2nd Quarter 2008

U.S. Housing Market Conditions

August 2008

Summary

The housing market had a poor second quarter in 2008, continuing 2 years of decline. The number of single-family building permits, starts, and completions declined in the second quarter, as did new and existing home sales. Excessive inventories of both new and existing homes remain, enough to last 10 to 11 months. The multifamily sector is somewhat mixed: permits and starts increased, but completions decreased. The subprime meltdown continues, with foreclosure rates on subprime adjustable-rate mortgages posting a 20-percent increase over the previous quarter. Conditions in the rental housing market showed little change from the first quarter of 2008, with a tiny decrease in the vacancy rate and no change in absorptions. The overall economy posted a Gross Domestic Product (GDP) growth rate of 1.9 percent in the second quarter of 2008. The housing component of GDP decreased by 15.6 percent, leading to a reduction of GDP growth by 0.62 percentage point.

Housing Production

Most housing production indicators declined in the second quarter of 2008 but reflected a slight improvement over the universal declines recorded during the past several quarters. The number of building permits issued increased, although starts and completions continued to decline. Manufactured housing has posted nearly continuous declines since the hurricane-induced orders of late 2005. Shipments of manufactured homes are now below 90,000 units at a seasonally adjusted annual rate (SAAR), the lowest since the third quarter of 1961.

- During the second quarter of 2008, builders took out permits for new housing at 1,033,000 units (SAAR), up 4 percent from the first quarter but down 30 percent from the second quarter of 2007. Single-family permits were issued for 633,000 (SAAR) housing units, a decrease of 2 percent from the first quarter and a decrease of 40 percent from the second quarter of 2007. This decrease is the 11th consecutive quarterly decline for single-family permits.
- Builders started construction on 1,016,000 (SAAR) new housing units in the second quarter of 2008, down 4 percent from the first quarter and down 30 percent from the second quarter of 2007. Single-family housing starts totaled 670,000 (SAAR) housing units, down 8 percent from the first quarter and down 42 percent from the second quarter of 2007. This drop is the ninth consecutive quarterly decline for single-family starts.
- Builders completed 1,118,000 (SAAR) new housing units in the second quarter of 2008, down 11 percent from the first quarter and down 27 percent from the second quarter of 2007. This decrease is the ninth consecutive quarterly decline. Single-family completions totaled 851,000 (SAAR) in the second quarter of 2008, down 9 percent from the first quarter and down 33 percent from the second quarter of 2007, reflecting the ninth consecutive quarterly decline for this indicator.
- Manufactured housing shipments continued at very low levels. In the second quarter of 2008, manufacturers shipped 88,000 (SAAR) housing units, down 4 percent from the first quarter and down 11 percent from the second quarter of 2007.

Housing Marketing

Housing sales and builders' attitudes continued downward in the second quarter of 2008, but sales prices showed signs of strength. Although new home sales have declined in the past 11 quarters, and existing home sales have fallen for five consecutive quarters, the median price of new homes was unchanged and

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the price of existing homes rose in the second quarter. Average prices for both new and existing homes rose. At the end of the second quarter, inventories of homes available for sale were sufficient to last for the next 10 to 11 months at the current sales rates. The nearly continuous drop in new home sales is the likely source of pessimism among builders as measured by the National Association of Home Builders/Wells Fargo Housing Market Index, which fell again in the second quarter.

- In the second quarter of 2008, 535,000 (SAAR) new single-family homes were sold, down 5 percent from the 561,000 (SAAR) homes sold in the first quarter and down 37 percent from the second quarter of 2007.
- REALTORS® sold 4,913,000 (SAAR) existing single-family homes in the second quarter of 2008, down 1 percent from the first quarter and down 16 percent from the second quarter of 2007.
- The median price of new homes sold in the second quarter of 2008 was $234,100, unchanged from the first quarter but down 3 percent from the second quarter of 2007. The average price for new homes sold in the second quarter was $304,700, up 5 percent from the first quarter but down 2 percent from the second quarter of 2007. A constant-quality house would have sold for $303,500 in the second quarter, up 3 percent from the first quarter but down 3 percent from the second quarter of 2007.
- The NATIONAL ASSOCIATION OF REALTORS® reported that the median price for existing homes was $208,100 in the second quarter of 2008, up 5 percent from the first quarter but down 7 percent from the second quarter of 2007. The average price for existing homes in the second quarter was $252,400, up 3 percent from the first quarter but down 7 percent from the second quarter of 2007.
- At the end of the second quarter of 2008, 426,000 new homes were in the unsold inventory, down 9 percent from the end of the first quarter and down 22 percent from the end of the second quarter of 2007. This inventory will support 10.0 months of sales at the current sales pace, down 1.2 months from the end of the first quarter but up 1.7 months from the end of the second quarter of 2007. The inventory of existing homes available for sale at the end of the second quarter consisted of 4,490,000 homes, up 9 percent from the end of the first quarter and up 3 percent from the end of the second quarter of 2007. This inventory would last for 11.1 months at the current sales rate, up 1.1 months from the end of the first quarter and up 2.0 months from the end of the second quarter of 2007.
- Home builders were slightly more pessimistic in the second quarter of 2008. The National Association of Home Builders/Wells Fargo composite Housing Market Index was 19 in the second quarter of 2008, down 1 index point from the first quarter and down 11 index points from the second quarter of 2007. The index is based on three components—current sales expectations, future sales expectations, and prospective buyer traffic. Of these components, future sales expectations and prospective buyer traffic rose, but these increases were not enough to offset the decrease in current sales expectations.

Affordability and Interest Rates

Housing affordability declined in the second quarter of 2008, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. The composite index indicates that the family earning the median income had 125.2 percent of the income needed to purchase the median-priced, existing single-family home using standard lending guidelines. This value is down 7.2 points from the first quarter but up 16.0 points from the second quarter of 2007. The decrease in affordability from the first quarter is attributed to the 5-percent increase in the median price of an existing single-family home and the 11-basis-point increase in the mortgage interest rate and was partially offset by an 2.2-percent increase in median family income. The second quarter homeownership rate was 68.1, up 0.3 percentage point from the first quarter rate but 0.1 percentage point below the rate of the second quarter of 2007.

Multifamily Housing

The multifamily (five or more units) housing sector performed better than the single-family sector in the second quarter of 2008. Production indicators were mixed; building permits and starts increased, but completions decreased. The absorption of new rental units was unchanged, but the rental vacancy rate fell.

- In the second quarter of 2008, builders took out permits for 364,000 new multifamily units, up 21 percent from the first quarter but down 1 percent from the second quarter of 2007.
- Construction was started on 329,000 new multifamily units in the second quarter of 2008, up 9 percent from the first quarter and up 24 percent from the second quarter of 2007.
- Builders completed 243,000 units in the second quarter of 2008, down 17 percent from the first quarter but up 10 percent from the second quarter of 2007.

- The rental vacancy rate in the second quarter of 2008 was 10.0 percent, down 0.1 percentage point from the first quarter but up 0.5 percentage point from the second quarter of 2007.
- Market absorption of new rental apartments was unchanged, with 59 percent of new apartments completed in the first quarter of 2008 leased in the first 3 months following completion. This absorption rate is unchanged from the previous quarter but up 8 points from the rate recorded in the first quarter of 2007.

Using HMDA and Income Leverage To Examine Current Mortgage Market Turmoil

Much attention is currently being devoted to understanding the nature and dimensions of the current mortgage market turmoil. Most analyses rely on proprietary data rich in detail about specific loan terms but with little demographic information on borrowers and mortgage holders. In this article, we use Home Mortgage Disclosure Act (HMDA) data and introduce a measure of leverage and payment risk to examine the dimensions of the current turmoil.[1]

Data about mortgage applications and applicants together with subsequent outcomes have been collected since 1990 and made available by the Federal Reserve Board of Governors in cooperation with the Federal Financial Institutions Examination Council. The data have been used for myriad applications, including tracking trends in the mortgage market and screening for compliance with legislation and regulations intended to promote fair lending and equal opportunity for securing credit. Although much has been accomplished with HMDA data, a perennial lament has been the lack of basic underwriting variables that would permit analytic controls for collateral, credit, and payment risk. Standard underwriting data, such as the loan-to-value (LTV) ratio, property price, or appraisal, along with the borrower's credit score and payment-to-income or debt-to-income ratios, are not collected. The addition of these data would allow for much more direct comparison of like borrowers and loan terms, thereby enabling analysts to better monitor trends in the character and quality of mortgage lending and more directly identify situations of noncompliance with fair housing and equal credit opportunity regulations.

Nevertheless, HMDA data do provide for the construction of a little-used but potentially powerful variable that would enable analysts to more closely control for the income leverage employed by the borrower and for the associated payment risk when securing the reported loan amount. This measure, when coupled with other data reported under HMDA, could contribute greatly to our understanding of the evolution, nature, and magnitude of the current-day upheaval in our mortgage and real estate markets. This article begins that effort with a preliminary examination, followed by some basic findings.

With the inclusion of both the loan amount (M) and the borrower's gross income (Y) on which the lender relied for qualifying the borrower, the mortgage-to-income (M/Y) ratio can be formed. The M/Y ratio is a direct measure of the income leverage employed by the borrower to obtain the mortgage loan. The higher the ratio is, the more dollars of loan provided by the lender per dollar of qualifying income. Moreover, a borrower has only three ways to increase the leverage of his or her income with virtually all mortgage products; that is, a borrower can qualify for a higher loan amount with a given income by (1) increasing the front-end payment-to-income ratio that governs the size of the payment and associated mortgage allowed, (2) lowering the interest rate used to calculate the initial qualifying payment and associated mortgage amount, or (3) reducing the rate at which principal is repaid by extending the term or paying interest only, assuming property tax rates and homeowner insurance premiums are fixed.

These findings follow directly from relating the standard self-amortizing mortgage formula for the monthly principal, interest, tax, and insurance (PITI) payment to the standard front-end ratio (FER) underwriting limitation to that payment. Thus,

$$(FER * Y)/12 = PITI = M*[A_n + (1/LTV)*(T + I)/12] \quad (1)$$

Where FER = front-end ratio,

Y = gross annual income,

PITI = monthly payment for principal, interest, tax, and insurance,

M = mortgage loan amount,

A_n = amortization formula $= i / [1 - 1/(1+i)^n]$, i =1/12th the annual interest rate and n = number of periodic payments,

LTV = loan-to-home value ratio, M/V,

T = annual property tax as percentage of home value,

I = annual home insurance premium as percentage of home value.

One may set LTV = 1 for simplicity and rearrange terms to yield the following relationship showing that the M/Y ratio is equal to the FER divided by 12 times the sum of the amortization factor and monthly percentage contribution to tax and insurance:

$$M/Y = FER/ [12*(A_n + (T+I)/12] \quad (2)$$

The M/Y ratio for an interest-only mortgage is obtained by substituting the monthly interest rate, i, for A_n in equation 2.

As noted previously, one may directly observe in equation 2 that the M/Y ratio rises with a relaxation of the FER or a reduction in the amortization factor A_n resulting from a reduction in the interest rate or increase in the repayment period n. Exhibit 1 presents the M/Y ratios for alternative qualifying interest rates and FERs and confirms that the M/Y ratio rises with increases in the FER at any given interest rate or with reductions in the qualifying interest rate at any given FER. The M/Y ratio is higher at every interest rate and FER combination for interest-only mortgages and dramatically so in the very-low- interest rate range of 3-, 2-, and 1-percent interest.

With the aid of a couple key assumptions, one may use the M/Y ratio together with the annual percentage rate (APR) spread reported in the HMDA data to classify loans generally according to the likely source of financing and type of mortgage product used with its associated payment risk. Returning to equation 2, if one assumes that taxes and insurance amount to a specific percentage (such as 1.5 percent) of home value and lenders typically will not allow borrowers to exceed a specific FER (such as 0.30), unless the FER is offset with unusual compensations such as a very high credit score,[2] then the M/Y ratio is uniquely determined by the qualifying interest rate. Thus, one may classify loans in the HMDA file according to their status with respect to high or low cost and high or low leverage. High cost normally distinguishes nonprime loans from prime loans and high leverage distinguishes loans with temporary below-market qualifying advantages that pose a risk of payment shock when rates adjust to the fully indexed market rates or payments rise to retire balances from initial negative amortization. Exhibit 2 shows that our demarcation between high- and low-cost loans is approximated at an APR of 7 percent[3] and that high-leverage loans are distinguished with a step function showing the maximum income qualifying

Exhibit 1. Mortgage-to-Income Ratio by Qualifying Interest Rate and Front-End Ratio (30-Year Self-Amortizing Mortgage)

Qualifying Interest Rate	Front-End Ratio				
	0.28	0.30	0.32	0.34	0.40
20.0%	1.30	1.39	1.48	1.58	1.86
19.0%	1.36	1.46	1.56	1.65	1.94
18.0%	1.43	1.53	1.63	1.74	2.04
17.0%	1.50	1.61	1.72	1.83	2.15
16.0%	1.59	1.70	1.81	1.93	2.27
15.0%	1.68	1.80	1.92	2.04	2.40
14.0%	1.78	1.91	2.04	2.16	2.54
13.0%	1.90	2.03	2.17	2.30	2.71
12.0%	2.02	2.17	2.31	2.46	2.89
11.0%	2.17	2.32	2.48	2.63	3.09
10.0%	2.33	2.49	2.66	2.83	3.32
9.0%	2.51	2.69	2.87	3.05	3.59
8.0%	2.72	2.91	3.11	3.30	3.88
7.0%	2.95	3.16	3.37	3.59	4.22
6.5%	3.08	3.30	3.52	3.74	4.40
6.0%	3.22	3.45	3.68	3.91	4.60
5.5%	3.37	3.61	3.85	4.09	4.81
5.0%	3.53	3.78	4.03	4.28	5.04
4.5%	3.69	3.96	4.22	4.49	5.28
4.0%	3.87	4.15	4.43	4.70	5.53
3.5%	4.06	4.36	4.65	4.94	5.81
3.0%	4.27	4.57	4.88	5.18	6.10
2.0%	4.72	5.05	5.39	5.73	6.74
1.0%	5.22	5.60	5.97	6.34	7.46

Exhibit 2. Mortgage-to-Income Ratio at Varying Qualifying Interest Rates for Fully Indexed APR Rate (30-Year Self-Amortizing Mortgage)

Qualifying Interest Rate	Fully Indexed Rate (APR)																			
	20.0 %	19.0 %	18.0 %	17.0 %	16.0 %	15.0 %	14.0 %	13.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %	1.0 %
20.0%	1.39																			
19.0%	1.46	1.46																		
18.0%	1.53	1.53	1.53																	
17.0%	1.61	1.61	1.61	1.61																
16.0%	1.70	1.70	1.70	1.70	1.70															
15.0%	1.80	1.80	1.80	1.80	1.80	1.80														
14.0%	1.91	1.91	1.91	1.91	1.91	1.91	1.91													
13.0%	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03												
12.0%	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17											
11.0%	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32	2.32										
10.0%	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49									
9.0%	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69								
8.0%	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91	2.91							
7.0%	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16	3.16						
6.0%	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45					
5.0%	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78	3.78				
4.0%	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15			
3.0%	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57		
2.0%	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	5.05	
1.0%	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60

APR = annual percentage rate.

leverage that may be achieved for each percentage point APR interval as one moves left from the lowest to highest interval at 20 to 21 percent. Thus, any loan with an APR falling between 6 and 7 percent would be considered a high-leverage loan were it to have an M/Y ratio greater than 3.45. Loans with an APR falling between 7 and 8 percent and having an M/Y ratio greater than 3.16 would be considered high-leverage loans, and so on. The threshold ratios are somewhat conservative in that they are consistent with ratios that could be achieved using an APR that is 2 percentage points below the highest rate in each 1-point APR interval using a more standard FER of 0.28 rather than 0.30. (See Exhibit 1 and compare the M/Y ratio of 1.53 at 18-percent APR and 0.30 FER with the ratios at 19 and 17 percent APRs with an FER of 0.28.)

Using the M/Y ratio step factors in Exhibit 2 and the positive APR spread indicator in the HMDA data, loans originated[4] in 2004, 2005, and 2006 were grouped according to their status as high- or low-cost loans and high- or low-leverage loans. The number and percentage of loans within each group are reported in the first two panels of Exhibit 3.

Perhaps the most striking observation in Exhibit 3 is the more than doubling of the high-cost lending volume from 2004 through 2006, from 14.5 to 29.4 percent of total loans, and the nearly three-fold increase in high-leverage lending within the high-cost sector, from 3.7 to 9.7 percent, despite higher prevailing interest rates in 2006. Avery, Brevoort, and Canner (2006), however, advise caution in interpreting year-to-year changes in the incidence of HMDA-reported high-cost lending because flattening of the Treasury yield curve as occurred through 2004 can result in a differentially increasing proportion of APRs for adjustable-rate mortgage (ARM) loans priced off shorter term rates to rise above the high-cost reporting threshold rates in comparison to fixed-rate loans.[5] Despite the caution, Avery, Brevoort, and Canner (2006) cite corroborating statistics from *Inside Mortgage Finance*, indicating that, from 2004 to 2005, the share of higher cost, nonprime lending did increase on the order of 7.5 percentage points, primarily in the near-prime, Alt-A portion of the market.[6]

More importantly, however, Exhibit 3 shows an increase in the high-leverage lending share from 15.4 percent of all loans in 2004 to 21.6 percent in 2006, accounting for approximately 7.6 million loans over the 3-year period regardless of high- or low-cost status. Furthermore, the third panel of Exhibit 3 shows that, although refinancing declined somewhat over the period as a proportion of total lending, it remained disproportionately higher as a percentage of high-leverage lending in both the high- and low-cost sectors. Borrowers were

Exhibit 3. Loan Distribution by High-Cost and High-Leverage Status

Year	High Cost		Low Cost		Total
	High Leverage	Low Leverage	High Leverage	Low Leverage	
Number of Loans					
2004	505,109	1,491,222	1,613,215	10,163,018	13,772,564
2005	1,243,047	2,522,268	1,534,849	8,949,142	14,249,306
2006	1,218,190	2,468,539	1,497,403	7,373,938	12,558,070
Percent of Loans					
2004	3.7	10.8	11.7	73.8	100.0
2005	8.7	17.7	10.8	62.8	100.0
2006	9.7	19.7	11.9	58.7	100.0
Percent Refinancing					
2004	68	53	56	54	55
2005	60	41	58	49	50
2006	60	42	54	46	48

disproportionately much more likely to use high-leverage loans in both the high- and low-cost sectors to refinance rather than purchase their homes, which, on one level, seems counterintuitive, because borrowers are in general most strapped and in need of maximum leverage for their initial home purchase.

The disproportionate and increasing use of high-leverage loans by refinancers is even more apparent in Exhibit 4. High-leverage refinances increased from 16.6 percent of 2004 refinance loans to 25.9 percent of 2006 refinance loans. In comparison, high-leverage home purchase loans increased from 14 percent of 2004 purchase lending to 17.8 percent of 2006 purchase lending. Moreover, Exhibit 4 reveals a definite shift to the high-cost sector in both purchase and refinance lending that continued beyond 2005 well after mitigation of any reporting or yield curve measurement problems that may have been present in the 2004 data. High-cost loans accounted for 29.0 percent of all purchase loans in 2006 compared with 13.7 percent in 2004, and high-cost loans accounted for 29.8 percent of all 2006 refinance loans compared with 15.2 percent in 2004.

Exhibit 4 also presents demographic characteristics of the borrowers using the various lending sectors to purchase or refinance their homes. The third panel of Exhibit 4 shows that, although African-American borrowers accounted for approximately 7 to 9 percent of purchase and refinance lending over the 3-year period, they accounted for more than twice that percentage (between 14 and 19 percent) of the high-cost market for both purchase and refinance lending, with a slight preference for greater use of high leverage to purchase rather than refinance their homes.

Although Hispanic borrowers (shown in panel 4) were also more likely to use high-cost loans for home purchases, they were significantly more likely to use high-leverage loans within both the high- and low-cost markets for home purchases. Moreover, Hispanic borrowers were significantly more likely to engage in high-leverage refinances in both the high- and low-cost markets.

Households in which the first listed name on the borrower's application was male (shown in panel 5) were less likely to use high-leverage lending, particularly high-cost leverage, to purchase or refinance their homes. In addition, although owner-occupant borrowers (shown in panel 6) accounted for roughly 85 percent of purchase loans and 91 percent of refinance loans over the 3-year period, they accounted for 95 to 97 percent of high-leverage purchase and refinance loans in both the high- and low-cost lending markets.

Panel 7 of Exhibit 4 shows that, although lower income borrowers who have incomes of less than 80 percent of area median income (AMI) accounted for roughly one-quarter of both purchase and refinance lending, they accounted for one-half or more of high- and low-cost high-leverage lending in 2004. Despite these trends, their share of overall lending declined by roughly 5 percent over the period from 2004 to 2006, and their share of high-cost loans declined precipitously, particularly in the high-cost, high-leverage sector for both purchase and refinance lending. The reduction in shares for lower income borrowers was more than fully replaced with the rising shares for higher income borrowers (who have incomes greater than 120 percent of AMI, shown in panel 9) in all lending sectors, particularly high-cost and high-leverage purchase and refinance lending. The $2,500 change in median income between 2004 and 2006 for high-cost, high-leverage refinancers compared with the $1,900 change for refinancers overall (shown in panel 10) no doubt reflects the observed shift from lower to higher income borrowers.

Exhibit 4. Characteristics of Purchase and Refinance Loans by High-Cost and High-Leverage Status

Panel	Year	Purchase Loans					Refinance Loans				
		High Cost		Low Cost		Total	High Cost		Low Cost		Total
		High Leverage	Low Leverage	High Leverage	Low Leverage		High Leverage	Low Leverage	High Leverage	Low Leverage	
	Number of Loans										
1	2004	162,085	694,757	715,319	4,709,799	6,281,960	343,024	796,465	897,896	5,453,219	7,490,604
	2005	497,905	1,490,961	641,247	4,605,148	7,235,261	745,142	1,031,307	893,602	4,343,994	7,014,045
	2006	485,218	1,419,871	682,566	3,988,388	6,576,043	732,972	1,048,668	814,837	3,385,550	5,982,027
	Percent of Loans										
2	2004	2.6	11.1	11.4	75.0	100.0	4.6	10.6	12.0	72.8	100.0
	2005	6.9	20.6	8.9	63.6	100.0	10.6	14.7	12.7	61.9	100.0
	2006	7.4	21.6	10.4	60.7	100.0	12.3	17.5	13.6	56.6	100.0
	African-American Borrower (%)										
3	2004	19	16	6	6	7	15	15	7	6	7
	2005	16	16	5	5	8	15	15	6	6	8
	2006	19	16	7	6	9	17	14	8	6	9
	Hispanic Borrower (%)										
4	2004	23	19	15	10	12	15	9	15	8	9
	2005	30	21	14	9	13	18	10	16	8	10
	2006	30	23	13	10	15	18	12	16	9	12
	Male Borrower (%)										
5	2004	57	63	63	69	67	54	62	60	69	66
	2005	58	63	63	68	66	55	62	61	68	65
	2006	57	62	62	68	65	54	61	59	66	63
	Owner-Occupant Borrower (%)										
6	2004	95	84	96	84	86	97	91	97	91	92
	2005	96	81	95	81	83	97	89	97	90	91
	2006	96	78	96	83	84	96	86	97	89	90
	Lower Income Borrower (Less Than 80 Percent of AMI) (%)										
7	2004	51	27	48	21	26	57	30	49	21	27
	2005	36	22	42	18	22	44	25	41	18	25
	2006	32	17	43	16	20	38	20	37	17	23
	Middle-Income Borrower (Between 80 and 120 Percent of AMI) (%)										
8	2004	27	31	27	26	27	27	33	29	27	28
	2005	27	28	27	24	25	31	31	30	26	28
	2006	27	25	27	23	24	30	28	29	25	27
	Higher Income Borrower (Greater Than 120 Percent of AMI) (%)										
9	2004	22	42	25	53	48	16	37	22	52	45
	2005	37	50	31	58	53	25	44	29	56	48
	2006	41	58	30	61	56	32	52	34	58	50
	Borrower Median Income ($)										
10	2004	61,477	59,996	64,300	60,451	60,866	61,883	58,320	65,088	61,799	61,827
	2005	62,815	60,987	64,497	61,002	61,433	63,006	59,869	65,401	62,367	62,454
	2006	63,589	62,183	65,160	62,454	62,760	64,349	61,642	66,258	63,659	63,744
	Underserved Area (%)										
11	2004	55	56	38	35	38	55	54	43	35	39
	2005	57	54	36	34	40	55	52	43	35	41
	2006	57	54	37	34	40	55	51	44	36	42

AMI = area median income.

Panel 11 of Exhibit 4 shows that, although overall about 40 percent of purchase and refinance loans from all lending sectors were made to borrowers living in underserved areas, approximately 55 percent of high-cost, high- and low-leverage lending was made to borrowers purchasing and refinancing their homes in underserved areas. This observation may not be particularly surprising given the aforementioned relative shares of high-cost lending for which minority and lower income borrowers accounted. The relative constancy of that share over the 3-year period despite the shift from lower income to higher income borrowers discussed previously, however, is somewhat surprising.

Exhibits 3 and 4 clearly show that a significant shift to higher leverage mortgage loans occurred between 2004 and 2006, particularly for borrowers purchasing or refinancing their homes with high-cost loans. What is not yet clear is which funding sources were underwriting the higher leverage loans and by how much leverage was increasing for individual borrowers. Exhibit 5 presents the decile distribution of M/Y leverage ratios by funding source for both purchase and refinance loans originated in 2001 through 2006 and the average annual interest rate prevailing in each year.

The first thing to note in Exhibit 5 is that, because the mix of low- and high-cost borrowers within the various (nongovernment-insured) lending sectors may change from year to year and not all borrowers will use maximum leverage to purchase or refinance their homes, year-to-year changes in the pattern of maximum leverage provided may be best observed in the upper portions of the distributions. Thus, one may compare the shaded ratios above the 60th percentile for 2001, when prime mortgage interest rates were in the neighborhood of 7 percent, with M/Y ratios in subsequent years to observe how maximum leverage for purchase and refinance lending changed with interest rates and underwriting of various funding sources. Focusing on purchase lending, one may observe that M/Y ratios increased by 30 to 40 basis points for loans funded by GNMA (or Ginnie Mae), 35 to 55 basis points for loans funded by government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac, 35 to 70 basis points for loans funded by portfolio lenders, and 35 to 60 basis points for loans funded by private mortgage pool issuers. Returning to Exhibit 1, one can observe that a 30-basis-point increase from an M/Y ratio calculated at 7-percent interest may be obtained by recalculating the ratio

Exhibit 5. Decile Distribution of Mortgage-to-Income Leverage Ratios for 2001 Through 2006

Purchase											
Funding Source	**Year**	**Average Annual Interest Rate**	**10th Percentile**	**20th Percentile**	**30th Percentile**	**40th Percentile**	**50th Percentile**	**60th Percentile**	**70th Percentile**	**80th Percentile**	**90th Percentile**
GNMA	2001	6.97%	1.46	1.74	1.96	2.16	2.35	2.56	2.78	3.05	3.46
	2002	6.54%	1.50	1.80	2.03	2.24	2.45	2.66	2.90	3.19	3.63
	2003	5.83%	1.56	1.88	2.13	2.36	2.58	2.81	3.07	3.38	3.86
	2004	5.84%	1.58	1.91	2.17	2.39	2.62	2.85	3.10	3.42	3.88
	2005	5.87%	1.58	1.92	2.18	2.40	2.63	2.86	3.12	3.43	3.88
	2006	6.41%	1.56	1.90	2.17	2.40	2.62	2.86	3.12	3.43	3.89
GSE	2001	6.97%	1.13	1.45	1.68	1.89	2.10	2.31	2.56	2.87	3.35
	2002	6.54%	1.20	1.53	1.77	2.00	2.21	2.45	2.71	3.04	3.56
	2003	5.83%	1.26	1.60	1.87	2.11	2.35	2.61	2.90	3.27	3.83
	2004	5.84%	1.26	1.62	1.89	2.14	2.38	2.65	2.94	3.33	3.90
	2005	5.87%	1.28	1.64	1.91	2.17	2.42	2.69	3.00	3.39	3.97
	2006	6.41%	1.27	1.63	1.90	2.15	2.40	2.67	2.96	3.34	3.90
Portfolio Lender	2001	6.97%	0.34	0.64	1.08	1.44	1.75	2.04	2.35	2.70	3.22
	2002	6.54%	0.37	0.68	1.17	1.57	1.90	2.21	2.53	2.92	3.48
	2003	5.83%	0.41	0.78	1.31	1.72	2.07	2.40	2.75	3.16	3.76
	2004	5.84%	0.46	0.80	1.40	1.85	2.23	2.58	2.96	3.40	4.03
	2005	5.87%	0.40	0.61	0.88	1.50	2.00	2.42	2.82	3.27	3.89
	2006	6.41%	0.37	0.55	0.79	1.39	1.92	2.35	2.76	3.23	3.92
Private Mortgage Pool Issuer	2001	6.97%	0.47	0.96	1.36	1.67	1.92	2.18	2.46	2.79	3.28
	2002	6.54%	0.45	0.91	1.43	1.77	2.06	2.34	2.64	3.00	3.52
	2003	5.83%	0.53	1.03	1.58	1.94	2.25	2.55	2.88	3.26	3.84
	2004	5.84%	0.53	0.83	1.48	1.92	2.27	2.60	2.95	3.35	3.93
	2005	5.87%	0.51	0.74	1.19	1.80	2.20	2.56	2.92	3.33	3.88
	2006	6.41%	0.46	0.66	0.92	1.62	2.06	2.41	2.76	3.14	3.65

Exhibit 5. Decile Distribution of Mortgage-to-Income Leverage Ratios for 2001 Through 2006 (continued)

Refinance											
Funding Source	**Year**	**Average Annual Interest Rate**	**10th Percentile**	**20th Percentile**	**30th Percentile**	**40th Percentile**	**50th Percentile**	**60th Percentile**	**70th Percentile**	**80th Percentile**	**90th Percentile**
GNMA	2001	6.97%	1.21	1.50	1.73	1.94	2.15	2.38	2.63	2.97	3.50
	2002	6.54%	1.09	1.40	1.64	1.86	2.08	2.32	2.60	2.95	3.52
	2003	5.83%	1.01	1.31	1.54	1.76	2.00	2.24	2.53	2.91	3.50
	2004	5.84%	1.05	1.40	1.67	1.91	2.16	2.43	2.75	3.14	3.75
	2005	5.87%	1.08	1.44	1.74	2.00	2.26	2.53	2.84	3.21	3.77
	2006	6.41%	1.45	1.77	2.03	2.27	2.50	2.75	3.02	3.35	3.82
GSE	2001	6.97%	1.04	1.31	1.53	1.73	1.94	2.17	2.44	2.78	3.31
	2002	6.54%	1.01	1.28	1.51	1.72	1.94	2.18	2.46	2.82	3.38
	2003	5.83%	0.97	1.25	1.48	1.70	1.92	2.17	2.47	2.86	3.47
	2004	5.84%	1.07	1.38	1.64	1.88	2.14	2.42	2.75	3.18	3.85
	2005	5.87%	1.21	1.57	1.86	2.14	2.43	2.74	3.09	3.55	4.23
	2006	6.41%	1.24	1.61	1.92	2.22	2.51	2.83	3.18	3.63	4.29
Portfolio Lender	2001	6.97%	0.40	0.69	0.99	1.27	1.54	1.83	2.15	2.55	3.14
	2002	6.54%	0.48	0.81	1.10	1.38	1.65	1.93	2.26	2.68	3.31
	2003	5.83%	0.53	0.86	1.14	1.40	1.68	1.98	2.33	2.78	3.46
	2004	5.84%	0.52	0.88	1.24	1.59	1.95	2.33	2.76	3.28	4.02
	2005	5.87%	0.43	0.71	1.07	1.48	1.90	2.33	2.80	3.34	4.08
	2006	6.41%	0.38	0.60	0.86	1.22	1.67	2.15	2.65	3.21	3.94
Private Mortgage Pool Issuer	2001	6.97%	0.75	1.18	1.48	1.74	2.00	2.25	2.55	2.91	3.46
	2002	6.54%	0.91	1.29	1.58	1.83	2.09	2.37	2.68	3.07	3.66
	2003	5.83%	0.98	1.36	1.65	1.92	2.19	2.48	2.82	3.24	3.88
	2004	5.84%	1.04	1.55	1.91	2.23	2.54	2.87	3.24	3.69	4.34
	2005	5.87%	0.91	1.57	2.00	2.36	2.71	3.06	3.45	3.90	4.55
	2006	6.41%	0.62	1.18	1.75	2.18	2.56	2.92	3.31	3.75	4.38

GNMA = Ginnie Mae. GSE = government-sponsored enterprise.

Note: Average annual interest rate is from the Freddie Mac Series of Monthly Average Commitment Rate and Points on 30-Year Fixed-Rate Mortgages.

using an interest rate of 6 percent, 100 basis points below 7 percent. A 60-basis-point increase in the ratio is equivalent to a 200-basis-point reduction to an interest rate of 5 percent, and a 90-basis-point increase in the M/Y ratio is obtained with a 300-basis-point reduction in the interest rate. Thus, as average annual interest rates declined by roughly 120 basis points over the period, from 7 to 5.84 percent, maximum M/Y leverage ratios for purchase loans rose to levels corresponding to a 200-basis-point reduction in interest in all but the GNMA sector, indicating a widespread general easing of underwriting in the conventional markets for high-leverage lending.

Moreover, Exhibit 5 shows that maximum M/Y leverage ratios for refinance loans increased by 16 to 38 basis points for loans funded by GNMA, 60 to 95 basis points for loans funded by the GSEs Fannie Mae and Freddie Mac, 50 to 90 basis points for loans funded by portfolio lenders, and 70 to 90 basis points for loans funded by private mortgage pool issuers. As noted previously, a 90-basis-point increase in the leverage ratio for a 6- to 7-percent interest rate loan is equivalent to a 300-basis-point reduction, to 3 or 4 percent, in the interest rate. Again, because the decline in average annual interest over the period was about 120 basis points and was only 50 basis points below 2001 levels in 2006, it appears that a substantial easing of underwriting occurred in the conventional markets for high-leverage refinance lending that went well beyond that observed for home purchase lending.

Exhibit 6 shows the distribution of spreads between home purchase M/Y ratios and refinance M/Y ratios by decile from 2001 through 2006. Observing the unshaded cells of the exhibit, one may note that the spread is generally positive (or near zero where negative) for all funding sources except private mortgage pool issuers and the GSEs in 2005 and 2006, indicating that, in general, higher income leverage was a necessity and was granted more often under standard underwriting practices when stretching for an initial home purchase.

Exhibit 6. Decile Distribution of Spread Between Purchase and Refinance Mortgage-to-Income Ratios for 2001 Through 2006

Purchase M/Y—Refinance M/Y												
Funding Source	Year	Average Annual Interest Rate	10th Percentile	20th Percentile	30th Percentile	40th Percentile	50th Percentile	60th Percentile	70th Percentile	80th Percentile	90th Percentile
GNMA	2001	6.97%	0.25	0.24	0.23	0.22	0.20	0.18	0.15	0.09	– 0.04
	2002	6.54%	0.41	0.40	0.40	0.38	0.36	0.34	0.30	0.24	0.11
	2003	5.83%	0.54	0.58	0.59	0.59	0.58	0.57	0.54	0.48	0.36
	2004	5.84%	0.53	0.51	0.50	0.48	0.46	0.41	0.35	0.28	0.13
	2005	5.87%	0.50	0.47	0.44	0.40	0.37	0.33	0.28	0.22	0.11
	2006	6.41%	0.11	0.13	0.14	0.13	0.12	0.11	0.09	0.09	0.07
GSE	2001	6.97%	0.09	0.14	0.16	0.16	0.15	0.14	0.12	0.09	0.04
	2002	6.54%	0.19	0.24	0.27	0.28	0.28	0.27	0.26	0.23	0.17
	2003	5.83%	0.29	0.36	0.39	0.42	0.43	0.43	0.43	0.41	0.37
	2004	5.84%	0.20	0.24	0.25	0.25	0.24	0.22	0.19	0.15	0.05
	2005	5.87%	0.06	0.06	0.05	0.03	– 0.01	– 0.04	– 0.09	– 0.16	– 0.26
	2006	6.41%	0.03	0.01	– 0.02	– 0.07	– 0.11	– 0.16	– 0.22	– 0.30	– 0.38
Portfolio Lender	2001	6.97%	– 0.06	– 0.05	0.09	0.17	0.21	0.21	0.20	0.15	0.08
	2002	6.54%	– 0.11	– 0.12	0.07	0.19	0.25	0.27	0.27	0.24	0.17
	2003	5.83%	– 0.12	– 0.08	0.17	0.32	0.39	0.42	0.42	0.38	0.30
	2004	5.84%	– 0.06	– 0.08	0.15	0.26	0.28	0.25	0.20	0.12	0.02
	2005	5.87%	– 0.03	– 0.10	– 0.18	0.02	0.10	0.08	0.02	– 0.08	– 0.20
	2006	6.41%	– 0.01	– 0.04	– 0.06	0.17	0.25	0.19	0.11	0.02	– 0.03
Private Mortgage Pool Issuer	2001	6.97%	– 0.28	– 0.22	– 0.12	– 0.07	– 0.08	– 0.07	– 0.09	– 0.12	– 0.18
	2002	6.54%	– 0.46	– 0.38	– 0.14	– 0.06	– 0.03	– 0.03	– 0.04	– 0.07	– 0.14
	2003	5.83%	– 0.45	– 0.33	– 0.07	0.02	0.06	0.07	0.06	0.03	– 0.04
	2004	5.84%	– 0.51	– 0.71	– 0.43	– 0.30	– 0.27	– 0.27	– 0.29	– 0.34	– 0.41
	2005	5.87%	– 0.39	– 0.83	– 0.81	– 0.57	– 0.51	– 0.50	– 0.53	– 0.57	– 0.67
	2006	6.41%	– 0.16	– 0.52	– 0.83	– 0.56	– 0.51	– 0.51	– 0.55	– 0.61	– 0.72

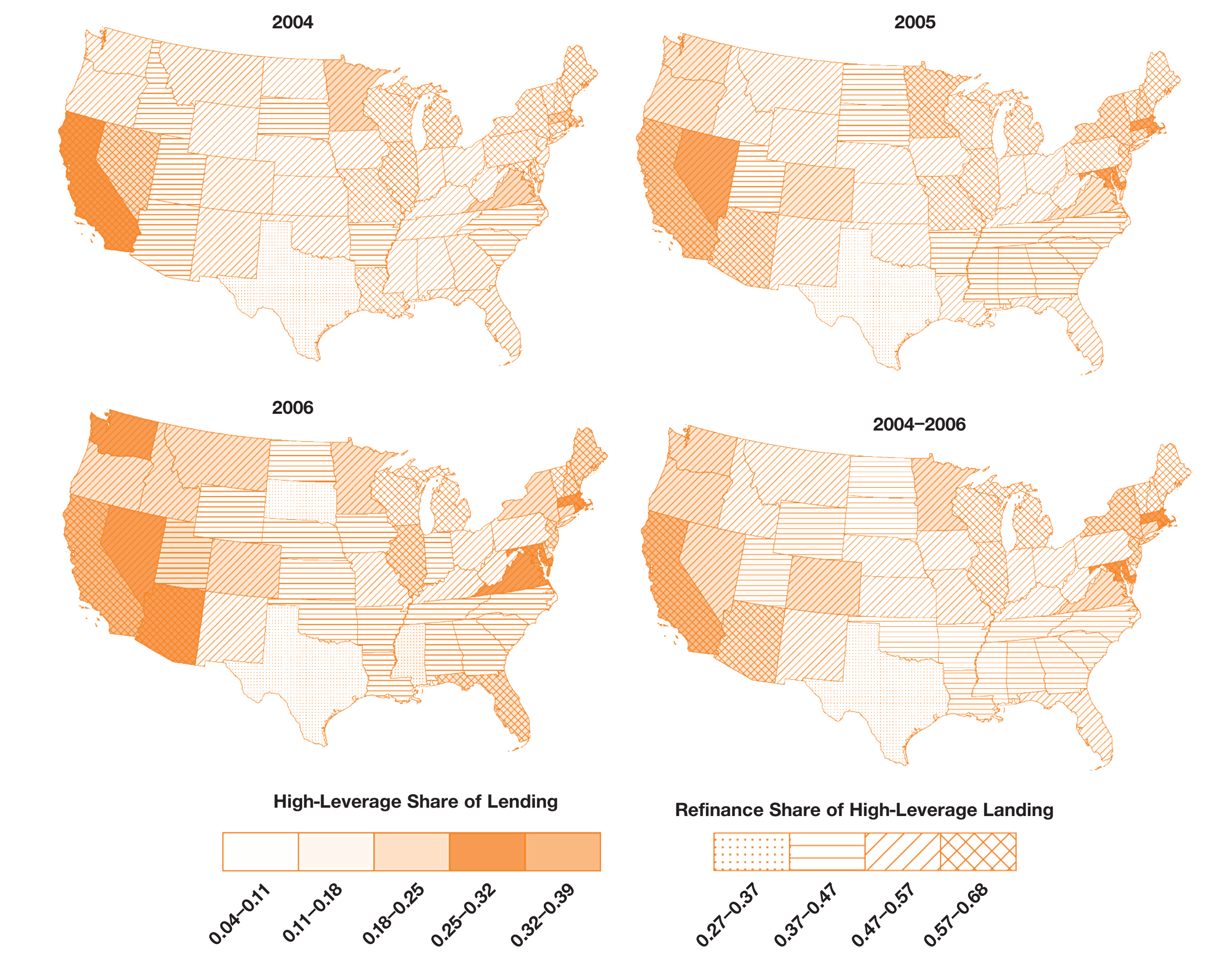
GNMA = Ginnie Mae. GSE = government-sponsored enterprise. M/Y = mortgage-to-income ratio.

It is interesting to note, however, that the spreads for GSEs and private mortgage pool issuers switch dramatically in 2005 and 2006 from being positive for GSEs and near zero for private pool issuers to negative as the maximum leverage granted to refinancers increased by 50 to 60 basis points compared with that granted to purchasers.

Thus, it would appear that much of today's current mortgage turmoil was triggered by widespread easing of the underwriting standards in conventional lending sectors that permitted borrowers to leverage their incomes beyond standards prevailing in 2001 and earlier, using qualifying advantages of short duration, such as ARMs with low teasers or other variations of ARMS with low introductory payments. Moreover, it appears that the relaxation of standards was most egregious in the refinancing sector, particularly among private mortgage pool issuers, where borrowers who already owned homes and whose circumstances would have permitted refinancing at considerably lower levels of leverage were permitted to stretch well beyond limits applied to those purchasing homes.

Exhibit 7 shows the state-by-state variation and growth over time of the high-leverage share of all lending and the refinance portion of that high-leverage lending across the United States from 2004 through 2006. In 2004, high-leverage lending accounted for less than 11 percent of all lending in nearly one-half of the states (shown with the lightest shading), while, by 2006, the most lightly shaded states where the share of high-leverage lending was less than 11 percent had declined to only eight states. The maps also show that the highest income leverage was granted on the west coast and in the northeastern states, with California having the highest occurrence of high-leverage lending of all the lower 48 states: 29, 37, and 36 percent in 2004, 2005, and 2006, respectively.[7] High-leverage lending was also prevalent in high-cost areas such as Washington, Nevada, and Arizona in the West and Massachusetts, Rhode Island, Maryland, the District

Exhibit 7. Mortgage Leverage and Refinance Activity in the United States



of Columbia, and Virginia in the East. High-leverage refinance activity in the lower 48 states was greatest in Rhode Island in 2004 and 2005 and greatest in California in 2006. Other states in which refinance activity constituted more than 57 percent of high-leverage lending in 2006 include Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New Jersey, Maryland, the District of Columbia, Florida, Michigan, Wisconsin, Illinois, Arizona, and Hawaii.

Thus, the more heavily shaded areas of the maps identifying states where high-leverage lending activity has been greatest also indicate where the potential for repayment problems and subsequent foreclosure problems are likely to be highest as low introductory interest rates expire. As the temporary qualifying interest rate expires and reprices to market, the mortgage payment and the associated new FER is carried well above the original qualifying payment-to-income ratio in order to remain consistent with the M/Y leverage embodied in the mortgage contract. (Note in Exhibit 1 that for a loan originally underwritten at 3.5 percent interest and a FER of 0.30, the FER must rise to 0.40 to preserve the same M/Y leverage of 4.36 as the interest rate rises to market at 6.5 percent.) The map for 2006 and the consolidated map reflecting lending for all 3 years are in reasonably close alignment with maps and information based on other data that show where delinquency and foreclosure problems have been greatest.[8]

The preceding analysis indicates that a substantial weakening of underwriting standards, particularly for refinancing, and a significant shift to higher leverage mortgage lending occurred between 2004 and 2006, particularly for borrowers purchasing or refinancing their homes with high-cost loans. Moreover, borrowers were disproportionately much more likely to use high-leverage loans in both the high- and low-cost sectors to refinance rather than purchase their homes. Although minority and low-income borrowers were disproportionately more likely to use high-leverage lending in the high-cost sector to purchase and refinance their homes, higher income borrowers were also well represented in high-leverage lending in both high- and low-cost sectors. Certainly, more careful and controlled analysis is necessary; however, it does not appear on the face of it that evidence supports the assertions of some that limited government policies advancing homeownership or affordable housing goals are responsible for the current mortgage market turmoil. The causes are likely more complex and broad in nature.

Notes

[1] The authors, William J. Reeder and John P. Comeau, thank Ismail Mohamed, Jian Zhou, and John Mubiru for valuable assistance with this project.

[2] With automated underwriting, lenders have been more willing to relax the FER requirement, which is why we subsequently choose 0.30 rather than 0.28, which was traditional for years, and allow for as much as a percentage point reduction below market interest when setting a demarcation threshold between high and low leverage.

[3] Loans are actually classified high cost if a positive APR spread is reported in HMDA data. Analysis of HMDA APR spreads of 3 percentage points or more over prevailing Treasury rates and Freddie Mac commitment rates pointed to an approximate dividing line of 7 percent.

[4] The loans analyzed in this article are HMDA purchase and refinance loans for one- to four-family homes (excluding manufactured homes).

[5] See Avery, Brevoort, and Canner (2006: A141-A152).

[6] Ibid, A-144.

[7] High-leverage lending (and high-leverage refinancing) activity in Hawaii and Alaska (not shown in Exhibit 7) was as follows: Hawaii—31, 37, and 39 percent (and 61, 62, and 60 percent); Alaska—13, 16, and 22 percent (and 37, 38, and 41 percent) in 2004, 2005, and 2006, respectively.

[8] See http://www.newyorkfed.org/newsevents/news/regional_outreach/2008/an080401.html and http://www.newyorkfed.org/mortgagemaps/current/.

Reference

Avery, Robert B., Kenneth P. Brevoort, and Glenn B. Canner. 2006. "Higher-Priced Home Lending and the 2005 HMDA Data," *Federal Reserve Bulletin 92* (September): A123–A166.

National Data

Housing Production

Permits*

Permits for the construction of new housing units were up 4 percent in the second quarter of 2008, at a SAAR of 1,033,000 units, but were down 30 percent from the second quarter of 2007. One-unit permits, at 633,000 units, were down 2 percent from the level of the previous quarter and down 40 percent from a year earlier. Multifamily permits (5 or more units in structure), at 364,000 units, were 21 percent above the first quarter of 2008 but were a statistically insignificant 1 percent below the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,033	988	1,481	+ 4	– 30
One Unit	633	647	1,052	– 2	– 40
Two to Four	35	40	60	– 13	– 42
Five Plus	364	301	369	+ 21	– 1**

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

Starts*

Construction starts of new housing units in the second quarter of 2008 totaled 1,016,000 units at a SAAR, a statistically insignificant 4 percent below the first quarter of 2008 and 30 percent below the second quarter of 2007. Single-family starts, at 670,000 units, were a statistically insignificant 8 percent lower than the previous quarter and 42 percent lower than the second-quarter level of the previous year. Multifamily starts totaled 329,000 units, a statistically insignificant 9 percent above the previous quarter and a statistically insignificant 24 percent above the same quarter in 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,016	1,053	1,460	– 4**	– 30
One Unit	670	728	1,160	– 8**	– 42
Five Plus	329	301	264	+ 9**	+ 24**

*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 2008 were at a SAAR of 965,000 units, 5 percent below the previous quarter and 17 percent below the second quarter of 2007. Single-family units stood at 507,000, 10 percent below the previous quarter and 30 percent below the second quarter of 2007. Multifamily units were at 433,000, up a statistically insignificant 2 percent from the previous quarter and up a statistically insignificant 6 percent from the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	965	1,013	1,163	– 5	– 17
One Unit	507	563	724	– 10	– 30
Five Plus	433	423	408	+ 2**	+ 6**

*Components may not add to totals because of rounding. Units in thousands.
**This change is not statistically significant.
Sources: Census Bureau, Department of Commerce; Office of Policy Development and Research, Department of Housing and Urban Development

Completions*

Housing units completed in the second quarter of 2008, at a SAAR of 1,118,000 units, were down a statistically insignificant 11 percent from the previous quarter and down 27 percent from the same quarter of 2007. Single-family completions, at 851,000 units, were down a statistically insignificant 9 percent from the previous quarter and down 33 percent from the rate of a year earlier. Multifamily completions, at 243,000 units, were a statistically insignificant 17 percent below the previous quarter but a statistically insignificant 10 percent above the same quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total	1,118	1,258	1,525	– 11**	– 27
One Unit	851	938	1,265	– 9**	– 33
Five Plus	243	292	221	– 17**	+ 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; 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 SAAR of 88,000 units in the second quarter of 2008, which is 4 percent below the previous quarter and 11 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	88	92	99	– 4	– 11

*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 535,000 (SAAR) units in the second quarter of 2008, down a statistically insignificant 5 percent from the previous quarter and down 37 percent from the second quarter of 2007. The number of new homes for sale at the end of this year's second quarter was 426,000 units, a statistically insignificant 9 percent below the previous quarter and 22 percent below a year ago. At the end of June 2008, inventories represented a 10.0 months' supply at the current sales rate, a statistically insignificant 11 percent below the previous quarter but a 20-percent increase over the second quarter of last year.

Sales of existing homes—including single-family homes, townhouses, condominiums, and cooperatives—as reported by the NATIONAL ASSOCIATION OF REALTORS®, totaled 4,913,000 (SAAR) for the second quarter of 2008, down 1 percent from the previous quarter and down 16 percent from the second quarter of 2007. The number of units for sale at the end of this year's second quarter was 4,490,000, 9 percent higher than the previous quarter and 3 percent higher than the same quarter last year. At the end of June 2008, an 11.1 months' supply of units remained, which is 11 percent higher than the previous quarter and 22 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					
New Homes Sold	535	561	852	– 5**	– 37
For Sale	426	469	543	– 9**	– 22
Months' Supply	10.0	11.2	8.3	– 11**	+ 20
Existing Homes					
Existing Homes Sold	4,913	4,953	5,870	– 1	– 16
For Sale	4,490	4,118	4,368	+ 9	+ 3
Months' Supply	11.1	10.0	9.1	+ 11	+ 22

*Units in thousands.

**This change is not statistically significant.

Sources: New Homes—Census Bureau, Department of Commerce; 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 2008 was $234,100, virtually unchanged from the previous quarter but a statistically insignificant 3 percent lower than the second quarter of 2007. The average price of new homes sold during the second quarter of 2008 was $304,700, a statistically insignificant 5 percent higher than the previous quarter but a statistically insignificant 2 percent lower than the second quarter of last year. The estimated price of a constant-quality house is $303,500, a statistically insignificant 3 percent higher than the previous quarter but a statistically insignificant 3 percent below the second quarter of last year. The set of physical characteristics used to represent a constant-quality house are based on the kinds of houses sold in 2005.

The median price of existing homes—including single-family homes, townhouses, condominiums, and cooperatives—that sold in the second quarter of 2008 was $208,100, up 5 percent from the previous quarter but 7 percent lower than the second quarter of 2007, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes sold, $252,400, was 3 percent above the previous quarter but 7 percent lower 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	$234,100	$233,900	$242,200	—	– 3**
Average	$304,700	$290,400	$310,100	+ 5**	– 2**
Constant-Quality House[1]	$303,500	$293,400	$314,500	+ 3**	– 3**
Existing Homes					
Median	$208,100	$198,500	$223,900	+ 5	– 7
Average	$252,400	$244,900	$271,700	+ 3	– 7

**This change is not statistically significant.

[1] Effective with the December 2007 New Residential Sales release in January 2008, the Census Bureau began publishing the Constant-Quality (Laspeyres) Price Index with 2005 as the base year. (The previous base year was 1996.) "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 2008 shows that families earning the median income have 125.2 percent of the income needed to purchase the median-priced existing single-family home. This figure is 5 percent lower than the previous quarter but 15 percent higher than the second quarter of 2007.

The decrease in the second quarter 2008 housing affordability index reflects current changes in the marketplace. Although a rise in median family income had a positive effect on housing affordability, both an increase in the median sales price of existing single-family homes and an increase in the home mortgage interest rate offset this positive effect. Median family income increased 0.5 percent from the previous quarter to $60,294, a 2.2-percent gain over last year's second quarter. The median sales price of existing single-family homes increased to $206,500, 5 percent above the previous quarter but 8 percent lower than the second quarter of 2007. The national average home mortgage interest rate of 6.14 is 11 basis points higher than the previous quarter.

The second quarter 2008 fixed-rate index of housing affordability declined 6 percent from the previous quarter but increased 14 percent over the second quarter of 2007. The adjustable-rate index was 5 percent below the previous quarter but 18 percent above last year's second quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Composite Index	125.2	132.4	109.2	– 5	+ 15
Fixed-Rate Index	124.6	131.9	109.0	– 6	+ 14
Adjustable-Rate Index	131.3	138.0	111.4	– 5	+ 18

Source: NATIONAL ASSOCIATION OF REALTORS®

Apartment Absorptions

In the first quarter of 2008, 26,500 new, unsubsidized, unfurnished multifamily (five or more units in structure) rental apartments were completed, up a statistically insignificant 10 percent from the previous quarter but down a statistically insignificant 6 percent from the first quarter of 2007. Of the apartments completed in the first quarter of 2008, 59 percent were rented within 3 months. This absorption rate is unchanged from the previous quarter but is 16 percent above the same quarter of the previous year. The median asking rent for apartments completed in the first quarter of 2008 was $1,111, an increase of 7 percent over the previous quarter and a gain of 16 percent over the first quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Apartments Completed*	26.5	24.0	28.2	+ 10**	– 6**
Percent Absorbed Next Quarter	59	59	51	—	+ 16
Median Asking Rent	$1,111	$1,042	$957	+ 7	+ 16

*Units in thousands.

**This change is not statistically significant.

Note: Data are from the Survey of Market Absorption, which samples nonsubsidized, privately financed, unfurnished apartments in rental buildings of five or more units.

Sources: Census Bureau, Department of Commerce; 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 2008 totaled 81,700 units at a SAAR, a statistically insignificant 12 percent below the level of the previous quarter and 13 percent below the first quarter of 2007. The number of homes for sale on dealers' lots at the end of the first quarter of 2008 totaled 37,000 units, a statistically insignificant 3 percent below the previous quarter and a statistically insignificant 3 percent below the same quarter of 2007. The average sales price of the units sold in the first quarter of 2008 was $63,300, a statistically insignificant 3 percent below the price in the previous quarter and a statistically insignificant 2 percent below the price in the first quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Placements*	81.7	92.7	93.7	– 12**	– 13
On Dealers' Lots*	37.0	38.0	38.0	– 3**	– 3**
Average Sales Price	$63,300	$65,300	$64,400	– 3**	– 2**

*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; 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 2008, the current market activity index for single-family detached houses stood at 17, down 3 points from the previous quarter and down 14 points from the second quarter of 2007. The index for future sales expectations, at 28, was up 1 point from the first quarter of 2008 but down 13 points from the second quarter of last year. Prospective buyer traffic had an index value of 18, which is also 1 point higher than the previous quarter but 6 points lower than 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 2008, this index fell to 19, 1 point below the first quarter of 2008 and 11 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	19	20	30	– 5	– 36
Current Sales Activity—Single-Family Detached	17	20	31	– 15	– 45
Future Sales Expectations—Single-Family Detached	28	27	41	+ 4	– 31
Prospective Buyer Traffic	18	17	24	+ 6	– 25

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 6.09 percent in the second quarter of 2008, 21 basis points higher than the previous quarter but 28 basis points lower than the second quarter of 2007. Adjustable-rate mortgages (ARMS) in the second quarter of 2007 were going for 5.19 percent, 6 basis points above the previous quarter but 36 basis points below the second quarter of 2007. Fixed-rate 15-year mortgages, at 5.66 percent, were up 28 basis points from the first quarter of this year but down 40 basis points from the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Conventional, Fixed-Rate, 30-Year	6.09	5.88	6.37	+ 4	– 4
Conventional ARMs	5.19	5.13	5.55	+ 1	– 6
Conventional, Fixed-Rate, 15-Year	5.66	5.38	6.06	+ 5	– 7

Source: Freddie Mac

FHA 1–4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 602,600 properties in the second quarter of 2008, up 30 percent from the previous quarter and up 182 percent from the second quarter of 2007. Total endorsements or insurance policies issued totaled 351,100, up 48 percent from the first quarter of 2008 and up 155 percent from the second quarter of 2007. Purchase endorsements, at 175,800 were up 82 percent from the previous quarter and up 146 percent from the second quarter of 2007. Endorsements for refinancing increased to 175,300, up 24 percent from the first quarter of 2008 and up 164 percent from the second quarter of 2007. These numbers are not seasonally adjusted.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Applications Received	602.6	464.6	213.7	+ 30	+ 182
Total Endorsements	351.1	237.8	138.0	+ 48	+ 155
Purchase Endorsements	175.8	96.7	71.5	+ 82	+ 146
Refinancing Endorsements	175.3	141.2	66.5	+ 24	+ 164

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

PMI and VA Activity*

Private mortgage insurers issued 273,500 policies or certificates of insurance on conventional mortgage loans during the second quarter of 2008, down 33 percent from the first quarter of 2008 and down 51 percent from the second quarter of 2007. The Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 51,300 single-family properties in the second quarter of 2008, up 31 percent from the previous quarter and up 51 percent from the second quarter of 2007. These numbers are not seasonally adjusted.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total PMI Certificates	273.5	406.0	558.3	– 33	– 51
Total VA Guaranties	51.3	39.1	34.0	+ 31	+ 51

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

Delinquencies and Foreclosures

Total delinquencies for all loans past due were at 6.35 percent in the first quarter of 2008, up 9 percent from the fourth quarter of 2007 and up 31 percent from the first quarter of 2007. Delinquencies for past due conventional subprime loans were at 18.79 percent, up 9 percent from the fourth quarter of 2007 and up 36 percent from the first quarter of the previous year. Conventional subprime adjustable-rate mortgage (ARM) loans that were past due stood at 22.07 percent in the first quarter of 2008, up 10 percent from the fourth quarter of 2007 and up 40 percent from the first quarter of 2007.

Ninety-day delinquencies for all loans were at 1.63 percent, up 10 percent from the fourth quarter of 2007 and up 66 percent from the first quarter a year ago. Conventional subprime loans that were 90 days past due stood at 5.84 percent in the first quarter of 2008, up 8 percent from fourth quarter of 2007 and up 74 percent from the first quarter of 2007. Conventional subprime ARM loans that were 90 days past due were at 7.29 percent in the first quarter of 2008, up 10 percent from the fourth quarter of 2007 and up 80 percent from the first quarter of 2007.

During the first quarter of 2008, 0.99 percent of all loans entered foreclosure, up 19 percent from the fourth quarter of 2007 and up 71 percent from the first quarter of the previous year. In the conventional subprime category, 4.06 percent of loans entered foreclosure in the first quarter of 2008, an increase of 18 percent over the fourth quarter of 2007 and an increase of 67 percent from the first quarter of 2007. In the conventional subprime ARMs category, 6.35 percent of loans went into foreclosure in the first quarter of 2008, an increase of 20 percent over the previous quarter and an increase of 97 percent over the first quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Total Past Due (%)					
All Loans	6.35	5.82	4.84	+ 9	+ 31
Conventional Subprime Loans	18.79	17.31	13.77	+ 9	+ 36
Conventional Subprime ARMs	22.07	20.02	15.75	+ 10	+ 40
90 Days Past Due (%)					
All Loans	1.63	1.48	0.98	+ 10	+ 66
Conventional Subprime Loans	5.84	5.42	3.35	+ 8	+ 74
Conventional Subprime ARMs	7.29	6.64	4.05	+ 10	+ 80
Foreclosures Started (%)					
All Loans	0.99	0.83	0.58	+ 19	+ 71
Conventional Subprime Loans	4.06	3.44	2.43	+ 18	+ 67
Conventional Subprime ARMs	6.35	5.29	3.23	+ 20	+ 97

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 2008 was at a SAAR of $503.4 billion, 5 percent below the value from the first quarter of 2008 and 23 percent below the second quarter of 2007. As a percentage of the Gross Domestic Product (GDP), RFI for the second quarter of 2008 was 3.5 percent, 0.2 percentage point below the previous quarter and 1.3 percentage point below the same quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	14,256.5	14,150.8	13,737.5	+ 1	+ 4
RFI	503.4	528.1	654.4	– 5	– 23
RFI/GDP (%)	3.5	3.7	4.8	– 5	– 27

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

HOUSING INVENTORY

Housing Stock*

At the end of the second quarter of 2008, the estimate of the total housing stock, 129,871,000 units, was up a statistically insignificant 0.4 percent from the first quarter of 2008 and up a statistically insignificant 1.7 percent from the second quarter of 2007. The number of all occupied units was up from the first quarter of 2008 by a statistically insignificant 0.4 percent and increased a statistically insignificant 0.8 percent from the second quarter of 2007. Owner-occupied units increased a statistically insignificant 0.8 percent from the first quarter of 2008 and were up a statistically insignificant 0.6 percent above last year's second quarter. Renter-occupied units decreased a statistically insignificant 0.5 percent from the previous quarter but increased a statistically insignificant 1.3 percent from the second quarter of 2007. Vacant units were up a statistically insignificant 0.4 percent from the previous quarter and increased 7.2 percent from the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Housing Units	129,871	129,387	127,728	+ 0.4**	+ 1.7**
Occupied Units	111,228	110,823	110,341	+ 0.4**	+ 0.8**
Owner Occupied	75,715	75,145	75,283	+ 0.8**	+ 0.6**
Renter Occupied	35,513	35,678	34,058	– 0.5**	+ 1.3**
Vacant Units	18,643	18,564	17,387	+ 0.4**	+ 7.2

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

Vacancy Rates

The homeowner vacancy rate for the second quarter of 2008, at 2.8 percent, was down a statistically insignificant 0.1 percentage point from the first quarter of 2008 and was up a statistically insignificant 0.2 percentage point from the second quarter of 2007.

The 2008 second quarter national rental vacancy rate, at 10.0 percent, was down a statistically insignificant 0.1 percentage point from the previous quarter but was up 0.5 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	2.8	2.9	2.6	– 3**	+ 8**
Rental Rate	10.0	10.1	9.5	– 1**	+ 5

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

Homeownership Rates

The national homeownership rate for all households was 68.1 percent in the second quarter of 2008, up a statistically insignificant 0.3 percentage point from the previous quarter but down a statistically insignificant 0.1 percentage point from the second quarter of 2007. The homeownership rate for minority households, at 51.0 percent, increased a statistically insignificant 0.7 percentage point from the first quarter of 2008 and increased a statistically insignificant 0.2 percentage point from the second quarter of 2007. The homeownership rate of 62.2 percent for young married-couple households was a statistically insignificant 0.6 percentage point below the first quarter of 2008 and a statistically insignificant 0.3 percentage point below the second quarter of 2007.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
All Households	68.1	67.8	68.2	+ 0.4**	– 0.1**
Minority Households	51.0	50.3	50.8	+ 1.4**	+ 0.4**
Young Married-Couple Households	62.2	62.8	62.5	– 1.0**	– 0.5**

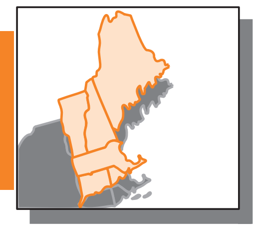
**This change is not statistically significant.
Source: Census Bureau, Department of Commerce

Regional Activity

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

Regional Reports

New England



Nonfarm employment in the New England region increased every month since January 2008. During the 12 months ending June 2008, total nonfarm employment in the six states averaged 7.1 million jobs, an increase of 42,500, or 0.6 percent, compared with the increase of 66,600 jobs, or 1.0 percent, during the 12 months ending June 2007. Massachusetts and Connecticut posted increases of 23,900 and 13,400 jobs, or 0.7 and 0.8 percent, respectively, representing nearly 90 percent of the net increase in the region. During the past 12 months, nonfarm employment grew in New Hampshire by 1.4 percent, or 9,300 jobs; increased slightly in Maine by 2,100 jobs; was flat in Vermont; and decreased in Rhode Island by 6,300 jobs.

Increased employment in the service-providing sectors has accounted for the recent job growth in the region. During the 12-month period ending June 2008, the region posted a net increase of 56,800 service-providing jobs, or 1.0 percent, compared with the increase recorded during the previous 12-month period but a decrease when compared with the 80,200 jobs, or 1.4-percent increase, posted in the 12 months ending June 2007. During the most recent 12-month period, Massachusetts accounted for 30,700 of the new jobs in the region, most of which were in the education and health services sector, centered in the colleges, universities, and hospitals in the Boston metropolitan area, and in the professional and business services sector, led by the state's high-technology industries, including biotechnology, software, and consulting. During the period, Connecticut gained 14,600 service-providing jobs, primarily in the education and health services and the government sectors. Yale University, in New Haven, is in the midst of an ongoing $500 million expansion of its medical education and research facilities and, in southeastern Connecticut, about 2,000 jobs are being created in casinos. In New Hampshire, employment in the service-providing sectors increased by 1.8 percent, led by gains in the education and health services and the professional and business services sectors. Total regional gains in service-providing jobs were partially offset by a loss of

14,300 goods-producing jobs, a 1.4-percent decline. One-half of the losses were in Massachusetts and 26 percent were in Rhode Island.

In New England, for the 12 months ending June 2008, the average unemployment rate was 4.7 percent, up from 4.5 percent for the previous 12 months. New Hampshire had the lowest rate in the region, at 3.6 percent, unchanged from the rate recorded for the previous year, and Rhode Island had the highest rate, at 5.9 percent, up from 4.9 percent a year ago. Massachusetts had the only improving unemployment rate, which decreased to 4.5 percent from 4.7 percent 12 months earlier.

Residential building activity, as measured by the number of building permits issued, has continued to decline in the New England region since peaking in 2005 at almost 59,000 units. During the 12 months ending June 2008, due to higher financing and construction costs, slowing sales, and decreased housing affordability, the total number of units permitted in the region declined by 25 percent to 31,000 units. Unlike declines of recent periods, however, this decline was more pronounced in the single-family market, where the number of homes permitted decreased to 20,900, or 28 percent, from 29,000 homes permitted during the previous 12 months. Although the decline was distributed relatively proportionally throughout the region, the largest declines occurred in the primarily nonmetropolitan states of Vermont and Maine, where the number of permits decreased by 35 and 31 percent, respectively. During the 12 months ending June 2008, the number of multifamily units permitted in the region totaled 10,000, down 17 percent from the 12,000 units permitted during the previous 12 months. Most New England states maintained production levels or posted small increases in multifamily construction activity; the exceptions were Massachusetts and Rhode Island, the most urban states in the region, where the number of multifamily units permitted decreased by 37 and 28 percent, respectively. In recent years, both states have recorded significant increases in their respective inventories of newer available multifamily units; absorption slowed somewhat during the first half of 2008. According to Reis, Inc., a little more than 30 percent of the multifamily units under construction or recently completed in Massachusetts and Rhode Island are condominiums.

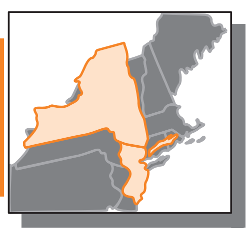
New England sales housing markets continue to be characterized by declining sales and prices. According to the Massachusetts Association of REALTORS® (MAR), during the 12 months ending June 2008, sales of homes in the state decreased 13 percent to 37,450 compared with the number of sales recorded during the previous 12-month period. During the same time, the median price fell 4 percent to an estimated $334,250. The inventory of unsold homes actually decreased 7 percent to 50,700 units, representing a little more than 8 months of supply. The Rhode Island Association of REALTORS® (RIAR) reported that home sales in the state were down 16 percent to 6,775 units during the 12 months ending June 2008 and the median price was down 7 percent to an estimated $260,400. During the period, the inventory of unsold homes decreased slightly, totaling about 6,700 units, yet the length of time homes stayed on the market increased by about 7 percent to 93 days. The Maine Real Estate Information System, Inc. reported that, during the 12 months ending June 2008, home sales in the state were down 14 percent to 10,750 units compared with the previous 12 months and the median price was down 2 percent to an estimated $189,050. In Connecticut, the Greater Hartford Association of REALTORS®, Inc., reported that, for the 12 months ending June 2008, home sales were down almost 20 percent compared with home sales recorded for the previous 12 months and the median price remained stable, at $255,800.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), during the first quarter of 2008, home prices in the region were down less than 1 percent compared with prices recorded during the first quarter of 2007, ranking New England seventh of the nine Census regions and placing the region with the South Atlantic and Pacific regions and the United States as a whole as areas with negative appreciation rates. Two New England states, Vermont and Maine, had positive appreciation rates, both at about 2 percent.

Condominium sales in New England continued to slow in the first half of 2008. For the 12 months ending June 2008, MAR reported 16,800 condominium units in Massachusetts were sold, down more than 19 percent from the number of units sold during the previous 12 months, but the median price was $280,600, up a little more than 1 percent from a year earlier. According to RIAR, during the 12 months ending June 2008, condominium sales in Rhode Island fell 22 percent to 1,500 units but the median sales price was up more than 2 percent to $222,000. According to The Warren Group, in the first half of 2008, condominium sales in the city of Boston were down 11 percent to just less than 1,000 units compared with the same period in 2007, but the median sales price was up about 2 percent to $554,600.

Most metropolitan area rental housing markets in New England are balanced, although market dynamics are mixed throughout the region. Apartment vacancy rates are increasing in Boston, Providence, and Fairfield County but declining in Hartford, New Haven, and Portland. In Boston, moderating job growth and significant additions of new rental units to the inventory have resulted in a second quarter 2008 apartment rental vacancy rate of 6.1 percent, up from 5.6 percent a year ago, according to Reis, Inc. About 3,000 apartment units are projected for completion in Boston in 2008, which will likely result in higher vacancy rates. Despite the softening conditions, the average asking rent in Boston was $1,724, up nearly 4 percent from the rent recorded in the previous year. The Fairfield County rental market, historically very tight, has softened but remains balanced due to recent inventory additions and uncertainty in the New York City metropolitan financial markets. The rental vacancy rate increased from 3.2 to 5.2 percent in the past year and the average asking rent increased to $1,814, up nearly 5 percent from the rent recorded a year ago. Predicated by job losses in Rhode Island during the past year, the second quarter 2008 rental vacancy rate for the Providence metropolitan area was 7.7 percent, up from 7.5 percent a year ago. The average asking rent remained relatively stable, at $1,234. In the second quarter of 2008, the rental vacancy rate in Hartford declined to 4.2 percent from 4.9 percent a year ago and in New Haven decreased to 3.8 percent from 4.5 percent last year. In both areas, additions to the rental inventory have been limited. Increases in average asking rents have ranged from more than 2 percent in New Haven to more than 3 percent in Hartford. In Portland, as of the second quarter of 2008, the rental vacancy was 5.1 percent, down from 6.9 percent for the second quarter of 2007. Rent appreciation has been modest, at only 2 percent, during the past year.

New York/ New Jersey



Employment increased in the New York/New Jersey region through the second quarter of 2008 but at a slower rate than it did in the second quarter of 2007. During the 12-month period ending June 2008, total nonfarm employment in the region increased by 90,600 jobs to 12.8 million, or 0.7 percent, compared with a 1.0-percent increase recorded during the previous 12 months. During the most recent 12-month period, New York added 88,700 jobs, a 1.0-percent increase to 8.8 million, but employment in New Jersey remained relatively stable, at 4.1 million, with the addition of only 1,900 jobs. The small net employment increase in New Jersey is partially attributed to the loss of 7,000 jobs in the financial activities sector and 8,900 jobs in the manufacturing sector. Employment growth in both states was concentrated in the education and health services, professional and business services, and leisure and hospitality sectors, which added 43,900, 20,300, and 14,800 jobs, respectively.

During the 12-month period ending June 2008, New York City had a net increase of 57,200 jobs, a 1.5 percent gain to 3.8 million jobs compared with employment increases during the same period in the previous year. The 6,300 jobs lost in the manufacturing sector were offset by job gains in service-providing sectors, including the financial activities, professional and business services, and leisure and hospitality sectors. The Federal Reserve Board's *Beige Book* reported that New York City's tourism industry remained stable and that Broadway theater attendance and revenues increased by 3 to 4 percent from a year ago.

For the 12-month period ending June 2008, the average annual unemployment rate in the New York/New Jersey region increased from 4.4 to 4.8 percent. The unemployment rate increased from 4.4 to 4.8 percent in New York and from 4.4 to 4.6 percent in New Jersey. During this same period, the unemployment rate in New York City increased from 4.9 to 5.1 percent.

In response to slower employment growth and tighter lending standards, home sales have declined throughout much of the New York/New Jersey region. The New York State Association of REALTORS® reported that during the 12-month period ending June 2008, existing single-family home sales in the state (ex-cluding parts of New York City) decreased 14 percent to 83,980 homes compared with sales during the previous 12 months. In June 2008, the median price of a single-family home was $219,000, down nearly 11 percent compared with the median price recorded in June 2007. Home sales also decreased in parts of New Jersey. According to the New Jersey Association of REALTORS®, single-family home sales decreased by 15 percent to 128,900 homes in the 12-month period ending March 2008. During the period, sales declined by 5,560 homes in Central New Jersey and by 10,460 homes in Northern New Jersey to total 33,740 and 59,640 homes, respectively. In the first quarter of 2008, the median price of an existing home in New Jersey decreased by 3 percent from last year to $350,700. In Northern New Jersey, the most expensive part of the state, the median price of an existing home in the first quarter of 2008 was $420,900, almost 5 percent less than the price recorded during the same quarter in 2007. During the first quarter of 2008, the median price of an existing single-family home in Central New Jersey and Southern New Jersey declined by less than 1 percent to $348,900 and $232,700, respectively.

Most sales markets for existing homes in Upstate New York continued to soften as indicated by a decrease in sales activity. During the 12 months ending June 2008, the Greater Capital Association of REALTORS® reported that the number of sales in the five-county Albany-Schenectady-Troy metropolitan area declined 12 percent to 8,750 units compared with sales during the previous 12 months. In June 2008, the median price of an existing home in the metropolitan area remained stable, at $195,000, compared with June 2007. During this same period, the Buffalo Niagara Association of REALTORS® reported that existing home sales remained stable, at 10,900 units, compared with a year ago, but the median price of an existing single-family home and condominium unit increased 6 percent to $114,000. The Greater Rochester Association of REALTORS® indicated that home sales decreased approximately 6 percent to 10,900 units from sales a year ago, and the median home price decreased approximately 3 percent to $118,000.

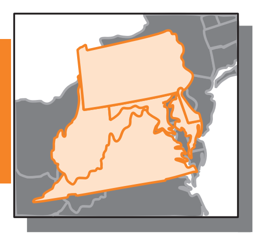
Sales of condominiums and cooperatives in Manhattan declined dramatically during the second quarter of 2008 compared with the exceptionally strong level of condominium/co-op sales in 2007. Prudential Douglas Elliman reported that in the second quarter of 2008, the number of condominium/co-op units sold in Manhattan totaled 3,080, a 35-percent decline from a year earlier. Despite the decline, the level of condominium sales remained 60 percent higher than the sales level recorded during the second quarter of 2006. In the second quarter of 2008, the inventory of available listings totaled 6,870 units, a 30-percent increase compared with the inventory a year earlier. During the most recent 12-month period, the median price of a condominium/co-op in Manhattan increased 15 percent to $1,025,000. Tighter credit standards and an increasing inventory of available units will likely result in smaller price increases in the future.

Although housing construction has increased overall in the New York/New Jersey region, the construction of single-family homes has decreased significantly in response to declining demand and an increased inventory of unsold homes. During the 12-month period ending June 2008, housing construction, as measured by the number of residential building permits issued, increased by 5,850 units, or approximately 7 percent, compared with the number issued in the region during the same period last year. This increase included 64,400 units permitted in New York, a 17-percent increase, which offset a decrease of 3,600 units, or 13 percent, in the number of units permitted in New Jersey. During the 12-month period ending June 2008, the number of single-family permits issued decreased by 22 percent to 14,550 units in New York and by 26 percent to 10,700 units in New Jersey compared with the number issued a year ago. Multifamily housing construction, including both apartments and condominiums, increased by 28 percent to 62,750 units. During the 12-month period ending June 2008, the number of multifamily units permitted increased by 38 percent in New York, from 36,250 to 49,850 units, and increased by nearly 2 percent in New Jersey, from 12,700 to 12,900 units, compared with the number permitted a year ago. Approximately 30 percent of the multifamily housing currently under construction in the region consists of townhome or condominium units.

As sales housing markets have slowed, the demand for rental units has increased throughout much of the region. Second quarter 2008 data from Reis, Inc., indicated decreasing apartment vacancy rates in New York City and parts of New Jersey. According to Reis, Inc., during the second quarter of 2008, the vacancy rate in New York City declined to 2.3 percent from 2.4 percent recorded during the same quarter a year ago. The apartment vacancy rate in Central New Jersey also declined, from 3.5 to 3.1 percent, but the rate increased from 3.3 to 3.6 percent in Northern New Jersey because the level of absorption was significantly less than the level of units completed. During the second quarter of 2008, apartment vacancy rates decreased by 0.5 to 1 percent annually in metropolitan areas in Upstate New York and currently range from a low of 3.7 percent in Syracuse to a high of 4.5 percent in Buffalo.

Increased demand for rental housing has contributed to rent inflation throughout much of the region. In the second quarter of 2008, the average monthly asking rent in New York City increased to $2,913, up nearly 8 percent from the average monthly rent reported in the second quarter of 2007. Average monthly apartment asking rents also increased to $1,153 in Central New Jersey and to $1,507 in Northern New Jersey, or by 4 and 5 percent, respectively. Average monthly apartment asking rents in the Buffalo, Rochester, and Syracuse metropolitan areas increased by 3 to 4 percent to $723, $745, and $673 a month, respectively.

Mid-Atlantic



The Mid-Atlantic region has had moderate employment growth since 2004, but the pace of growth has recently slowed. During the 12 months ending June 2008, average nonfarm employment increased by 0.6 percent to 14.1 million jobs, a gain of 84,100 jobs, compared with an increase of 0.9 percent, or 125,200 jobs, during the 12 months ending June 2007. Employment in the education and health services sector rose by 50,100 jobs, or 2.4

percent, and the number of jobs in the professional and business services sector increased by 31,950, or 1.6 percent. Together, the two sectors led all sectors in absolute and percentage growth and offset the loss of 26,600 jobs in the manufacturing sector.

All states in the Mid-Atlantic region recorded job gains during the 12-month period ending June 2008. Pennsylvania, Maryland, and Virginia added 25,200, 25,100, and 23,100 jobs, respectively, accounting for 87 percent of new jobs in the region. Although Maryland added 14 percent more jobs compared with the previous year, job growth in Pennsylvania and Virginia declined to approximately half the rate that occurred in each state during the 12 months ending June 2007. Employment growth was less than 1 percent in Delaware and West Virginia, but the number of jobs increased by 1.2 percent in the District of Columbia because of gains in the education and health services and professional and business services sectors. Slower job growth in the region led to an increase in the unemployment rate. During the 12 months ending June 2008, the regional unemployment rate was 4.2 percent, up from the 3.9-percent rate reported a year ago.

Despite moderate employment growth, the pace of existing home sales slowed throughout the region, continuing the trend that started 3 years ago. According to the Virginia Association of REALTORS®, during the 12 months ending June 2008, 84,950 existing homes were sold, a decline of 20 percent from the number of homes sold during the 12 months ending June 2007. The average home sales price in Virginia was $296,900, 5 percent higher than a year ago. During the 12 months ending June 2008, the Norfolk, Virginia metropolitan area and the Northern Virginia suburbs of the Washington, D.C. metropolitan area accounted for 43 percent of all existing homes sold in Virginia, with sales of approximately 20,450 and 16,050 homes, respectively. The average price in the Norfolk area remained nearly unchanged, at $279,800. Homes in Northern Virginia have the highest average price in the state, $511,100, which is down almost 3 percent from the price recorded a year ago. During the 12 months ending June 2008, 11,150 homes were sold in the Richmond metropolitan area, down 28 percent from the 15,550 homes sold during the 12 months ending June 2007. The average price of an existing home in the Richmond area increased slightly by 1 percent to $276,900.

In Maryland, the inventory of unsold homes rose as the pace of sales slowed. The current average monthly inventory of 46,800 homes increased 17 percent from 39,850 reported during the 12 months ending June 2007. According to the Maryland Association of REALTORS®, during the 12 months ending June 2008, approximately 49,200 existing homes were sold in the state, a decrease of 32 percent compared with the 72,400 homes sold during the comparable period in 2007, and the average price declined by 2 percent to $354,200. In the Baltimore metropolitan area, 24,500 homes were sold, reflecting a 29-percent decrease, but the average price remained nearly unchanged, at $314,500, since June 2007. During the 12 months ending June 2008, the number of homes sold in the Maryland suburbs of the Washington, D.C. metropolitan area declined by 48 percent to 7,250 homes, and the average price decreased 7 percent to $324,200 compared with the previous 12 months.

Existing home sales activity decreased in Delaware, Pennsylvania, and West Virginia through the 12 months ending March 2008 (the most recent data available). The NATIONAL ASSOCIATION OF REALTORS® reported that 12,000 homes were sold in Delaware, a decline of almost 32 percent compared with the number sold a year earlier. In Pennsylvania, 176,800 homes were sold, 14 percent fewer than the number sold during the 12-month period ending March 2007. In West Virginia, 29,600 homes were sold during the 12 months ending March 2008, resulting in a 12-percent decline.

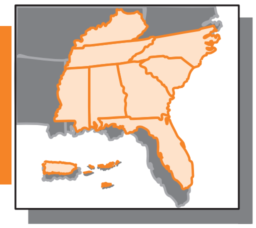
Homebuilding activity, as measured by the number of single-family building permits issued, declined throughout the Mid-Atlantic region during the 12 months ending June 2008. Builders have reduced production in response to slower employment growth and a decline in demand resulting from tighter lending standards. During the period, permits were issued for 64,900 homes, 27 percent fewer than the 88,350 homes permitted during the 12 months ending June 2007. The number of building permits issued for single-family homes declined in all states in the Mid-Atlantic region. The largest absolute decrease occurred in Virginia, where permits were issued for 23,800 homes, down 28 percent, or 9,150 homes, compared with the 12 months ending June 2007. The number of single-family homes permitted in Maryland declined 28 percent to 11,350 homes; in Pennsylvania, the number of permits fell by 23 percent to 23,350 homes. In the District of Columbia, homebuilding activity decreased by more than one-half to 250 homes. Throughout the remainder of the region, declines in the number of permits issued ranged from 24 percent in West Virginia to 33 percent in Delaware. Among the metropolitan areas in the Mid-Atlantic region, Washington, D.C., accounted for 10,850 new homes, the most in the region during the 12 months ending June 2008, with nearly 60 percent of the new activity occurring in the Northern Virginia suburbs.

During the 12 months ending June 2008, multifamily construction activity, as measured by the number of units permitted, declined in the region by approximately 3,725 units, or nearly 16 percent, to 19,950 units. Construction declined by 47 percent to 4,400 units in

Maryland, by 39 percent to 810 units in Delaware, and by 41 percent to 780 units in the District of Columbia. In Pennsylvania, activity decreased slightly by 3 percent to 5,300 units. Despite the overall decline in the region, Virginia and West Virginia reported increased multifamily building activity during the 12 months ending June 2008, partially because of increased apartment construction in response to growth at universities. In Virginia, the construction of multifamily units increased 11 percent to 7,700 units. In West Virginia, construction increased to 930 units from 210 units built during the previous 12 months; one-third of the construction is for student housing located in the Morgantown metropolitan area, home of West Virginia University. During the most recent 12-month period, multifamily building activity varied in the largest metropolitan areas in the region. The Washington, D.C. metropolitan area accounted for 6,675 new multifamily units, the largest total among the region's metropolitan areas during the 12 months ending June 2008 but still a decline of 21 percent from the number of multifamily units built during the previous year. In the Washington, D.C. metropolitan area, approximately 60 percent of the new multifamily development is apartments and the remainder is condominium units. The Philadelphia metropolitan area, the second leading area in the region for multifamily development, reported an increase of 14 percent in the number of multifamily units permitted, with condominium units accounting for nearly 65 percent of the new development.

Market conditions varied in rental housing markets in the Mid-Atlantic region. According to data from Reis, Inc., for the second quarter of 2008, the Richmond rental market tightened as the vacancy rate declined to 5.7 percent, compared with 7.2 percent in the second quarter of 2007. During 2007, nearly 700 new apartments were completed in the Richmond area, and absorption rates were strong. Between the second quarter of 2007 and the second quarter of 2008, vacancy rates decreased from 6.7 to 6.1 percent in Pittsburgh and from 5.8 to 5.3 percent in Baltimore. Minimal change occurred in the overall rental vacancy rates in the Philadelphia and Norfolk/Hampton Roads areas, both registering rates of 4.3 percent, as the markets remained balanced. In the District of Columbia, the vacancy rate increased slightly to 4.5 percent, and outside the city vacancy rates increased to 5.2 percent in suburban Maryland and to 6 percent in suburban Virginia. Despite the rise in vacancy rates, average rents increased by more than 5 percent in both areas, rising to $1,249 in suburban Maryland and $1,418 in suburban Virginia.

Southeast/ Caribbean



Nonfarm employment increased modestly in the Southeast/Caribbean region during the 12-month period ending June 2008 compared with the preceding 12 months, averaging approximately 27.2 million jobs. The addition of 137,200 jobs, a 0.5-percent gain, in the region during the past 12 months is considerably less than the addition of 440,200 jobs, a 1.7-percent gain, during the 12 months ending June 2007 and 629,000 jobs during the previous year. Employment decreases of approximately 90,000 jobs in the manufacturing sector and 70,000 jobs in the construction sector reflected weakness in the national economy and decreased homebuilding in the region. The addition of 91,900 new jobs in the education and health services sector reflected continued steady growth and produced a 2.9-percent employment gain, the largest gain in the region during the 12 months ending June 2008. During the period, employment in the government sector grew by 71,300 jobs, equaling the job growth recorded during the preceding 12 months and outpacing the average annual increase of 33,700 jobs recorded in this sector during the preceding 5 years.

During the past year, the pace of employment growth slowed in every state in the region except Kentucky. Employment in Kentucky increased by 19,700 jobs, or 1.1 percent, during the 12 months ending June 2008, which was slightly more than the gain of 19,100 jobs recorded during the previous 12 months and which continued the moderate growth recorded in the state since 2004. The largest decrease in em-ployment occurred in Florida, which lost 37,000 jobs, a decline of 0.5 percent, during the past 12 months compared with the preceding 12 months. In contrast, during the 12-month period ending June 2007, employment in the state increased by 147,500 jobs, or 2 percent. A major contributor to the job decline in Florida is the weakening sales housing market, particularly in new home construction. During the 12 months ending June 2008, employment in the construction sector decreased by 74,800 jobs, or nearly 12 percent, compared with a 12,000-job increase, or 2 percent, posted during the same period a year ago. In Puerto Rico, employment decreased by 15,700 jobs, or 1.5 percent, during the past year following a loss of 14,100 jobs the year before. In North Carolina, 68,400 jobs were added during the past 12 months, approximately one-half the number of jobs added the year before.

During the 12 months ending June 2008, the unemployment rate for the region averaged 5.3 percent compared with 4.7 percent for the preceding 12 months.

Existing home sales decreased in most markets in the region during the past year. According to the Alabama Center for Real Estate, during the 12 months ending June 2008, approximately 50,500 homes were sold statewide, a 15-percent decline compared with the 59,500 homes sold during the same period a year ago. Home sales declined by 20 percent in the Birmingham-Hoover area to approximately 14,900 homes. Sales also declined by 20 percent in Montgomery and by 12 percent in Huntsville. With sales falling, the supply of homes on the market is up significantly statewide; for the 12 months ending June 2008, the inventory averaged about 43,600 homes, a 16-percent increase from the same period a year ago. Inventories of unsold homes rose in most areas of the state, including increases of 26 percent in Montgomery, 27 percent in Huntsville, and 34 percent in Mobile. Statewide, the average price of a home sold during the 12 months ending June 2008 remained relatively unchanged, at $157,500.

According to the Florida Association of REALTORS®, during the 12 months ending June 2008, 117,000 existing single-family homes were sold statewide, a decrease of 23 percent compared with the number sold during the same period a year ago. The median sales price for an existing single-family home in Florida during the past year was $213,200, a decrease of 12 percent from $242,300 in the previous 12-month period. Sales of existing condominiums during the period declined 22 percent to a total of 37,100 units statewide. The median price of an existing condominium in the past 12 months was $186,500, a 12-percent decline from the previous 12 months.

The South Carolina Association of REALTORS® reported that the number of homes sold statewide during the 12 months ending June 2008 totaled 54,250 units, an 18-percent decrease when compared with the number sold during the previous 12 months. The largest decline in the number of homes sold occurred in the coastal Myrtle Beach and Charleston areas, where seasonal homes constitute a significant part of the market. Sales declined by 3,275 and 2,650 homes, respectively, in the two areas. For the first 6 months of 2008, the median home price in South Carolina was $154,000, down more than 3 percent from the price recorded for the same period in 2007.

Data from the North Carolina Association of REALTORS®, Inc., which reports housing sales for 20 areas, indicate that, during the 12-month period ending June 2008, 119,100 existing homes were sold, a decline of 17,250 homes, or 13 percent, from the number sold during the previous 12 months. The average price increased slightly by 1 percent to $221,100 during the most recent 12-month period. The decline in the number of homes sold in each of the three largest metropolitan areas in North Carolina accelerated compared with the decline reported the previous year. In Charlotte, the number of existing homes sold declined by 9,300, or 22 percent, to 33,150 homes, but the average price remained relatively stable, at $228,200. In Raleigh, sales of new and existing homes declined by 7,975, or 22 percent, to 28,850 homes but the average price increased by $9,200, or 4 percent, to $242,500. In Greensboro, the number of existing homes sold declined by 2,325, or 14 percent, to 14,725 homes and the average price fell by $3,675, or 2 percent, to $175,300.

In Tennessee, sales of single-family homes and condominiums decreased in the Knoxville, Memphis, and Nashville metropolitan areas during the 12 months ending June 2008 compared with sales recorded during the preceding 12 months. In Knoxville, single-family home sales decreased by 16 percent to 12,075 homes; in Memphis, sales decreased by 19 percent to 13,300 homes; and, in Nashville, sales decreased by 22 percent to 23,750 homes. The number of condominiums sold in the three areas decreased by 9, 20, and 14 percent, respectively.

Single-family homebuilding, as measured by the number of building permits issued, peaked at 521,600 units in the region during the 12 months ending March 2006. Single-family home permits have since declined rapidly as developers have scaled back production in response to slower home sales and rising inventories of new and existing unsold homes in most markets. During the 12 months ending June 2008, permits were issued for 217,400 homes, a decrease of 140,900 units, or 39 percent, when compared with the number of permits issued during the 12-month period ending June 2007. The number of homes permitted during the past 12 months is less than one-half of the annual average 474,200 homes permitted between 2003 and 2005. During the 12 months ending June 2008, single-family home production fell in all states in the region. The largest decline occurred in Florida, where construction activity fell by 48 percent to 52,100 units.

Apartment market conditions varied considerably within the region. In North Carolina, apartment vacancy rates fell slightly in the three largest metropolitan areas during the past 12 months, according to Reis, Inc. The Charlotte apartment market tightened but remained balanced, as the vacancy rate declined from 6.6 percent during the second quarter of 2007 to 6.3 percent during the second quarter of 2008. The Greensboro and Raleigh apartment markets were somewhat soft, with vacancy rates of approximately 8 percent in both areas. All three metropolitan areas recorded rent increases of nearly 4 percent during the past year. In Kentucky, vacancy rates in Lexington and Louisville declined from approximately 8 to 7 percent during the past year, reflecting balanced markets, but asking rents increased by nearly 3 percent and 4 percent, respectively.

In contrast, all five Florida markets surveyed by Reis, Inc., recorded higher apartment vacancy rates during the second quarter of 2008 compared with rates recorded during the second quarter of 2007. Vacancy rates ranged from 4.6 percent in Miami to 10.6 percent in Jacksonville, the highest rate posted for the 19 southeastern markets surveyed. The 2.8-percentage-point increase recorded in the Jacksonville market during the past year was the largest increase reported for the region.

Multifamily construction, as measured by the number of units permitted, declined in the region by 30,500 units, or 29 percent, to 76,075 units during the 12 months ending June 2008. In Florida, the number of multifamily units permitted decreased by 16,450 units, or 38 percent, as apartment and condominium builders reacted to softer rental housing markets and large inventories of unsold condominiums. In Kentucky, the 13-percent gain to 3,100 units was the only increase in multifamily activity recorded in the region during the past year.

MIDWEST

Employment levels remained stable in the Midwest region during the second quarter of 2008. Nonfarm employment decreased by 6,000 jobs to an average of 24.3 million jobs in the 12 months ending June 2008; in the previous 12-month period, no change occurred in nonfarm employment levels. During the most recent 12-month period, increases in the education and health services and professional and business services sectors of 70,000 and 22,000 jobs, respectively, were offset by decreases in the manufacturing and construction sectors of 89,000 and 28,000 jobs, respectively. Almost all the manufacturing job losses occurred in durable goods production, where the decline was widespread throughout the region. The decrease in construction employment was attributed to the slowdown in residential construction throughout the region. All states in the region recorded job gains except Michigan and Ohio, where employment declined by 61,000 and 7,500 jobs, respectively. In the 12 months ending June 2008, the average unemployment rate in the region increased to 5.9 percent, up from 5.6 percent in the previous 12-month period. Unemployment rates ranged from a low of 4.7 percent in both Indiana and Minnesota to a high of 7.5 percent in Michigan.

Slower economic growth, tighter lending standards, and increased numbers of home foreclosures in the region all contributed to continued weakness in the existing home sales market during the first half of 2008. Conditions have been weak for the past 2 years, beginning with the second quarter of 2006. According to the NATIONAL ASSOCIATION OF REALTORS®, in the first quarter of 2008, the annual rate of existing home sales declined by 11 percent to 977,000 homes from the first quarter of 2007. The volume of home sales was the lowest annual rate recorded in the past 6 years. Sales activity was down in all states in the region except Indiana, where the number of homes sold increased by 11 percent, primarily because existing home sales prices have increased at a slower pace in the state compared with other states in the region.

Sales of existing homes continued to slow in the second quarter of 2008 in most areas of the region. In Illinois, the slowing economy dampened sales of existing homes throughout the state. During the 12 months ending June 2008, sales activity decreased by 22 percent and the average price declined by 6 percent to $253,000 compared with the previous 12-month period. The 26-percent decrease in sales activity in the Chicago metropolitan area accounted for 36 percent of the decline in existing home sales in Illinois. During the 12 months ending June 2008, the average monthly inventory of unsold homes in the area rose to 98,000 existing homes, 15 percent more than the average monthly inventory recorded during the same period in 2007. During the most recent 12-month period, Ohio recorded a 12-percent decline in sales of existing homes to 120,000 units and a 4-percent decrease in the average price to $146,000.

In Wisconsin, existing home sales in the Madison and Milwaukee metropolitan areas fell by 17 and 28 percent, respectively, during the 12 months ending June 2008 compared with the 12 months ending June 2007. The average price in both areas decreased by approximately 5 percent to $255,000 and $272,000, respectively. In Minnesota, the Minneapolis-St. Paul metropolitan area recorded declines of 13 percent in sales activity and 6 percent in the average price to $238,500. The Indianapolis Association of REALTORS® reported existing home sales declined by 7 percent and the median price decreased by 4 percent to $115,000. In Michigan, the slow economy continued to affect sales housing markets. Sales of existing homes in the state fell by 8 percent in the 12 months ending June 2008.

In response to declining sales and the increased inventory of unsold new homes in the region, single-family construction, as measured by the number of building permits issued, fell by one-third during the 12 months ending June 2008 to 90,700 homes. The number of single-family permits was the lowest annual level recorded in the past 23 years. Single-family construction activity declined in all states in the region, with Illinois, Michigan, and Ohio accounting for approximately two-thirds of the decrease. In Minnesota, single-family construction activity declined by 38 percent in the past 12 months to 10,700 units, the lowest annual level recorded since 1970. The Builders Association of the Twin Cities reported that sales of new homes, which began to slow in the second quarter of 2006, continued to decline in the second quarter of 2008. During the 12 months ending June 2008, new home sales in the Minneapolis-St.Paul metropolitan area totaled 4,500 homes, a 23-percent decline compared with the same period in 2007. In both Indiana and Wisconsin, the number of building permits issued for single-family homes decreased by 26 percent.

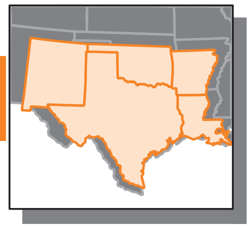
In Chicago, slower sales of new homes led to reduced residential construction activity during the 12 months ending June 2008. Building permits were issued for approximately 13,200 single-family homes in the metropolitan area, a decrease of 10,400 units, or 45 percent, compared with the previous 12 months. Despite the slowdown in residential construction activity in the area, the city of Chicago continued its strong commitment to affordable housing. Since 2004, Chicago has contributed more than $2 billion toward the construction and preservation of 35,000 units of affordable housing, including 19,000 rental units and 16,000 for-sale units. In 2008, the city of Chicago plans to allocate another $400 million toward the construction and rehabilitation of an estimated 15,000 affordable homes and apartments.

Multifamily construction, as measured by the number of units permitted, also continued to decline in the Midwest region in the second quarter of 2008. During the 12 months ending June 2008, the number of multifamily building permits was down 24 percent to 33,600 units and was 39 percent below the average of 55,000 units permitted annually since 2000. Multifamily construction activity, down in all states in the region, ranged from a 4-percent decline in Indiana to a 33-percent decline in Michigan. Illinois accounted for 57 percent of the regional decline, or 6,100 units, because condominium developers in the Chicago metropolitan area have begun reducing construction in response to the soft condominium market. During the 12 months ending June 2008, sales of condominium units in the metropolitan area were down 27 percent from the same period in 2007. The overbuilt condominium market in the Minneapolis-St.Paul metropolitan area contributed to a 27-percent decline in multifamily activity in Minnesota. In Ohio and Wisconsin, multifamily construction activity declined by 13 and 19 percent, respectively.

Apartment market conditions in the region were mixed during the second quarter of 2008. Although Chicago's apartment market remained balanced, the apartment vacancy rate in the metropolitan area increased to 7 percent in the second quarter of 2008 compared with 5 percent in the second quarter of 2007. The higher vacancy rate is partly attributed to the soft condominium market in the metropolitan area. As owners encounter difficulty selling their condominiums, more units are being made available for rent. According to Appraisal Research Counselors, during the second quarter of 2008, more than 3,000 condominium units were available for rent in downtown Chicago compared with 1,100 units during the second quarter of 2007. In contrast, all three major apartment markets in Ohio tightened during the second quarter of 2008 because of the low level of apartment construction. In Columbus and Cincinnati, the apartment vacancy rate was 6.6 percent in both metropolitan areas, down from 7.2 and 8.1 percent, respectively, in the second quarter of 2007. In Indianapolis, CB Richard Ellis reported similar tightening in the apartment market because of the strengthening local economy and increased demand for rental housing units. In the second quarter of 2008, the vacancy rate in the metropolitan area was 7.5 percent, compared with 9.1 percent in the second quarter of 2007.

In the Minneapolis-St. Paul metropolitan area, continued growth in the number of renter households and the tightening apartment market are stimulating the construction of new apartment units. According to GVA Marquette Advisors, approximately 1,200 new market-rate apartment units are anticipated to enter the Twin Cities market this year compared with fewer than 600 in 2007. The 3.7-percent vacancy rate as of the second quarter of 2008 is down from the 3.9-percent rate in the second quarter of 2007. In contrast, fewer than 300 new apartment units are expected to enter the Detroit metropolitan area market in 2008 compared with the 1,000 units that have entered the market annually since 2000. With an 11-percent vacancy rate as of the second quarter of 2008, the apartment market in the metropolitan area is expected to remain soft for the next 12 months because of the slow economy.

Southwest



Nonfarm employment has continued to increase in the Southwest region since 2004. During the 12 months ending June 2008, average nonfarm employment increased by 348,000 jobs, or 2.2 percent, to 16 million jobs. The professional and business services sector led all employment sectors with a gain of 68,000 jobs, or 3.7 percent, spread throughout the region. During the period, the education and health services sector recorded an increase of 63,000 jobs, which amounted to gains of 3 percent or more each in Texas, Louisiana, and Oklahoma and gains of 2 percent each in Arkansas and New Mexico. Employment in the leisure and hospitality sector increased by 53,000 jobs, or 3.7 percent; the gain was concentrated in Texas, which added 40,000 jobs. Manufacturing was the only sector to record a loss, down 6,000 jobs, or 0.4 percent, for the region, with all losses occurring in Arkansas and New Mexico. Manufacturing employment in the other states in the Southwest region remained stable. Despite a significant decrease in single-family homebuilding during the past year, the construction sector added more than 36,000 jobs, up nearly 4 percent compared with the previous 12-month period. Most of the new jobs were concentrated in Texas, Louisiana, and Oklahoma, where increased levels of multifamily and commercial construction occurred.

Texas employers added 264,000 jobs for a gain of 2.6 percent during the 12 months ending June 2008. All nonfarm employment sectors in the state recorded increases, with minimal job gains occurring in information and manufacturing. During the period, Louisiana gained 47,000 jobs, or 2.5 percent, with total employment exceeding pre-Hurricane Katrina job levels for the first time since the hurricane made landfall in August 2005. Oklahoma added 24,000 jobs, up 1.6 percent, with job growth in the same employment sectors as those in the region as a whole. Although the number of jobs in New Mexico grew by 8,200, or 1 percent, the figures are well below the growth rates before 2006. Employment in Arkansas increased by 3,700 jobs, or less than 1 percent, as the economy absorbed a loss of 8,300 manufacturing jobs.

For the 12 months ending June 2008, the average unemployment rate in the Southwest region was 4.3 percent, essentially unchanged from the 4.4-percent rate posted for the previous 12-month period. Unemployment rates in the states ranged from 3.5 percent in New Mexico to 5.4 percent in Arkansas. The rates were down nearly 0.5 percentage point each in Texas, Oklahoma, and New Mexico and were relatively unchanged in Arkansas and Louisiana.

The number of existing home sales declined in Texas during the 12 months ending June 2008, but sales housing markets throughout the state were generally balanced due to a significant reduction in new home construction. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending June 2008, approximately 253,000 homes were sold in Texas, down 10 percent compared with the number sold during the previous 12 months but well above the annual average of 218,000 homes sold from 2000 to 2005. In the large metropolitan areas of Texas, home sales volumes were below that of the state average but were offset by moderate decreases in sales volume in the smaller metropolitan areas. During the 12-month period ending June 2008, the average home sales price in the state increased by 3 percent to $193,600; during the previous 12-month period, the price increased by 4 percent. During the 12 months ending June 2008, average prices increased by about 4 percent in both El Paso and Austin to $142,800 and $246,900, respectively. In Houston and San Antonio, average prices increased by 3 percent to $205,600 and $181,800, respectively.

The number of existing homes sold declined by double-digit percentages in most markets elsewhere in the region. The Greater Albuquerque Association of REALTORS® reported that the number of sales was down 29 percent in Albuquerque to 7,900 during the 12 months ending June 2008. Albuquerque continues to have the second highest average price in the Southwest region, at $241,100, relatively unchanged compared with the price recorded during the 12 months ending June 2007. Based on data from the Greater Baton Rouge Association of REALTORS®, during the 12 months ending June 2008, the number of homes sold in Baton Rouge decreased by 18 percent compared with the number sold during the previous 12 months, but the average price increased by 4 percent to $201,100. According to the Arkansas REALTORS® Association, during the 12 months ending May 2008, the number of homes sold in the state decreased by 11 percent to 27,000 and the price was down by 2 percent to $150,500. Home sales were down 10 percent in the Little Rock area and 16 percent in the Fayetteville area. The price was flat in Little Rock, at $165,900, but was down by 6 percent in Fayetteville, to $190,900.

According to data from the Oklahoma Association of REALTORS®, during the 12 months ending June 2008, the number of existing homes sold in the state decreased to 48,000, an 11-percent drop compared with the number sold during the previous 12 months, and the average price was $151,900. In the Tulsa and Oklahoma City areas, existing home sales were down by more than 10 percent to 13,700 and 17,600 units, respectively. Average prices increased by 4 percent to $157,200 in Tulsa and by 3 percent to $152,300 in Oklahoma City.

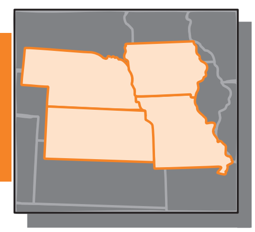
In the Southwest region, single-family construction activity, as measured by the number of building permits issued, decreased significantly during the past 12 months in response to the increased inventory of unsold homes and declining demand resulting from tighter lending standards. During the 12 months ending June 2008, the total number of single-family homes permitted in the region was 131,700, a decline of 55,000, or 30 percent, compared with the number permitted during the 12 months ending June 2007. Declines in the number of units permitted ranged from 18 percent in Oklahoma to 28 percent in Arkansas.

Multifamily construction activity, as measured by the number of units permitted, was at a near-record 66,800 units in the Southwest region during the 12 months ending June 2008 because of large increases in multifamily building permit levels in Texas and Arkansas. The number of units permitted in Texas increased by 3,900 units to 55,300. Permit levels increased by 3,000 and 2,000 units in the Dallas and Austin areas, respectively. In Arkansas, the increase of 800 units occurred almost entirely in Little Rock. In New Mexico, Louisiana, and Oklahoma, permitting activity was down 5, 10, and 11 percent, respectively, compared with that of the previous 12 months.

Rental housing market conditions continue to be somewhat soft, as they have been since 2003, in the largest metropolitan areas in Texas except for Austin. According to ALN Systems, Inc., for the 12 months ending June 2008, the average apartment vacancy rate in Austin was 7 percent and the average rent increased by 7 percent to $837. In Dallas, the apartment rental market has shown slow but steady improvement during the past 12 months as the average vacancy rate declined from 9.7 percent a year ago to the current rate of 9.2; the average rent increased by 5 percent during the same period to $799. In Houston, the apartment vacancy rate continued to increase and is currently at 11.2 percent, up 1 percentage point during the past 12 months. The average rent in Houston was $748, up 4 percent from a year ago. In Fort Worth, the rental market was still very soft and the average apartment vacancy rate was unchanged, at 11 percent. In San Antonio, the apartment vacancy rate also remained unchanged, at 9.5 percent, but the average rent increased by 3 percent to $708.

Rental housing market conditions are generally balanced in other large metropolitan areas throughout the Southwest region. According to Reis, Inc., for the second quarter of 2008, the apartment vacancy rate in Albuquerque was 5.4 percent and the average rent increased by 5 percent to $698. In New Orleans, the apartment rental market is still tight, but vacancy rates increased from 3.7 percent for the second quarter of 2007 to 4.2 percent for the second quarter of 2008. The average rent increased to $858, up 3 percent compared with the rent recorded a year ago. In Little Rock, the apartment market became more balanced during the 12 months ending June 2008; the 6.9-percent vacancy rate is down from 8.2 percent a year ago, and the average rent increased by 5 percent to $635. The apartment vacancy rate improved moderately in Oklahoma City, to 7.9 percent, and significantly in Tulsa, to 8.1 percent from 9.6 percent a year ago. Average rents were up by 4 percent to $531 in Oklahoma City and by 5 percent to $570 in Tulsa.

Great Plains



The long-term impact of the June 2008 floods on local housing markets and economies in the Great Plains region is still unknown at this time, and it will take time for the affected communities to fully recover due to the extensive damage to infrastructure and property. Among the hardest hit areas are communities in Iowa and Missouri; areas in Kansas and Nebraska were also significantly affected.

Current employment data show that the economy of the Great Plains region continued its 4-year expansion in the second quarter of 2008, although the rate of job growth is slowing. During the 12 months ending June 2008, the region added approximately 55,000 nonfarm jobs, a 1-percent increase compared with the number of jobs added during the 12 months ending June 2007. The gain was less than the 1.4-percent increase recorded in the previous 12 months because of slower growth in most employment sectors. For the 12 months ending June 2008, Kansas and Nebraska led the region in job growth, adding 17,900 and 16,100 jobs, respectively. Employment grew steadily in Missouri and Iowa, adding 10,700 and 10,400 jobs, respectively. Regional gains were led by growth in the professional and business services sector and the education and health services sector, which added 16,000 and 14,900 jobs, respectively. The only sector in the region to lose jobs was manufacturing, down nearly 7,700 jobs. The 10,100 manufacturing jobs lost in Missouri, primarily in motor vehicle and transportation equipment, were partially offset by a gain of 2,400 manufacturing jobs in the region's three other states.

Because of slower employment growth, the average unemployment rate for the Great Plains region, for the 12 months ending June 2008, was 4.5 percent, up from 4.2 percent during the previous 12 months. The rate increased by 0.7 percentage point to 5.5 percent in Missouri and remained relatively unchanged in Iowa, Kansas, and Nebraska, at 3.8, 4.1, and 3.1 percent, respectively.

Home sales markets throughout the region continued their second year of soft conditions as a result of the slowing rate of job growth and tighter lending standards. According to the NATIONAL ASSOCIATION OF REALTORS®, for the 12 months ending March 2008, the annual rate of existing home sales for the four states in the region declined 14 percent to approximately 281,600 homes compared with the rate of sales for the previous 12 months. All states in the region reported a decrease in the number of sales, ranging from 8 percent in Missouri to nearly 28 percent in Iowa. According to the Office of Federal Housing Enterprise Oversight (OFHEO) House Price Index, for the 12 months ending March 2008, home sales prices for the region appreciated by an average of more than 2 percent compared with prices for the previous 12 months. Home price increases ranged between 1 and 3 percent among the states. The appreciation rates are lower than those recorded a year ago but higher than the national rate of -3 percent as of March 2008.

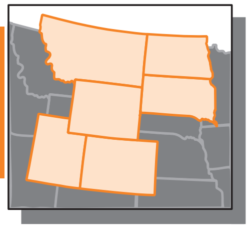
According to local REALTOR® associations, new and existing home sales in the major metropolitan areas in the region declined during the 12 months ending June 2008 compared with sales during the previous 12 months. In St. Louis and Kansas City, total sales declined by nearly 14 percent in each city to 16,750 and 28,650 homes, respectively, and the average price declined by 6 percent to $198,100 in St. Louis and by 4 percent to $177,300 in Kansas City. In Des Moines, total sales declined by nearly 17 percent to 8,750 homes but the average price remained stable, at $170,500. In Lincoln, total sales declined by nearly 11 percent to 3,650 homes and the average price declined by approximately 2 percent to $155,100. In Wichita, total sales declined by 9 percent to 10,850 homes, but the average price increased by approximately 4 percent to $135,000. Although sales declined in each of the metropolitan areas, the unsold inventory has remained relatively unchanged, ranging from less than a 5 months' supply in Wichita to approximately a 9 months' supply in Des Moines.

The weakening sales housing markets have contributed to a 2-year decline in single-family home construction, as measured by the number of units authorized by building permits. For the 12 months ending June 2008, permits were issued for 24,750 single-family homes, a 28-percent decline compared with the number issued for the same period a year ago. The decrease was greatest in Missouri and Kansas, which recorded declines of 36 and 29 percent, respectively, to approximately 9,000 and 5,125 permits, respectively. In Iowa and Nebraska, the number of single-family permits was down 21 and 13 percent, respectively, to 6,050 and 4,550, respectively.

Multifamily construction, as measured by the number of multifamily units permitted, also declined but to a lesser degree than single-family construction did. For the 12 months ending June 2008, the number of units permitted in the region declined by 14 percent to 11,550 units. The decline was not uniform across the region; the number of multifamily units permitted increased in Kansas and Nebraska but declined in Iowa and Missouri. The magnitude of the declines in Iowa and Missouri—nearly 690 units, or 27 percent, in Iowa and nearly 1,850 units, or 27 percent, in Missouri—contributed to the overall decline in multifamily permitting activity for the period. In Kansas and Nebraska, during the 12 months ending June 2008, the number of multifamily units permitted increased by 210 and 460 units, respectively, representing increases of 9 and 32 percent, respectively, compared with the number permitted during the 12 months ending June 2007. According to the McGraw-Hill Construction Pipeline database, apartments accounted for 70 percent of multifamily units permitted in the Great Plains region, up from approximately 50 percent recorded a year ago; the remainder of the units were condominiums.

Rental housing markets in the larger metropolitan areas of the Great Plains region have tightened since early 2007. Restrictive mortgage lending standards and higher mortgage interest rates have made it difficult for potential buyers to purchase a home and have contributed to tighter rental markets. According to Reis, Inc., first quarter 2008 data for each metropolitan area indicate lower vacancy rates and increasing rents compared with rents and rates for the first quarter of 2007. In St. Louis and Kansas City, average apartment vacancy rates declined from 8 to nearly 7 percent and from 7.4 to 7.2 percent, respectively. Average asking rents in both markets increased by 2 and 4 percent to $721 and $695, respectively. In Omaha, the apartment vacancy rate remained relatively stable, at approximately 6 percent, but in Wichita and Des Moines, vacancy rates decreased to approximately 8 percent from 10 percent and to 7 percent from 8 percent, respectively. Average asking rents increased in all three areas, rising by 5 percent to $682, by 4 percent to $500, and by 2 percent

Rocky Mountain



to $680, respectively.

The economy of the Rocky Mountain region continued its 4-year expansion, albeit at a slower rate during the second quarter of 2008. For the 12 months ending June 2008, nonfarm employment in the region increased by 108,500 jobs, or 2.2 percent, to 5.1 million. The gain was lower than the 3-percent growth rate recorded for the previous 12 months because of slower growth in most employment sectors. The largest gains occurred in Colorado and Utah, which added 46,900 and 32,100 jobs, respectively. In Colorado, employment gains across all sectors except manufacturing and financial activities contributed to a 2.0-percent increase in nonfarm employment during the past 12 months. In Utah, a record number of tourists visiting the state's ski areas during the 2007–08 season contributed to strong job increases in the leisure and hospitality sector and an overall 2.6-percent job growth rate. In Wyoming, employment growth of 3.2 percent was bolstered by high demand for the state's energy resources. Montana, North Dakota, and South Dakota each posted job growth rates of less than 2 percent.

The slower economy eased labor markets throughout the Rocky Mountain region. During the 12 months ending June 2008, the average unemployment rate in the region increased to 3.7 percent from 3.4 percent recorded during the same period a year ago. Average unemployment rates were up in all states in the region except South Dakota, where the rate remained relatively unchanged, but rates for all states were well below the average national rate of 4.9 percent. Rates in Colorado and Utah increased the most, gaining 0.4 percentage point in both states from a year ago. The 2.8-percent unemployment rate in South Dakota was the lowest in the region, followed by Utah and Wyoming, at 3.0 percent; Colorado had the highest rate, at 4.3 percent. North Dakota and Montana recorded unemployment rates of 3.2 and 3.5, respectively.

During the first quarter of 2008, single-family home sales activity in the Rocky Mountain region showed signs of improving after declining for the previous four quarters. According to the NATIONAL ASSOCIATION OF REALTORS®, the annualized average rate of existing home sales for the first quarter of 2008 was up 3 percent from the fourth quarter of 2007. Nevertheless, for the 12 months ending March 2008, existing home sales totaled 223,600, down 10 percent from a year ago. During the most recent 12-month period, home sales were down in all states in the region. The greatest rate of decline, more than 30 percent, occurred in Utah, following relatively high sales activity in the state in the previous 12 months. Home sales were down by 11 percent in both Montana and Utah and were off by 4 percent in North Dakota. Sales activity in Colorado and Wyoming was off by 2 and 10 percent, respectively.

The home sales markets in most of the region's metropolitan areas softened during the 12 months ending June 2008. The Salt Lake City and Provo-Orem single-family home sales markets have experienced lower demand because of tighter lending standards and rising home prices in recent years. As a result, during the past year, the inventories of unsold homes have increased and prices have remained relatively flat in these once very tight markets. According to NewReach, Inc., for the 12-month period ending June 2008, existing single-family home sales in the four-county Salt Lake City housing market area declined by 37 percent to 13,600 units and active listings were up 75 percent to 21,200 units. At the same time, the average home sales price was up by 3 percent to $255,100 compared with 16-percent increases during the previous two 12-month periods. Similarly, new home sales in the Salt Lake City area were down 35 percent and the average price decreased by 4 percent to $358,700. In the Provo-Orem area, sales of existing homes were off by 38 percent, and the average sales price was relatively unchanged, at $282,000.

In Colorado metropolitan areas, sales market conditions for existing homes are soft, but inventories of unsold homes have declined significantly, indicating that markets are beginning to turn around. According to the Boulder Area REALTOR® Association, for the 12-month period ending June 2008, the average price of an existing single-family home in Boulder was relatively unchanged, at $449,500, but sales declined by 7 percent. The Denver Board of REALTORS® indicates the average single-family home price in Denver declined by 4 percent to $292,300 and sales were down by 4 percent. Active listings of existing homes in Boulder and Denver were down 11 and 22 percent, respectively. Inventories in both markets have subsided because of reductions in homebuilding, a modest decline in existing home sales, and an increased number of sellers keeping homes off the market until prices have stabilized. Homes priced under $300,000 in certain submarkets in Denver and under $500,000 in Boulder are in short supply.

In response to lower demand, homebuilding activity in the region continued a 2-year decline in the second quarter of 2008. During the 12 months ending June 2008, single-family construction activity, as measured by the number of building permits issued, decreased by 20,300 units, or 35 percent, to 37,600. In Utah, 11,160 single-family homes were permitted, a decline of 9,440 homes compared with the number permitted during the previous 12 months; this decline accounted for 46 percent of the total reduction in the region. In Colorado, permits declined by 9,050 units to 16,200 single-family homes. Construction activity in Utah and Colorado is expected to continue to ease until the excess inventory of existing unsold homes is absorbed. In Montana and Wyoming, the number of permits issued in each state declined by approximately 20 percent to 2,660 and 2,190 units, respectively. In North Dakota and South Dakota, building permits for new homes were off by 7 percent to 1,900 units and by 11 percent to 3,480 units, respectively.

In the Rocky Mountain region, for the 12 months ending June 2008, multifamily construction, as measured by the number of units permitted, totaled 14,900 units, a decline of 2 percent from the same period a year ago. In Colorado, multifamily building activity increased by 10 percent, or 820 units, to 8,800 units. Gains in Colorado more than offset losses in Montana, North Dakota, and South Dakota; multifamily building activity in these states decreased by 49, 20, and 14 percent, respectively, to 620, 930, and 970 units, respectively. The large decrease in Montana was due to a slowdown in condominium development in the state's resort areas. In Utah and Wyoming, the number of multifamily units permitted was relatively unchanged, at 3,170 and 430 units, respectively. Condominium production still accounts for an estimated 60 percent of multifamily units permitted in the region, but, as the demand for apartments continues to grow, builders are expected to increase apartment production.

During the second quarter of 2008, rental housing markets continued their 4-year tightening trend throughout much of the Rocky Mountain region. The Salt Lake City area rental market has benefited from a 4-year period of strong population growth and limited delivery of new rental units in the market. According to Reis, Inc., in the Salt Lake City area, during the second quarter of 2008, the apartment vacancy rate of 5.3 percent was relatively unchanged from a year ago as conditions remained tight. The average overall asking rent increased by 6 percent to $745. During the past 12 months, the apartment vacancy rate in Denver declined to 6.1 percent from 6.9 percent a year ago, according to the second quarter 2008 survey by *Apartment Insights*, published by Apartment Appraisers & Consultants. The average effective rent was up 5 percent to $813, a further indication of a balanced-to-tight market. With few apartment units in the construction pipeline, the tightening trends in the Salt Lake City and Denver areas are expected to continue for the next 12 months. The Colorado Springs rental market remains soft but is improving. The 12-month average apartment vacancy rate declined from 9.8 percent in June 2007 to 9 percent in June 2008. According to *Apartment Insights*, the average effective rent in the Colorado Springs area was relatively unchanged, at $635.

Pacific

The economy of the Pacific region slowed during the second quarter of 2008. During the 12 months ending June 2008, the level of nonfarm employment remained relatively unchanged, increasing by just 35,700 jobs, or 0.2 percent, the slowest pace since 2003. Hiring has declined sharply from the 1.6-percent increase in the previous 12 months, when 309,000 jobs were added. Employment in the service-providing sectors rose by 160,000 jobs, or 1 percent. The government sector and education and health services sector each added approximately 68,000 jobs, followed by a 24,000-job gain in the leisure and hospitality sector. Because of the continued weakness in the housing market, employment in the construction sector and financial industries fell by 100,000 and 42,000 jobs, respectively.

California employers increased payrolls by a modest 29,400 jobs, or 0.2 percent, in the 12 months ending June 2008, compared with more than 184,000 jobs added in the previous 12-month period. The 120,000-job gain in the service-providing sectors was substantially offset by a decline of nearly 91,000 jobs in the construction and manufacturing sectors. Buoyed by strong information processing and high-technology industries, employment in the San Francisco Bay Area rose by 28,000 jobs. In Southern California, employment declined by 33,500 jobs, largely due to the loss of residential construction jobs and layoffs in the financial activities sector. Employers in Hawaii added just 3,500 jobs, a 0.5-percent gain, in the 12 months ending June 2008, down from 12,500 new jobs added in the previous 12 months.

The normally fast-growing Arizona and Nevada economies have slowed dramatically in the past year. Nonfarm employment in Arizona was relatively unchanged in the 12 months ending June 2008, increasing by only 2,600 jobs, far below the average annual increase of nearly 113,000 jobs between 2003 and 2006. Jobs in the service-providing sectors rose by 28,000 in the past 12 months, largely in the government sector and education and health services sector. Employment in the construction sector declined by more than 23,000 jobs due to the slow pace of homebuilding. In Nevada, the level of nonfarm employment was also essentially unchanged during the period, compared with an increase of 33,000 jobs, or 2.6 percent, during the previous 12-month period. As a result of the slower economy, the average unemployment rate in the Pacific region rose to 5.6 percent in the 12 months ending June 2008, from 4.7 percent in the previous 12-month period. Unemployment rates increased in every state in the region and ranged from a low of 3.1 percent in Hawaii to a high of 6 percent in California.

Home sales in the Pacific region were generally very weak in the second quarter of 2008 because of slow employment growth and tighter mortgage credit availability. Existing home sales in California declined 22 percent to 331,000 homes in the 12 months ending June 2008 compared with the rate of sales a year ago, according to the California Association of REALTORS®. The median sales price of existing homes decreased more than $200,000, or 35 percent, to $385,650 between the second quarter of 2007 and the second quarter of 2008, reflecting a shift in sales trends to more affordable homes and declining prices. The increase in foreclosure sales, from 5 to 40 percent of the existing sales in the second quarter of 2008, also contributed to the steep decline in sales prices. Sales of both new and existing homes declined by 29 percent in the San Francisco Bay Area and by 35 percent in Southern California. In Honolulu, sales of existing homes fell by 20 percent to 7,800 units in the 12 months ending June 2008. During the period, the median price of existing homes remained relatively stable, at approximately $630,000 for single-family homes and $325,000 for condominium units.

In Las Vegas, sales of new homes declined by 46 percent to approximately 15,000 homes and sales of existing homes declined by 33 percent to approximately 22,500 homes during the 12 months ending June 2008, according to the *Las Vegas Housing Market Letter*. Despite the declines, the rate of new home sales was relatively stable in the first half of 2008, but the rate of existing home sales increased for 6 consecutive months this year. In the second quarter of 2008, the median price of existing homes was $224,000, a 20-percent decrease compared with the price recorded in the same quarter a year earlier. The lower prices reflect a persistently high inventory of unsold homes, currently at 29,000 listings, and a growing share of bank-owned homes, which reportedly accounted for 65 percent of total existing homes sold in June 2008. The *Phoenix Housing Market Letter* reported that sales of new and existing homes in Phoenix each fell by 34 percent to 30,000 and 49,000 homes, respectively, in the 12 months ending in June 2008. The median sales price of existing homes declined by 19 percent to nearly $205,000 in the second quarter of 2008, compared with the price recorded a year ago.

In response to weak home sales and high inventory levels in the region, single-family home construction activity, as measured by the number of building permits issued, declined sharply by nearly 70,000 homes to 81,350, or 46 percent, in the 12 months ending June 2008 compared with the number permitted a year ago. This volume is the lowest reported for the region since 1982. In California, the number of homes permitted also declined by 46 percent, to 43,700. In Arizona and Nevada, home construction activity fell by nearly 50 percent to 24,300 and 10,100 permits, respectively. In Hawaii, the number of building permits issued declined by 37 percent.

Rental housing market conditions in major Pacific region areas remained mixed in the second quarter of 2008. The San Francisco Bay Area has a tight rental market due to strong demand for rental housing stemming from employment and household growth, relatively high home prices, and limited rental construction activity. According to Reis, Inc., in the second quarter of 2008, the apartment rental vacancy rate in San Jose fell to less than 3.5 percent from 4 percent a year ago. In both the San Francisco and Oakland submarkets, vacancy rates were 4 percent, down from 4.5 and 5 percent, respectively. Increases in asking rents ranged from 5.5 percent in Oakland to 9.5 percent in San Francisco.

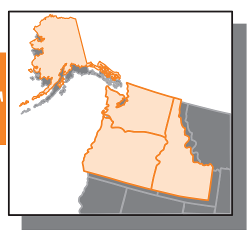
The rental market eased to more balanced conditions in most of Southern California in the second quarter of 2008, due to the weaker economy and an increased supply of rental units consisting of investor-owned homes and condominiums. Rental vacancies increased in Los Angeles, Orange, and Ventura Counties to 4.5 percent in the second quarter of 2008 compared with 4 percent a year ago. The vacancy rate in San Diego County remained unchanged, at 4.5 percent. Riverside County was especially affected by the increase in single-family home rentals; the rental vacancy rate in the county increased 0.5 percentage point in the past year to 8 percent currently. It is estimated that more than 4,000 single-family homes were added to the rental stock in Riverside County during the past year. In San Bernardino County, conditions remained unchanged from a year ago, with a 6.5-percent vacancy rate. According to the Consumer Price Index for Southern California, rents increased by 4.5 percent in the 12 months ending June 2008, significantly less than the 6-percent rent increase recorded between June 2006 and June 2007.

In Las Vegas, the rental market is currently balanced. According to Reis, Inc., the apartment vacancy rate rose from nearly 5 percent in the second quarter of

2007 to 7 percent in the second quarter of 2008. During the period, the average rent increased by 3 percent. The Phoenix rental housing market is currently slightly soft, with an apartment vacancy rate of nearly 9 percent in the second quarter of 2008, up 1.5 percent from a year ago. Rental vacancies are rising in both Las Vegas and Phoenix because of slower demand growth, increased apartment construction, and the addition of investor-owned homes and condominium units to the rental stock. In Hawaii, the estimated rental vacancy rate is 5.5 percent, up 1 percentage point in the past year.

Multifamily construction activity, as measured by the number of units permitted, was relatively stable overall in the Pacific region in the 12 months ending June 2008. During the period, the number of permits issued declined by just 2 percent to 60,600 units. Although the number of multifamily permits issued in Arizona was virtually unchanged, at approximately 9,500 units, multifamily construction activity in California and Hawaii declined by 16 and 33 percent, to 37,000 and 1,700 units, respectively. The declines recorded in these two states were nearly offset by the doubling of multifamily construction activity in Nevada to nearly 12,500 units in the past 12 months due to a dramatic increase in condominium construction in Las Vegas. According to Reis, Inc., nearly 9,100 condominium units were under construction in the area as of the second quarter of 2008.

Northwest



Employment growth continued to moderate in the Northwest region during the 12 months ending June 2008, a trend that began in late 2006 mainly due to contraction in industries affected by the slower sales housing market. During the 12 months ending June 2008, nonfarm employment grew by 86,000 jobs, or 1.5 percent, to an average of 5.7 million jobs, compared with a gain of 142,000 jobs, or 2.5 percent, during the previous 12 months. In Washington, nonfarm employment increased by nearly 60,000 jobs, or 2 percent, to an average of 2.6 million jobs. Idaho had the second fastest rate of growth in the region, adding 8,200 jobs for a gain of 1.3 percent. In Oregon, nonfarm employment grew by 16,600 jobs, or 1 percent, to 1.7 million jobs, and in Alaska, nonfarm employment was up by 2,000 jobs, or 0.6 percent, to 318,500 jobs.

Regional job gains during the 12 months ending June 2008 were led by the education and health services, leisure and hospitality, and government sectors, which added 20,200, 19,800, and 17,000 jobs, respectively. The financial activities sector recorded a net decline of 3,300 jobs in the region, primarily because of layoffs in the home mortgage lending industry. Likewise, because of reduced levels of single-family homebuilding, employment in the construction sector decreased by 700 jobs in the region compared with a gain of 26,100 jobs a year ago. Washington, the only state in the region to record a gain in construction sector employment, added 4,800 jobs because of increased multifamily residential development and several significant infrastructure projects. Manufacturing employment decreased regionally by 500 jobs, down in every state except Washington, where the sector gained 6,700 jobs, led by hiring at The Boeing Company. In Oregon, employment in the manufacturing sector declined by 4,900 jobs. The regional unemployment rate remained relatively stable at 4.8 percent compared with 4.7 percent during the 12 months ending June 2007. The average unemployment rate was 3 percent in Idaho, 4.7 percent in Washington, 5.4 percent in Oregon, and 6.5 percent in Alaska.

Sales housing market conditions continued to soften in the Northwest region during the 12 months ending June 2008, creating an 18-month trend of waning home sales and price appreciation. In Washington, according to Northwest Multiple Listing Service data, the Puget Sound metropolitan areas of Seattle, Tacoma, Bremerton, and Olympia recorded a total of 51,200 new and existing homes sold during the 12 months ending June 2008, a 29-percent decline compared with the number sold during the previous 12 months. The largest rate of decline in the number of homes sold during the 12-month period ending June 2008 occurred in the Tacoma area, where sales were down by 34 percent. Sales declined by 30 percent in the Seattle area and approximately 20 percent each in the Bremerton and Olympia areas. In the Olympia area, however, sales volume during the 12 months ending June 2008 remained 13 percent above the average annual volume sold during the 2000-through-2004 period.

The average price for new and existing single-family homes sold during the 12 months ending June 2008 in the metropolitan area of Puget Sound was $447,200, a 1-percent increase compared with a 12-percent increase in the previous 12 months. During the past year, prices increased by 2 percent to $517,400 in the Seattle area and by 2 percent to $300,300 in the Olympia area but declined by 4 percent to $355,300 in the Bremerton area and by 2 percent to $323,800 in the Tacoma area. During the 12 months ending June 2008, the average price of condominiums sold in the Seattle area increased by 5 percent to $318,200 but the number sold declined by 24 percent to approximately 10,700 units.

The number of new and existing homes sold in 11 major markets in Oregon declined 33 percent to 46,600 during the 12 months ending June 2008 compared with the previous 12 months, according to data from the *Market Action Report* of RMLS™. The average price decreased by 1 percent to $310,000 during the same period. In the Portland-Vancouver-Beaverton, Oregon-Washington metropolitan area, sales of new and existing homes were down 27 percent, totaling 28,100 units, but the price increased by 3 percent to $336,300. Prices were typically down 3 percent or less in the rest of the major markets in Oregon, with the exception of the Medford area, where the price declined by 28 percent to $234,250 due to a significant drop in out-of-state buyers whose previously strong demand in the area contributed to price gains of more than 30 percent annually between 2004 and 2006. During the 12 months ending June 2008, sales of new and existing homes in the Boise metropolitan area totaled 8,100 units, a 36-percent decrease compared with sales recorded during the previous 12 months, and the price decreased by 3 percent to $232,000, according to Intermountain Multiple Listing Service data. Alaska Multiple Listing Service, Inc., data showed sales at 2,600 units, a 13-percent decline in new and existing home sales in Anchorage during the 12 months ending June 2008. Sales peaked in 2004 at nearly 3,500 units and the current 12-month period volume was 18 percent below the average annual number sold during the 2000-through-2003 period. The average price in Anchorage, at $323,950, was essentially unchanged compared with the price during the previous 12 months.

Home construction activity, as measured by the number of building permits issued, declined by nearly 30 percent in the Northwest region during the 12 months ending June 2008 in response to the reduced volume of home sales. During the period, the number of single-family building permits issued in the region totaled 42,100, 21,600 fewer homes than the number permitted during the previous 12 months. In Washington, the number of single-family permits issued declined by 10,000 to 21,500 homes compared with the volume permitted in the previous 12 months. In Oregon, the number of single-family permits issued decreased by approximately 6,800 to 11,400 homes. In Idaho, the number of single-family permits issued declined by 4,300 to 8,300 homes. In Alaska, single-family construction activity totaled 850 homes, down 300 units from the volume permitted in the 12 months ending June 2007.

Multifamily construction activity, as measured by the number of units permitted, slowed in the Northwest region during the 12 months ending June 2008 following an increase in activity during the previous 12 months prompted by tight rental housing market conditions. The total number of units permitted during the current 12-month period totaled 16,900 units, down by 4,500 units, or 18 percent, compared with the previous 12-month period. In Washington, the number of multifamily units permitted during the 12 months ending June 2008 declined by 2,000 units to 14,600 units and, in Oregon, the number of units permitted totaled 4,600, a decline of 1,300 units. Multifamily construction activity in Idaho declined by 750 units to a total of 1,400 units and, in Alaska, activity totaled 500 units, down by 500 units compared with the previous 12 months.

Rental housing market conditions remained tight in the Northwest region during the 12 months ending June 2008 due to continued, albeit more moderate, job growth and less competition from the sales housing market. According to RealFacts data, as of the second quarter of 2008, the average apartment vacancy rate in the Seattle-Tacoma market area was 5 percent, unchanged from the same quarter a year ago, because local rental market conditions remain tight. The average rent in the Seattle-Tacoma area was $1,115, up nearly 8 percent compared with the average rent during the second quarter of 2007. Rental housing market conditions were also tight in the Bremerton and Olympia metropolitan areas, where apartment vacancy rates were estimated at approximately 4 percent for both areas as of June 2008.

In the Portland-Vancouver-Beaverton area, rental housing market conditions also were tight. According to RealFacts data, for the second quarter of 2008, the apartment vacancy rate in the area was 5 percent, unchanged from the same period a year ago, and the average rents increased by 5 percent to $860. In the Oregon metropolitan areas of Salem, Eugene-Springfield, and Medford, during the 12 months ending June 2008, the estimated apartment vacancy rate was below 5 percent, due to limited new apartment construction, and the average rent increased between 2 and 5 percent. According to RealFacts data, for the second quarter of 2008, rental housing market conditions were balanced in the Boise metropolitan area. The apartment vacancy rate was relatively unchanged, at 7 percent, and the average rent was $744, a 3-percent increase compared with the average rent recorded for the second quarter of 2007. Rental housing market conditions in the Anchorage area were balanced, with an estimated rental vacancy rate of 6 percent as of June 2008.

Housing Market Profiles

Albuquerque, New Mexico

The Albuquerque metropolitan area, consisting of Bernalillo, Sandoval, Torrance, and Valencia Counties, is located in central New Mexico. The area is home to Kirtland Air Force Base (AFB) and The University of New Mexico (UNM), the two leading employers, as well as numerous recreational areas such as Petroglyph National Monument and Sandia Peak. As of June 1, 2008, the Albuquerque metropolitan area population was estimated at 850,700, with approximately 60 percent of the population residing in the city of Albuquerque. According to data from the Census Bureau, Albuquerque was the sixth fastest growing city in the nation, with a population greater than 500,000 between July 2005 and July 2006. The metropolitan area as a whole grew by 31,500, or 4 percent, during this period.

Approximately 4,875 military and 35,700 civilians work at Kirtland AFB, which had an estimated total economic impact on the area of $8.2 billion in 2006, according to the base. More than 80 percent of the civilian personnel are contractors working for private-sector companies such as Sandia National Laboratories, a research and development company employing more than 8,700 workers. The remaining civilian personnel are federal employees. Employment at the base is expected to remain relatively stable during the next 3 years. UNM employs 14,300 faculty and staff and had a fall 2007 enrollment of 26,300 students. According to an economic impact study by the UNM Bureau of Business and Economic Research, in 2003 the university had a direct economic impact of approximately $641 million on the state of New Mexico. Most of this impact is attributed to the main campus and hospitals located in the Albuquerque metropolitan area.

During the past 24 months, nonfarm employment growth began to slow in the Albuquerque metropolitan area after 4 years of increasing rates of employment growth. Total nonfarm employment grew by 2,400 jobs, or 0.6 percent, during the 12 months ending May 2008. During the previous two 12-month periods ending May 2006 and May 2007, employment grew by 3.0 and 2.6 percent, respectively. During the current 12-month period, small gains in the service-providing sectors, led by an increase of 1,200 jobs in the education and health services sector, were partially offset by job declines in the goods-producing sectors. The manufacturing sector declined by 1,000 jobs, due in part to the loss of approximately 2,000 jobs since mid-2006 at the Intel Corporation plant located north of Albuquerque in Rio Rancho. The construction sector lost 1,400 jobs as a result of the slowdown in new home construction as well as the completion of several large construction projects, including UNM Children's Hospital and two large high-technology facilities.

Single-family home construction activity, as measured by the number of building permits issued, declined dramatically during the 24 months ending May 2008 following a high-growth period earlier in the decade. From the middle of 2002 through the middle of 2006, annual construction activity reached levels nearly double those recorded throughout much of the 1990s. The large number of single-family homes permitted during this period was a response to increased demand resulting from low interest rates and attractive financing terms coupled with solid employment and population growth in the metropolitan area. After reaching a peak of 7,425 homes permitted in the 12 months ending May 2006, single-family home construction has steadily declined. During the 12 months ending May 2008, a total of 3,025 single-family homes were permitted. This figure represents a decline of approximately 30 percent compared with the number of homes permitted during the previous 12-month period and a decline of nearly 60 percent compared with the peak volume recorded during the 12 months ending May 2006. Slowing job growth and tighter lending standards have combined to reduce the demand for single-family homes, and builders have responded by reducing levels of new home construction.

Despite the slowdown in single-family homebuilding activity, several new subdivisions are currently under construction or in development. One of the largest is Mesa del Sol, a 13,000-acre, master-planned community in southeastern Albuquerque. The project, currently under development, will be built over the next 35 to 50 years and, when completed, is expected to include an estimated 38,000 homes plus schools, stores, and as much as 18 million square feet of office and industrial property. The first homes are expected to be available for occupancy in the fall of 2009. Mesa del Sol plans call for approximately 400 housing units during the first year of residential development and an additional 400 to 500 units in each subsequent year. Units will include a broad range of housing styles and prices, including condominiums, townhomes, and single-family homes, with sales prices starting at $150,000 for a 900-

square-foot condominium and increasing to $700,000 or more for a 4,000-square-foot, single-family home.

Sales housing market conditions in the Albuquerque metropolitan area are currently balanced after softening from tight conditions in mid-2006 as sales volume declined and the average number of days homes remained on the market increased. During the 12 months ending May 2008, the total number of homes sold was 8,200, a 27-percent decline from the 11,200 homes sold during the previous 12-month period and 35 percent below the volume sold during the 12 months ending May 2006. According to data from the Greater Albuquerque Association of REALTORS®, homes for sale remained on the market for an average of 63 days during the 8 months ending May 2008 compared with 43 days on the market during the 8 months ending May 2007. Despite the softening sales market, the average home price has continued to increase in the metropolitan area, although at a slower rate. During the 12 months ending May 2008, the average price of a home sold was $242,100, up 2 percent from the price recorded during the previous 12-month period. During the previous two 12-month periods, the average price increased by 12 and 6 percent, respectively.

The rental housing market in the Albuquerque metropolitan area is currently balanced. Increased rental demand, partly due to tighter lending standards in the sales housing market, helped lower vacancy rates during the year. According to Reis, Inc., the apartment vacancy rate averaged 5.1 percent during the first quarter of 2008, down from an average of 5.5 percent during the first quarter of 2007. The rental market has continued to tighten since reaching a recent vacancy rate peak of 6.7 percent in early 2006. The average monthly rent increased consistently during this period, from $630 during the first quarter of 2006 to $690 during the first quarter of 2008; the higher rent represents increases of approximately 5 percent a year. Multifamily construction, as measured by the number of multifamily units permitted, declined to 640 units during the 12 months ending May 2008 compared with 910 units during the previous 12 months. Since 2000, permits have been issued for 5,675 multifamily units in the area, an average of approximately 670 units permitted annually. Approximately one-third of those units are intended for sale.

Both Kirtland AFB and UNM have a significant influence on the local rental market. Kirtland AFB provides 830 dormitory-style, single-occupancy rooms in addition to the approximately 1,075 privatized, on-base units owned and managed by Kirtland AFB Family Housing, LLC. The remainder of the 4,875 military employees live in private, off-base housing. UNM currently houses 2,200 students in eight residence halls and another several hundred students in family and graduate-student housing. Many of the other approximately 26,000 students enrolled in the university choose to live off campus in nearby condominiums or apartment complexes. Rents for a one-bedroom unit near the campus start at approximately $450 a month.

Austin-Round Rock, Texas

The Austin-Round Rock metropolitan area comprises Bastrop, Caldwell, Hays, Travis, and Williamson Counties and is the economic and healthcare center of central Texas. The city of Austin is the state capital. Dell Inc., with approximately 17,000 employees, is the leading employer in the area. The University of Texas, with more than 14,000 faculty and staff and an enrollment of approximately 50,000 students, is the second leading employer.

The economy of the metropolitan area is still growing but has begun to lose some of its momentum. Job cutbacks in the manufacturing, information, and local government sectors have led to recent slowdowns in resident employment growth. For the 12-month period ending May 2008, the annual average resident employment growth rate was 2.3 percent, the lowest average rate recorded since mid-2004. The current growth rate is down from the 4-percent growth rate posted for the 12-month period ending May 2007. According to the Texas Workforce Commission, during the 12-month period ending May 2008, average resident employment was 823,900 workers. During the same period, the average unemployment rate was relatively unchanged, at 3.7 percent.

Employment growth is expected to increase during the next few years. According to a first quarter 2008 report from the Greater Austin Chamber of Commerce, approximately 30 companies plan to expand or build new facilities in the area, adding approximately 1,700 new jobs. The largest proposed expansion is the Image Microsystems headquarters, which will add approximately 400 jobs. Project Da Vinci, an advertising agency, plans to build its headquarters in Austin and is expected to create about 200 new jobs.

Despite the slowdown in employment growth, net in-migration to the area has increased. As of June 1, 2008, the population of the metropolitan area was estimated at 1,550,000, an increase of approximately

44,500, or 3 percent, annually since the U.S. Department of Housing and Urban Development's Economic and Market Analysis Division's (EMAD's) July 1, 2006, estimate. Corresponding with the increase in population, the number of households in the metropolitan area also increased significantly. As of June 1, 2008, an estimated 614,900 households resided in the metropolitan area, up approximately 15,150 households, or 5 percent, annually from EMAD's July 1, 2006, estimate.

Because of tightening mortgage lending standards, home builders and developers in the metropolitan area have cut back on single-family construction, as measured by the number of building permits issued. During the 12-month period ending May 2008, the number of single-family homes permitted in the metropolitan area decreased by 32 percent to approximately 10,300 homes. Approximately 5,740 homes were permitted in Travis County, 3,100 in Williamson County, and 1,400 in Hays County. The balance of 60 units was permitted in Bastrop and Caldwell Counties. Currently, approximately 3,400 single-family homes are under construction in the metropolitan area.

In Travis County, single-family housing development increased along the recently constructed Austin bypass, State Highway (SH) 130. Two of the largest mixed-use developments currently proposed along SH 130 are Whisper Valley and Indian Hills. Whisper Valley, a 2,400-acre development, will include a proposed 2,850 single-family homes and 5,000 townhomes. The development will also include 1.25 million square feet of retail and commercial space and 1.15 million square feet of office space. Indian Hills, a 240-acre development, is expected to include approximately 1,500 apartments plus light industrial facilities, research and development incubators, offices, and retail space. The construction of both developments is expected to begin by early 2009.

Tighter mortgage lending standards have also affected the existing home sales market, which is currently somewhat soft. During the 12-month period ending May 2008, existing sales slowed and the inventory of unsold homes rose. For the 12-month period ending May 2008, the Real Estate Center at Texas A&M University reported approximately 26,000 residential sales, down almost 15 percent compared with the number of homes sold during the previous 12-month period. During the 12 months ending May 2008, the inventory of unsold existing homes increased almost 25 percent to 12,400. As of May 2008, the median sales price of a single-family home was $194,700, up 6 percent from a year ago.

Multifamily development has recently increased in the metropolitan area. During the 12-month period ending May 2008, nearly 8,800 units were permitted in the area, compared with about 7,000 units permitted during the previous 12 months. In Williamson County, the completion of the SH 183A tollway, which improved the commute into Austin, has led to an increased demand for rental housing units. During the 12-month period ending May 2008, the number of multifamily units permitted in Williamson County was up approximately 115 percent to 2,100 compared with a year ago. According to the McGraw-Hill Construction Pipeline database, approximately 16,600 multifamily units are under construction in the metropolitan area. The database indicates approximately 9,600 units are apartments; the remaining 7,000 units are condominiums.

Strong household growth and fewer renters moving to homeownership have contributed to a lower apartment vacancy rate and higher rents. According to Reis, Inc., apartment rental unit absorption has significantly increased. For the 12-month period ending March 2008, the average monthly absorption rate was 390 units, compared with 300 units absorbed each month during the previous 12 months. As a result of the increased absorption rate, the apartment vacancy rate declined from an average of 7.3 to 7 percent. During the 12 months ending March 2008, the average monthly rent increased 5 percent to nearly $830. Even with the increase in apartment construction, the rental housing market is expected to remain relatively balanced.

Bremerton-Silverdale, Washington

The Bremerton-Silverdale metropolitan area consists of Kitsap County and is located along the western shore of Puget Sound approximately 10 miles from Seattle. The U.S. Navy is the largest employer in the area, with 40,600 military and civilian personnel employed at Naval Base Kitsap (NBK) and an annual payroll of $1.8 billion. Numerous state parks, 250 miles of shoreline, and relatively affordable homes (compared with those in the Seattle sales housing market) attract commuters and retirees. According to the Kitsap Economic Development Alliance, 15,000 retired military personnel are in the area.

During the past 12 months, the population of the metropolitan area increased by 2,000, or 1 percent, to 242,600 as of June 1, 2008. An influx of military personnel and family members associated with numerous naval ships arriving at NBK contributed to half the population gain. Arriving at NBK during the past year were the aircraft carrier USS John C. Stennis, stationed since January 2005, with a crew of 3,500 returning from a 9-month deployment, and two newly stationed submarines with a combined crew totaling 280.

Nonfarm employment in the metropolitan area increased by 400 jobs, or 0.4 percent, to 86,700 during the 12 months ending May 2008. Growth was concentrated in the education and health services, construction, and leisure and hospitality sectors. Expansions at Harrison Medical Center, a leading private-sector employer with a staff of 2,100, resulted in 200 additional positions and contributed to a gain of 500 jobs, or 4.5 percent, in the education and health services sector. In the construction sector, employment increased by 300 jobs, or 4.9 percent, reflecting revitalization efforts in the Harborside District of downtown Bremerton. New Harborside District businesses catering to increasing tourism contributed to gains in the leisure and hospitality sector of 300 jobs, or 3.5 percent. The average unemployment rate was 4.7 percent for the 12 months ending May 2008, relatively unchanged from a year ago.

The single-family home sales market in the metropolitan area remained balanced during the 12 months ending May 2008 but showed signs of softening compared with the previous 3 years. Tighter lending standards, combined with average annual home sales price increases of 16 percent during the previous 3 years, caused new and existing single-family home sales to decline. According to Northwest Multiple Listing Service data, home sales decreased by 870, or 21 percent, to 3,550 homes during the 12-month period ending May 2008. The inventory of unsold homes increased by 14 percent to 2,500 units. The average sales price decreased by 2 percent to $359,500, relatively affordable compared with the Seattle area average price of $567,600.

In response to increased unsold inventory in the metropolitan area, single-family home construction, as measured by the number of building permits issued, decreased by 12 percent to 1,050 homes during the 12 months ending May 2008. Recent construction included 105 single-family homes, completed in the fall of 2007 at NBK, adding to the existing 2,300 military-family housing units. In Port Orchard and Poulsbo, two cities popular with retirees and commuters, several developments are under way, with approximately 350 homes planned or under construction. New home prices in Port Orchard and Poulsbo were $342,700 and $349,400, respectively, during the past 12 months.

During the 12-month period ending May 2008, new and existing condominium sales in the metropolitan area declined to 390 units, down from a record of 550 units sold during the same period in 2007. The average price increased by 16 percent to $368,800, reflecting an increase in the sales of higher end new construction projects targeted toward retirees. In the Harborside District, two waterfront condominium developments, Harborside Condominiums and The 400, were completed, with units selling for an average of $580,000 and $408,200, respectively.

The metropolitan area rental housing market was balanced as of May 2008, having tightened during the past 12 months from relatively soft conditions a year ago. The tighter conditions were due to an increased demand for rental units, primarily resulting from the recent influx of military personnel and family members. According to the Dupre+Scott *Apartment Vacancy Report*, the April 2008 apartment vacancy rate was 4.2 percent, down from 7.8 percent in April 2007. The average rent increased 4 percent, from $784 to $815, while the average value of annual concessions decreased from $362 to $256. The percentage of complexes offering concessions also declined, from 38 to 24 percent.

Multifamily construction, as measured by the number of units permitted, totaled 175 units for the 12 months ending May 2008, essentially unchanged from the same period a year ago. Several publicly financed developments are currently under way. West Park, a redevelopment project by the Bremerton Housing Authority (BHA), includes the replacement of 580 existing multifamily public housing units with 360 multifamily and 370 single-family homes. BHA plans to retain 350 new multifamily units for affordable rental housing, and the remaining homes will be offered for sale at market-rate prices. The project is expected to be completed by 2011. At NBK, a $71 million single-enlisted quarters development totaling 600 units is currently under construction and expected to be completed by November 2009.

Chattanooga, Tennessee-Georgia

The Chattanooga metropolitan area, which is split by the Tennessee River, is defined as Hamilton, Marion, and Sequatchie Counties in southern Tennessee and Catoosa, Dade, and Walker Counties in northwest Georgia. Historically, manufacturing industries have influenced the local economy, and, although employment growth has occurred in a variety of sectors since 1990, manufacturing still accounts for 14 percent of employment in the area. The metropolitan area has an estimated population of approximately 520,500 as of July 1, 2008. Since 2000, the population has increased by an average annual rate of 1 percent, or 4,325.

During the 12 months ending May 2008, nonfarm employment growth slowed to a 0.4-percent increase, the lowest rate of growth since the 12 months ending May 2004. Job growth slowed during the current period due to a combination of job losses in the goods-producing sectors and smaller net gains in the service-providing sectors compared with previous years. The largest number of job losses occurred in the manufacturing sector. Following increases from 2005 to 2007, manufacturing employment decreased by 800 jobs in the past 12 months, primarily in food and textile manufacturing. During the 12 months ending May 2008, the addition of 1,300 jobs in the education and health services sector offset the loss of 600 jobs in the professional and business services sector. Employment in the education and health services sector has grown steadily since 2000 and has increased by an average annual rate of 1,125 jobs; three of the five leading employers in the area are in the healthcare industry. The three leading employers in the area, not including local school districts, are BlueCross BlueShield of Tennessee, the Tennessee Valley Authority, and Erlanger Health System, with 4,500, 4,350, and 3,875 employees, respectively. During the 12 months ending May 2008, the unemployment rate increased slightly, from 4.2 to 4.4 percent.

Despite the current slowdown in economic growth, an expansion is expected to occur during the next several years due to the recent announcement of a new $1 billion Volkswagen Group of America, Inc., assembly plant to be located at the Enterprise South Industrial Park in Hamilton County. The Volkswagen plant will create approximately 2,000 direct manufacturing sector jobs and an estimated 14,000 indirect jobs spread across many employment sectors. Wages at the Volkswagen plant are expected to be higher than those of most local manufacturing jobs. It is anticipated that demand for sales and rental housing will increase as the plant opening date of 2010 approaches.

Current sales housing market conditions are soft in the Chattanooga metropolitan area. The excess inventory of unsold homes in the local sales market can be attributed primarily to a decline in demand resulting from increased credit restrictions. According to the Chattanooga Association of REALTORS®, compared with existing home sales during the 12 months ending June 2007, the number of existing homes sold decreased by 18 percent, from approximately 8,125 to 6,625, during the 12 months ending June 2008. During this period, the median sales price of existing homes remained nearly unchanged, at $140,000. According to Global Insight, Inc., the median price of new homes also remained relatively stable, at $144,900 in April 2008 compared with the median price recorded in April 2007.

After peaking in 2005, home construction has continued to decrease. Single-family homebuilding activity, as measured by the number of building permits issued, decreased from 2,400 to 1,400 homes during the 12 months ending May 2008 when compared with the previous 12 months. During the same period, multifamily construction, as measured by the number of units permitted, decreased from approximately 330 to 240 units.

Before 2000, nearly all multifamily units built in the Chattanooga metropolitan area were rental units; however, since 2000, an increasing number of units are being built as for-sale condominiums. Most of the condominiums that are built or converted from apartments are concentrated around downtown Chattanooga. According to Reis, Inc., 310 condominium units were under construction in Chattanooga as of June 2008 and approximately 550 additional units are expected to be completed in the next 5 years. The Chattanooga Area Chamber of Commerce reports that the median sales price for a condominium is $145,000.

Apartment market conditions in the Chattanooga metropolitan area are currently balanced, with an average vacancy rate of 6.5 percent as of the second quarter of 2008, according to Reis, Inc. The apartment market has tightened from last year, when the average vacancy rate was 7.2 percent. Higher mortgage credit standards have made it more difficult for would-be homebuyers to qualify for mortgages, and thus they rent. The average apartment rent increased more than 2 percent to $609 in the second quarter of 2008 compared with the second quarter of 2007.

Dallas-Plano-Irving, Texas

The Dallas-Plano-Irving metropolitan area includes eight counties in northeast Texas. The area extends east to Delta County and west to Dallas, Denton, and Ellis Counties, which are adjacent to the Fort Worth metropolitan area; the remaining counties include Collin, Hunt, Kaufman, and Rockwall. Most of the employment and residential growth that has occurred in the Dallas-Plano-Irving area during this decade has been in Collin and Denton Counties, which are adjacent to the north side of Dallas

County. As of June 1, 2008, the population of the metropolitan area was estimated at 4.2 million, an increase of 101,000, or 2.5 percent, annually since July 1, 2006. Dallas, Collin, and Denton Counties are the most populous, accounting for 90 percent of the population of the metropolitan area.

Economic growth in the metropolitan area remains strong, although it has slowed recently. For the 12-month period ending May 2008, nonfarm employment averaged nearly 3 million jobs, up 2.6 percent, or 53,100 jobs, compared with the 3.1-percent rate of growth during the previous 12-month period. For the 12 months ending May 2008, employment growth occurred in every sector except manufacturing, which was down by 1 percent compared with the previous 12 months. The largest gains were recorded in the professional and business services, education and health services, and leisure and hospitality sectors. The professional and business services sector gained 11,300 jobs, led by increases in the professional, scientific, and technical services industry. In the education and health services sector, 12,200 jobs were added; about half were in the ambulatory healthcare industry. Almost all of the 8,000 jobs added in the leisure and hospitality sector were in the restaurant industry. Unemployment in the metropolitan area declined to 4.3 percent for the 12 months ending May 2008, down from 4.5 percent during the previous 12 months.

According to a study by the Texas Department of Transportation, Dallas/Fort Worth International Airport (DFW), which is the third busiest in the world in terms of the number of flights, and businesses associated with the airport, have annual payrolls totaling more than $7 billion and provide more than 305,000 area jobs. Leading employers in the Dallas-Plano-Irving area include Baylor Health Care System, Brinker International® restaurants, and Texas Instruments, Inc. AT&T, another leading employer, recently announced that it is moving its headquarters from San Antonio to downtown Dallas by December 2008 and bringing about 700 additional employees to the area.

Job growth in the metropolitan area is expected to slow to about 2 percent annually over the next 2 years due to weakness in the local sales housing market. Significant residential and commercial expansion is expected to continue in the communities of Allen, Frisco, and McKinney in Collin County. Each community has one or more mixed-use projects under construction, each with 500 or more residential units planned. Six additional major mixed-use projects with a total of 3,000 planned residential units are under way elsewhere throughout the metropolitan area.

According to data from the Real Estate Center at Texas A&M University, home sales declined during the past 12 months for the first time this decade, but the sales housing market remained balanced. For the 12 months ending May 2008, a total of 54,100 homes were sold in the Dallas-Plano-Irving area, down 12 percent compared with the near-record 61,600 homes sold during the previous 12-month period. Home sales averaged 56,500 annually from 2003 to 2006. The rate of sales decline during the past 12 months was comparable throughout the counties in the metropolitan area. The average home sales price in the metropolitan area was $218,300, up 2 percent compared with the previous 12 months. Although it accounts for only 18 percent of the area population, Collin County recorded approximately 25 percent of the home sales for the past 4 years. During the 12 months ending May 2008, the sales price in Collin County was $251,500, an increase of 3 percent compared with the previous 12 months.

Builders throughout the metropolitan area responded to slower home sales during the 12-month period ending May 2008 by reducing supply. During the period, new home construction, as measured by the number of single-family building permits issued, declined to 14,500 homes, down 62 percent compared with the same period a year earlier and a little more than half of the annual average of 27,900 permits issued from 2000 to 2006. Of all the counties in the metropolitan area, Collin County continued to have the highest level of single-family construction, with 5,600 units permitted. In Collin, Dallas, and Denton Counties, new homes are priced starting at about $130,000 for a 1,200-square-foot, three-bedroom, two-bath brick home. Similar homes are priced starting at $90,000 in Delta and Hunt Counties at the eastern end of the metropolitan area and at about $100,000 in Ellis County, which is south of Dallas County.

Despite a soft rental housing market overall, multifamily construction in the metropolitan area, as measured by the number of units permitted, increased by 66 percent to 14,000 units for the 12 months ending May 2008. The current level is the highest in 10 years and is well above the average of 8,000 units permitted annually from 2000 through 2006. Approximately 8,500, or 60 percent, of the multifamily units permitted during the past 12 months are located in Dallas County, where the number of units permitted increased 27 percent compared with the number permitted during the 12 months ending May 2007. Almost all the estimated 500 condominium units permitted in the metropolitan area during the past 12 months are in Dallas County, where approximately 90 percent of the condominium units in the metropolitan area are located. The area has approximately 18,000 condominium units, which constitute about 2 percent of all owner units.

According to data from ALN Systems, Inc., the apartment rental market in Denton County was balanced, with a 7-percent vacancy rate for the 12 months ending May 2008, down from 8 percent for the 12 months ending May 2007 due to a reduced level of apartment construction during the previous 18 months. During the past 12 months, the average rent increased 3 percent to $800. The Collin County apartment market was somewhat soft, with an 8-percent average rental vacancy rate for the 12 months ending May 2008. The market has softened since January 2008 due to an oversupply of new units. The average rent in Collin County is the highest in the metropolitan area; during the past 12 months, the average rent increased 6 percent to $890. The apartment market is soft in Dallas County, with a vacancy rate of about 10 percent. During the past 12 months, the average rent increased 4 percent to $770. An estimated 11,000 units currently are under construction in Dallas County, so the market is not expected to improve significantly for at least the next 18 months.

Lawrence, Kansas

The Lawrence metropolitan area consists of Douglas County. Located halfway between Kansas City and Topeka, the Kansas state capital, Lawrence is a bedroom community for both cities. The University of Kansas (KU) main campus, located on 1,100 acres in the center of Lawrence, is the leading employer in the area and has a significant impact on the local economy and housing market. Other leading employers in the area are Pearson Government Solutions, with 1,800 employees, Lawrence Memorial Hospital, with 1,200 employees, and Hallmark Cards, Inc., with 814 employees.

The economy of the Lawrence area has slowed since 2000. During the 12 months ending May 2008, resident employment declined to an average of 60,000 workers, or by slightly less than 1 percent compared with the previous 12 months. Since 2000, the area has lost more than 1,200 local jobs because of downsizing and plant closures, including a Sprint call center in downtown Lawrence that closed in 2002 and employed 500 people. Despite the decline in employment, the unemployment rate has remained low, at 3.7 percent.

KU has nearly 27,000 students, 1,500 faculty, and 8,200 staff and spends more than $613 million annually on operating expenses, research, and salaries. University employment accounts for one-sixth of the area's total employment. Although enrollment growth has been relatively flat in recent years, KU administrators expect to attract new students to the area by instituting a new plan for the 2008–09 school year that would fix the cost of tuition for incoming freshman for 4 years.

Weakening economic conditions have slowed population growth in the Lawrence area since 2003. Population growth has averaged 1.7 percent, or 1,600 people, annually since 2003. The population of the Lawrence metropolitan area is estimated to be 114,300 as of July 1, 2008. In the 12 months ending June 2008, net in-migration totaled fewer than 200 people and accounted for only 20 percent of total population growth. In comparison, from 2000 to 2003, net in-migration averaged 1,500 people a year and accounted for more than 50 percent of population growth.

The weak economy and slower population growth have contributed to soft sales housing market conditions in the Lawrence area. Increasing credit standards and higher home mortgage interest rates have also resulted in a slowdown in home sales. The slowdown began in 2007 and has created a buildup in the inventory of unsold new homes. According to the Douglas County Office of the Appraiser, 100 newly constructed homes were sold during the 12 months ending June 2008, down from 190 homes sold during the same period a year ago. The average sales price of a new home was $306,100, considerably higher than the price of $249,300 recorded during the same period a year ago. Just as the number of new home sales has fallen, so has the volume of existing home sales. In the 12 months ending June 2008, 1,225 existing homes were sold, down 15 percent from the 1,425 homes sold a year ago. The average price of an existing home was $190,400, compared with $185,500 a year earlier.

Single-family home construction, as measured by the number of building permits issued, has declined in the past 2 years in response to the slowdown in population growth. During the 12 months ending May 2008, the number of single-family homes permitted decreased by 50 percent to 185 compared with 365 permitted during the same period a year ago. Multifamily construction, on the other hand, increased during the 12 months ending May 2008, with 170 units permitted compared with 51 a year earlier. Nearly all the multifamily units currently under construction in Lawrence are for-sale condominiums; however, it is expected that investors will purchase approximately 50 percent of these units and convert them into rental units. Approximately

70 percent of the new construction is occurring on the west side of Lawrence, where the price of newly constructed townhomes starts at $160,000 and single-family starter homes are priced from $250,000.

Historically, Lawrence has had a relatively high concentration of rental properties because of student demand. Slightly more than 80 percent of enrolled students live in off-campus housing, occupying as much as 50 percent of the area's total rental housing stock. Conditions in the rental housing market are currently slightly soft to balanced, with a rental vacancy rate of 7 percent. The rate has remained virtually unchanged for the past 2 years, primarily as a result of the stable enrollment at KU. According to Reis, Inc., little growth has occurred in asking rents for apartment developments in recent years. The average rent for an apartment in Lawrence was $646 in the first quarter of 2008, relatively unchanged from a year ago and up $11 from the rent recorded in the first quarter of 2006. Currently, no apartment developments are under construction, but the city of Lawrence has approved plans for two large apartment developments, each with more than 300 units. Construction is expected to begin in 2009.

Mobile, Alabama

The Mobile metropolitan area consists of Mobile County, located on the western side of Mobile Bay on the Gulf of Mexico. Mobile is a major port, manufacturing hub, and distribution center. Leading industries include shipbuilding, chemical manufacturing, and transportation and warehousing.

The population of the Mobile metropolitan area as of July 1, 2008, is estimated to be 407,000, an increase of 2,900, or 0.7 percent, a year since 2005. Most of the population growth has been due to net natural increase (resident births minus resident deaths), which has averaged about 2,200 people a year since 2000. The net natural increase has been partially offset by net out-migration, which averaged about 1,250 people a year. Much of the out-migration was the result of weak economic conditions from 2001 to 2004. Beginning in 2005, however, in-migration increased sharply due to stronger job growth in the area and because of an influx of hurricane evacuees from nearby areas.

Leading employers in the metropolitan area include the Mobile Infirmary Medical Center, with 5,800 employees; the University of South Alabama (USA) and USA Health System, with 5,000 employees combined; and Wal-Mart Stores, Inc., with 3,000 employees. The German firm ThyssenKrupp recently announced plans to build a $3.7 billion advanced steel manufacturing facility near Mobile, which will employ 2,700 workers when it opens in 2010. Northrop Grumman Corporation plans to spend $600 million on a new plant in Mobile to build aerial refueling tankers for the U.S. Air Force. The new plant will result in about 2,500 additional direct and indirect jobs within the next 2 to 3 years. Austal USA, a builder of combat ships for the U.S. Navy, has started construction on a $254 million manufacturing facility that, when completed within the next 2 to 3 years, will double the company's area workforce to more than 2,000 employees.

Since 2004, employment in the Mobile area has grown by an average of 2 percent a year. During the 12 months ending May 2008, nonfarm employment in the metropolitan area rose by about 2,200 jobs, or 1.2 percent, compared with the number of jobs added during the previous 12 months, to 183,200. Manufacturing employment rose by about 700 jobs, or 4.2 percent, compared with the number of jobs in the preceding 12 months, due in part to recent military contract awards and increased shipbuilding activity. In addition, during the past 3 years, the Port of Mobile has been undergoing a $300 million expansion. During the 12 months ending May 2008, transportation and warehousing employment increased by about 700 jobs, or 8.3 percent, from a year earlier. The professional and business services sector added about 900 jobs, an increase of 4.1 percent, during the same period.

Employment has been declining in some other sectors, however. Leisure and hospitality employment fell by 600 jobs, or 3.6 percent, in the 12 months ending May 2008. Hotel occupancies in Mobile dramatically increased following Hurricanes Ivan and Katrina in 2004 and 2005, respectively, and leisure and hospitality employment rose by 6 percent. As storm-damaged areas have recovered, the level of accommodations employment in Mobile has been gradually returning to normal. Homebuilding activity has slowed during the past 12 months, causing construction employment to fall by 2.7 percent, a loss of about 400 jobs. The average unemployment rate for the 12 months ending May 2008 was 3.9 percent, a slight increase from the 3.5-percent rate for the same period a year ago.

The home sales market is currently somewhat soft. According to the Alabama Center for Real Estate, the number of homes sold in the Mobile area during the 12 months ending May 2008 was down nearly 9 percent compared with the number sold in the previous 12 months, from roughly 5,200 to 4,750. The average price for homes sold also fell during that period, from about $159,500 to $156,250, a decline of 2 percent.

Along with the slowdown in sales, the supply of unsold homes has increased. During the 12 months ending May 2008, the monthly inventory of existing homes for sale averaged slightly more than 3,000, compared with 2,250 for the same period a year ago, an increase of 36 percent. Homes are also taking longer to sell. Homes on the market during the 12 months ending May 2008 took an average of 74 days to sell, compared with an average of 58 days during the previous 12-month period.

Construction of single-family homes in the Mobile area, as measured by the number of building permits issued, peaked in 2006, when roughly 2,400 new units were authorized. With the sales market slowing during the past year, however, home builders have been cutting back on construction. During the 12 months ending May 2008, the number of single-family building permits issued was down 26 percent compared with the number issued during the same period a year ago, from about 2,100 to 1,550 permits.

The rental housing market in Mobile, which was soft in 2003 and 2004, began to tighten in 2005, due partly to stronger job growth in the area but also because of an influx of hurricane evacuees. In September 2004, Hurricane Ivan made landfall on Alabama's gulf coast, roughly 40 miles east of Mobile. In August 2005, Hurricane Katrina made landfall in Mississippi, approximately 100 miles west of Mobile. It is estimated that more than 5,000 people evacuated to the Mobile area in the aftermath of the storms. By 2006, the vacancy rate for all rental housing in the metropolitan area had fallen below 6 percent, down from an estimated 12 percent before the hurricanes occurred. From 2004 to 2007, average rents in Mobile increased by more than 5 percent a year.

Rental housing conditions have become more balanced in the past year. Currently, the vacancy rate for all rental housing in the metropolitan area is estimated to be 8 percent. The higher vacancy rate is partly attributed to a softer sales market. As owners encounter difficulty selling their homes, more units are being made available for rent. In addition, apartment construction has been strong in the past 4 years. From 2004 to 2007, approximately 1,600 new units were added to the rental inventory, nearly double the number of units built during the previous 4 years.

Although multifamily construction remains strong, it has been slowing recently. Comparing the 12 months ending May 2008 with the same period a year ago, the number of multifamily units authorized by building permits declined 18 percent, from about 700 to 575 units. The projects currently under way include 192 units of three- and four-bedroom apartments intended for students at USA and approximately 100 units developed by Volunteers of America for people with special needs. Average rents in the Mobile area currently range from about $600 a month for a one-bedroom unit to $950 a month for a three-bedroom unit.

Philadelphia, Pennsylvania

The Philadelphia Housing Market Area (HMA) comprises the city of Philadelphia and the suburban counties of Bucks, Chester, Delaware, and Montgomery. With an estimated population of 3.9 million as of July 1, 2008, according to the U.S. Department of Housing and Urban Development's Economic and Market Analysis Division, the HMA accounts for two-thirds of the population of the 11-county Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area. During the 12 months ending June 2008, the population of the HMA rose by approximately 0.3 percent, or nearly 11,200, compared with an increase of 10,000 during the 12 months ending June 2007. Increasing migration to Center City Philadelphia resulted in the higher growth rate.

The employment growth that began in 2005 continued in the HMA at approximately the same pace compared with a year ago. During the 12 months ending May 2008, nonfarm employment increased by 11,300 jobs, or 0.6 percent, to 1.9 million. The education and health services and professional and business services sectors led the growth. Education and health services, the largest employment sector in the HMA, with 402,400 jobs, expanded by 6,375 jobs, or 1.6 percent, during the 12 months ending May 2008. Several of the leading employers in the HMA are in the education and health services sector, including Jefferson Health System, Inc., with 27,200 employees, and the University of Pennsylvania, with 23,300 employees. During this same period, the professional and business services sector grew by 2 percent, or 5,825 jobs, to a total of 304,500.

The slowdown in the sales housing market has affected some sectors of the economy. As a result of a cutback in new home construction, the construction sector decreased by 400 jobs, or 0.5 percent, during the 12-month period ending May 2008, following a loss of 500 jobs during the previous year. In addition, declines in the manufacturing, financial activities, and government sectors have contributed to an increase in the unemployment rate to 4.7 percent, up from 4.3 percent during the 12 months ending May 2007.

Rising interest rates and stricter lending requirements have reduced the demand for new homes. As a result, developers have continued to reduce construction to allow existing inventories to be absorbed. The rate of homebuilding, as measured by the number of single-family building permits issued, declined by 10 percent to 5,025 homes during the 12-month period ending May 2008 compared with a year earlier. This decrease is less pronounced than the 33-percent decline in building permit activity that occurred during the 12-month period ending May 2007.

During the past year, more than 80 percent of construction has occurred in the counties of Montgomery, Bucks, and Chester, at nearly the same level of construction activity as in the previous year. During the 12 months ending May 2008, Montgomery County registered a 1-percent decrease in the number of single-family permits issued to a total of 1,425 homes, an improvement over the 34-percent decline that occurred during the 12 months ending May 2007. During the 12-month period ending May 2008, single-family construction declined by 10 percent to 990 homes in Bucks County and by 14 percent to 1,625 homes in Chester County. In Delaware County, single-family construction declined from 670 to 360 homes. During the same period, single-family construction in the city of Philadelphia increased from 480 to 620 homes, an improvement over the 3-percent decline that occurred during the 12-month period ending May 2007. A 310-unit townhome development is currently under construction in South Philadelphia; the first of the new homes, which are to be priced in the mid-$400,000s, are expected to be available in the fall of 2008. As of May 2008, an estimated 1,525 single-family homes were under construction in the HMA.

The new and existing home sales market is currently slightly soft. According to TREND MLS, during the 12 months ending March 2008, home sales in the HMA totaled 43,525, a 10-percent decline, or 4,650 fewer sales compared with the number recorded a year earlier. The most notable decrease occurred in Chester County, where sales declined by 16 percent, followed by the city of Philadelphia, where sales were down by 11 percent. Despite the decline in sales, home sales prices continued to rise slightly, by 1 percent, to an average of $267,500. During the 12-month period ending March 2008, Delaware County registered an average price of $247,600, an increase of 6 percent. During the same period, however, the city of Philadelphia recorded the largest price decline, at 6 percent, to an average price of $188,000. The average price was $346,100 in Bucks County, $359,400 in Chester County, and $311,900 in Montgomery County.

Multifamily construction, as measured by the number of units permitted, has declined as economic growth has slowed. During the 12 months ending May 2008, building permits were issued for 2,500 multifamily units, down 20 percent from a year ago, with nearly two-thirds of the units in condominium developments. The decline in the number of multifamily units permitted occurred in all areas of the HMA except in Bucks County, where construction increased by 30 percent to 360 units. According to the McGraw-Hill Construction Pipeline database, nearly all of the 740 units under construction in Bucks County are condominiums; approximately one-half are located in active-adult communities. According to the same database, an estimated 2,250 condominium units and 1,275 rental apartments were under construction in the HMA. Nearly one-half of the condominium units are located in the city of Philadelphia and one-half of the apartment units are located in Chester County.

Sales of condominium units in the HMA have slowed during the past year. According to Delta Associates, during the 9 months ending June 2008, a total of 760 new condominium units were sold in the HMA. This figure is down 47 percent from the 1,440 new condominiums sold during the 9-month period ending June 2007 (the latest data available). In recent years, approximately 75 percent of condominium sales have occurred in the city of Philadelphia. Condominium prices at new Center City developments typically range from $325,000 to $650,000, with some units selling for more than $1 million. The pipeline of units currently being marketed or under construction in the HMA totaled 4,450 as of June 2008, 17 percent fewer compared with the number being marketed as of June 2007.

The rental housing market is balanced throughout the HMA. According to Delta Associates, the number of apartments available for rent in the HMA increased by more than 60 percent to 790 units as of June 2008 compared with the previous year. More than 90 percent of the available units are located in the suburban counties; as a result, the suburban vacancy rate doubled to 10 percent in June 2008, compared with the rate in June 2007. During the same period, absorption rates declined in the suburbs, particularly in Montgomery County, where the average number of units absorbed decreased from 19 to 11 units a month. Currently, 510 units are being marketed in the suburbs, which is nearly 70 percent higher than the number marketed last year. In Center City Philadelphia, the absorption of new units remained steady and the overall Class A apartment rental vacancy rate, which includes projects in leasing, decreased from 13 to 8 percent. During the next year, the demand for apartments in Center City Philadelphia is expected to remain strong. During the past year, Class A apartment gross rent levels increased by $70 to an average of $1,980 in Center City and by $50 to $1,400 in the suburban counties.

Phoenix, Arizona

The Phoenix metropolitan area, which consists of Maricopa and Pinal Counties, is the predominant economic and population center of Arizona. Phoenix is the fifth largest city in the nation, with a population of nearly 1.6 million as of July 1, 2007, according to Census Bureau estimates. The Phoenix area economy has notable employment concentrations in electronics and aerospace manufacturing, financial services, health care, and tourism. Leading private-sector employers include Banner Health, Wells Fargo, and Honeywell Aerospace, with 17,000, 14,000, and 10,700 employees, respectively. Arizona State University (ASU) enrolls 60,000 students, employs more than 12,000 faculty and staff, and has an annual economic impact on the area of nearly $4 billion.

During the 12 months ending June 2008, nonfarm employment in the Phoenix area averaged slightly more than 1.9 million jobs, relatively unchanged compared with the previous 12-month period. This figure represents a significant slowdown from the increase of 60,000 jobs, or 3.2 percent, during the 12 months ending June 2007. During the 12 months ending June 2008, employment in the service-providing sectors increased by 23,300 jobs, or 1.5 percent. The government sector accounted for 12,500 of those new jobs, primarily in state and local education. The education and health services sector added 8,800 jobs, led by the expansion of several hospital chains. The leisure and hospitality sector added 4,900 jobs, a 2.6-percent gain. Employment in the leisure and hospitality sector will increase with the completion in the fall of 2008 of the 1,000-room, 800-employee Sheraton Phoenix Downtown Hotel. In addition, the Phoenix Convention Center Phase Two expansion, also opening in late 2008, will triple its available meeting space and add 100 employees. Employment growth in most of the service-providing sectors was nearly offset by the loss of 18,000 and 3,600 jobs in the construction and financial activities sectors, respectively, as a result of a steep decline in homebuilding and mortgage lending.

Despite the decline in construction employment, a number of major projects are currently in progress. These projects include the Valley Metro light rail system, opening in the fall of 2008; The Boulevard regional shopping center, Phase Two of the eventual 5.5-million-square-foot CityNorth mixed-use project in the Northeast Valley of Phoenix, slated to open by 2010; and a $220 million retirement community in Scottsdale. As a result of the slowing economy, the unemployment rate in the Phoenix area averaged 3.6 percent for the 12 months ending June 2008, up from 3.3 percent for the previous 12 months. The rate remains well below the national level of 4.9 percent recorded during the 12-month period ending June 2008.

The population growth of the Phoenix area has been among the fastest of any metropolitan area in the country, although the rate of increase has slowed recently in response to the slower growth in employment. The metropolitan area population was estimated to be more than 4.3 million as of July 1, 2008, an average gain of 129,700, or 4.0 percent, a year since April 2000. The population of Maricopa County has grown by more than 800,000 since 2000 to reach nearly 4 million; the gain was the largest of any county in the nation, according to the Census Bureau. Pinal County, with a population of nearly 345,000, has grown by about 20,000, or 11 percent, annually since 2000. The county accounted for more than 25 percent of the growth of the metropolitan area in the past 3 years due primarily to its relatively affordable housing compared with the rest of the metropolitan area.

The sales housing market in the Phoenix area is soft. Homes sales in Phoenix declined through the second quarter of 2008 as employment and population growth slowed and mortgage credit standards remained tight. Sales of existing homes fell 34 percent to approximately 49,000 homes in the 12 months ending June 2008 compared with sales in the previous 12 months, far below the record level of nearly 135,000 homes sold in 2005, according to the *Phoenix Housing Market Letter*. The inventory of unsold homes has remained at a near-record level of more than 50,000 listings for the past 15 months, compared with an average of about 13,000 listings in 2005. The time required to sell a single-family home averaged 101 days in the 12 months ending June 2008, up from 85 days in the previous 12-month period and just 30 days in the same period in 2005. In the second quarter of 2008, bank-owned homes accounted for approximately 30 percent of Phoenix area resales due to the increase in the number of foreclosures. The median price of existing homes declined 19 percent to $204,600 in the second quarter of 2008 compared with the price a year earlier and declined from the record price of $260,000 set in mid-2006. Sales of new homes fell 34 percent to 30,000 units during the 12 months ending June 2008 compared with the number sold during the previous 12 months, but sales have shown signs of stabilizing in the past 6 months as prices have fallen. The median sales price of a new home declined by $74,000 to $219,000 in the second quarter of 2008 compared with the same quarter 2 years earlier.

In response to the slowdown in new home sales, single-family home construction, as measured by the number of building permits issued, decreased to 17,100 homes in the 12 months ending May 2008, a 47-percent reduction compared with the level of permit activity recorded in the previous 12-month period. This volume is well below the annual average of 46,650 homes permitted in the past 5 years. In the past 3 years, approximately 30 percent of Phoenix area homes have been built in Pinal County, up from about 10 percent in the early part of the decade, as subdivision developers and builders have sought more affordable land in outlying areas.

The Phoenix rental housing market is currently slightly soft. According to Reis, Inc., the apartment vacancy rate averaged 8.5 percent in the 12 months ending June 2008, compared with 6.7 percent in the previous 12 months and 6 percent in the 12 months ending June 2006. The increase in vacancy rates resulted from a reduced demand for rental housing, increased apartment completions, and the conversion of nearly 4,000 condominiums to rental units in 2007. Average rents in the Phoenix area rose 6 percent in 2006 and more than 3 percent in 2007. Most recently, the average rent was $776 in the 12 months ending June 2008, a 3-percent increase compared with the average rent in the previous 12-month period. Average rents were estimated at $710 for a one-bedroom unit, $830 for a two-bedroom unit, and $1,125 for a three-bedroom unit.

Multifamily construction activity, as measured by the number of units authorized by building permits, rose nearly 20 percent to 9,200 units in the 12 months ending May 2008, which is above the average of 8,000 units permitted annually between 2002 and 2006. According to Reis, Inc., the gain is attributed to an increase in the construction of both condominiums, which currently account for about 55 percent of the total number of new units, and apartments. According to the Arizona Real Estate Center at ASU, in recent years condominiums have accounted for an increasing share of multifamily activity in the Phoenix metropolitan area, from about 20 percent in the early 2000s to a peak of 60 percent in 2005 and 2006.

Sacramento--Arden-Arcade--Roseville, California

Located in northern California, the Sacramento--Arden-Arcade--Roseville metropolitan area includes El Dorado, Placer, Sacramento, and Yolo Counties. The metropolitan area encompasses the region from the California Central Valley to the Nevada border at Lake Tahoe. According to the U.S. Department of Housing and Urban Development's Economic and Market Analysis Division, as of July 1, 2008, the population of the area is estimated at 2.1 million. That figure represents a gain of 1.5 percent since the previous year, which is slower than the average annual growth rate of 2.3 percent recorded from 2000 through 2007. Sacramento County, the most populous of the four counties, contains two-thirds of the total number of residents. The city of Sacramento is the state capital and the largest city in the metropolitan area, with an approximate population of 476,000.

Employment in the Sacramento--Arden-Arcade--Roseville area has grown steadily for the past 15 years. During the 12 months ending May 2008, economic conditions weakened due to the soft sales housing market and a reduction in residential construction. During the period, nonfarm employment increased by 2,425 to 904,400 jobs, or a 0.3-percent growth rate. The rate is below the average annual growth of 1.8 percent that occurred from 2000 through 2007. Job gains in the government, education and health services, and leisure and hospitality sectors added 5,725, 4,300, and 1,250 jobs, respectively. Most other sectors posted losses; the largest decline occurred in the construction sector, which lost 4,450 jobs. As overall job growth slowed, the average unemployment rate for the 12 months ending May 2008 increased to 6.4 percent from the 4.8-percent rate for the previous 12 months.

Because of the presence of the state capital and several public colleges, the area has a significant amount of government sector employment. The state and local governments together provide about 224,700 jobs, or 25 percent of total nonfarm employment. In addition to the state government, the leading public-sector employer is the University of California, Davis (UC Davis), in Yolo County, which employs approximately 30,000 faculty and staff. According to UC Davis, the institution has an annual economic impact of nearly $3 billion on the area and enrolled approximately 30,700 students in the 2007–08 academic year. The university is expected to continue to grow after receiving a $100 million grant for the opening of the Betty Irene Moore School of Nursing in the fall of 2009.

Other significant employment sectors in the Sacramento--Arden-Arcade--Roseville area include trade, professional and business services, and education and health services. Trade provides about 14 percent of total nonfarm jobs. Wild Zone, a tobacco retailer, is a leading private-sector employer with more than 5,000 employees. Led by Club Cruise, Inc., which also has more than 5,000 employees, the professional and business services sector is the third leading in the area and accounts for about 12 percent of total employment. The education and health services sector has grown the fastest, with an average of 3,750 jobs added a year from 2000 through 2007. Sutter Health is scheduled to complete a $600 million expansion of its Sutter Medical Center, Sacramento campus by mid-2011.

The sales housing market in the Sacramento--Arden-Arcade--Roseville area is currently soft due to an excess production of new homes from 2001 through 2004 and declining demand resulting from tighter lending standards. During the 12 months ending May 2008, DataQuick recorded a sales volume of 23,700 homes, a 15-percent decrease from the sales volume during the same period the previous year and nearly 60 percent less than the record volume in 2004. In 2005, the median price for new and existing homes peaked at $421,600. As the Sacramento market became less affordable, total sales volume declined. Beginning in 2006, increased numbers of foreclosures and greater inventories of unsold homes have resulted in a decline in the median price. According to DataQuick, for the 12 months ending May 2008, the median sales price of new and existing homes was $319,200, an 18-percent decrease compared with the median price for the same period in 2007.

In response to declining demand and high levels of unsold inventory, builders have reduced new home construction activity, as measured by the number of building permits issued, to give the market time to absorb the excess inventory. During the 12 months ending May 2008, single-family permits were issued for 4,950 homes, a decline of 40 percent from the number issued during the same period the previous year. According to The Gregory Group, the sales volume of new homes peaked during the 12-month period ending June 2004, when 16,900 homes were sold. Although annual sales volume began to decline in late 2004, new home construction activity continued to remain high compared with sales volume, and inventories grew. During the 12-month period ending March 2008, the most recent period for which data are available, The Gregory Group reported sales of 5,425 new homes, a 40-percent decrease from sales during the 12-month period ending March 2007.

The average price of a new home was $443,300, down 10 percent from the price recorded during the previous 12 months. Although the current level of unsold inventory is beginning to decrease, it is much higher than the level in 2005; during the first quarter of 2008, the unsold inventory included 14,700 new homes, 4 percent fewer than the number in the inventory during the same quarter in 2007.

Multifamily construction, as measured by the number of units permitted, has steadily declined in the metropolitan area since 2003. During the 12 months ending May 2008, 1,100 multifamily units were permitted, a 62-percent decrease from the number permitted during the same period the previous year. The level of construction is well below the annual average of 4,100 units permitted from 2002 through 2005. Approximately one-half of the units permitted during the 12 months ending May 2008 were for condominium and townhome developments in Sacramento County. Builders in multifamily construction have also reduced new construction activity because of the overall slower sales in the new home market. For the 12-month period ending March 2008, The Gregory Group reported the average price of a new attached home was $315,900, 10 percent lower than the price reported for the same period last year.

The apartment rental market is balanced. The overall apartment rental vacancy rate for the metropolitan area was 6 percent in the first quarter of 2008, lower than the 6.5-percent rate recorded in the same period in 2007. Benefiting from the presence of UC Davis, the city of Davis submarket tends to have the lowest apartment vacancy rate in the metropolitan area; currently, the rate is approximately 3 percent. A market survey conducted by Reis, Inc., indicates the average rent in the metropolitan area was $889 in the first quarter of 2008, nearly 4 percent higher than the rent recorded in the same quarter the previous year. Properties with lower monthly rents are generally outperforming higher cost properties in terms of rental rate increases. The higher cost rental properties are facing increased competition from single-family homes and condominiums that have been converted into rental units.

San Antonio, Texas

The San Antonio metropolitan area encompasses eight counties in south-central Texas. The principal city of San Antonio, the second largest in the state, is located in Bexar County and attracts more tourists than any other destination in Texas. According to a report released by the Greater San Antonio Chamber of Commerce, more than 26 million visitors a year come to see sites such as the San Antonio River Walk and the historic Alamo, resulting in an annual economic impact of $10.5 billion on the metropolitan area. As of July 1, 2008, the population of the metropolitan area is estimated at slightly more than 2 million, an increase of nearly 3 percent compared with the July 1, 2007 estimate. Net in-migration accounted for 65 percent of the population growth during the past 12 months compared with about 50 percent of the population growth from 2000 to 2005. Steady job growth and relatively affordable housing costs compared with similarly sized cities have attracted new residents.

The economy of the metropolitan area is strong. During the 12 months ending May 2008, total nonfarm employment increased by 19,700 jobs to 840,500, a 2.4-percent gain. The two leading private-sector employers in the metropolitan area are H-E-B food stores and United Services Automobile Association, with 14,600 and 13,500 employees, respectively. The trade sector and the professional and business services sector together account for nearly 30 percent of all nonfarm jobs in the area. During the 12 months ending May 2008, hiring was strong in the leisure and hospitality sector, which added 3,400 jobs, an increase of 4 percent. New jobs created in the sector resulted from hiring in the core tourism industries such as restaurants, attractions, and hotels/motels. During the same 12-month period, the manufacturing sector decreased by 400 jobs; it was the only sector that did not grow during the period. Toyota Motor Sales, U.S.A., Inc., which opened an $850 million facility in November 2006, will lay off all of its 200 temporary workers this summer and has announced that it will shut down its Tundra truck line for 3 months beginning in August 2008.

The government sector accounts for nearly 20 percent of all nonfarm jobs in the metropolitan area. San Antonio is home to Lackland Air Force Base (AFB), the largest training wing in the U.S. Air Force and the leading employer in the area, with 40,550 military and civilian employees. Lackland AFB graduates more than 86,000 Air Force trainees each year and has an annual economic impact on the metropolitan area of more than $13 billion, according to the City of San Antonio Economic Development Department. Fort Sam Houston, with 25,000 military and civilian employees, is home to the U.S. Army Medical Command. During the next 3 years, San Antonio is expected to gain 11,500 military personnel due in part to the 2005 Base Realignment and Closure actions. During the 12 months ending May 2008, military contracts contributed to the creation of 2,800 construction sector jobs, a 6-percent gain. A new $33.4 million healthcare clinic will be constructed at Fort Sam Houston; the expected completion date is January 2010. Construction currently under way on a $12.8 million communications building at Lackland AFB is scheduled for completion by January 2009. During the next 3 years, hiring in the trade, construction, professional and business services, and government sectors is expected to contribute nearly one-half of the 2.5-percent annual forecast growth in nonfarm employment.

The market for existing single-family homes in the metropolitan area is balanced as a result of steady population growth, strong job gains, and a cutback in the production of new homes. According to the Real Estate Center at Texas A&M University, during the 12 months ending May 2008, sales of existing homes totaled 22,100 units, a decrease of 15 percent compared with the number sold during the previous 12 months and 12 percent below the number sold during the 12 months ending May 2006. Despite a decrease in the number of units sold, the average sales price increased to $181,800 for the 12 months ending May 2008, up 4 percent compared with the price recorded for the previous 12-month period. Currently, San Antonio has more than 7 months' worth of available inventory, the highest level in more than a decade.

For the 12-month period ending May 2008, single-family construction activity, as measured by the number of building permits issued, totaled 7,450 homes, a decrease of 38 percent compared with the previous 12 months. During the past 24 months, activity has been well below the record average of nearly 13,700 single-family homes permitted annually from 2004 through 2006 as builders have reduced construction in response to declining sales and the increased inventory of unsold homes. Multiple new subdivisions are currently under construction and expected to come on line during the next 24 months. Lost Creek Ranch, which is being developed in northwest San Antonio, will consist of 650 new homes priced from $147,000 to $188,000. Butterfield Ranch Estates in southern Bexar County will consist of 264 new homes on 0.5- to 2-acre sites. Prices at Butterfield Ranch are expected to range from $190,000 to $325,000.

Condominiums have become increasingly popular in the metropolitan area due to their relatively affordable prices compared with those of new single-family homes. La Normandie, a 100-unit complex, has recently completed construction. The complex has one-, two-, and three-bedroom units with prices starting at $119,500. Villa San Miguel is currently under construction; the first of the 22 units are slated for completion by November 2008. Prices will range from $315,000 for a two-bedroom unit to $360,000 and up for a three-bedroom unit.

The metropolitan area apartment market is currently soft and has been for several years. According to ALN Systems, Inc., during the 12 months ending May 2008, the apartment vacancy rate was relatively unchanged, at 10 percent, and the average rent increased by more than 3 percent to $710. Apartment rents in the area average $610 for a one-bedroom unit, $800 for a two-bedroom unit, and $990 for a three-bedroom unit.

Apartment construction, as measured by the number of multifamily units permitted, remained relatively stable during the 12 months ending May 2008. During the period, the number of multifamily units permitted totaled 4,725, a 1-percent decrease compared with the number permitted during the 12-month period ending May 2007. During the past 2 years, multifamily construction dropped below the record-setting levels recorded between 2004 and 2006, when permits totaled more than 6,000 annually. Soft rental housing market conditions are expected to continue through 2009 due to the 6,200 units currently under construction and slated for completion during the next 2 years.

Spartanburg, South Carolina

The Spartanburg metropolitan area is located along the northern border of South Carolina and comprises Spartanburg County. The city of Spartanburg is the county seat and is located approximately 30 miles east of Greenville and 100 miles northwest of Columbia. Spartanburg is home to several major manufacturing companies, including the BMW Manufacturing Company, the Michelin Group, and the adidas Group. As of July 1, 2008, the population of the metropolitan area is estimated at 280,400, an average increase of 3,225, or 1.2 percent, annually since 2000. Net in-migration has accounted for 72 percent of the total population gain.

Employment levels in Spartanburg have remained relatively stable during the past year after fluctuating during the previous 3 years. During the 12 months ending June 2008, nonfarm employment increased by 600 jobs, or 0.5 percent, to total 125,900 jobs. In 2005, virtually no job growth occurred in the area because the loss of 1,700 jobs in the manufacturing sector, which was partly due to continuing declines in the textile industry, more than offset the record employment gain of 600 jobs, or 16 percent, in the financial services sector. In contrast, in 2006, employment increased by 2,700 jobs, or 2.2 percent, led by increases in the professional and business services and construction sectors. In 2007, total employment declined by 400 jobs, or 0.3 percent, with continued losses in the manufacturing sector. During the 12 months ending June 2008, the trade, transportation, and utilities sector had the largest gain, increasing by 800 jobs, or 2.9 percent. The government sector added 600 jobs, an increase of 3.1 percent from the number of jobs added in that sector during the previous 12 months. Virtually all of this growth occurred in the local government subsector. The manufacturing sector continued to decline, decreasing by 400 jobs, or 1.5 percent. Approximately 530 jobs were lost in March 2008 due to the closure of the Mrs. Smith's manufacturing facility, a division of Schwan Food Company™.

Spartanburg Regional Medical Center, the leading employer in the area, employs approximately 4,600 people. BMW, which employs 4,425 people, is the second leading employer. BMW plans to invest $750 million to expand its plant to increase production from 160,000 to 240,000 vehicles a year. This expansion is expected to add 500 new jobs by 2012. Springs Industries, Inc., a home furnishings fabrication company, is the third leading employer in the metropolitan area and employs approximately 1,850 people. The adidas Group, a sporting goods company, is currently building a $150 million distribution center in Spartanburg that will add approximately 1,500 jobs to the area by the fall of 2009.

Single-family construction, as measured by the number of homes permitted, reached record-high levels in 2005, when approximately 2,225 single-family building permits were issued. Beginning in 2005, increasing inventories of unsold homes due to declining home sales and rising foreclosures have led area home builders to scale back construction. The number of single-family homes permitted declined by nearly 8 percent in 2006 and by 12 percent in 2007. During the 12 months ending June 2008, 1,250 homes were permitted, compared with 1,925 during the previous 12-month period, a decline of 35 percent. Stricter underwriting restrictions in the mortgage industry have reduced the demand for sales housing and contributed to the slowdown in single-family homebuilding.

The decline in the construction of single-family homes has helped keep conditions in the Spartanburg sales housing market balanced during a period of decreasing home sales. According to the South Carolina REALTORS®, the number of home sales has declined each year since 2006, when home sales totaled 3,625. During the 12 months ending April 2008, sales of single-family homes, condominiums, and villas declined by nearly 8 percent to 3,350 units sold, compared with 3,650 sold during the previous 12-month period. Despite the decline in home sales, in the first quarter of 2008 Spartanburg recorded the third largest median home sales price increase of all metropolitan areas in the United States, according to the NATIONAL ASSOCIATION OF REALTORS®. During the first quarter of 2008, the median sales price increased by 10 percent to $130,300, compared with $118,400 in the first quarter of 2007.

As single-family homebuilding increased in 2005, the level of multifamily construction declined below the trends recorded since 2001. Multifamily construction, as measured by the number of units permitted, increased during the next 2 years and reached a peak in 2007, when approximately 610 units were permitted. During the 12 months ending June 2008, approximately 390 multifamily units were permitted, virtually unchanged from the previous 12-month period. Campus Suites, a 156-unit apartment complex, opened in August 2008, and the 216-unit Meridian at River Run apartments are under construction and expected to be complete in mid-September. The Reserve at Park West, with 408 units, is also under construction; nearly one-half the units are complete.

The rental housing market is currently soft, with a rental vacancy rate of 10.5 percent. The increase in apartment building from 2005 to 2007 caused apartment vacancies to rise significantly. According to RealData, Inc., the Spartanburg-West submarket had the largest vacancy rate increase, rising from 6.2 percent in May 2007 to 18.1 percent in May 2008. This large increase is due to 300 new units coming on the market in 2007. The vacancy rate in the Spartanburg-East submarket also increased, from 6.1 to 8.3 percent. The vacancy rate in the Greer submarket, located in the western part of the county, increased from 6.6 percent in May 2007 to 9.4 percent in May 2008. The Spartanburg rental housing market is expected to continue to soften because 780 rental units are expected to come on the market in the next year. Average rents in Spartanburg are $551 for a one-bedroom unit, $629 for a two-bedroom unit, and $728 for a three-bedroom unit. Rents increased by an average of 1 percent during the past 12 months.

St. George, Utah

The St. George metropolitan area consists of Washington County, located in the southwestern corner of Utah. The area is a tourist destination due to its proximity to Grand Canyon, Zion, and Bryce Canyon National Parks. According to a study by the Utah Office of Tourism, visitors spent $470 million while visiting the area in 2006. The area has also developed into a desirable retirement location with attractions such as the new Dixie Regional Medical Center, several new golf course communities, and year-round outdoor recreational activities.

The economy of the St. George area has slowed from the high growth rates of the past few years. During the 12-month period ending June 2008, nonfarm employment grew by 1,500 jobs, or 2.3 percent, to a total of 54,500 jobs. This figure is significantly lower than that of the peak growth year of 2005, when the number of jobs increased by 4,350, or 11 percent; this growth was led by the construction sector, which added 1,525 jobs in response to an increasing number of residential and commercial projects. Construction employment declined by 110 jobs for the 12-month period ending June 2008 because of a slowdown in residential construction due to a decline in the demand for sales housing. Job gains over the past year were led by 5.7-percent growth, or 400 new jobs, in the education and health services sector. New jobs at Dixie Regional Medical Center and other local healthcare service providers accounted for most of the growth in the sector. Leading employers in the area include Intermountain Healthcare, Wal-Mart Stores, Inc., and Dixie State College of Utah.

Since 2000, the population of the St. George area has increased by an average annual rate of 5.5 percent, or 6,025, a year to an estimated 140,000 as of July 1, 2008. According to the Census Bureau, from 2000 to 2006, the metropolitan area had the fastest rate of growth in the United States. Although net in-migration has accounted for 76 percent of the population growth since 2000, with a net average of 4,550 people in-migrating annually, the rate has slowed since 2005 due to slower job growth. Retirees and seasonal residents have continued to move to golf course communities in the area, albeit at a significantly slower rate since 2005. Net natural increase (resident births minus resident deaths) has accounted for 1,480 people, or 24 percent of the total average annual growth in population since 2000.

Sales housing market conditions in the St. George area are currently soft. Slowing in-migration and tighter lending standards have increased the inventory of unsold homes in the area. According to the Washington County Board of REALTORS®, the area had approximately 6,300 properties listed for sale as of July 1, 2008, up significantly from about 5,700 properties as of July 1, 2007. During the 12-month period ending July 2008, existing single-family home sales volume decreased by 22 percent to 1,725 homes sold. The current rate of existing home sales is down significantly from the record 3,150 annual home sales recorded in 2005 and from the annual average of 2,050 home sales recorded since 2000. During the 12-month period ending March 2008, the average sales price of an existing single-family home declined to $316,900, 6 percent lower than the price recorded during the previous 12-month period but 6 percent higher than the price recorded during the 12-month period ending March 2006. Since 2000, condominium sales have consistently accounted for approximately 25 percent of the total sales volume in the area. The average condominium sales price declined to $175,400 for the 12-month period ending March 2008, down from the high of $202,200 reached for the same period in 2006.

Builders responded to decreased home sales by reducing single-family home construction activity throughout the metropolitan area. Single-family home construction, as measured by the number of building permits issued, totaled 1,200 homes for the 12-month period ending May 2008. The current level of construction activity is 36 percent lower than the 1,875 homes built during the previous 12-month period and about 30 percent of the record 3,550 homes built during the same period in 2005. Weaker sales housing markets since 2006 in neighboring cities in Nevada, Arizona, and parts of California have slowed the number of in-migrants, seasonal residents, and retirees coming to the St. George area. New single-family homes are being constructed in several communities north and west of the city of St. George, with prices starting in the low $200,000s. At several golf course developments, custom homes with prices starting in the mid-$300,000s are being built.

Rental housing market conditions in the metropolitan area are balanced but are beginning to soften. The current rental vacancy rate is estimated at 7 percent, compared with 6 percent a year ago. Average rents for market-rate apartments are $650 for a one-bedroom unit, $710 for a two-bedroom unit, and $840 for a three-bedroom unit. Rents have remained stable compared with those recorded a year ago, and no significant concessions are being offered. The market is currently softening as a result of increasing numbers of single-family and multifamily owner units being converted into rental units. During the past several years, the construction of multifamily units has consisted primarily of owner-occupied condominiums and townhomes for seasonal use. Multifamily construction, as measured by the number of units permitted, totaled 65 units for the 12-month period ending May 2008, compared with 190 units constructed during the previous 12-month period and an average of 260 units permitted annually since 2000.

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

HUD Region and State	2008 Through June			2007 Through June			Ratio: 2008/2007 Through June		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	2,912	1,664	1,248	3,857	2,545	1,312	0.755	0.654	0.951
Maine	1,991	1,536	455	2,926	2,573	353	0.680	0.597	1.289
Massachusetts	6,071	2,564	3,507	7,838	4,260	3,578	0.775	0.602	0.980
New Hampshire	1,776	1,329	447	2,248	1,991	257	0.790	0.668	1.739
Rhode Island	629	431	198	1,042	752	290	0.604	0.573	0.683
Vermont	725	561	164	1,000	874	126	0.725	0.642	1.302
New England	**14,104**	**8,085**	**6,019**	**18,911**	**12,995**	**5,916**	**0.746**	**0.622**	**1.017**
New Jersey	12,241	4,782	7,459	11,995	6,655	5,340	1.021	0.719	1.397
New York	37,313	6,538	30,775	27,661	8,878	18,783	1.349	0.736	1.638
New York/New Jersey	**49,554**	**11,320**	**38,234**	**39,656**	**15,533**	**24,123**	**1.250**	**0.729**	**1.585**
Delaware	1,836	1,437	399	3,016	2,507	509	0.609	0.573	0.784
District of Columbia	342	194	148	1,335	504	831	0.256	0.385	0.178
Maryland	8,143	4,924	3,219	11,804	7,841	3,963	0.690	0.628	0.812
Pennsylvania	12,884	10,089	2,795	18,417	15,179	3,238	0.700	0.665	0.863
Virginia	15,675	11,518	4,157	20,401	17,424	2,977	0.768	0.661	1.396
West Virginia	1,626	1,304	322	2,026	1,916	110	0.803	0.681	2.927
Mid-Atlantic	**40,506**	**29,466**	**11,040**	**56,999**	**45,371**	**11,628**	**0.711**	**0.649**	**0.949**
Alabama	8,971	6,949	2,022	12,715	10,759	1,956	0.706	0.646	1.034
Florida	36,362	22,974	13,388	62,985	43,880	19,105	0.577	0.524	0.701
Georgia	20,994	15,579	5,415	43,383	32,576	10,807	0.484	0.478	0.501
Kentucky	5,537	3,767	1,770	8,125	6,638	1,487	0.681	0.567	1.190
Mississippi	6,126	4,280	1,846	10,324	6,447	3,877	0.593	0.664	0.476
North Carolina	31,316	24,164	7,152	46,140	38,876	7,264	0.679	0.622	0.985
South Carolina	15,195	12,378	2,817	22,881	18,374	4,507	0.664	0.674	0.625
Tennessee	11,623	9,423	2,200	19,736	16,701	3,035	0.589	0.564	0.725
Southeast/Caribbean	**136,124**	**99,514**	**36,610**	**226,289**	**174,251**	**52,038**	**0.602**	**0.571**	**0.704**
Illinois	12,772	7,014	5,758	24,129	13,925	10,204	0.529	0.504	0.564
Indiana	8,656	6,455	2,201	13,119	10,647	2,472	0.660	0.606	0.890
Michigan	5,661	4,795	866	9,196	8,266	930	0.616	0.580	0.931
Minnesota	5,170	4,264	906	8,781	7,450	1,331	0.589	0.572	0.681
Ohio	11,098	8,874	2,224	17,147	14,005	3,142	0.647	0.634	0.708
Wisconsin	7,832	5,480	2,352	10,792	8,516	2,276	0.726	0.643	1.033
Midwest	**51,189**	**36,882**	**14,307**	**83,164**	**62,809**	**20,355**	**0.616**	**0.587**	**0.703**
Arkansas	4,859	2,916	1,943	5,731	4,256	1,475	0.848	0.685	1.317
Louisiana	9,624	6,947	2,677	11,882	8,742	3,140	0.810	0.795	0.853
New Mexico	3,629	3,044	585	5,510	5,008	502	0.659	0.608	1.165
Oklahoma	5,422	4,576	846	7,946	6,323	1,623	0.682	0.724	0.521
Texas	74,398	46,757	27,641	94,718	67,685	27,033	0.785	0.691	1.022
Southwest	**97,932**	**64,240**	**33,692**	**125,787**	**92,014**	**33,773**	**0.779**	**0.698**	**0.998**
Iowa	3,775	2,910	865	5,477	4,276	1,201	0.689	0.681	0.720
Kansas	3,814	2,466	1,348	5,395	4,091	1,304	0.707	0.603	1.034
Missouri	6,594	4,297	2,297	10,985	7,982	3,003	0.600	0.538	0.765
Nebraska	3,397	2,459	938	3,709	3,253	456	0.916	0.756	2.057
Great Plains	**17,580**	**12,132**	**5,448**	**25,566**	**19,602**	**5,964**	**0.688**	**0.619**	**0.913**
Colorado	11,394	6,766	4,628	16,982	11,962	5,020	0.671	0.566	0.922
Montana	1,394	1,134	260	2,577	1,842	735	0.541	0.616	0.354
North Dakota	1,204	808	396	1,464	1,034	430	0.822	0.781	0.921
South Dakota	2,126	1,684	442	2,769	1,928	841	0.768	0.873	0.526
Utah	6,065	4,396	1,669	11,447	10,085	1,362	0.530	0.436	1.225
Wyoming	1,363	1,070	293	1,561	1,411	150	0.873	0.758	1.953
Rocky Mountain	**23,546**	**15,858**	**7,688**	**36,800**	**28,262**	**8,538**	**0.640**	**0.561**	**0.900**
Arizona	15,765	11,182	4,583	30,823	24,783	6,040	0.511	0.451	0.759
California	36,702	18,750	17,952	61,542	41,265	20,277	0.596	0.454	0.885
Hawaii	2,410	1,477	933	4,161	2,587	1,574	0.579	0.571	0.593
Nevada	7,811	4,250	3,561	12,282	10,476	1,806	0.636	0.406	1.972
Pacific	**62,688**	**35,659**	**27,029**	**108,808**	**79,111**	**29,697**	**0.576**	**0.451**	**0.910**
Alaska	493	372	121	982	543	439	0.502	0.685	0.276
Idaho	4,256	3,931	325	7,350	6,062	1,288	0.579	0.648	0.252
Oregon	7,026	4,762	2,264	12,765	9,347	3,418	0.550	0.509	0.662
Washington	16,366	10,075	6,291	24,162	17,062	7,100	0.677	0.590	0.886
Northwest	**28,141**	**19,140**	**9,001**	**45,259**	**33,014**	**12,245**	**0.622**	**0.580**	**0.735**
United States	**521,364**	**332,296**	**189,068**	**767,239**	**562,962**	**204,277**	**0.680**	**0.590**	**0.926**

*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	2008 Through June		
		Total	Single Family	Multi-family*
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	40,242	4,700	35,542
26420	Houston-Sugar Land-Baytown, TX	24,862	17,288	7,574
19100	Dallas-Fort Worth-Arlington, TX	20,968	10,491	10,477
12060	Atlanta-Sandy Springs-Marietta, GA	12,594	8,467	4,127
38060	Phoenix-Mesa-Scottsdale, AZ	11,185	7,294	3,891
16980	Chicago-Naperville-Joliet, IL-IN-WI	9,943	4,516	5,427
42660	Seattle-Tacoma-Bellevue, WA	9,512	3,954	5,558
31100	Los Angeles-Long Beach-Santa Ana, CA	9,377	2,784	6,593
12420	Austin-Round Rock, TX	8,241	4,885	3,356
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	7,993	5,015	2,978
16740	Charlotte-Gastonia-Concord, NC-SC	7,413	4,589	2,824
36740	Orlando-Kissimmee, FL	7,027	3,289	3,738
29820	Las Vegas-Paradise, NV	6,913	3,458	3,455
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,373	3,757	2,616
41700	San Antonio, TX	5,922	3,250	2,672
39580	Raleigh-Cary, NC	5,824	4,185	1,639
19740	Denver-Aurora, CO	5,762	2,382	3,380
40140	Riverside-San Bernardino-Ontario, CA	5,737	3,585	2,152
14460	Boston-Cambridge-Quincy, MA-NH	5,132	1,701	3,431
33100	Miami-Fort Lauderdale-Miami Beach, FL	4,885	2,185	2,700
38900	Portland-Vancouver-Beaverton, OR-WA	4,495	2,588	1,907
45300	Tampa-St. Petersburg-Clearwater, FL	4,442	2,380	2,062
27260	Jacksonville, FL	4,036	2,909	1,127
41860	San Francisco-Oakland-Fremont, CA	4,030	1,230	2,800
34980	Nashville-Davidson--Murfreesboro, TN	3,925	3,373	552
26900	Indianapolis, IN	3,652	2,447	1,205
41740	San Diego-Carlsbad-San Marcos, CA	3,491	1,256	2,235
41180	St. Louis, MO-IL	3,290	2,731	559
47260	Virginia Beach-Norfolk-Newport News, VA-NC	3,148	1,928	1,220
28140	Kansas City, MO-KS	3,127	1,585	1,542
40900	Sacramento--Arden-Arcade--Roseville, CA	3,044	2,084	960
12580	Baltimore-Towson, MD	2,952	1,796	1,156
40060	Richmond, VA	2,822	2,342	480
16700	Charleston-North Charleston, SC	2,748	2,281	467
35380	New Orleans-Metairie-Kenner, LA	2,677	1,651	1,026
33460	Minneapolis-St. Paul-Bloomington, MN-WI	2,568	2,079	489
17140	Cincinnati-Middletown, OH-KY-IN	2,534	1,929	605
48900	Wilmington, NC	2,474	1,973	501
17900	Columbia, SC	2,339	2,084	255
32580	McAllen-Edinburg-Mission, TX	2,339	1,843	496
29460	Lakeland, FL	2,305	1,341	964
24860	Greenville, SC	2,284	1,494	790
36420	Oklahoma City, OK	2,277	2,096	181
13820	Birmingham-Hoover, AL	2,240	1,527	713
46060	Tucson, AZ	2,240	1,700	540
12940	Baton Rouge, LA	2,239	1,403	836
36540	Omaha-Council Bluffs, NE-IA	2,204	1,538	666
18140	Columbus, OH	2,169	1,492	677
46140	Tulsa, OK	2,125	1,675	450
25060	Gulfport-Biloxi, MS	2,059	1,082	977

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

Historical Data

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

Period	Total	In Structures With: 1 Unit	2 Units	3 and 4 Units	5 Units or More	MSAs: Inside	Outside	Regions: Northeast	Midwest	South	West
Annual Data											
1967	1,141.0	650.6	42.5	30.5	417.5	918.0	223.0	222.6	309.8	390.8	217.8
1968	1,353.4	694.7	45.1	39.2	574.4	1,104.6	248.8	234.8	350.1	477.3	291.1
1969	1,323.7	625.9	44.7	40.5	612.7	1,074.1	249.6	215.8	317.0	470.5	320.4
1970	1,351.5	646.8	43.0	45.1	616.7	1,067.6	284.0	218.3	287.4	502.9	342.9
1971	1,924.6	906.1	61.8	71.1	885.7	1,597.6	327.0	303.6	421.1	725.4	474.6
1972	2,218.9	1,033.1	68.1	80.5	1,037.2	1,798.0	420.9	333.3	440.8	905.4	539.3
1973	1,819.5	882.1	53.8	63.2	820.5	1,483.5	336.0	271.9	361.4	763.2	423.1
1974	1,074.4	643.8	32.6	31.7	366.2	835.0	239.4	165.4	241.3	390.1	277.6
1975	939.2	675.5	34.1	29.8	199.8	704.1	235.1	129.5	241.5	292.7	275.5
1976	1,296.2	893.6	47.5	45.6	309.5	1,001.9	294.2	152.4	326.1	401.7	416.0
1977	1,690.0	1,126.1	62.1	59.2	442.7	1,326.3	363.7	181.9	402.4	561.1	544.6
1978	1,800.5	1,182.6	64.5	66.1	487.3	1,398.6	401.9	194.4	388.0	667.6	550.5
1979	1,551.8	981.5	59.5	65.9	444.8	1,210.6	341.2	166.9	289.1	628.0	467.7
1980	1,190.6	710.4	53.8	60.7	365.7	911.0	279.6	117.9	192.0	561.9	318.9
1981	985.5	564.3	44.6	57.2	319.4	765.2	220.4	109.8	133.3	491.1	251.3
1982	1,000.5	546.4	38.4	49.9	365.8	812.6	187.9	106.7	126.3	543.5	224.1
1983	1,605.2	901.5	57.5	76.1	570.1	1,359.7	245.5	164.1	187.8	862.9	390.4
1984	1,681.8	922.4	61.9	80.7	616.8	1,456.2	225.7	200.8	211.7	812.1	457.3
1985	1,733.3	956.6	54.0	66.1	656.6	1,507.6	225.6	259.7	237.0	752.6	483.9
1986	1,769.4	1,077.6	50.4	58.0	583.5	1,551.3	218.1	283.3	290.0	686.5	509.7
1987	1,534.8	1,024.4	40.8	48.5	421.1	1,319.5	215.2	271.8	282.3	574.7	406.0
1988	1,455.6	993.8	35.0	40.7	386.1	1,239.7	215.9	230.2	266.3	543.5	415.6
1989	1,338.4	931.7	31.7	35.3	339.8	1,127.6	210.8	179.0	252.1	505.3	402.1
1990	1,110.8	793.9	26.7	27.6	262.6	910.9	199.9	125.8	233.8	426.2	324.9
1991	948.8	753.5	22.0	21.1	152.1	766.8	182.0	109.8	215.4	375.7	247.9
1992	1,094.9	910.7	23.3	22.5	138.4	888.5	206.5	124.8	259.0	442.5	268.6
1993	1,199.1	986.5	26.7	25.6	160.2	1,009.0	190.1	133.5	276.6	500.7	288.2
1994	1,371.6	1,068.5	31.4	30.8	241.0	1,144.1	227.5	138.5	305.2	585.5	342.4
1995	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,889.2	1,460.9	40.9	41.6	345.8	1,670.4	218.8	182.4	371.0	849.3	486.5
2004	2,070.1	1,613.4	43.0	47.4	366.2	1,814.8	255.3	197.0	370.5	960.8	541.9
2005	2,147.6	1,681.2	39.3	44.7	382.5	1,884.7	270.7	199.8	362.8	1,027.7	557.3
2006	1,838.9	1,378.2	35.3	41.3	384.1	1,598.4	240.5	174.6	279.4	929.7	455.2
2007	1,398.4	979.9	28.1	31.5	349.5	1,207.1	191.3	150.6	211.7	692.2	343.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2007											
Apr	1,489	1,078	61		350	NA		162	226	735	366
May	1,522	1,063	64		395	NA		148	230	775	369
Jun	1,433	1,016	56		361	NA		155	223	718	337
Jul	1,386	997	57		332	NA		155	208	686	337
Aug	1,343	928	55		360	NA		147	197	640	359
Sep	1,277	870	50		357	NA		138	205	636	298
Oct	1,182	811	48		323	NA		145	185	554	298
Nov	1,187	767	53		367	NA		126	192	594	275
Dec	1,111	714	56		341	NA		134	166	560	251
2008											
Jan	1,052	675	43		334	NA		126	180	539	207
Feb	981	646	40		295	NA		105	130	504	242
Mar	932	621	37		274	NA		111	126	502	193
Apr	982	649	38		295	NA		108	157	499	218
May	978	635	34		309	NA		137	147	460	234
Jun	1,138	616	33		489	NA		295	148	459	236

*Authorized in permit-issuing places. **Components may not add to totals because of rounding. Units in thousands. NA = Data published only annually.

Source: Census Bureau, Department of Commerce

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

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1967	1,291.6	843.9	41.4	30.2	376.1	902.9	388.7	214.9	337.1	519.5	220.1
1968	1,507.6	899.4	46.0	34.9	527.3	1,096.4	411.2	226.8	368.6	618.5	293.7
1969	1,466.8	810.6	43.0	42.0	571.2	1,078.7	388.0	206.1	348.7	588.4	323.5
1970	1,433.6	812.9	42.4	42.4	535.9	1,017.9	415.7	217.9	293.5	611.6	310.5
1971	2,052.2	1,151.0	55.1	65.2	780.9	1,501.8	550.4	263.8	434.1	868.7	485.6
1972	2,356.6	1,309.2	67.1	74.2	906.2	1,720.4	636.2	329.5	442.8	1,057.0	527.4
1973	2,045.3	1,132.0	54.2	64.1	795.0	1,495.4	549.9	277.3	439.7	899.4	428.8
1974	1,337.7	888.1	33.2	34.9	381.6	922.5	415.3	183.2	317.3	552.8	284.5
1975	1,160.4	892.2	34.5	29.5	204.3	760.3	400.1	149.2	294.0	442.1	275.1
1976	1,537.5	1,162.4	44.0	41.9	289.2	1,043.5	494.1	169.2	400.1	568.5	399.6
1977	1,987.1	1,450.9	60.7	61.0	414.4	1,377.3	609.8	201.6	464.6	783.1	537.9
1978	2,020.3	1,433.3	62.2	62.8	462.0	1,432.1	588.2	200.3	451.2	823.7	545.2
1979	1,745.1	1,194.1	56.1	65.9	429.0	1,240.6	504.6	177.9	349.2	747.5	470.5
1980	1,292.2	852.2	48.8	60.7	330.5	913.6	378.7	125.4	218.1	642.7	306.0
1981	1,084.2	705.4	38.2	52.9	287.7	759.8	324.3	117.3	165.2	561.6	240.0
1982	1,062.2	662.6	31.9	48.1	319.6	784.8	277.4	116.7	149.1	591.0	205.4
1983	1,703.0	1,067.6	41.8	71.7	522.0	1,351.1	351.9	167.6	217.9	935.2	382.3
1984	1,749.5	1,084.2	38.6	82.8	544.0	1,414.6	334.9	204.1	243.4	866.0	436.0
1985	1,741.8	1,072.4	37.0	56.4	576.1	1,493.9	247.9	251.7	239.7	782.3	468.2
1986	1,805.4	1,179.4	36.1	47.9	542.0	1,546.3	259.1	293.5	295.8	733.1	483.0
1987	1,620.5	1,146.4	27.8	37.5	408.7	1,372.2	248.2	269.0	297.9	633.9	419.8
1988	1,488.1	1,081.3	23.4	35.4	348.0	1,243.0	245.1	235.3	274.0	574.9	403.9
1989	1,376.1	1,003.3	19.9	35.3	317.6	1,128.1	248.0	178.5	265.8	536.2	395.7
1990	1,192.7	894.8	16.1	21.4	260.4	946.9	245.7	131.3	253.2	479.3	328.9
1991	1,013.9	840.4	15.5	20.1	137.9	789.2	224.7	112.9	233.0	414.1	254.0
1992	1,199.7	1,029.9	12.4	18.3	139.0	931.5	268.2	126.7	287.8	496.9	288.3
1993	1,287.6	1,125.7	11.1	18.3	132.6	1,031.9	255.8	126.5	297.7	561.8	301.7
1994	1,457.0	1,198.4	14.8	20.2	223.5	1,183.1	273.9	138.2	328.9	639.1	350.8
1995	1,354.1	1,076.2	14.3	19.4	244.1	1,106.4	247.6	117.7	290.1	615.0	331.3
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,847.7	1,499.0	15.7	17.8	315.2	1,517.5	330.3	163.9	372.5	838.4	473.6
2004	1,955.8	1,610.5	17.7	24.6	303.0	1,592.6	363.3	175.4	355.7	908.5	516.2
2005	2,068.3	1,715.8	15.3	25.8	311.4	1,829.2	239.1	189.7	357.4	996.1	525.1
2006	1,800.9	1,465.4	15.3	27.4	292.8	1,599.2	201.7	167.2	279.5	910.3	443.8
2007	1,355.0	1,046.0	12.1	19.6	277.3	1,196.0	159.1	142.9	210.1	681.1	320.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2007[r]											
Apr	1,487	1,198	NA		253	NA		163	207	732	385
May	1,436	1,146	NA		256	NA		165	246	699	326
Jun	1,458	1,136	NA		284	NA		155	234	719	350
Jul	1,371	1,055	NA		276	NA		154	239	644	334
Aug	1,337	968	NA		332	NA		98	240	696	303
Sep	1,185	936	NA		220	NA		143	170	597	275
Oct	1,275	884	NA		351	NA		161	204	629	281
Nov	1,179	816	NA		342	NA		128	209	587	255
Dec	1,000	779	NA		211	NA		101	137	549	213
2008[r]											
Jan	1,064	750	NA		287	NA		137	156	531	240
Feb	1,107	722	NA		356	NA		129	154	577	247
Mar	988	711	NA		261	NA		115	135	515	223
Apr	1,004	681	NA		308	NA		93	164	504	243
May	977	683	NA		278	NA		117	143	497	220
Jun	1,066	647	NA		400	NA		237	128	499	202

*Components may not add to totals because of rounding. Units in thousands. [r] Revised due to updating of seasonal adjustment factors and other normal revisions. NA = Data published only annually.

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

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,141.4	772.9	10.4	13.9	344.2	940.4	201.0	128.1	234.7	482.6	296.1
2004	1,237.1	850.3	14.0	24.1	348.7	1,011.8	225.3	146.8	222.4	536.4	331.6
2005	1,355.9	929.1	14.7	20.3	391.8	1,194.3	161.6	171.9	221.4	604.2	358.4
2006	1,204.9	764.7	12.2	22.7	405.3	1,062.5	142.4	162.3	183.7	534.3	324.6
2007	1,025.0	579.1	10.9	18.7	416.3	907.2	117.7	155.9	162.5	431.6	274.9
Monthly Data (Seasonally Adjusted Annual Rates)											
2007[r]											
Apr	1,184	751	NA		401	NA		167	175	513	329
May	1,164	730	NA		403	NA		167	175	502	320
Jun	1,163	724	NA		408	NA		167	175	499	322
Jul	1,144	708	NA		405	NA		169	173	484	318
Aug	1,125	683	NA		411	NA		163	178	475	309
Sep	1,110	667	NA		412	NA		165	170	471	304
Oct	1,096	647	NA		417	NA		161	169	465	301
Nov	1,077	623	NA		424	NA		161	170	455	291
Dec	1,055	608	NA		417	NA		157	166	448	284
2008[r]											
Jan	1,034	590	NA		416	NA		157	165	435	277
Feb	1,024	580	NA		416	NA		159	162	428	275
Mar	1,013	563	NA		423	NA		161	158	423	271
Apr	1,006	550	NA		429	NA		158	157	420	271
May	983	528	NA		429	NA		155	150	414	264
Jun	965	507	NA		433	NA		164	144	400	257

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

[r] Revised due to updating of seasonal adjustment factors and other normal revisions. NA = Data published only annually.

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

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

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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,678.7	1,386.3	13.9	17.7	260.8	1,381.5	297.1	154.6	332.2	755.6	436.2
2004	1,841.9	1,531.5	11.2	12.2	286.9	1,514.5	327.4	155.9	362.4	840.4	483.3
2005	1,931.4	1,635.9	13.1	24.4	258.0	1,702.0	229.5	170.7	351.9	903.7	505.1
2006	1,979.4	1,654.5	16.4	24.3	284.2	1,760.1	219.3	179.1	325.1	986.7	488.6
2007	1,502.8	1,218.4	12.4	19.0	253.0	1,332.9	169.9	144.8	222.7	766.1	369.3
Monthly Data (Seasonally Adjusted Annual Rates)											
2007[r]											
Apr	1,535	1,270	NA		226	NA		124	228	816	367
May	1,549	1,297	NA		209	NA		139	233	785	392
Jun	1,491	1,229	NA		229	NA		153	227	768	343
Jul	1,515	1,203	NA		282	NA		129	228	785	373
Aug	1,498	1,224	NA		251	NA		149	178	773	398
Sep	1,378	1,101	NA		246	NA		139	245	651	343
Oct	1,401	1,133	NA		240	NA		184	209	696	312
Nov	1,404	1,140	NA		234	NA		124	216	686	378
Dec	1,329	1,026	NA		287	NA		143	194	645	347
2008[r]											
Jan	1,331	998	NA		291	NA		125	191	680	335
Feb	1,251	906	NA		315	NA		101	228	682	240
Mar	1,192	909	NA		269	NA		104	183	613	292
Apr	1,033	808	NA		192	NA		117	146	523	247
May	1,153	885	NA		249	NA		136	186	571	260
Jun	1,167	859	NA		289	NA		86	202	605	274

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

[r] Revised due to updating of seasonal adjustment factors and other normal revisions.

NA = Data published only annually.

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

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

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

Period	Shipments*	Placed for Residential Use*					Average Price ($)	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1977	266	258	17	51	113	78	14,200	70
1978	276	280	17	50	135	78	15,900	74
1979	277	280	17	47	145	71	17,600	76
1980	222	234	12	32	140	49	19,800	56
1981	241	229	12	30	144	44	19,900	58
1982	240	234	12	26	161	35	19,700	58
1983	296	278	16	34	186	41	21,000	73
1984	295	288	20	35	193	39	21,500	82
1985	284	283	20	39	188	37	21,800	78
1986	244	256	21	37	162	35	22,400	67
1987	233	239	24	40	146	30	23,700	61
1988	218	224	23	39	131	32	25,100	58
1989	198	203	20	39	113	31	27,200	56
1990	188	195	19	38	108	31	27,800	49
1991	171	174	14	35	98	27	27,700	49
1992	211	212	15	42	124	30	28,400	51
1993	254	243	15	45	147	36	30,500	61
1994	304	291	16	53	178	44	32,800	70
1995	340	319	15	58	203	44	35,300	83
1996	363	338	16	59	218	44	37,200	89
1997	354	336	14	55	219	47	39,800	91
1998	373	374	15	58	250	50	41,600	83
1999	348	338	14	54	227	44	43,300	88
2000	251	281	15	50	177	39	46,400	59
2001	193	196	12	38	116	30	48,900	56
2002	169	174	12	34	101	27	51,300	47
2003	131	140	11	25	77	26	54,900	36
2004	131	124	11	21	67	26	58,200	35
2005	147	123	9	17	68	29	62,600	35
2006	117	112	8	15	66	24	64,300	37
2007	96	95	7	11	59	18	65,100	36
Monthly Data (Seasonally Adjusted Annual Rates)								
2007								
Feb	93	90	10	5	56	19	63,800	39
Mar	95	103	7	16	62	18	65,300	38
Apr	97	95	6	13	57	19	65,400	38
May	98	95	6	11	59	19	64,900	38
Jun	101	98	10	9	59	19	62,100	38
Jul	99	99	7	12	61	19	64,100	38
Aug	96	94	8	7	62	18	69,900	39
Sep	94	94	9	12	55	17	65,200	38
Oct	94	97	6	12	63	16	66,600	38
Nov	93	100	7	12	62	19	64,800	37
Dec	92	81	4	7	55	14	64,500	38
2008								
Jan	91	76	6	8	49	13	66,100	37
Feb	94	92	3	10	67	12	59,400	36
Mar	90	77	4	8	52	13	64,500	37
Apr	92	84	6	9	55	15	64,200	37
May	87	80	5	8	55	13	62,400	37
Jun	84	NA	NA	NA	NA	NA	NA	NA

*Components may not add to totals because of rounding. Units in thousands.
NA = Not available.
Sources: Shipments—National Conference of States on Building Codes and Standards; Placements—Census Bureau, Department of Commerce; 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
1971	656	82	127	270	176	294	45	55	131	63		NA
1972	718	96	130	305	187	416	53	69	199	95		NA
1973	634	95	120	257	161	422	59	81	181	102		NA
1974	519	69	103	207	139	350	50	68	150	82		NA
1975	549	71	106	222	150	316	43	66	133	74		NA
1976	646	72	128	247	199	358	45	68	154	91		NA
1977	819	86	162	317	255	408	44	73	168	123		NA
1978	817	78	145	331	262	419	45	80	170	124		NA
1979	709	67	112	304	225	402	42	74	172	114		NA
1980	545	50	81	267	145	342	40	55	149	97		NA
1981	436	46	60	219	112	278	41	34	127	76		NA
1982	412	47	48	219	99	255	39	27	129	60		NA
1983	623	76	71	323	152	304	42	33	149	79		NA
1984	639	94	76	309	160	358	55	41	177	85		NA
1985	688	112	82	323	171	350	66	34	172	79		NA
1986	750	136	96	322	196	361	88	32	153	87		NA
1987	671	117	97	271	186	370	103	39	149	79		NA
1988	676	101	97	276	202	371	112	43	133	82		NA
1989	650	86	102	260	202	366	108	41	123	93		NA
1990	534	71	89	225	149	321	77	42	105	97		NA
1991	509	57	93	215	144	284	62	41	97	83		NA
1992	610	65	116	259	170	267	48	41	104	74		NA
1993	666	60	123	295	188	295	53	48	121	73		NA
1994	670	61	123	295	191	340	55	63	140	82		NA
1995	667	55	125	300	187	374	62	69	158	86		NA
1996	757	74	137	337	209	326	38	67	146	74		NA
1997	804	78	140	363	223	287	26	65	127	69		NA
1998	886	81	164	398	243	300	28	63	142	68		NA
1999	880	76	168	395	242	315	28	64	153	70		NA
2000	877	71	155	406	244	301	28	65	146	62		NA
2001	908	66	164	439	239	310	28	70	142	69		NA
2002	973	65	185	450	273	344	36	77	161	70		NA
2003	1,086	79	189	511	307	377	29	97	172	79		NA
2004	1,203	83	210	562	348	431	30	111	200	91		NA
2005	1,283	81	205	638	358	515	47	109	249	109		NA
2006	1,051	63	161	559	267	537	54	97	267	119		NA
2007	776	65	118	411	181	496	48	79	248	121		NA
Monthly Data	**(Seasonally Adjusted Annual Rates)**					**(Not Seasonally Adjusted)**					**(Seasonally Adjusted)**	
2007r												
Apr	907	81	121	496	209	542	52	87	274	129	549	7.4
May	857	83	142	432	200	544	52	85	276	131	545	7.8
Jun	793	64	114	440	175	543	51	85	273	134	543	8.3
Jul	796	48	105	430	213	538	52	83	271	131	539	8.3
Aug	702	59	122	365	156	538	52	82	272	132	533	9.2
Sep	694	63	104	353	174	527	50	80	270	127	528	9.4
Oct	723	65	128	379	151	518	49	79	264	127	513	8.6
Nov	629	55	86	339	149	508	48	79	257	124	502	9.5
Dec	600	56	74	335	135	496	48	79	248	121	494	9.8
2008r												
Jan	597	55	77	318	147	488	46	78	246	117	484	9.8
Feb	572	39	77	314	142	475	45	76	241	113	477	9.7
Mar	513	28	70	293	122	465	46	74	233	113	469	11.2
Apr	542	41	82	294	125	459	45	73	233	108	458	10.3
May	533	38	81	299	115	448	43	72	229	105	450	10.4
Jun	530	40	83	293	114	425	41	67	214	102	426	10.0

*Components may not add to totals because of rounding. Units in thousands. r Revised due to updating of seasonal adjustment factors and other normal revisions. NA = Not applicable.

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

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

Table 7. Existing Home Sales: 1969–Present*

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,290	635	886	1,075	694	1,870	NA
1990	3,186	583	861	1,090	651	2,100	NA
1991	3,145	591	863	1,067	624	2,130	NA
1992	3,432	666	967	1,126	674	1,760	NA
1993	3,739	709	1,027	1,262	740	1,520	NA
1994	3,886	723	1,031	1,321	812	1,380	NA
1995	3,852	717	1,010	1,315	810	1,470	NA
1996	4,167	772	1,060	1,394	941	1,910	NA
1997	4,371	812	1,088	1,474	997	1,840	NA
1998	4,966	898	1,228	1,724	1,115	1,910	NA
1999	5,183	910	1,246	1,850	1,177	1,894	NA
2000	5,174	911	1,222	1,866	1,174	2,048	NA
2001	5,335	912	1,271	1,967	1,184	2,068	NA
2002	5,632	952	1,346	2,064	1,269	2,118	NA
2003	6,175	1,019	1,468	2,283	1,405	2,270	NA
2004	6,778	1,113	1,550	2,540	1,575	2,244	NA
2005	7,076	1,169	1,588	2,702	1,617	2,846	NA
2006	6,478	1,086	1,483	2,563	1,346	3,450	NA
2007	5,652	1,006	1,327	2,235	1,084	3,974	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
2007							
Apr	5,930	1,020	1,370	2,360	1,180	4,220	8.5
May	5,930	1,070	1,390	2,300	1,170	4,378	8.9
Jun	5,750	1,010	1,360	2,260	1,100	4,368	9.1
Jul	5,760	1,020	1,350	2,260	1,120	4,561	9.5
Aug	5,500	1,000	1,300	2,190	1,020	4,383	9.6
Sep	5,110	910	1,220	2,060	930	4,370	10.3
Oct	5,060	920	1,210	2,050	880	4,433	10.5
Nov	5,020	890	1,190	1,990	950	4,217	10.1
Dec	4,910	840	1,160	1,960	950	3,974	9.7
2008							
Jan	4,890	800	1,210	1,950	930	4,160	10.2
Feb	5,030	890	1,240	1,990	920	4,018	9.6
Mar	4,940	910	1,170	1,920	940	4,118	10.0
Apr	4,890	870	1,100	1,920	1,000	4,549	11.2
May	4,990	910	1,160	1,910	1,020	4,482	10.8
Jun	4,860	850	1,120	1,850	1,030	4,490	11.1

*Components may not add to totals because of rounding. Units in thousands. NA = Not applicable.

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	34,900
1965	20,000	21,500	21,600	17,500	21,600	21,500	35,600
1966	21,400	23,500	23,200	18,200	23,200	23,300	37,100
1967	22,700	25,400	25,100	19,400	24,100	24,600	38,100
1968	24,700	27,700	27,400	21,500	25,100	26,600	40,100
1969	25,600	31,600	27,600	22,800	25,300	27,900	43,200
1970	23,400	30,300	24,400	20,300	24,000	26,600	44,400
1971	25,200	30,600	27,200	22,500	25,500	28,300	46,800
1972	27,600	31,400	29,300	25,800	27,500	30,500	49,800
1973	32,500	37,100	32,900	30,900	32,400	35,500	54,200
1974	35,900	40,100	36,100	34,500	35,800	38,900	59,200
1975	39,300	44,000	39,600	37,300	40,600	42,600	65,500
1976	44,200	47,300	44,800	40,500	47,200	48,000	71,200
1977	48,800	51,600	51,500	44,100	53,500	54,200	80,200
1978	55,700	58,100	59,200	50,300	61,300	62,500	91,900
1979	62,900	65,500	63,900	57,300	69,600	71,800	104,900
1980	64,600	69,500	63,400	59,600	72,300	76,400	115,600
1981	68,900	76,000	65,900	64,400	77,800	83,000	124,700
1982	69,300	78,200	68,900	66,100	75,000	83,900	127,600
1983	75,300	82,200	79,500	70,900	80,100	89,800	130,300
1984	79,900	88,600	85,400	72,000	87,300	97,600	135,600
1985	84,300	103,300	80,300	75,000	92,600	100,800	137,300
1986	92,000	125,000	88,300	80,200	95,700	111,900	142,600
1987	104,500	140,000	95,000	88,000	111,000	127,200	150,300
1988	112,500	149,000	101,600	92,000	126,500	138,300	156,000
1989	120,000	159,600	108,800	96,400	139,000	148,800	162,200
1990	122,900	159,000	107,900	99,000	147,500	149,800	165,300
1991	120,000	155,900	110,000	100,000	141,100	147,200	167,400
1992	121,500	169,000	115,600	105,500	130,400	144,100	169,800
1993	126,500	162,600	125,000	115,000	135,000	147,700	176,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	186,800
1995	133,900	180,000	134,000	124,500	141,000	158,700	191,000
1996	140,000	186,000	138,000	126,200	153,900	166,400	195,900
1997	146,000	190,000	149,900	129,600	160,000	176,200	200,500
1998	152,500	200,000	157,500	135,800	163,500	181,900	205,500
1999	161,000	210,500	164,000	145,900	173,700	195,600	216,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	224,600
2001	175,200	246,400	172,600	155,400	213,600	213,200	231,300
2002	187,600	264,300	178,000	163,400	238,500	228,700	241,900
2003	195,000	264,500	184,300	168,100	260,900	246,300	255,300
2004	221,000	315,800	205,000	181,100	283,100	274,500	275,600
2005	240,900	343,800	216,900	197,300	332,600	297,000	297,000
2006	246,500	346,000	213,500	208,200	337,700	305,900	311,100
2007	247,900	320,200	208,600	217,700	330,900	313,600	311,600
Quarterly Data							
2007							
Q2	242,200	304,900	203,200	208,300	344,600	310,100	314,500
Q3	241,800	301,300	209,600	214,900	310,200	301,200	305,900
Q4	238,400	336,900	197,400	214,900	321,300	305,800	303,200
2008							
Q1	233,900	325,900	219,200	202,200	293,700	290,400	293,400
Q2	234,100	361,400	197,800	204,700	309,800	304,700	303,500

[1] The components of a constant-quality house reflect the kinds of new single-family homes sold in 2005. The average price of a constant-quality house is derived from a set of statistical models relating sales price to selected standard physical characteristics of new single-family homes sold in 2005.

[2] Effective with the December 2007 New Home Sales Release in January 2008, the Census Bureau began publishing the Constant Quality (Laspeyres) Price Index with 2005 as the base year. (The previous base year was 1996.) "Constant-Quality House" data are computed for this table from price indexes published by the Census Bureau.

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

Table 9. Existing Home Prices: 1969–Present

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989*	94,000	142,100	72,600	84,300	137,600	118,100
1990	96,400	141,400	76,300	84,700	138,600	118,600
1991	101,400	143,600	80,500	88,100	144,500	128,400
1992	104,000	142,600	84,200	91,100	141,100	130,900
1993	107,200	142,000	87,000	93,700	141,800	133,500
1994	111,300	141,500	90,600	94,900	149,200	136,800
1995	114,600	138,400	96,100	96,900	150,600	139,100
1996	119,900	139,600	102,300	102,400	157,100	141,800
1997	126,000	143,500	108,200	108,400	165,700	150,500
1998	132,800	147,300	115,600	115,000	175,900	159,100
1999	138,000	150,500	121,000	118,900	185,300	171,000
2000	143,600	149,800	125,300	126,300	194,600	178,500
2001	153,100	158,700	132,500	135,500	207,000	188,300
2002	165,000	179,300	139,300	146,000	230,100	206,100
2003	178,800	209,900	145,600	156,700	251,800	222,200
2004	195,400	243,800	154,600	170,400	286,400	244,400
2005	219,600	271,300	170,600	181,700	335,300	266,600
2006	221,900	271,900	167,800	183,700	342,700	268,200
2007	219,000	279,100	165,100	179,300	335,000	266,000
Monthly Data						
2007						
Apr	219,900	284,000	163,900	179,900	343,100	268,200
May	222,700	284,800	166,500	182,800	341,200	270,600
Jun	229,000	293,800	170,500	189,800	348,400	276,200
Jul	228,600	293,100	173,600	185,800	351,200	276,000
Aug	224,400	281,800	177,900	182,800	330,600	269,300
Sep	210,500	260,900	165,600	174,300	311,000	257,300
Oct	206,700	257,500	160,200	171,000	316,900	255,100
Nov	208,800	257,900	160,300	172,900	325,400	255,700
Dec	207,000	254,900	159,000	172,300	311,100	254,000
2008						
Jan	199,700	268,500	148,500	164,000	296,200	245,500
Feb	195,600	264,500	142,800	163,300	292,400	242,000
Mar	200,100	283,600	150,900	167,700	284,800	247,100
Apr	201,200	261,300	157,700	170,000	285,700	247,200
May	207,900	278,300	162,900	174,900	286,000	252,600
Jun	215,100	256,700	175,300	185,300	288,400	257,500

*Beginning with 1989, this series includes the prices of existing condominiums and cooperatives in addition to the prices of existing single-family homes. The year 1989 also marks a break in the series because data are revised back to 1989, when rebenchmarking occurs.

Source: NATIONAL ASSOCIATION OF REALTORS®

http://www.realtor.org/research.nsf/pages/EHSPage?OpenDocument

Table 10. Repeat Sales House Price Index: 1991–Present

Period	OFHEO Purchase-Only House Price Index (Seasonally Adjusted)[1]										Case-Shiller® Index[2]
	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific	
Annual Average											
1991	100.3	98.1	99.3	100.4	100.8	100.8	100.4	101.2	101.0	99.4	74.5
1992	102.6	96.6	100.7	102.4	104.4	103.5	103.9	105.6	106.4	98.9	75.0
1993	105.1	94.9	101.2	104.1	108.9	107.7	109.2	110.2	115.5	96.8	75.5
1994	108.8	95.7	101.7	107.2	115.0	112.2	115.1	115.6	127.1	96.9	77.7
1995	111.6	95.9	101.3	110.1	119.9	115.0	119.7	121.2	134.3	96.9	79.1
1996	115.2	98.4	102.2	113.7	125.2	118.3	125.0	127.4	140.3	98.3	80.9
1997	118.7	101.6	103.7	117.3	129.5	121.2	129.5	132.1	144.8	101.3	83.6
1998	124.3	109.0	107.4	122.4	134.3	127.0	136.4	137.9	150.5	108.1	88.7
1999	131.8	119.6	114.0	128.9	140.2	134.1	145.5	145.3	158.7	115.7	95.5
2000	140.5	134.0	123.0	136.6	144.9	142.1	155.6	153.1	168.3	125.6	104.5
2001	150.1	151.4	134.4	146.2	149.1	148.5	166.5	160.4	177.6	138.1	113.4
2002	160.7	170.9	149.4	157.1	153.8	153.7	176.9	167.7	185.6	153.2	123.7
2003	172.8	190.2	166.8	170.1	160.2	158.8	187.7	175.6	196.9	172.3	136.3
2004	187.9	211.0	186.6	188.6	167.8	165.2	198.5	184.0	217.2	198.3	155.2
2005	205.9	229.8	207.8	214.2	178.3	174.6	208.3	191.6	247.5	230.1	179.0
2006	219.0	232.6	221.4	230.0	191.4	187.4	215.2	195.4	274.6	254.8	188.7
2007	222.9	229.9	226.7	234.4	199.1	196.6	218.3	193.3	287.2	257.4	180.0
Quarterly Data											
2007											
Q1	223.4	231.0	225.9	235.4	197.2	194.0	218.6	195.1	286.2	261.5	185.4
Q2	224.5	230.9	227.4	236.5	199.7	196.3	219.1	195.1	289.9	261.9	183.6
Q3	223.4	229.6	226.7	234.9	199.8	198.3	218.5	192.9	289.9	258.3	180.3
Q4	220.3	228.2	226.8	230.8	199.5	198.0	217.1	190.2	282.9	248.0	170.6
2008											
Q1	216.5	225.3	225.2	225.7	198.0	197.4	214.2	189.0	280.0	233.5	159.2

[1] Office of Federal Housing Enterprise Oversight. First quarter 1991 equals 100. **http://www.ofheo.gov/hpi_download.aspx.**

[2] S&P/Case-Shiller® National Home Price Index. First quarter 2000 equals 100. **http://www.homeprice.standardandpoors.com.**

Table 11. Housing Affordability Index: 1973–Present

Period	U.S.				Affordability Indexes*		
	Median Price Existing Single-Family ($)	Mortgage Rate[1]	Median Family Income ($)	Income To Qualify ($)	Composite	Fixed	ARM
Annual Data							
1973	28,900	8.01	12,051	8,151	147.9	147.9	147.9
1974	32,000	9.02	12,902	9,905	130.3	130.3	130.3
1975	35,300	9.21	13,719	11,112	123.5	123.5	123.5
1976	38,100	9.11	14,958	11,888	125.8	125.8	125.8
1977	42,900	9.02	16,010	13,279	120.6	120.6	120.6
1978	48,700	9.58	17,640	15,834	111.4	111.4	111.4
1979	55,700	10.92	19,680	20,240	97.2	97.2	97.2
1980	62,200	12.95	21,023	26,328	79.9	79.9	79.9
1981	66,400	15.12	22,388	32,485	68.9	68.9	68.9
1982	67,800	15.38	23,433	33,713	69.5	69.4	69.7
1983	70,300	12.85	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	30,970	27,113	114.2	107.6	122.4
1988	89,300	9.31	32,191	28,360	113.5	103.6	122.0
1989	94,600	10.11	34,218	30,432	112.4	105.9	116.8
1990	97,300	10.04	35,353	31,104	113.7	110.6	122.8
1991	102,700	9.30	35,940	30,816	116.6	113.5	128.3
1992	105,500	8.11	36,573	28,368	128.9	124.9	150.8
1993	109,100	7.16	36,959	26,784	138.0	133.0	160.4
1994	113,500	7.47	38,790	28,704	135.1	125.2	153.3
1995	117,000	7.85	40,612	30,672	132.4	126.6	143.3
1996	122,600	7.71	42,305	31,728	133.3	129.6	142.9
1997	129,000	7.68	44,573	35,232	126.5	123.6	137.2
1998	136,000	7.10	46,740	35,088	133.2	131.9	142.6
1999	141,200	7.33	48,955	37,296	131.3	128.8	142.0
2000	147,300	8.03	50,733	41,616	121.9	120.5	133.3
2001	156,600	7.03	51,407	40,128	128.1	128.1	137.3
2002	167,600	6.55	51,680	40,896	126.4	124.2	138.7
2003	180,200	5.74	52,680	40,320	130.7	128.2	141.8
2004	195,200	5.73	54,061	43,632	123.9	120.3	132.2
2005	219,000	5.91	55,823	49,920	111.8	110.1	115.6
2006	221,900	6.58	57,612	54,288	106.1	105.7	108.1
2007	217,900	6.52	59,224	52,992	111.8	111.7	113.8
Monthly Data							
2007							
Apr	219,300	6.34	58,885	52,368	112.4	112.2	114.7
May	221,900	6.43	59,021	53,472	110.4	110.2	112.3
Jun	229,200	6.63	59,157	56,400	104.9	104.6	107.1
Jul	228,500	6.80	59,292	57,216	103.6	103.1	107.2
Aug	223,700	6.79	59,427	55,920	106.3	105.9	108.5
Sep	208,600	6.66	59,563	51,456	115.8	115.8	116.1
Oct	204,800	6.56	59,698	50,016	119.4	119.2	121.0
Nov	207,300	6.41	59,833	49,824	120.1	119.7	123.2
Dec	205,000	6.31	59,969	48,768	123.0	122.7	126.8
2008							
Jan	197,200	6.04	59,858	45,600	131.3	131.0	134.1
Feb	193,600	5.94	59,967	44,304	135.4	134.8	142.3
Mar	197,600	6.10	60,076	45,984	130.6	130.0	137.7
Apr	199,600	6.03	60,185	46,080	130.6	130.1	136.3
May	206,700	6.10	60,294	47,952	125.7	125.2	132.1
Jun	213,800	6.28	60,404	50,688	119.2	118.4	125.6

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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

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

Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
Annual Data			
1970	328,400	73	$188
1971	334,400	68	$187
1972	497,900	68	$191
1973	531,700	70	$191
1974	405,500	68	$197
1975	223,100	70	$211
1976	157,000	80	$219
1977	195,600	80	$232
1978	228,700	82	$251
1979	241,200	82	$272
1980	196,100	75	$308
1981	135,400	80	$347
1982	117,000	72	$385
1983	191,500	69	$386
1984	313,200	67	$393
1985	364,500	65	$432
1986	407,600	66	$457
1987	345,600	63	$517
1988	284,500	66	$550
1989	246,200	70	$590
1990	214,300	67	$600
1991	165,300	70	$614
1992	110,200	74	$586
1993	77,200	75	$573
1994	104,000	81	$576
1995	155,000	72	$655
1996	191,300	72	$672
1997	189,200	74	$724
1998	209,900	73	$734
1999	225,900	72	$791
2000	226,200	72	$841
2001	193,100	63	$881
2002	204,100	59	$918
2003	166,500	61	$931
2004	153,800	62	$976
2005	113,000	63	$942
2006	116,400	58	$1,034
2007	104,800	55	$1,006
Quarterly Data			
2007			
Q1	28,200	51	$957
Q2	26,500	53	$1,004
Q3	26,100	55	$1,104
Q4	24,000	59	$1,042
2008			
Q1	26,500	59	$1,111

*Data are from the Survey of Market Absorption, which samples nonsubsidized, privately financed, unfurnished apartments in rental buildings of five or more units.

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

http://www.census.gov/hhes/www/soma.html

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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
2004	68	75	76	51
2005	67	73	75	50
2006	42	45	51	30
2007	27	27	37	21
Monthly Data (Seasonally Adjusted)				
2007				
Apr	33	33	44	27
May	30	31	41	22
Jun	28	29	39	22
Jul	24	24	34	19
Aug	22	22	31	16
Sep	20	20	26	17
Oct	19	18	26	15
Nov	19	18	24	17
Dec	18	19	26	13
2008				
Jan	19	19	28	14
Feb	20	20	27	19
Mar	20	20	26	19
Apr	20	18	30	19
May	19	17	28	18
Jun	18	17	27	16
Jul	16	16	23	12

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

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

Period	Conventional					
	30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate	Points	Rate	Points	Rate	Points
Annual Data						
1973	8.04	1.0	NA	NA	NA	NA
1974	9.19	1.2	NA	NA	NA	NA
1975	9.04	1.1	NA	NA	NA	NA
1976	8.88	1.2	NA	NA	NA	NA
1977	8.84	1.1	NA	NA	NA	NA
1978	9.63	1.3	NA	NA	NA	NA
1979	11.19	1.6	NA	NA	NA	NA
1980	13.77	1.8	NA	NA	NA	NA
1981	16.63	2.1	NA	NA	NA	NA
1982	16.09	2.2	NA	NA	NA	NA
1983	13.23	2.1	NA	NA	NA	NA
1984	13.87	2.5	NA	NA	11.49	2.5
1985	12.42	2.5	NA	NA	10.04	2.5
1986	10.18	2.2	NA	NA	8.42	2.3
1987	10.20	2.2	NA	NA	7.82	2.2
1988	10.33	2.1	NA	NA	7.90	2.3
1989	10.32	2.1	NA	NA	8.80	2.3
1990	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	2.0	NA	NA	7.10	1.9
1992	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.35	1.8	7.86	1.8	5.33	1.5
1995	7.95	1.8	7.49	1.8	6.07	1.5
1996	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.59	1.7	7.13	1.7	5.60	1.4
1998	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.44	1.0	7.06	1.0	5.98	1.0
2000	8.05	1.0	7.72	1.0	7.04	1.0
2001	6.97	0.9	6.50	0.9	5.82	0.9
2002	6.54	0.6	5.98	0.6	4.62	0.7
2003	5.83	0.6	5.17	0.6	3.76	0.6
2004	5.84	0.7	5.21	0.6	3.90	0.7
2005	5.87	0.6	5.42	0.6	4.49	0.7
2006	6.41	0.5	6.07	0.5	5.53	0.7
2007	6.34	0.4	6.03	0.5	5.56	0.6
Monthly Data						
2007						
Apr	6.18	0.5	5.88	0.5	5.45	0.6
May	6.26	0.4	5.97	0.4	5.52	0.7
Jun	6.66	0.4	6.34	0.4	5.68	0.7
Jul	6.70	0.4	6.36	0.4	5.71	0.5
Aug	6.57	0.4	6.23	0.4	5.67	0.6
Sep	6.38	0.5	6.05	0.5	5.66	0.7
Oct	6.38	0.5	6.04	0.6	5.68	0.6
Nov	6.21	0.4	5.85	0.5	5.48	0.6
Dec	6.10	0.5	5.75	0.5	5.50	0.6
2008						
Jan	5.76	0.4	5.29	0.4	5.23	0.6
Feb	5.92	0.5	5.44	0.5	5.03	0.6
Mar	5.97	0.5	5.42	0.5	5.12	0.6
Apr	5.92	0.4	5.47	0.4	5.19	0.6
May	6.04	0.5	5.60	0.5	5.24	0.6
Jun	6.32	0.7	5.91	0.6	5.15	0.6

NA = Not applicable.
Source: Freddie Mac
http://www.freddiemac.com/pmms/pmms30.htm

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

Period	Fixed Rate				Adjustable Rate			
	Interest Rate	Fees and Charges	Effective Rate	Term to Maturity	Interest Rate	Fees and Charges	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
2003	5.87	0.38	5.92	26.3	4.98	0.39	5.03	29.8
2004	5.95	0.43	6.01	26.9	5.15	0.36	5.20	29.8
2005	6.02	0.42	6.08	27.9	5.50	0.27	5.54	30.0
2006	6.58	0.43	6.65	28.7	6.32	0.33	6.37	30.0
2007	6.45	0.49	6.52	29.2	6.02	0.44	6.33	30.1
Monthly Data								
2007								
Apr	6.27	0.44	6.33	29.3	6.10	0.46	6.16	30.3
May	6.35	0.48	6.42	29.4	6.17	0.48	6.24	30.1
Jun	6.57	0.47	6.64	29.6	6.35	0.50	6.42	30.1
Jul	6.76	0.47	6.83	29.3	6.39	0.54	6.46	30.1
Aug	6.73	0.51	6.81	29.2	6.52	0.46	6.58	30.1
Sep	6.57	0.52	6.65	29.2	6.52	0.45	6.58	30.2
Oct	6.49	0.51	6.57	28.9	3.38	0.39	6.44	29.6
Nov	6.36	0.50	6.43	28.9	6.12	0.41	6.18	30.4
Dec	6.22	0.58	6.30	28.8	6.01	0.25	6.05	30.0
2008								
Jan	5.97	0.58	6.05	28.5	5.80	0.27	5.84	30.3
Feb	5.90	0.48	5.97	27.8	5.51	0.30	5.55	30.2
Mar	6.06	0.54	6.14	27.9	5.54	0.36	5.59	30.1
Apr	5.98	0.47	6.05	27.9	5.60	0.25	5.63	30.0
May	6.06	0.46	6.12	28.4	5.59	0.34	5.64	29.5
June	6.23	0.49	6.31	28.3	5.74	0.32	5.79	29.8

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

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

Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1971	998,365	565,417	NA	284,358	NA
1972	655,747	427,858	NA	375,485	NA
1973	359,941	240,004	NA	321,522	NA
1974	383,993	195,850	NA	313,156	NA
1975	445,350	255,061	NA	301,443	NA
1976	491,981	250,808	NA	330,442	NA
1977	550,168	321,118	NA	392,557	NA
1978	627,971	334,108	NA	368,648	NA
1979	652,435	457,054	NA	364,656	NA
1980	516,938	381,169	359,151	274,193	392,808
1981	299,889	224,829	204,376	151,811	334,565
1982	461,129	166,734	143,931	103,354	315,868
1983	776,893	503,425	455,189	300,568	652,214
1984	476,888	267,831	235,847	210,366	946,408
1985	900,119	409,547	328,639	201,313	729,597
1986	1,907,316	921,370	634,491	351,242	585,987
1987	1,210,257	1,319,987	866,962	455,616	511,058
1988	949,353	698,990	622,873	212,671	423,470
1989	989,724	726,359	649,596	183,209	365,497
1990	957,302	780,329	726,028	192,992	367,120
1991	898,859	685,905	620,050	186,561	494,259
1992	1,090,392	680,278	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
2003	1,634,166	1,382,570	677,507	513,259	2,493,435
2004	945,565	826,611	502,302	262,781	1,708,972
2005	673,855	523,243	332,912	160,294	1,579,593
2006	653,910	465,379	264,074	137,874	1,444,330
2007	915,992	581,060	289,851	133,289	1,979,074
Monthly Data					
2007					
Apr	67,529	41,032	21,489	9,964	161,000
May	72,740	48,085	24,236	11,780	198,958
Jun	73,444	48,838	25,776	12,283	198,258
Jul	69,637	51,445	26,459	12,350	171,585
Aug	87,277	53,606	29,153	13,495	197,399
Sep	83,562	48,208	25,739	10,653	159,719
Oct	106,335	58,341	30,597	11,151	175,383
Nov	91,478	54,044	21,207	10,872	161,957
Dec	99,452	56,718	27,094	9,882	143,602
2008					
Jan	130,119	74,155	31,756	12,111	127,338
Feb	152,625	74,645	29,407	12,243	139,077
Mar	181,898	89,024	35,495	14,744	139,610
Apr	210,599	104,151	47,244	16,548	109,358
May	200,425	115,634	56,437	16,780	89,365
Jun	191,584	131,358	72,133	18,009	74,779

*These operational numbers differ slightly from adjusted accounting numbers.

NA = Data not available.

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

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

Period	Construction of New Rental Units[1]			Purchase or Refinance of Existing Rental Units[2]			Congregate Housing, Nursing Homes, and Assisted Living, Board and Care Facilities[3]		
	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount	Projects	Units	Mortgage Amount
Annual Data									
1980	79	14,671	560.8	32	6,459	89.1	25	3,187	78.1
1981	94	14,232	415.1	12	2,974	43.0	35	4,590	130.0
1982	98	14,303	460.4	28	7,431	95.2	50	7,096	200.0
1983	74	14,353	543.9	94	22,118	363.0	65	9,231	295.8
1984	96	14,158	566.2	88	21,655	428.2	45	5,697	175.2
1985	144	23,253	954.1	135	34,730	764.3	41	5,201	179.1
1986	154	22,006	1,117.5	245	32,554	1,550.1	22	3,123	111.2
1987	171	28,300	1,379.4	306	68,000	1,618.0	45	6,243	225.7
1988	140	21,180	922.2	234	49,443	1,402.3	47	5,537	197.1
1989	101	15,240	750.9	144	32,995	864.6	41	5,183	207.9
1990	61	9,910	411.4	69	13,848	295.3	53	6,166	263.2
1991	72	13,098	590.2	185	40,640	1,015.1	81	10,150	437.2
1992	54	7,823	358.5	119	24,960	547.1	66	8,229	367.4
1993	56	9,321	428.6	262	50,140	1,209.4	77	9,036	428.6
1994	84	12,988	658.5	321	61,416	1,587.0	94	13,688	701.7
1995	89	17,113	785.0	192	32,383	822.3	103	12,888	707.2
1996	128	23,554	1,178.8	268	51,760	1,391.1	152	20,069	927.5
1997	147	23,880	1,362.2	186	31,538	1,098.5	143	16,819	820.0
1998	149	25,237	1,420.7	158	19,271	576.3	89	7,965	541.0
1999	185	30,863	1,886.8	182	22,596	688.7	130	14,592	899.2
2000	193	35,271	2,171.7	165	20,446	572.6	178	18,618	891.7
2001	163	29,744	1,905.6	303	35,198	831.9	172	20,633	1,135.2
2002	167	31,187	2,042.7	439	52,434	1,284.5	287	33,086	1,780.6
2003	180	30,871	2,224.5	701	87,193	2,273.5	253	31,126	1,502.2
2004	166	27,891	1,802.6	672	70,740	2,203.1	228	26,094	1,344.3
2005	148	24,847	1,596.3	472	49,238	1,724.9	184	20,625	1,080.4
2006	97	14,603	873.3	614	59,451	2,252.5	228	26,898	1,425.6
2007	102	15,620	1,065.7	414	35,838	1,249.8	139	15,178	982.0
2008 (6 mos.)	29	4,692	357.8	125	12,398	453.1	65	7,310	422.8

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

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

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

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

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

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

Period	Delinquency Rates												Foreclosures Started					
	Total Past Due						90 Days Past Due											
		Conventional Loans						Conventional Loans						Conventional Loans				
	All Loans	Prime	Sub-prime	Sub-prime ARMs	FHA Loans	VA Loans	All Loans	Prime	Sub-prime	Sub-prime ARMs	FHA Loans	VA Loans	All Loans	Prime	Sub-prime	Sub-prime ARMs	FHA Loans	VA Loans
Annual Averages																		
1986	5.56	NA	NA	NA	7.16	6.58	1.01	NA	NA	NA	1.29	1.24	0.26	NA	NA	NA	0.32	0.30
1987	4.97	NA	NA	NA	6.56	6.21	0.93	NA	NA	NA	1.19	1.17	0.26	NA	NA	NA	0.34	0.32
1988	4.79	NA	NA	NA	6.56	6.22	0.85	NA	NA	NA	1.14	1.14	0.27	NA	NA	NA	0.37	0.32
1989	4.81	NA	NA	NA	6.74	6.45	0.79	NA	NA	NA	1.09	1.09	0.29	NA	NA	NA	0.41	0.37
1990	4.66	NA	NA	NA	6.68	6.35	0.71	NA	NA	NA	1.10	1.04	0.31	NA	NA	NA	0.43	0.40
1991	5.03	NA	NA	NA	7.31	6.77	0.80	NA	NA	NA	1.25	1.11	0.34	NA	NA	NA	0.43	0.42
1992	4.57	NA	NA	NA	7.57	6.46	0.81	NA	NA	NA	1.35	1.15	0.33	NA	NA	NA	0.45	0.40
1993	4.22	NA	NA	NA	7.14	6.30	0.77	NA	NA	NA	1.40	1.16	0.32	NA	NA	NA	0.48	0.42
1994	4.10	NA	NA	NA	7.26	6.26	0.76	NA	NA	NA	1.44	1.19	0.33	NA	NA	NA	0.56	0.48
1995	4.24	NA	NA	NA	7.55	6.44	0.74	NA	NA	NA	1.46	1.17	0.33	NA	NA	NA	0.53	0.50
1996	4.33	NA	NA	NA	8.05	6.75	0.63	NA	NA	NA	1.40	1.10	0.34	NA	NA	NA	0.58	0.46
1997	4.31	NA	NA	NA	8.13	6.94	0.58	NA	NA	NA	1.22	1.15	0.36	NA	NA	NA	0.62	0.51
1998	4.74	2.59	10.87	NA	8.57	6.80	0.66	0.28	1.31	NA	1.50	1.23	0.42	0.22	1.46	NA	0.59	0.44
1999	4.48	2.26	11.43	NA	8.57	6.80	0.63	0.24	1.23	NA	1.50	1.23	0.38	0.17	1.75	NA	0.59	0.44
2000	4.54	2.28	11.90	NA	9.07	6.84	0.62	0.22	1.21	NA	1.61	1.22	0.41	0.16	2.31	NA	0.56	0.38
2001	5.26	2.67	14.03	NA	10.78	7.67	0.80	0.27	2.04	NA	2.12	1.47	0.46	0.20	2.34	NA	0.71	0.42
2002	5.11	2.63	14.33	14.72	11.53	7.86	0.89	0.29	3.16	2.42	2.36	1.61	0.45	0.19	2.13	2.28	0.82	0.46
2003	4.74	2.51	12.17	13.06	12.21	8.00	0.88	0.30	3.24	2.71	2.66	1.77	0.42	0.20	1.65	1.92	0.90	0.48
2004	4.49	2.30	10.80	10.34	12.18	7.31	0.87	0.29	2.72	2.03	2.75	1.60	0.43	0.19	1.50	1.52	0.98	0.49
2005	4.45	2.30	10.84	10.61	12.51	7.00	0.89	0.32	2.59	2.13	3.08	1.60	0.41	0.18	1.42	1.52	0.85	0.38
2006	4.61	2.39	12.27	12.98	12.74	6.67	0.96	0.36	2.89	2.94	3.38	1.55	0.46	0.19	1.81	2.20	0.83	0.35
2007	5.34	2.92	15.55	17.88	12.68	6.43	1.21	0.49	4.31	5.07	3.27	1.49	0.71	0.33	2.93	4.27	0.89	0.39
Quarterly Data (Seasonally Adjusted)																		
2007																		
Q1	4.84	2.58	13.77	15.75	12.15	6.49	0.98	0.36	3.35	4.05	3.34	1.52	0.58	0.25	2.43	3.23	0.90	0.41
Q2	5.12	2.73	14.82	16.95	12.58	6.15	1.11	0.42	3.83	4.44	3.16	1.37	0.65	0.27	2.72	3.84	0.79	0.37
Q3	5.59	3.12	16.31	18.81	12.92	6.58	1.26	0.51	4.62	5.16	3.22	1.53	0.78	0.37	3.12	4.72	0.95	0.39
Q4	5.82	3.24	17.31	20.02	13.05	6.49	1.48	0.65	5.42	6.64	3.35	1.54	0.83	0.41	3.44	5.29	0.91	0.39
2008																		
Q1	6.35	3.71	18.79	22.07	12.72	7.22	1.63	0.79	5.84	7.29	3.33	1.74	0.99	0.54	4.06	6.35	0.87	0.50

*All data are seasonally adjusted.

NA = Not applicable.

Note: Table 18 has been reformatted to include data on subprime loans in the three major categories of Total Past Due, 90 Days Past Due, and Foreclosures Started. The data for All Conventional Loans in these three major categories have been eliminated since they are no longer collected by the Mortgage Bankers Association.

Source: National Delinquency Survey, Mortgage Bankers Association

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

Table 19. Expenditures for Existing Residential Properties: 1977–2007

Period	Total Expenditures	Maintenance and Repairs[1]	Improvements: Total	Improvements: Additions and Alterations[2]: Total	Additions[3]	Improvements	To Property Outside the Structure	Major Replacements[5]
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]**	**Improvements: Total**	**Additions and Alterations[2]: Total**	**Additions[3]**	**Alterations[4]**	**Other Property Improvements**	**Major Replacements[5]**
2003	176,899	44,094	132,805		20,994	91,759	20,051	
2004	198,557	50,612	147,945		17,889	103,835	26,219	
2005	215,030	53,293	161,737		20,719	112,721	28,297	
2006	228,208	53,389	174,819		13,519	129,918	31,382	
2007	226,359	54,738	171,621		12,299	129,133	30,189	
Quarterly Data (Seasonally Adjusted Annual Rates)								
2006								
Q4	226,000	53,200	172,800		NA	NA	NA	
2007								
Q1	217,300	55,000	162,200		NA	NA	NA	
Q2	226,700	58,000	168,700		NA	NA	NA	
Q3	204,400	50,500	153,900		NA	NA	NA	
Q4	236,600	56,300	180,300		NA	NA	NA	

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

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

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

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

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

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

Note: The Census Bureau has discontinued the Survey of Residential Alterations and Repairs. These fourth quarter 2007 data are the last available.

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*	208,180	150,911	140,123	10,788	57,269
1994	241,033	176,390	162,309	14,081	64,643
1995	228,121	171,404	153,515	17,889	56,717
1996	257,495	191,114	170,790	20,324	66,381
1997	264,696	198,062	175,179	22,883	66,634
1998	296,343	223,983	199,409	24,574	72,360
1999	326,302	251,271	223,837	27,434	75,031
2000	346,138	265,047	236,788	28,259	81,091
2001	364,414	279,391	249,086	30,305	85,023
2002	396,696	298,841	265,889	32,952	97,855
2003	446,035	345,691	310,575	35,116	100,344
2004	532,900	417,501	377,557	39,944	115,399
2005	611,899	480,807	433,510	47,297	131,092
2006	613,731	468,800	415,997	52,803	144,931
2007	492,499	353,393	305,184	48,209	139,106
Monthly Data (Seasonally Adjusted Annual Rates)					
2007					
Apr	528,548	381,425	331,146	50,279	NA
May	520,910	373,179	324,366	48,813	NA
Jun	508,171	367,554	319,361	48,193	NA
Jul	493,611	358,851	311,602	47,249	NA
Aug	480,211	346,924	300,345	46,579	NA
Sep	465,104	334,531	288,539	45,992	NA
Oct	446,975	320,494	275,021	45,473	NA
Nov	428,661	305,221	260,500	44,721	NA
Dec	413,878	289,163	246,054	43,109	NA
2008					
Jan	404,909	277,166	233,846	43,320	NA
Feb	392,020	258,796	214,892	43,904	NA
Mar	391,643	256,356	212,310	44,046	NA
Apr	383,493	247,928	203,640	44,288	NA
May	379,143	242,040	197,496	44,544	NA
Jun	372,468	234,626	190,278	44,348	NA

NA = Data available only annually.

*Effective with the May 2008 data, expenditures on private residential improvements to rental, vacant, and seasonal properties are not included in the construction spending data. To allow comparable time series analysis, these expenditures have been removed from historic data back to January 1993.

Source: Census Bureau, Department of Commerce

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

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

Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,128.0	469.3	4.6
2002	10,469.6	503.9	4.8
2003	10,960.8	572.4	5.2
2004	11,685.9	675.5	5.8
2005	12,421.9	769.6	6.2
2006	13,178.4	757.0	5.7
2007	13,807.5	630.2	4.6
Quarterly Data (Seasonally Adjusted Annual Rates)			
2007			
Q2	13,737.5	654.4	4.8
Q3	13,950.6	618.1	4.4
Q4	14,031.2	571.3	4.1
2008			
Q1	14,150.8	528.1	3.7
Q2	14,256.5	503.4	3.5

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

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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
Annual Data								
1971[1]	848	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA
1974[r]	1,554	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA
1977	1,275	114	87	570	255	85	149	14
1978	1,888	229	213	451	487	(303)	403	409
1979	1,300	122	81	84	359	(17)	101	570
1980[2]	3,446	228	573	935	652	69	241	749
1981	1,592	(127)	262	387	482	40	179	368
1982	1,159	(333)	11	163	864	(189)	243	400
1983	391	(415)	(60)	(163)	694	(151)	127	359
1984[r]	1,372	(237)	332	350	549	169	54	156
1985	1,499	(20)	(160)	388	912	105	(55)	328
1986	1,669	65	144	252	516	471	(221)	441
1987	1,021	(306)	(129)	221	706	112	16	402
1988[r]	1,645	109	(44)	163	624	389	(10)	414
1989	1,706	109	16	287	625	418	(53)	304
1990	517	(294)	(201)	(251)	602	496	(276)	440
1991	965	(239)	(177)	28	750	237	(5)	371
1992	1,364	(23)	(433)	120	474	796	36	394
1993[3]	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002[4]	2,880	(1)	105	329	127	411	1,260	648
2003	595	69	(18)	(92)	(237)	208	643	22
2004	1,028	98	278	(219)	(320)	365	714	112
2005	1,643	(3)	298	(283)	42	476	802	311
2006	1,344	43	185	(160)	(243)	508	682	329
2007	731	(85)	195	(74)	(381)	206	598	270
Quarterly Data								
2007								
Q2	637	(98)	138	(84)	149	261	36	233
Q3	(42)	265	(78)	24	(276)	73	(74)	24
Q4	579	(92)	85	17	45	(17)	504	38
2008								
Q1	(54)	(229)	(200)	17	(79)	(14)	241	209
Q2	404	(112)	116	(51)	101	335	(48)	65

*Units in thousands.

[r] Implementation of new March CPS processing system.

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

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

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

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

NA = Not available.

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

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

Period	Total	Families[5]				Non-Family Households		One-Person Households	
		Husband-Wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971[1]	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974[r]	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980[2]	3,446	426	1,024	115	485	240	60	502	592
1981	1,592	56	126	201	377	184	9	287	353
1982	1,159	(393)	730	53	322	(50)	81	229	189
1983	391	(2)	278	31	65	87	33	(31)	(73)
1984[r]	1,372	(60)	234	21	427	142	14	35	562
1985	1,499	(178)	447	189	233	(12)	62	436	319
1986	1,669	458	125	187	81	171	71	363	213
1987	1,021	75	529	96	235	43	95	(39)	(12)
1988[r]	1,645	(107)	244	344	243	62	51	557	249
1989	1,706	135	290	0	196	213	99	390	385
1990	517	(123)	341	30	5	(124)	97	(144)	435
1991	965	(66)	(104)	28	373	143	(1)	401	191
1992	1,364	(53)	363	114	430	115	12	163	220
1993[3]	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002[4]	2,880	371	778	195	608	(106)	81	467	485
2003	595	(38)	277	47	83	29	27	135	36
2004	1,028	(136)	341	283	175	39	(18)	167	176
2005	1,643	(111)	299	189	456	77	56	431	248
2006	1,344	64	226	54	169	93	100	452	186
2007	731	(101)	321	(14)	103	87	(80)	266	149
Quarterly Data									
2007									
Q2	637	211	218	58	(101)	32	174	(20)	66
Q3	(42)	(842)	310	15	278	78	(1)	261	(141)
Q4	579	45	(51)	19	(171)	204	(114)	172	475
2008									
Q1	(54)	25	60	(48)	(118)	(70)	(55)	(70)	221
Q2	404	472	68	73	(3)	(47)	72	72	(303)

*Units in thousands.
[r] Implementation of new March CPS processing system.
[1] Data from 1971 to 1979 weighted based on the 1970 decennial census.
[2] Data from 1980 to 1992 weighted based on the 1980 decennial census.
[3] Beginning in 1993, CPS data weighted based on the 1990 decennial census.
[4] Beginning in 2002, CPS data weighted based on the 2000 decennial census data and housing unit controls.
[5] Primary families only.
NA = Not available.
Source: Current Population Survey, Census Bureau, Department of Commerce (The source of annual data is the Current Population Survey March Supplement. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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

Period	Total	Non-Hispanic				Hispanic
		White Alone	Black Alone	Other Race Alone	Two or More Races[5]	
Annual Data						
1971[1]	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974[r]	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980[2]	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984[r]	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988[r]	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993[3]	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002[4]	2,880	1,442	(100)	702	NA	836
2003	595	(666)	(5)	(443)	1,109	600
2004	1,028	417	208	164	39	201
2005	1,643	710	257	166	50	461
2006	1,344	511	214	126	26	467
2007	731	(28)	182	209	(68)	436
Quarterly Data						
2007						
Q2	637	219	184	4	6	223
Q3	(42)	(305)	30	40	76	117
Q4	579	509	40	(46)	(33)	110
2008						
Q1	(54)	76	12	21	(4)	(161)
Q2	404	(74)	200	(4)	9	275

*Units in thousands.

r Implementation of new March CPS processing system.

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

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

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

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

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

NA = Not available.

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
2005	124,377	3,845	120,532	11,660	3,707	1,401	6,553	108,871	74,931	33,940
Quarterly Data										
2007										
Q2	127,728	4,330	123,398	13,057	3,731	2,037	7,289	110,341	75,283	35,058
Q3	128,189	4,558	123,633	13,334	3,866	2,074	7,394	110,299	75,181	35,118
Q4	128,649	4,447	124,202	13,324	3,838	2,179	7,307	110,878	75,164	35,714
2008										
Q1	129,387	4,711	124,676	13,853	4,063	2,277	7,513	110,823	75,145	35,678
Q2	129,871	4,778	125,092	13,864	4,008	2,169	7,687	111,228	75,715	35,513

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

1 Decennial Census of Housing.

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

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

NA = Not available.

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 City	Suburbs	Outside Metro Area	North-east	Mid-west	South	West	One	Two or More	Five or More
Annual Data												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	8.9	8.7	9.2	8.2	10.2	5.8	10.1	11.6	6.9	8.0	9.7	10.4
2003	9.8	9.6	10.0	9.2	10.6	6.6	10.8	12.5	7.7	8.4	10.7	11.4
2004	10.2	10.2	10.8	9.5	10.2	7.3	12.2	12.6	7.5	9.3	10.9	11.5
2005	9.8	9.7	10.0	9.4	10.5	6.5	12.6	11.8	7.3	9.9	10.0	10.4
2006	9.7	9.7	10.0	9.3	10.0	7.1	12.4	11.6	6.8	10.0	9.8	9.9
2007	9.7	9.8	10.0	9.6	9.3	7.0	11.5	12.3	6.7	9.6	10.0	10.3
Quarterly Data												
2007												
Q2	9.5	9.6	10.0	9.2	8.4	7.4	11.1	11.5	6.7	9.2	9.8	10.1
Q3	9.8	9.8	10.2	9.3	9.4	7.1	11.6	12.1	6.8	9.4	10.2	10.4
Q4	9.6	9.6	9.6	9.7	9.5	6.6	11.1	12.3	6.8	9.5	9.8	10.1
2008												
Q1	10.1	10.0	9.7	10.3	10.7	7.3	11.8	12.7	7.0	10.1	10.3	10.7
Q2	10.0	9.9	10.4	9.3	10.6	7.4	10.6	13.2	6.9	9.4	10.5	11.1

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

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

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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
Annual Data								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993[1]	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002[2]	67.9	22.9	38.8	54.9	68.6	76.3	81.1	80.6
2003	68.3	22.8	39.8	56.5	68.3	76.6	81.4	80.5
2004	69.0	25.2	40.2	57.4	69.2	77.2	81.7	81.1
2005	68.9	25.7	40.9	56.8	69.3	76.6	81.2	80.6
2006	68.8	24.8	41.8	55.9	68.9	76.2	80.9	80.9
2007	68.1	24.8	40.6	54.4	67.8	75.4	80.6	80.4
Quarterly Data								
2007								
Q2	68.2	23.6	41.7	54.6	67.6	75.5	80.6	80.5
Q3	68.2	25.3	40.5	55.3	68.1	75.2	81.1	79.9
Q4	67.8	24.9	39.4	53.9	67.2	75.1	80.4	80.3
2008								
Q1	67.8	23.6	39.7	54.8	66.7	75.0	80.4	79.9
Q2	68.1	23.3	39.8	54.4	67.6	75.4	80.1	80.2

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

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

Source: Census Bureau, Department of Commerce

http://www.census.gov/hhes/www/housing/hvs/hvs.html (See "Detail Tables," Table 7.)

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

Period	Total	Region				Metropolitan Status[3,5]		
						Inside Metro Area		Outside Metro Area
		Northeast	Midwest	South	West	Central City	Outside Central City	
March Supplemental Data								
1983[1]	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993[2]	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002[4]	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
2004	69.0	65.0	73.8	70.9	64.2	53.1	75.7	76.3
2005	68.9	65.2	73.1	70.8	64.4	54.2	76.4	76.3
2006	68.8	65.2	72.7	70.5	64.7	54.3	76.1	75.9
2007	68.1	65.0	71.9	70.1	63.5	53.6	75.5	75.1
Quarterly Averages of Monthly Data								
2007								
Q2	68.2	65.4	71.8	69.9	64.1	53.8	75.6	74.9
Q3	68.2	65.2	71.9	70.1	63.5	53.5	75.7	75.2
Q4	67.8	64.6	71.7	70.0	62.7	53.0	75.3	75.0
2008								
Q1	67.8	64.7	72.0	69.7	62.8	53.0	75.2	75.6
Q2	68.1	65.3	71.7	70.2	63.0	53.4	75.5	74.9

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

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

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

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

[5] The 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; 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 White Alone	Non-Hispanic Black Alone	Non-Hispanic Other Race Alone	Non-Hispanic Two or More Races[4]	Hispanic
March Supplemental Data					
1983[1]	69.1	45.6	53.3	NA	41.2
1984[r]	69.0	46.0	50.9	NA	40.1
1985	69.0	44.4	50.7	NA	41.1
1986	68.4	44.8	49.7	NA	40.6
1987	68.7	45.8	48.7	NA	40.6
1988[r]	69.1	42.9	49.7	NA	40.6
1989	69.3	42.1	50.6	NA	41.6
1990	69.4	42.6	49.2	NA	41.2
1991	69.5	42.7	51.3	NA	39.0
1992	69.6	42.6	52.5	NA	39.9
1993[2]	70.2	42.0	50.6	NA	39.4
Annual Averages of Monthly Data					
1994	70.0	42.5	50.8	NA	41.2
1995	70.9	42.9	51.5	NA	42.0
1996	71.7	44.5	51.5	NA	42.8
1997	72.0	45.4	53.3	NA	43.3
1998	72.6	46.1	53.7	NA	44.7
1999	73.2	46.7	54.1	NA	45.5
2000	73.8	47.6	53.9	NA	46.3
2001	74.3	48.4	54.7	NA	47.3
2002[3]	74.7	48.2	55.0	NA	47.0
2003	75.4	48.8	56.7	58.0	46.7
2004	76.0	49.7	59.6	60.4	48.1
2005	75.8	48.8	60.4	59.8	49.5
2006	75.8	48.4	61.1	59.9	49.7
2007	75.2	47.8	60.3	59.0	49.7
Quarterly Averages of Monthly Data					
2007					
Q2	75.4	47.1	60.6	58.7	50.0
Q3	75.3	47.2	60.9	60.3	50.1
Q4	74.9	48.3	59.9	58.4	48.5
2008					
Q1	75.0	47.7	59.3	57.1	48.9
Q2	75.2	48.4	60.2	56.4	49.6

r Implementation of new March CPS processing system.

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

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

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

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

NA = Not available.

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; for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. The quarterly data source is the monthly Current Population Survey/Housing Vacancy Survey.)

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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983[1]	75.0	80.8	38.3	67.5	44.5
1984[r]	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988[r]	73.9	81.7	38.0	64.9	44.6
1989	74.3	82.0	35.8	64.4	45.6
1990	73.5	82.2	36.0	64.3	46.6
1991	73.0	83.0	35.6	65.6	46.8
1992	73.4	83.0	35.1	64.9	47.3
1993[2]	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002[3]	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
2004	79.7	87.7	45.3	67.8	53.5
2005	80.3	87.5	45.2	67.4	53.3
2006	79.9	87.6	45.2	67.7	53.4
2007	79.4	87.5	44.2	65.7	52.7
Quarterly Averages of Monthly Data					
2007					
Q2	79.2	87.7	43.9	65.0	53.0
Q3	80.0	87.5	44.5	65.5	52.4
Q4	79.2	87.2	44.0	65.7	52.3
2008					
Q1	78.8	87.4	43.5	66.0	52.5
Q2	79.2	87.4	43.4	66.9	52.6

[r] Implementation of new March CPS processing system.

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

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

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

Source: Current Population Survey, Census Bureau, Department of Commerce (The annual data come from two sources: for years 1983 to 1993, the source is the Current Population Survey March Supplement; 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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