




National Data

HOUSING PRODUCTION



Permits[★]

Permits for construction of new housing units were down 10 percent in the second quarter of 2006, at a seasonally adjusted annual rate (SAAR) of 1,929,000 units, and were down 11 percent from the second quarter of 2005. One-unit permits, at 1,463,000 units, were down 9 percent from the level of the previous quarter and down 13 percent from a year earlier. Multifamily permits (5 or more units in structure), at 392,000 units, were 10 percent below the first quarter of 2006 and a statistically insignificant 2 percent below the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,929	2,142	2,159	- 10	- 11
One Unit	1,463	1,614	1,677	- 9	- 13
Two to Four	74	91	81	- 18	- 9
Five Plus	392	437	401	- 10	- 2**


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

Source: Census Bureau, Department of Commerce



Starts*

Construction starts of new housing units in the second quarter of 2006 totaled 1,878,000 units at a seasonally adjusted annual rate, 12 percent below the first quarter of 2006 and 9 percent below the second quarter of 2005. Single-family starts, at 1,533,000 units, were 12 percent lower than the previous quarter and 10 percent below the second-quarter level of the previous year. Multifamily starts totaled 292,000 units, a statistically insignificant 15 percent below the previous quarter and a statistically insignificant 7 percent below the same quarter in 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,878	2,123	2,064	- 12	- 9
One Unit	1,533	1,747	1,707	- 12	- 10
Five Plus	292	343	316	- 15**	- 7**

*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 2006 were at a seasonally adjusted annual rate of 1,381,000 units, 3 percent below the previous quarter but 4 percent above the second quarter of 2005. Single-family units stood at 935,000, 5 percent below the previous quarter but a statistically insignificant 2 percent above the second quarter of 2005. Multifamily units were at 412,000, up a statistically insignificant 1 percent from the previous quarter and up 9 percent from the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,381	1,420	1,331	- 3	+ 4
One Unit	935	983	915	- 5	+ 2**
Five Plus	412	408	377	+ 1**	+ 9

*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 2006, at a seasonally adjusted annual rate of 1,985,000 units, were down a statistically insignificant 5 percent from the previous quarter and down a statistically insignificant 1 percent from the same quarter of 2005. Single-family completions, at 1,690,000 units, were down a statistically insignificant 3 percent from the previous quarter but unchanged from the rate of a year earlier. Multifamily completions, at 266,000 units, were a statistically insignificant 8 percent below the previous quarter and a statistically insignificant 3 percent below the same quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,985	2,095	1,996	- 5**	- 1**
One Unit	1,690	1,750	1,684	- 3**	—
Five Plus	266	290	276	- 8**	- 3**

*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 122,000 units in the second quarter of 2006, which is 17 percent below the previous quarter and 4 percent below the rate of a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Manufacturers' Shipments	122	147	128	- 17	- 4

*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 1,152,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 2006, up a statistically insignificant 4 percent from the previous quarter but down a statistically insignificant 10 percent from the second quarter of 2005. The number of new homes for sale at the end of this year's second quarter was 566,000 units, a statistically insignificant 2 percent above last quarter and 24 percent higher than a year earlier. At the end of June, inventories represented a 6.1 months' supply at the current sales rate, representing no change from the previous quarter but a 42 percent increase over the second quarter of last year.

Sales of existing homes for the second quarter of 2006 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,693,000 (SAAR), down 1 percent from last quarter and down 7 percent from the second quarter of 2005. The number of units for sale at the end of this year's second quarter was 3,725,000, 16 percent higher than the previous quarter and 39 percent above the same quarter last year. At the end of June, a 6.8 months' supply of units remained, which is 21 percent higher than last quarter and 55 percent more than a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
New Homes Sold	1,152	1,111	1,284	+ 4**	- 10**
For Sale	566	553	455	+ 2**	+ 24
Months' Supply	6.1	6.1	4.3	—	+ 42
Existing Homes					
Existing Homes Sold	6,693	6,790	7,193	- 1	- 7
For Sale	3,725	3,198	2,678	+ 16	+ 39
Months' Supply	6.8	5.6	4.4	+ 21	+ 55

*Units in thousands.

**This change is not statistically significant.


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



Home Prices

The median price of new homes sold during the second quarter of 2006 was \$241,100, down a statistically insignificant 3 percent from the previous quarter but up a statistically insignificant 3 percent from the second quarter of 2005. The average price of new homes sold during the second quarter of 2006 was \$299,500, a statistically insignificant 2 percent below last quarter but a statistically insignificant 4 percent above the same quarter a year ago. The price adjusted to represent a constant-quality house was \$267,100, a statistically insignificant 2 percent higher than the previous quarter and a statistically insignificant 4 percent above the second quarter of last year. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The median price of existing homes sold in the second quarter of 2006 was \$227,300, up 4 percent from last quarter and up 3 percent from the second quarter of 2005, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, \$273,300, was 3 percent higher than the previous quarter and 2 percent higher than the second quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
Median	\$241,100	\$247,700	\$233,700	- 3**	+ 3**
Average	\$299,500	\$305,300	\$287,800	- 2**	+ 4**
Constant-Quality House¹	\$267,100	\$262,200	\$255,600	+ 2**	+ 4**
Existing Homes					
Median	\$227,300	\$218,700	\$220,000	+ 4	+ 3
Average	\$273,300	\$265,700	\$267,000	+ 3	+ 2

**This change is not statistically significant.

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




Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index of housing affordability for the second quarter of 2006 shows that families earning median income have 105.8 percent of the income needed to purchase the median-priced existing single-family home. This figure is 6 percent lower than last quarter and 8 percent below the second quarter of 2005.

The decrease in the second quarter 2006 housing affordability index reflects current changes in the marketplace. The national average home mortgage interest rate of 6.63 is 24 basis points higher than the previous quarter. The median price of existing single-family homes rose to \$227,533, 4 percent higher than both last quarter and the second quarter of 2005. Median family income increased 1.0 percent from the previous quarter to \$59,212, a 4.0-percent gain over last year's second quarter.

The second quarter fixed-rate index of housing affordability for 2006 declined 5 percent from last quarter and was 7 percent below the second quarter of 2005. The adjustable-rate index was 6 percent lower than the previous quarter and 10 percent below last year's second quarter.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	105.8	112.1	114.9	- 6	- 8
Fixed-Rate Index	105.2	111.3	112.9	- 5	- 7
Adjustable-Rate Index	107.5	114.5	119.1	- 6	- 10

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

In the first quarter of 2006, 22,500 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments were completed, down a statistically insignificant 11 percent from the previous quarter and down a statistically insignificant 14 percent from the first quarter of 2005. Of the apartments completed in the first quarter of 2006, 61 percent were rented within 3 months. This absorption rate is a statistically insignificant 3 percent lower than last quarter and is unchanged from the same quarter of the previous year. The median asking rent for apartments completed in the first quarter of 2006 was \$1,013 a statistically insignificant increase of 4 percent over the previous quarter and a gain of 7 percent over the first quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	22.5	25.3	26.1	- 11**	- 14**
Percent Absorbed Next Quarter	61	63	61	- 3**	—
Median Rent	\$1,013	\$973	\$949	+ 4**	+ 7

*Units in thousands.

**This change is not statistically significant.


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

Development and Research, Department of Housing and Urban Development



Manufactured (Mobile) Home Placements

Manufactured homes placed on site ready for occupancy in the first quarter of 2006 totaled 117,000 at a seasonally adjusted annual rate, a statistically insignificant 4 percent below the level of the previous quarter and 7 percent below the first quarter of 2005. The number of homes for sale on dealers' lots at the end of the first quarter totaled 40,000 units, 8 percent above the previous quarter and 5 percent above the same quarter of 2005. The average sales price of the units sold in the first quarter was \$64,300, unchanged from the previous quarter but a statistically insignificant 4 percent above the price in the first quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	117.0	122.0	126.3	- 4**	- 7
On Dealers' Lots*	40.0	37.0	38.0	+ 8	+ 5
Average Sales Price	\$64,300	\$64,000	\$62,100	—	+ 4**

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

**This change is not statistically significant.


Note: Percentage changes are based on unrounded numbers.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB)/Wells Fargo conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) For the second quarter of 2006, the current market activity index for single-family detached houses stood at 51, down 10 points from last quarter and down 24 points from the second quarter of 2005. The index for future sales expectations, 55, declined 9 points from the first quarter of 2006 and fell 23 points below last year's second quarter. Prospective buyer traffic had an index value of 34, which is down 6 points from the previous quarter and down 19 points from the second quarter of last year. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. For the second quarter of 2006, this index stood at 46, 10 points lower than the first quarter of 2006 and 24 points below the second quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Housing Market Index	46	56	70	- 18	- 34
Current Sales Activity—Single-Family Detached	51	61	75	- 16	- 32
Future Sales Expectations—Single-Family Detached	55	64	78	- 14	- 30
Prospective Buyer Traffic	34	40	53	- 15	- 36


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

HOUSING FINANCE



Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac increased to 6.60 percent in the second quarter of 2006, 36 basis points higher than the previous quarter and 88 basis points higher than the second quarter of 2005. Adjustable-rate mortgages (ARMs) in the second quarter of 2006 were going for 5.65 percent, 34 basis points above the previous quarter and 141 basis points above the second quarter of 2005. Fixed-rate, 15-year mortgages, at 6.23 percent, were up 38 basis points from the first quarter of this year and up 94 basis points from the second quarter of 2005.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.60	6.24	5.72	+ 6	+ 15
Conventional ARMs	5.65	5.31	4.24	+ 6	+ 33
Conventional, Fixed-Rate, 15-Year	6.23	5.85	5.29	+ 6	+ 18

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 178,000 (not seasonally adjusted) properties in the second quarter of 2006, up 6 percent from the previous quarter but down 5 percent from the second quarter of 2005. Total endorsements or insurance policies issued totaled 100,300, down 13 percent from the first quarter of 2006 and down 22 percent from the second quarter of 2005. Purchase endorsements, at 45,200, were down 34 percent from the previous quarter and down 46 percent from the second quarter of 2005. Endorsements for refinancings increased to 55,100, a 19-percent increase from the first quarter and a 22-percent increase 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	178.0	168.6	186.7	+ 6	- 5
Total Endorsements	100.3	115.2	129.1	- 13	- 22
Purchase Endorsements	45.2	69.0	83.8	- 34	- 46
Refinancing Endorsements	55.1	46.2	45.3	+ 19	+ 22


*Units in thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 360,100 policies or certificates of insurance on conventional mortgage loans during the second quarter of 2006, up 9 percent from the first quarter of 2006 but down 15 percent from the second quarter of 2005; these numbers are not seasonally adjusted. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 35,300 single-family properties in the second quarter of 2006, up 12 percent from the previous quarter but down 14 percent from the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	360.1	329.8	422.9	+ 9	- 15
Total VA Guaranties	35.3	31.7	40.8	+ 12	- 14


*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 4.41 percent in the first quarter of 2006, down 6 percent from the fourth quarter of 2005 but up 2 percent from the first quarter of 2005. Delinquencies for subprime loans past due were at 11.50 percent, down 1 percent from the fourth quarter of 2005 but up 8 percent from the first quarter of the previous year. Ninety-day delinquencies for all loans were at 1.01 percent, down 1 percent from the fourth quarter of 2005 but up 16 percent from the first quarter a year ago. Subprime loans that were 90 days past due stood at 2.82 percent at the end of the first quarter of 2006, down 4 percent from 2005's fourth quarter but up 8 percent from the first quarter of 2005. During the first quarter of 2006, 0.41 percent of all loans entered foreclosure, a decrease of 2 percent from the fourth quarter of 2005 and a decrease of 2 percent from the fourth quarter of the previous year. In the subprime category, 1.62 percent began foreclosure in the first quarter of 2006, an increase of 10 percent over the fourth quarter of 2005 and a 5-percent increase from the first quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	4.41	4.70	4.31	- 6	+ 2
Subprime Loans	11.50	11.63	10.62	- 1	+ 8
90 Days Past Due (%)					
All Loans	1.01	1.02	0.87	- 1	+ 16
Subprime Loans	2.82	2.94	2.61	- 4	+ 8
Foreclosures Started (%)					
All Loans	0.41	0.42	0.42	- 2	- 2
Subprime Loans	1.62	1.47	1.54	+ 10	+ 5

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 2006 was at a seasonally adjusted annual rate of \$799.4 billion, 1 percent below the value from the first quarter of 2006 but 5 percent above the second quarter of 2005. As a percentage of the Gross Domestic Product (GDP), RFI for the second quarter of 2006 was 6.1 percent, 0.1 percentage point below the previous quarter and 0.1 percentage point below the same quarter a year ago.

 GDP %	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	\$13,193.9	\$13,008.4	\$12,346.1	+ 1	+ 7
RFI	\$799.4	\$808.5	\$764.9	- 1	+ 5
RFI/GDP (%)	6.1	6.2	6.2	- 2	- 2

*Billions of dollars.


Source: Bureau of Economic Analysis, Department of Commerce

HOUSING INVENTORY



Housing Stock*

At the end of the second quarter of 2006, the estimate of the total housing stock, 125,800,000 units, was up a statistically insignificant 0.3 percent from the first quarter of 2006 and up a statistically insignificant 1.7 percent above 2005's second quarter level. The number of occupied units increased a statistically insignificant 0.1 percent from 2006's first quarter and rose a statistically insignificant 1.5 percent above the second quarter of 2005. Owner-occupied units increased a statistically insignificant 0.5 percent from the first quarter of 2006 and were up a statistically insignificant 1.7 percent above last year's second quarter. Rentals decreased a statistically insignificant 0.5 percent from the previous quarter but increased a statistically insignificant 1.0 percent from the second quarter of 2005. Vacant units were up 1.7 percent from the last quarter and increased 2.9 percent from 2005's second quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	125,800	125,373	123,732	+ 0.3**	+ 1.7**
Occupied Units	109,450	109,289	107,850	+ 0.1**	+ 1.5**
Owner Occupied	75,227	74,883	73,974	+ 0.5**	+ 1.7**
Renter Occupied	34,223	34,406	33,876	- 0.5**	+ 1.0**
Vacant Units	16,350	16,084	15,882	+ 1.7	+ 2.9

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

**This change is not statistically significant.


Source: Census Bureau, Department of Commerce



Vacancy Rates

The national homeowner vacancy rate for the second quarter of 2006, at 2.2 percent was up a statistically insignificant 0.1 percentage point from the first quarter of 2006 and was up 0.4 percentage point from the second quarter of 2005.

The 2006 second quarter national rental vacancy rate, at 9.6 percent, was up a statistically insignificant 0.1 percentage point from the previous quarter but was down a statistically insignificant 0.2 percentage point from the same quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Homeowner Rate	2.2	2.1	1.8	+ 5**	+ 22
Rental Rate	9.6	9.5	9.8	+ 1**	- 2**


**This change is not statistically significant.

Source: Census Bureau, Department of Commerce



Homeownership Rates

The national homeownership rate for all households was 68.7 percent in the second quarter of 2006, up 0.2 percentage point from last quarter and up 0.1 percentage point from the second quarter of 2005. The homeownership rate for minority households, at 51.0 percent, was unchanged from the first quarter of 2006 but increased a statistically insignificant 0.2 percentage point from the second quarter of 2005. The 63.5-percent homeownership rate for young married-couple households was up 1.1 percentage points from the first quarter of 2006 and increased 0.3 percentage point from the second quarter of 2005.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.7	68.5	68.6	+ 0.3**	+ 0.1**
Minority Households	51.0	51.0	50.8	—	+ 0.4**
Young Married-Couple Households	63.5	62.4	63.2	+ 1.8	+ 0.5**

Source: Census Bureau, Department of Commerce