5,715	2,164	8,094	4,938	3,156	0.973	1.157	0.686
Louisiana	11,521	10,483	1,038	10,515	8,981	1,534	1.096	1.167	0.677
New Mexico	7,143	6,891	252	7,629	6,882	747	0.936	1.001	0.337
Oklahoma	9,125	7,729	1,396	7,985	6,693	1,292	1.143	1.155	1.080
Texas	103,783	82,216	21,567	93,628	74,539	19,089	1.108	1.103	1.130
Southwest	139,451	113,034	26,417	127,851	102,033	25,818	1.091	1.108	1.023
Iowa	8,149	6,224	1,925	7,885	6,187	1,698	1.033	1.006	1.134
Kansas	6,508	5,483	1,025	5,996	5,375	621	1.085	1.020	1.651
Missouri	16,227	13,132	3,095	14,575	11,964	2,611	1.113	1.098	1.185
Nebraska	5,115	4,441	674	4,927	4,328	599	1.038	1.026	1.125
Great Plains	35,999	29,280	6,719	33,383	27,854	5,529	1.078	1.051	1.215
Colorado	23,263	20,534	2,729	23,549	19,832	3,717	0.988	1.035	0.734
Montana	2,441	1,898	543	1,537	1,001	536	1.588	1.896	1.013
North Dakota	1,951	962	989	2,043	1,175	868	0.955	0.819	1.139
South Dakota	2,736	2,259	477	2,901	2,301	600	0.943	0.982	0.795
Utah	13,647	11,987	1,660	11,411	9,398	2,013	1.196	1.275	0.825
Wyoming	1,612	1,337	275	1,535	1,267	268	1.050	1.055	1.026
Rocky Mountain	45,650	38,977	6,673	42,976	34,974	8,002	1.062	1.114	0.834
Arizona	47,774	42,884	4,890	42,507	38,494	4,013	1.124	1.114	1.219
California	103,968	77,501	26,467	104,092	78,426	25,666	0.999	0.988	1.031
Hawaii	4,956	3,315	1,641	4,875	2,868	2,007	1.017	1.156	0.818
Nevada	22,699	18,352	4,347	26,011	22,440	3,571	0.873	0.818	1.217
Pacific	179,397	142,052	37,345	177,485	142,228	35,257	1.011	0.999	1.059
Alaska	1,522	857	665	1,756	956	800	0.867	0.896	0.831
Idaho	10,623	9,563	1,060	7,849	6,800	1,049	1.353	1.406	1.010
Oregon	15,947	12,642	3,305	13,200	10,391	2,809	1.208	1.217	1.177
Washington	25,437	20,168	5,269	23,209	18,911	4,298	1.096	1.066	1.226
Northwest	53,529	43,230	10,299	46,014	37,058	8,956	1.163	1.167	1.150
United States	1,070,972	844,588	226,384	1,012,069	802,787	209,282	1.058	1.052	1.082

*Multifamily is two or more units in structure.

Source: Census Bureau, Department of Commerce



Units Authorized by Building Permits, Year to Date: 50 Most Active Core Based Statistical Areas (Listed by Total Building Permits)

CBSA*	CBSA Name	2005 Through June		
		Total	Single Family	Multi-family**
12060	Atlanta-Sandy Springs-Marietta, GA	35,952	30,115	5,837
26420	Houston-Baytown-Sugar Land, TX	32,896	26,764	6,132
38060	Phoenix-Mesa-Scottsdale, AZ	32,418	29,073	3,345
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	31,995	9,086	22,909
19100	Dallas-Fort Worth-Arlington, TX	29,157	23,565	5,592
40140	Riverside-San Bernardino-Ontario, CA	26,180	23,226	2,954
16980	Chicago-Naperville-Joliet, IL-IN-WI	23,863	17,101	6,762
33100	Miami-Fort Lauderdale-Miami Beach, FL	22,979	12,679	10,300
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	20,508	14,820	5,688
29820	Las Vegas-Paradise, NV	18,513	15,338	3,175
45300	Tampa-St. Petersburg-Clearwater, FL	18,448	14,175	4,273
36740	Orlando, FL	18,218	13,825	4,393
31100	Los Angeles-Long Beach-Santa Ana, CA	16,546	8,252	8,294
15980	Cape Coral-Fort Myers, FL	14,617	11,746	2,871
27260	Jacksonville, FL	12,802	9,224	3,578
42660	Seattle-Tacoma-Bellevue, WA	12,538	9,006	3,532
16740	Charlotte-Gastonia-Concord, NC-SC	10,642	9,283	1,359
19740	Denver-Aurora, CO	10,353	8,683	1,670
33460	Minneapolis-St. Paul-Bloomington, MN-WI	10,337	8,285	2,052
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10,154	7,501	2,653
12420	Austin-Round Rock, TX	10,139	8,239	1,900
41700	San Antonio, TX	10,135	6,683	3,452
40900	Sacramento--Arden-Arcade--Roseville, CA	9,903	8,410	1,493
34980	Nashville-Davidson--Murfreesboro, TN	9,153	7,261	1,892
41740	San Diego-Carlsbad-San Marcos, CA	9,017	4,436	4,581
19820	Detroit-Warren-Livonia, MI	8,645	7,243	1,402
38900	Portland-Vancouver-Beaverton, OR-WA	8,216	6,063	2,153
14460	Boston-Cambridge-Quincy, MA-NH	8,018	3,717	4,301
41180	St. Louis, MO-IL	7,936	6,977	959
28140	Kansas City, MO-KS	7,744	6,280	1,464
39580	Raleigh-Cary, NC	7,300	7,021	279
42260	Sarasota-Bradenton-Venice, FL	7,043	5,767	1,276
26900	Indianapolis, IN	6,934	6,023	911
41860	San Francisco-Oakland-Fremont, CA	6,338	4,152	2,186
17140	Cincinnati-Middletown, OH-KY-IN	6,326	5,430	896
46060	Tucson, AZ	6,098	5,753	345
18140	Columbus, OH	6,076	4,600	1,476
29460	Lakeland, FL	5,719	4,934	785
14260	Boise City-Nampa, ID	5,659	5,352	307
38940	Port St. Lucie-Fort Pierce, FL	5,497	4,906	591
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	5,435	3,070	2,365
16700	Charleston-North Charleston, SC	5,393	3,866	1,527
40060	Richmond, VA	5,260	4,501	759
47260	Virginia Beach-Norfolk-Newport News, VA-NC	5,254	3,854	1,400
12580	Baltimore-Towson, MD	5,238	4,245	993
48900	Wilmington, NC	5,020	4,290	730
32820	Memphis, TN-MS-AR	4,977	4,816	161
32580	McAllen-Edinburg-Pharr, TX	4,887	3,642	1,245
36420	Oklahoma City, OK	4,765	4,155	610
31140	Louisville, KY-IN	4,614	4,127	487

* Based on Office of Management and Budget's metropolitan and micropolitan statistical area definitions announced on June 6, 2003.

** Multifamily is two or more units in structure.

CBSA=Core Based Statistical Area.

Source: Census Bureau, Department of Commerce



Historical Data



Table 1. New Privately Owned Housing Units Authorized:* 1967–Present**

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
2004	2,070.1	1,613.4	43.0	47.4	366.2	1,814.8	255.3	197.0	370.5	960.8	541.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Apr	2,069	1,610	92		367	NA		200	381	949	539
May	2,129	1,660	88		381	NA		203	360	1,012	554
Jun	2,014	1,606	83		325	NA		208	342	940	524
Jul	2,114	1,625	105		384	NA		198	363	984	569
Aug	2,058	1,606	85		367	NA		179	381	964	534
Sep	2,039	1,593	78		368	NA		200	378	935	526
Oct	2,093	1,603	87		403	NA		182	370	1,011	530
Nov	2,093	1,588	90		415	NA		203	353	947	590
Dec	2,081	1,620	90		371	NA		191	392	948	550
2005											
Jan	2,136	1,635	84		417	NA		195	356	1,040	545
Feb	2,093	1,624	83		386	NA		189	381	974	549
Mar	2,021	1,552	85		384	NA		184	349	961	527
Apr	2,148	1,640	78		430	NA		200	379	1,011	558
May	2,062	1,628	85		349	NA		191	354	968	549
Jun	2,132	1,653	87		392	NA		213	361	1,032	526

*Authorized in permit-issuing places.

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

Source: Census Bureau, Department of Commerce

<http://www.census.gov/indicator/www/newresconst.pdf>



Table 2. New Privately Owned Housing Units Started: 1967–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
2004	1,955.8	1,610.5	17.7	24.6	303.0	1,592.6	363.3	175.4	355.7	908.5	516.2
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Apr	1,968	1,624	NA		308	NA	NA	178	387	952	451
May	1,974	1,649	NA		269	NA	NA	180	359	862	573
Jun	1,827	1,526	NA		275	NA	NA	165	314	874	474
Jul	1,986	1,661	NA		261	NA	NA	182	349	894	561
Aug	2,025	1,689	NA		268	NA	NA	202	369	912	542
Sep	1,912	1,555	NA		326	NA	NA	158	348	908	498
Oct	2,062	1,666	NA		355	NA	NA	175	389	947	551
Nov	1,807	1,484	NA		284	NA	NA	161	318	851	477
Dec	2,050	1,713	NA		289	NA	NA	195	379	955	521
2005											
Jan	2,188	1,769	NA		371	NA	NA	164	332	1,138	554
Feb	2,228	1,808	NA		368	NA	NA	207	433	1,018	570
Mar	1,833	1,550	NA		249	NA	NA	210	311	830	482
Apr	2,027	1,640	NA		340	NA	NA	189	326	1,021	491
May	2,004	1,709	NA		260	NA	NA	186	381	900	537
Jun	2,004	1,667	NA		302	NA	NA	185	335	1,003	481

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

Source: Census Bureau, Department of Commerce
<http://www.census.gov/indicator/www/newresconst.pdf>



Table 3. New Privately Owned Housing Units Under Construction: 1970–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
2004	1,237.1	850.3	14.0	24.1	348.7	1,011.8	225.3	146.8	222.4	536.4	331.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Apr	1,225	839	NA		359	NA		137	239	537	312
May	1,230	851	NA		351	NA		140	237	533	320
Jun	1,225	851	NA		346	NA		139	233	536	317
Jul	1,244	856	NA		357	NA		142	228	550	324
Aug	1,236	865	NA		336	NA		145	221	539	331
Sep	1,243	866	NA		341	NA		143	222	543	335
Oct	1,262	880	NA		346	NA		141	225	553	343
Nov	1,269	886	NA		346	NA		143	226	555	345
Dec	1,282	893	NA		351	NA		148	227	561	346
2005											
Jan	1,307	909	NA		360	NA		152	228	580	347
Feb	1,327	923	NA		367	NA		153	231	589	354
Mar	1,314	913	NA		364	NA		158	228	581	347
Apr	1,323	912	NA		373	NA		165	223	591	344
May	1,327	919	NA		372	NA		166	221	589	351
Jun	1,329	917	NA		375	NA		166	218	593	352

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development <http://www.census.gov/indicator/www/newresconst.pdf>



Table 4. New Privately Owned Housing Units Completed: 1970–Present*

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
2004	1,841.9	1,531.5	11.2	12.2	286.9	1,514.5	327.4	155.9	362.4	840.4	483.3
Monthly Data (Seasonally Adjusted Annual Rates)											
2004											
Apr	1,956	1,663	NA		271	NA		143	370	902	541
May	1,909	1,509	NA		378	NA		147	379	901	482
Jun	1,857	1,523	NA		311	NA		176	354	833	494
Jul	1,888	1,557	NA		299	NA		156	365	883	484
Aug	1,909	1,546	NA		344	NA		167	422	868	452
Sep	1,784	1,522	NA		242	NA		162	335	828	459
Oct	1,841	1,539	NA		272	NA		187	353	816	485
Nov	1,725	1,436	NA		267	NA		151	310	825	439
Dec	1,911	1,649	NA		234	NA		144	360	845	562
2005											
Jan	1,883	1,576	NA		261	NA		154	331	862	536
Feb	1,922	1,622	NA		248	NA		187	385	893	457
Mar	1,797	1,534	NA		234	NA		151	333	811	502
Apr	1,944	1,638	NA		277	NA		166	353	915	510
May	2,092	1,735	NA		308	NA		166	439	963	524
Jun	1,953	1,647	NA		276	NA		192	381	912	468

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development
<http://www.census.gov/indicator/www/newresconst.pdf>

Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1977–Present



Period	Shipments*	Placed for Residential Use*					Average Price (\$)	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	14,200	70
1978	276	280	17	50	135	78	15,900	74
1979	277	280	17	47	145	71	17,600	76
1980	222	234	12	32	140	49	19,800	56
1981	241	229	12	30	144	44	19,900	58
1982	240	234	12	26	161	35	19,700	58
1983	296	278	16	34	186	41	21,000	73
1984	295	288	20	35	193	39	21,500	82
1985	284	283	20	39	188	37	21,800	78
1986	244	256	21	37	162	35	22,400	67
1987	233	239	24	40	146	30	23,700	61
1988	218	224	23	39	131	32	25,100	58
1989	198	203	20	39	113	31	27,200	56
1990	188	195	19	38	108	31	27,800	49
1991	171	174	14	35	98	27	27,700	49
1992	211	212	15	42	124	30	28,400	51
1993	254	243	15	45	147	36	30,500	61
1994	304	291	16	53	178	44	32,800	70
1995	340	319	15	58	203	44	35,300	83
1996	363	338	16	59	218	44	37,200	89
1997	354	336	14	55	219	47	39,800	91
1998	373	374	15	58	250	50	41,600	83
1999	348	338	14	54	227	44	43,300	88
2000	251	281	15	50	177	39	46,400	59
2001	193	196	12	38	116	30	48,900	56
2002	169	174	12	34	101	27	51,300	47
2003	131	140	11	25	77	26	54,900	36
2004	131	124	11	20	68	25	58,100	37
Monthly Data (Seasonally Adjusted Annual Rates)								
2004								
Feb	125	122	10	24	64	25	59,300	39
Mar	129	124	11	19	67	26	56,800	39
Apr	128	129	10	21	68	30	57,100	39
May	127	126	12	21	68	25	56,500	38
Jun	127	132	12	21	76	23	56,200	36
Jul	127	135	10	23	73	30	58,500	35
Aug	125	116	13	18	63	23	57,200	35
Sep	135	117	9	17	66	24	56,800	36
Oct	141	115	11	17	63	24	61,400	35
Nov	138	111	9	17	62	23	62,000	38
Dec	136	124	11	21	64	28	60,700	39
2005								
Jan	149	130	6	12	81	31	62,200	39
Feb	137	118	8	18	70	23	61,500	39
Mar	126	112	5	14	64	28	63,200	40
Apr	129	115	7	16	65	26	59,100	41
May	127	120	10	18	64	28	61,300	41
Jun	128	NA	NA	NA	NA	NA	NA	NA

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

Sources: Shipments—National Conference of States on Building Codes and Standards; Placements—Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development
<http://www.census.gov/ftp/pub/const/www/mhsindex.html> (See Current Tables, Monthly Tables.)



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

Period	Sold During Period					For Sale at End of Period					Months' Supply at Current U.S. Sales Rate	
	U.S.	North-east	Mid-west	South	West	U.S.	North-east	Mid-west	South	West		U.S.
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	77	161	70	NA	NA
2003	1,086	79	189	511	307	377	29	97	172	79	NA	NA
2004	1,203	83	210	562	348	431	30	111	200	91	NA	NA
Monthly Data												
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
2004												
Apr	1,162	83	209	524	346	382	26	100	182	73	382	4.0
May	1,243	103	209	573	358	379	25	101	177	76	383	3.8
Jun	1,205	78	198	590	339	385	26	103	178	78	383	3.9
Jul	1,104	57	222	497	328	397	29	101	184	83	400	4.4
Aug	1,165	67	217	541	340	404	30	102	187	84	406	4.3
Sep	1,223	79	225	562	357	413	30	104	191	89	411	4.1
Oct	1,306	103	248	535	420	414	29	105	196	83	412	3.8
Nov	1,175	85	156	594	340	423	30	111	195	87	419	4.3
Dec	1,247	66	244	618	319	431	30	111	200	91	422	4.1
2005												
Jan	1,194	61	186	616	331	441	32	112	204	92	437	4.4
Feb	1,247	82	180	636	349	439	32	113	205	90	446	4.4
Mar	1,307	79	213	648	367	441	33	113	206	90	446	4.2
Apr	1,283	97	209	610	367	438	32	109	206	90	443	4.2
May	1,321	83	241	609	388	439	36	104	208	91	443	4.1
Jun	1,374	89	246	640	399	457	37	103	222	95	454	4.0

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

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

<http://www.census.gov/const/www/newressalesindex.html>



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

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,812	577	992	1,431	813	1,470	NA
1996	4,196	584	986	1,511	1,116	1,910	NA
1997	4,382	607	1,005	1,595	1,174	1,840	NA
1998	4,970	662	1,130	1,868	1,309	1,910	NA
1999	5,205	656	1,148	2,015	1,386	1,730	NA
2000	5,152	643	1,119	2,015	1,376	1,840	NA
2001	5,296	638	1,158	2,114	1,386	1,840	NA
2002	5,631	950	1,346	2,065	1,269	2,108	4.7
2003	6,183	1,022	1,468	2,282	1,404	2,250	4.6
2004	6,784	1,114	1,549	2,542	1,577	2,214	4.3
Monthly Data (Seasonally Adjusted Annual Rates)							
2004							
Apr	6,790	1,120	1,580	2,530	1,570	2,409	4.3
May	6,890	1,110	1,580	2,580	1,640	2,427	4.3
Jun	7,020	1,140	1,630	2,590	1,670	2,378	4.1
Jul	6,840	1,120	1,570	2,610	1,560	2,443	4.3
Aug	6,760	1,120	1,540	2,550	1,560	2,532	4.5
Sep	6,790	1,130	1,540	2,520	1,600	2,382	4.2
Oct	6,840	1,120	1,560	2,580	1,580	2,465	4.3
Nov	6,980	1,140	1,570	2,640	1,640	2,539	4.4
Dec	6,810	1,130	1,550	2,550	1,580	2,214	3.9
2005							
Jan	6,820	1,090	1,470	2,650	1,590	2,147	3.8
Feb	6,820	1,140	1,520	2,560	1,600	2,330	4.1
Mar	6,870	1,150	1,550	2,560	1,610	2,297	4.0
Apr	7,180	1,200	1,640	2,740	1,600	2,474	4.1
May	7,140	1,190	1,600	2,710	1,640	2,556	4.3
Jun	7,330	1,230	1,630	2,740	1,730	2,653	4.3

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

Source: NATIONAL ASSOCIATION OF REALTORS®

<http://www.realtor.org/research.nsf/pages/EHSPage>



Table 8. New Single-Family Home Prices: 1964–Present

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House ^{1,2}
Annual Data							
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
1996	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	195,000	264,500	184,300	168,100	260,900	246,300	219,500
2004	221,000	315,800	205,000	181,100	283,100	274,500	236,100
Quarterly Data							
2004							
Q2	217,600	290,300	203,500	171,400	278,700	265,300	235,600
Q3	213,500	347,700	198,100	176,700	277,100	274,000	237,800
Q4	228,800	357,400	214,300	190,900	297,000	286,300	243,900
2005							
Q1	232,500	366,800	219,000	188,600	309,800	288,500	247,800
Q2	226,700	324,700	205,500	182,000	322,600	282,100	251,600

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

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

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development http://www.census.gov/const/quarterly_sales.pdf (See Table Q6.)



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

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,900	139,100	87,900	96,000	147,000	136,800
1995	113,100	136,900	93,600	97,800	148,300	139,100
1996	115,800	127,800	101,000	103,400	147,100	141,800
1997	121,800	131,800	107,000	109,600	155,200	150,500
1998	128,400	135,900	114,300	116,200	164,800	159,100
1999	133,300	139,000	119,600	120,300	173,900	168,300
2000	139,000	139,400	123,600	128,300	183,000	176,200
2001	147,800	146,500	130,200	137,400	194,500	185,300
2002	156,200	160,300	137,200	144,200	211,500	199,200
2003	169,500	188,500	143,400	154,800	231,500	215,000
2004	185,200	219,800	152,300	168,500	263,300	236,600
Monthly Data						
2004						
Apr	179,000	211,000	147,000	163,000	252,000	230,000
May	184,000	216,000	153,000	168,000	256,000	236,000
Jun	191,000	220,000	157,000	177,000	270,000	245,000
Jul	191,000	222,000	159,000	174,000	275,000	243,000
Aug	190,000	218,000	158,000	172,000	268,000	241,000
Sep	187,000	221,000	153,000	170,000	263,000	237,000
Oct	187,000	228,000	154,000	166,000	272,000	239,000
Nov	190,000	229,000	154,000	170,000	275,000	242,000
Dec	191,000	220,000	156,000	174,000	279,000	244,000
2005						
Jan	189,000	231,000	149,000	169,000	278,000	241,000
Feb	189,000	250,000	154,000	163,000	273,000	241,000
Mar	193,000	242,000	156,000	165,000	293,000	247,000
Apr	205,000	243,000	166,000	175,000	307,000	254,000
May	206,000	245,000	167,000	179,000	303,000	257,000
June	219,000	250,000	177,000	193,000	317,000	268,000

Source: NATIONAL ASSOCIATION OF REALTORS®
<http://www.realtor.org/research.nsf/pages/EHSPage?OpenDocument>



Table 10. Repeat Sales House Price Index: 1975–Present

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
Annual Average										
1975	62.6	69.2	69.5	69.2	69.6	58.7	64.9	64.5	55.1	45.6
1976	66.5	71.7	70.9	70.9	72.5	63.5	68.9	68.9	60.2	53.4
1977	73.8	77.1	75.3	75.5	79.1	70.6	76.1	76.9	68.7	66.2
1978	83.7	87.8	81.1	83.6	87.7	81.2	87.3	87.6	80.7	79.0
1979	95.0	100.2	94.6	93.2	96.2	93.9	96.6	98.0	94.9	91.3
1980	102.6	104.5	103.8	102.3	100.4	103.2	102.7	101.1	102.5	104.1
1981	108.2	112.4	108.0	108.9	104.2	112.2	101.7	104.1	110.9	112.3
1982	111.5	117.4	112.8	114.5	106.6	122.9	102.2	100.2	117.2	114.5
1983	115.7	131.3	119.2	118.6	111.1	126.0	107.0	103.1	119.9	116.2
1984	120.9	154.9	134.0	123.5	114.6	125.2	111.0	105.4	119.8	120.4
1985	127.9	187.4	152.0	129.1	119.8	124.6	115.7	109.6	122.4	125.8
1986	137.6	228.8	176.5	136.9	126.0	125.7	120.4	116.5	126.4	133.4
1987	148.2	268.9	208.6	145.9	132.8	118.3	125.2	125.8	126.1	145.5
1988	157.5	287.7	229.5	156.1	137.0	111.8	127.7	135.0	124.1	166.1
1989	166.5	289.5	235.6	164.5	140.2	112.4	130.8	143.3	125.4	198.5
1990	170.8	278.0	234.4	168.0	142.6	113.8	133.1	150.2	128.3	216.3
1991	172.9	263.9	232.6	170.4	146.3	116.4	136.3	156.0	132.9	218.9
1992	176.8	260.5	237.2	174.8	151.5	120.6	140.7	162.4	139.5	218.4
1993	179.8	259.5	239.9	177.8	157.0	124.8	145.4	168.2	148.9	213.6
1994	183.2	256.3	237.7	179.7	164.8	128.8	153.3	176.7	163.2	208.7
1995	188.2	259.0	238.1	183.9	172.9	132.1	160.7	185.9	175.1	209.1
1996	194.9	266.0	242.8	190.2	181.1	136.5	168.1	196.0	184.6	212.6
1997	201.7	274.6	246.7	196.5	188.7	140.2	175.6	205.9	192.5	219.5
1998	212.0	291.1	256.9	206.0	198.2	147.1	184.3	215.5	201.5	234.9
1999	222.6	315.7	268.3	214.8	204.9	153.8	195.2	225.7	209.9	248.8
2000	238.0	353.8	287.9	227.1	211.4	161.4	208.6	238.4	222.6	273.5
2001	256.8	393.6	313.0	245.2	222.6	171.4	224.0	251.8	238.6	302.8
2002	274.8	438.9	343.7	262.5	229.6	177.8	238.3	263.4	249.0	330.7
2003	293.8	480.3	375.7	281.4	238.2	184.6	251.1	274.0	259.8	365.1
2004	326.0	539.2	424.8	316.1	249.3	192.6	269.5	290.5	284.3	434.0
Quarterly Data										
2004										
Q1	310.1	511.7	401.3	299.2	244.3	188.8	261.0	282.7	270.4	398.1
Q2	318.7	525.6	413.2	308.4	246.7	191.0	266.0	286.9	278.2	417.9
Q3	333.9	555.3	437.3	323.2	251.2	193.9	273.8	294.4	290.9	452.9
Q4	341.3	564.4	447.3	333.5	254.8	196.6	277.1	297.9	297.5	467.2
2005										
Q1	348.8	576.7	456.5	344.2	257.4	197.8	280.1	301.5	305.4	482.7

Base: First quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

<http://www.ofheo.gov/HPI.asp> (See approximately page 40 of pdf; varies with each issue.)



Table 11. Housing Affordability Index: 1972–Present

Period	U.S.				Affordability Indexes*		
	Median Existing Price (\$)	Mortgage Rate [†]	Median Family Income (\$)	Income To Qualify (\$)	Composite	Fixed	ARM
Annual Data							
1972	26,700	7.52	11,116	7,183	154.8	154.8	154.8
1973	28,900	8.01	12,051	8,151	147.9	147.9	147.9
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	93,100	10.11	34,213	31,662	108.1	103.6	114.3
1990	95,500	10.04	35,353	32,286	109.5	106.5	118.3
1991	100,300	9.30	35,939	31,825	112.9	109.9	124.2
1992	103,700	8.11	36,812	29,523	124.7	120.1	145.0
1993	106,800	7.16	36,959	27,727	133.3	128.4	154.9
1994	109,900	7.47	38,782	29,419	131.8	122.2	149.5
1995	113,100	7.85	40,611	31,415	129.3	123.7	140.0
1996	115,800	7.71	42,300	31,744	133.3	129.6	142.9
1997	121,800	7.68	44,568	33,282	133.9	130.8	145.2
1998	128,400	7.10	46,737	33,120	141.1	139.7	151.0
1999	133,300	7.33	48,950	35,184	139.1	136.3	150.4
2000	139,000	8.03	50,732	39,264	129.2	127.6	141.3
2001	147,800	7.03	51,407	37,872	135.7	135.7	145.5
2002	158,100	6.55	51,680	38,592	133.9	131.6	147.1
2003	170,000	5.74	52,682	38,064	138.4	125.7	140.5
2004	184,100	5.72	54,527	41,136	132.6	121.1	135.4
Monthly Data							
2004							
Apr	177,100	5.42	54,131	38,256	141.5	136.4	154.3
May	182,400	5.77	54,288	40,944	132.6	127.1	143.3
Jun	191,000	6.01	54,445	44,016	123.7	118.6	132.4
Jul	190,200	5.93	54,603	43,440	125.7	121.1	133.5
Aug	188,800	5.83	54,761	42,672	128.3	124.3	136.1
Sep	185,700	5.70	54,920	41,376	132.7	129.1	140.2
Oct	185,400	5.70	55,079	41,328	133.3	130.1	139.9
Nov	188,100	5.70	55,239	41,904	131.8	128.7	137.5
Dec	188,900	5.76	55,399	42,384	130.7	129.0	134.7
2005							
Jan	186,100	5.78	56,125	41,856	134.1	132.1	138.2
Feb	186,800	5.71	56,323	41,664	135.2	132.7	140.7
Mar	191,900	5.81	56,521	43,296	130.5	128.3	136.1
Apr	203,100	5.92	56,719	46,368	122.3	119.8	127.5
May	203,800	5.85	56,917	46,176	123.3	121.0	127.6
Jun	218,600	5.71	57,115	48,768	117.1	115.4	120.9

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

<http://www.realtor.org/research/nsf/pages/HousingInx>



Table 12. Market Absorption of New Rental Units and Median Asking Rent: 1970–Present

Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
Annual Data			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	104,000	81	\$576
1995	155,000	72	\$655
1996	191,300	72	\$672
1997	189,200	74	\$724
1998	209,900	73	\$734
1999	225,900	72	\$791
2000	226,200	72	\$841
2001	193,100	63	\$881
2002	204,100	59	\$918
2003	166,500	61	\$931
2004	153,900	62	\$974
Quarterly Data			
2004			
Q1	34,000	61	\$950
Q2	42,500	59	\$1,021
Q3	44,800	64	\$962
Q4	32,600	62	\$979
2005			
Q1	25,600	61	\$932

Sources: Census Bureau, Department of Commerce; and Office of Policy Development and Research, Department of Housing and Urban Development
<http://www.census.gov/hhes/www/soma.html>



Table 13. Builders' Views of Housing Market Activity: 1979–Present

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
Monthly Data (Seasonally Adjusted)				
2004				
Apr	69	76	76	50
May	69	75	76	53
Jun	68	74	75	52
Jul	67	74	74	49
Aug	70	76	78	53
Sep	67	73	75	51
Oct	69	76	79	51
Nov	70	77	78	51
Dec	71	78	80	52
2005				
Jan	70	77	78	50
Feb	69	76	79	50
Mar	70	76	79	52
Apr	67	73	76	50
May	70	76	77	53
Jun	72	77	80	55
Jul	70	75	77	55

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



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



Period	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.04	1.1	NA	NA	NA	NA
1976	8.88	1.2	NA	NA	NA	NA
1977	8.84	1.1	NA	NA	NA	NA
1978	9.63	1.3	NA	NA	NA	NA
1979	11.19	1.6	NA	NA	NA	NA
1980	13.77	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.09	2.2	NA	NA	NA	NA
1983	13.23	2.1	NA	NA	NA	NA
1984	13.87	2.5	NA	NA	11.49	2.5
1985	12.42	2.5	NA	NA	10.04	2.5
1986	10.18	2.2	NA	NA	8.42	2.3
1987	10.20	2.2	NA	NA	7.82	2.2
1988	10.33	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.10	1.9
1992	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.35	1.8	7.86	1.8	5.33	1.5
1995	7.95	1.8	7.49	1.8	6.07	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.59	1.7	7.13	1.7	5.60	1.4
1998	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.44	1.0	7.06	1.0	5.98	1.0
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
Monthly Data						
2004						
Apr	5.83	0.7	5.16	0.6	3.65	0.6
May	6.27	0.7	5.64	0.7	3.88	0.7
Jun	6.29	0.6	5.66	0.6	4.10	0.7
Jul	6.06	0.6	5.46	0.6	4.11	0.7
Aug	5.87	0.7	5.26	0.6	4.06	0.6
Sep	5.75	0.7	5.14	0.7	3.99	0.7
Oct	5.72	0.7	5.12	0.6	4.02	0.7
Nov	5.73	0.6	5.14	0.6	4.15	0.7
Dec	5.75	0.6	5.18	0.6	4.18	0.6
2005						
Jan	5.71	0.7	5.17	0.6	4.12	0.7
Feb	5.63	0.7	5.15	0.7	4.16	0.8
Mar	5.93	0.7	5.46	0.7	4.23	0.8
Apr	5.86	0.6	5.41	0.6	4.25	0.6
May	5.72	0.6	5.28	0.6	4.23	0.7
Jun	5.58	0.6	5.17	0.6	4.24	0.6

Source: Federal Home Loan Mortgage Corporation
<http://www.freddiemac.com/pmms/pmms30.htm>

Table 15. Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982–Present



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
2004	5.95	0.43	6.01	26.9	5.15	0.36	5.20	29.8
Monthly Data								
2004								
Apr	5.72	0.36	5.77	26.4	4.66	0.32	4.70	29.8
May	6.10	0.36	6.16	26.4	5.04	0.32	5.09	29.8
Jun	6.28	0.40	6.34	26.5	5.34	0.36	5.39	29.8
Jul	6.22	0.40	6.28	27.4	5.36	0.34	5.41	29.7
Aug	6.07	0.48	6.14	27.4	5.31	0.37	5.36	29.7
Sep	5.86	0.54	5.94	27.5	5.24	0.41	5.29	29.9
Oct	5.86	0.47	5.93	27.4	5.33	0.36	5.38	29.9
Nov	5.87	0.45	5.93	27.5	5.40	0.31	5.45	29.9
Dec	5.88	0.45	5.94	27.7	5.58	0.26	5.62	29.8
2005								
Jan	5.87	0.48	5.94	27.4	5.62	0.29	5.66	29.9
Feb	5.87	0.32	5.91	27.6	5.24	0.19	5.26	29.9
Mar	5.95	0.41	6.00	28.0	5.32	0.29	5.36	29.9
Apr	6.06	0.45	6.13	27.8	5.40	0.33	5.44	29.9
May	5.98	0.44	6.05	27.7	5.41	0.32	5.45	30.0
Jun	5.82	0.42	5.88	27.8	5.33	0.30	5.37	30.0

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



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

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,786	1,708,972
Monthly Data					
2004					
Apr	103,888	79,349	42,106	28,631	175,091
May	81,563	74,297	39,890	26,518	144,868
Jun	77,062	76,938	46,547	24,590	161,725
Jul	70,499	66,927	45,632	22,656	137,242
Aug	71,007	67,697	49,139	19,341	145,993
Sep	66,358	67,545	41,139	15,779	134,842
Oct	64,641	53,641	36,665	13,702	135,124
Nov	62,346	49,712	32,623	14,566	118,705
Dec	50,963	49,767	30,570	14,084	123,859
2005					
Jan	52,424	47,688	29,344	13,772	99,042
Feb	61,668	40,146	23,562	11,248	107,023
Mar	70,047	49,097	27,245	14,555	140,243
Apr	59,460	44,278	26,708	13,677	123,382
May	61,783	43,339	28,999	12,838	137,361
Jun	65,500	41,468	28,050	14,337	162,114

*These operational numbers differ slightly from adjusted accounting numbers.

Sources: FHA—Office of Housing, Department of Housing and Urban Development; VA—Department of Veterans Affairs; and PMI—Mortgage Insurance Companies of America



Table 17. FHA Unassisted Multifamily Mortgage Insurance Activity: 1980–Present*

Period	Construction of New Rental Units ¹			Purchase or Refinance of Existing Rental Units ²			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities ³		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005 (6 mos.)	72	12,291	714.1	193	20,073	678.2	62	7,698	353.5

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

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

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

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

Source: Office of Multifamily Housing Development (FHA F-47 Data Series), Department of Housing and Urban Development



Table 18. Mortgage Delinquencies and Foreclosures Started: 1986–Present*

Period	Delinquency Rates											Foreclosures Started						
	Total Past Due						90 Days Past Due					Foreclosures Started						
	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans	All Loans	Conventional Loans			FHA Loans	VA Loans
All Conv.		Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only	All Conv.				Prime Only	Sub-prime Only			
Annual Averages																		
1986	5.56	3.80	NA	NA	7.16	6.58	1.01	0.67	NA	NA	1.29	1.24	0.26	0.19	NA	NA	0.32	0.30
1987	4.97	3.15	NA	NA	6.56	6.21	0.93	0.61	NA	NA	1.19	1.17	0.26	0.18	NA	NA	0.34	0.32
1988	4.79	2.94	NA	NA	6.56	6.22	0.85	0.54	NA	NA	1.14	1.14	0.27	0.17	NA	NA	0.37	0.32
1989	4.81	3.03	NA	NA	6.74	6.45	0.79	0.50	NA	NA	1.09	1.09	0.29	0.18	NA	NA	0.41	0.37
1990	4.66	2.99	NA	NA	6.68	6.35	0.71	0.39	NA	NA	1.10	1.04	0.31	0.21	NA	NA	0.43	0.40
1991	5.03	3.26	NA	NA	7.31	6.77	0.80	0.46	NA	NA	1.25	1.11	0.34	0.27	NA	NA	0.43	0.42
1992	4.57	2.95	NA	NA	7.57	6.46	0.81	0.47	NA	NA	1.35	1.15	0.33	0.26	NA	NA	0.45	0.40
1993	4.22	2.66	NA	NA	7.14	6.30	0.77	0.45	NA	NA	1.40	1.16	0.32	0.24	NA	NA	0.48	0.42
1994	4.10	2.60	NA	NA	7.26	6.26	0.76	0.45	NA	NA	1.44	1.19	0.33	0.23	NA	NA	0.56	0.48
1995	4.24	2.77	NA	NA	7.55	6.44	0.74	0.43	NA	NA	1.46	1.17	0.33	0.23	NA	NA	0.53	0.50
1996	4.33	2.78	NA	NA	8.05	6.75	0.63	0.32	NA	NA	1.40	1.10	0.34	0.25	NA	NA	0.58	0.46
1997	4.31	2.82	NA	NA	8.13	6.94	0.58	0.32	NA	NA	1.22	1.15	0.36	0.26	NA	NA	0.62	0.51
1998 ¹	4.74	3.41	2.59	10.87	8.57	7.55	0.66	0.39	0.28	1.31	1.50	1.23	0.42	0.34	0.22	1.46	0.59	0.44
1999	4.48	3.17	2.26	11.43	8.57	7.55	0.63	0.34	0.24	1.23	1.50	1.23	0.38	0.33	0.17	1.75	0.59	0.44
2000	4.54	3.23	2.28	11.90	9.07	6.84	0.62	0.32	0.22	1.21	1.61	1.22	0.41	0.37	0.16	2.31	0.56	0.38
2001	5.26	3.79	2.67	14.03	10.78	7.67	0.80	0.44	0.27	2.04	2.12	1.47	0.46	0.41	0.20	2.34	0.71	0.42
2002	5.23	3.79	2.63	14.31	11.53	7.86	0.91	0.57	0.29	3.16	2.36	1.61	0.46	0.39	0.20	2.14	0.85	0.46
2003	4.74	3.51	2.51	12.17	12.21	8.00	0.90	0.59	0.30	3.25	2.66	1.77	0.42	0.34	0.20	1.61	0.90	0.48
2004	4.35	NA	2.30	10.38	12.16	7.29	0.80	NA	0.29	2.33	2.73	1.59	0.42	NA	0.19	1.50	0.98	0.49
Quarterly Data (Seasonally Adjusted)																		
2004																		
Q1 ²	4.46	NA	2.26	11.66	11.70	7.39	0.90	NA	0.29	3.10	2.72	1.66	0.47	NA	0.20	1.98	0.93	0.48
Q2	4.56	NA	2.40	10.47	12.54	7.57	0.87	NA	0.29	2.62	2.83	1.67	0.40	NA	0.19	1.18	0.95	0.50
Q3	4.54	NA	2.32	10.74	12.24	7.29	0.85	NA	0.29	2.50	2.56	1.47	0.40	NA	0.18	1.35	0.98	0.51
Q4	4.38	NA	2.22	10.33	12.23	6.97	0.86	NA	0.29	2.66	2.87	1.59	0.46	NA	0.20	1.47	1.06	0.48
2005																		
Q1	4.31	NA	2.17	10.62	11.73	7.16	0.87	NA	0.28	2.61	2.83	1.66	0.42	NA	0.18	1.54	0.86	0.40

*All data are seasonally adjusted.

NA = not applicable.

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

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

Source: National Delinquency Survey, Mortgage Bankers Association

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



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

Period	Total Expenditures	Maintenance and Repairs ¹	Improvements					Major Replacements ⁵
			Total	Additions and Alterations ²			To Property Outside the Structure	
				Total	Additions ³	Improvements		
Annual Data (Millions of Dollars)								
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
2003	176,899	44,094	132,805	93,458	20,994	55,028	17,435	39,347
Period	Total Expenditures	Maintenance and Repairs ¹	Total	Improvements				Major Replacements ⁵
				Additions and Alterations ²			Other Property Improvements	
				Total	Additions ³	Alterations ⁴		
2003	176,899	44,094	132,805	NA	20,994	91,759	20,051	NA
2004	198,557	50,612	147,945	NA	17,889	103,835	26,219	NA
Quarterly Data (Seasonally Adjusted Annual Rates)								
2003								
Q4	166,700	40,100	126,600	92,600	NA	NA	NA	34,000
2004								
Q1	198,800	54,400	144,400	NA	NA	NA	NA	NA
Q2	190,300	52,000	138,300	NA	NA	NA	NA	NA
Q3	201,500	54,100	147,400	NA	NA	NA	NA	NA
Q4	199,100	42,800	156,300	NA	NA	NA	NA	NA

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

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

³Additions refer to actual enlargements of the structure.

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

⁵Major replacements are relatively expensive and are not considered repairs; they include furnaces, boilers, roof replacement, and central air conditioning. Effective with the first quarter of 2004, this survey no longer tabulates major replacements separately from other types of improvements. As a result, data previously tabulated as "Major Replacements" are now included in the columns of "Additions and Alterations."

Source: Census Bureau, Department of Commerce

<http://www.census.gov/const/www/c50index.html>



Table 20. Value of New Construction Put in Place, Private Residential Buildings: 1974–Present

Period	Total	New Residential Construction			Improvements
		Total	Single-Family Structures	Multifamily Structures	
Annual Data (Current Dollars in Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993	225,067	150,911	140,123	10,788	74,156
1994	258,561	176,389	162,309	14,081	82,172
1995	247,351	171,404	153,515	17,889	75,947
1996	281,115	191,113	170,790	20,324	90,002
1997	289,014	198,063	175,179	22,883	90,951
1998	314,607	223,983	199,409	24,574	90,624
1999	350,562	251,272	223,837	27,434	99,290
2000	374,457	265,047	236,788	28,259	109,410
2001	388,324	279,772	249,086	30,305	108,933
2002	421,912	298,841	265,889	32,952	123,071
2003	475,941	345,691	310,575	35,116	130,250
2004	563,376	416,052	377,557	38,495	147,324
Monthly Data (Seasonally Adjusted Annual Rates)					
2004					
Apr	536,525	405,317	368,596	36,721	NA
May	569,686	416,098	378,096	38,002	NA
Jun	552,183	417,215	378,807	38,408	NA
Jul	572,096	419,526	380,444	39,082	NA
Aug	572,012	429,823	389,977	39,846	NA
Sep	567,972	429,059	390,116	38,943	NA
Oct	569,939	429,994	390,779	39,215	NA
Nov	572,824	429,383	389,108	40,275	NA
Dec	622,843	432,302	391,124	41,178	NA
2005					
Jan	575,801	440,697	396,223	44,474	NA
Feb	645,782	446,613	402,115	44,498	NA
Mar	639,022	448,049	404,537	43,512	NA
Apr	626,179	449,265	404,821	44,444	NA
May	604,768	451,678	406,968	44,710	NA
Jun	602,411	452,883	407,661	45,222	NA

Source: Census Bureau, Department of Commerce
<http://www.census.gov/const/C30/PRIVSAHIST.xls>

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



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,128.0	469.3	4.6
2002	10,469.6	503.9	4.8
2003	10,971.2	572.5	5.2
2004	11,734.3	673.8	5.7
Quarterly Data (Seasonally Adjusted Annual Rates)			
2004			
Q2	11,666.1	673.9	5.8
Q3	11,818.8	689.7	5.8
Q4	11,995.2	699.7	5.8
2005			
Q1	12,198.8	718.5	5.9
Q2	12,376.2	740.1	6.0

Source: Bureau of Economic Analysis, Department of Commerce
<http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm> (See Table 3 in pdf.)



Table 22. Net Change in Number of Households by Age of Householder: 1971–Present*

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
Annual Data								
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980 ²	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984 ^r	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988 ^r	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993 ³	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002	2,880	(1)	105	329	127	411	1,260	648
2003	595	69	(18)	(92)	(237)	208	643	22
2004	1,028	98	278	(219)	(320)	365	714	112
Quarterly Data								
2004								
Q2	196	36	47	(65)	43	176	117	(156)
Q3	804	228	(32)	20	137	209	214	27
Q4	676	(47)	272	(91)	30	(68)	271	309
2005								
Q1	209	(43)	151	(106)	(91)	80	173	44
Q2	95	(76)	(127)	10	(32)	216	152	(46)

*Units in thousands.

^rImplementation of new March CPS processing system.

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

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

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

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



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

Period	Total	Families ⁴				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 ²	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984 ^r	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988 ^r	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993 ³	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002	2,880	371	778	195	608	(106)	81	467	485
2003	595	(38)	277	47	83	29	27	135	36
2004	1,028	(136)	341	283	175	39	(18)	167	176
Quarterly Data									
2004									
Q2	196	(170)	153	88	(63)	182	128	(31)	(91)
Q3	804	(69)	492	140	36	198	(133)	(88)	229
Q4	676	407	(10)	(14)	78	(208)	(32)	257	197
2005									
Q1	209	(70)	(335)	54	386	10	(20)	250	(64)
Q2	95	(443)	198	63	(102)	211	73	(91)	185

*Units in thousands.

^rImplementation of new March CPS processing system.

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

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

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

⁴Primary families only.

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



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

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races ¹	
Annual Data						
1971 ¹	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 ²	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 ^r	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 ^r	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 ³	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
Quarterly Data						
2004						
Q2	196	157	193	(39)	(18)	(96)
Q3	804	230	78	75	45	375
Q4	676	367	39	103	16	151
2005						
Q1	209	24	30	12	18	126
Q2	95	(22)	111	(14)	19	0

*Units in thousands.

¹Implementation of new March CPS processing system.

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

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

^rBeginning in 1993, CPS data weighted based on the 1990 decennial census.

^rBeginning in 2003, the CPS respondents were able to select more than one race.

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



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

Period	Total ³	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual and Biannual Data										
1970 ¹	68,672	973	67,699	4,207	1,655	477	2,075	63,445	39,886	23,560
1971	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1972	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	75,969	676	75,293	5,956	1,545	502	3,909	69,337	44,653	24,684
1974	77,601	1,715	75,886	5,056	1,630	547	2,879	70,830	45,784	25,046
1975	79,087	1,534	77,553	5,030	1,489	577	2,964	72,523	46,867	25,656
1976	80,881	1,565	79,316	5,311	1,544	617	3,150	74,005	47,904	26,101
1977	82,420	1,704	80,716	5,436	1,532	596	3,308	75,280	48,765	26,515
1978	84,618	1,785	82,833	5,667	1,545	624	3,498	77,167	50,283	26,884
1979	86,374	1,788	84,586	6,014	1,600	677	3,737	78,572	51,411	27,160
1980	88,207	2,183	86,024	5,953	1,497	755	3,701	80,072	52,516	27,556
1980 ¹	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 ²	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ¹	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2000 ¹	119,628	NA	NA	NA	NA	NA	NA	105,719	71,249	34,470
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
2003	120,777	3,566	117,211	11,369	3,597	1,284	6,488	105,842	72,238	33,604
Quarterly Data										
2004										
Q2	122,002	3,989	118,013	11,947	3,775	1,261	6,911	106,066	73,449	32,617
Q3	122,373	3,655	118,718	11,848	3,798	1,321	6,729	106,870	73,772	33,098
Q4	122,740	3,519	119,221	11,675	3,731	1,375	6,569	107,546	74,413	33,133
2005										
Q1	123,341	3,602	119,739	11,984	3,765	1,388	6,831	107,755	74,488	33,267
Q2	123,732	3,912	119,820	11,970	3,720	1,370	6,880	107,850	73,974	33,876

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

¹Decennial Census of Housing.

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

³Annual Housing Survey estimates through 1981 based on 1970 decennial census weights; 1983 to 1989 estimates based on 1980 decennial census weights; 1991 and 1995 estimates based on 1990 decennial census weights. No reduction in nation's housing inventory has ever occurred; apparent reductions are due to changes in bases used for weighting sample data.

Sources: Annual Data—Annual or American Housing Surveys; Quarterly Data—Current Population Series/Housing Vacancy Survey in *Current Housing Reports: Housing Vacancies and Homeownership*. Census Bureau, Department of Commerce

<http://www.census.gov/hhes/www/hvs.html> (See Table 4.)



Table 26. Rental Vacancy Rates: 1979–Present

Period	All Rental Units	Metropolitan Status ¹				Regions				Units in Structure		
		Inside Metro Area	In Central Cities	Suburbs	Outside Metro Area	North-east	Mid-west	South	West	One	Two or More	Five or More
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.0	11.1	11.7
Quarterly Data												
2004												
Q2	10.2	10.2	11.2	9.0	10.5	7.0	11.7	13.0	7.7	8.7	11.3	11.8
Q3	10.1	10.2	10.8	9.5	9.7	7.3	12.3	12.3	7.7	9.2	10.9	11.5
Q4	10.0	10.1	10.4	9.8	9.6	6.8	12.4	12.5	7.2	9.3	10.6	11.5
2005¹												
Q1	10.1	10.1	10.4	9.7	9.7	7.2	12.2	12.2	7.5	9.9	10.3	11.0
Q2	9.8	9.7	10.1	9.1	10.4	6.1	12.6	11.8	7.5	9.7	10.0	10.2

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

<http://www.census.gov/hhes/www/hvs.html> (See Tables 2 and 3.)



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993 ¹	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
Quarterly Data								
2004								
Q2	69.2	25.7	40.8	57.6	69.4	77.0	82.4	81.1
Q3	69.0	25.4	39.9	57.7	68.6	77.4	81.2	81.8
Q4	69.2	25.9	40.1	58.0	70.0	77.4	81.6	80.5
2005								
Q1	69.1	25.2	41.5	57.2	70.1	76.5	81.8	80.8
Q2	68.6	25.9	39.9	56.8	68.7	76.3	81.3	80.3

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

Source: Census Bureau, Department of Commerce

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



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



Period	Total	Region				Metropolitan Status ^{3,4}		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 ¹	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 ²	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
Quarterly Averages of Monthly Data								
2004								
Q2	69.2	65.4	74.2	70.9	64.5	52.9	76.1	77.2
Q3	69.0	64.4	73.8	71.0	64.7	53.2	75.9	75.7
Q4	69.2	65.2	73.7	71.5	63.9	53.8	75.4	76.4
2005⁴								
Q1	69.1	65.4	73.1	71.1	64.9	54.1	76.9	76.7
Q2	68.6	64.7	73.4	70.4	63.8	54.3	75.8	76.2

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

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

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

⁴The Census Bureau has changed to OMB's new designation of metropolitan areas as Core Based Statistical Areas effective January 2005. The new statistical area definitions and data are not comparable with the previous ones.

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

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



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

Period	Non-Hispanic				Hispanic
	White Alone	Black Alone	Other Race Alone	Two or More Races ³	
March Supplemental Data					
1983 ¹	69.1	45.6	53.3	NA	41.2
1984 ¹	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988 ¹	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993 ²	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
Quarterly Averages of Monthly Data					
2004					
Q2	76.2	50.1	59.4	61.2	47.4
Q3	76.1	49.0	59.1	61.8	48.7
Q4	76.2	49.7	59.7	61.1	48.9
2005					
Q1	76.0	49.3	60.6	59.2	49.7
Q2	75.6	48.4	59.6	58.0	49.2

¹Implementation of new March CPS processing system.

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

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

³Beginning in 2003, the CPS respondents were able to select more than one race.

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



Table 30. Homeownership Rates by Household Type: 1983–Present

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 ¹	75.0	80.8	38.3	67.5	44.5
1984 ¹	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 ²	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993 ²	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
Quarterly Averages of Monthly Data					
2004					
Q2	80.2	87.7	46.0	66.8	53.7
Q3	79.4	87.6	45.8	67.9	53.5
Q4	79.9	87.7	45.8	68.5	53.5
2005					
Q1	80.6	87.5	45.1	69.7	53.6
Q2	80.1	87.6	44.7	66.7	52.9

¹Implementation of new March CPS processing system.

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

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

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

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