



U.S. Housing Market Conditions

August 1996

SUMMARY

The housing industry has experienced an interesting second quarter. Although housing production, especially for single-family homes, was up over the same period last year, mortgage interest rates and housing prices were rising and affordability was declining. Despite these factors, new and existing home sales were strong, and homeownership reached levels not seen for 15 years.

Most of the housing production figures were impressive. Permits were up 14 percent over a year earlier, with single-family permits up 17 percent. Housing starts increased 15 percent over last year, with single-family starts up 17 percent. Multifamily housing production (five or more units in structure) did not fare as well as single-family production; permits rose modestly over last year and starts were essentially unchanged. Manufactured (mobile) home shipments were up 6 percent over last year.

Housing marketing also performed very well. Builders were more upbeat about current sales, buyer traffic, and prospects in the next 6 months than they were a year ago. In the first 6 months of 1996, new home sales were above the 700,000-unit annual rate; the last time this level of sales activity occurred was from November 1986 through April 1987. Existing home sales reached a record high in the second quarter (the May sales rate of 4.28 million units at an annual rate exceeded the previous record of December 1993) and were 16 percent above the same period last year. Manufactured (mobile) home placements in the second quarter, on an annual basis, were about 9 percent higher than the 22-year record set for all of 1995.

Mortgage interest rates rose almost two-thirds of a point from the end of the first quarter to the end of the second. Median new house prices reached a record monthly high of \$140,000 twice in the second quarter; median existing house prices topped \$120,000 for the first time ever in June. While the new house price index for a constant quality house was up only 2 percent over the year, the repeat sales

price index (new in this issue) rose more than 5 percent. The existing housing affordability index fell 9 percent from the end of the first quarter to the end of the second.

I n s i d e

Table of Contents	2
National Data	9
Regional Activity.....	27
Historical Data	47

New in This Issue

The Office of Federal Housing Enterprise Oversight's weighted repeat sales House Price Index (HPI) for the U.S. and nine regions is now included as Table 8C in the Historical Data section. The HPI is a quarterly index that measures average changes in housing prices at the regional, State, and national levels based on repeat sales or refinancings of single-family homes whose two or more mortgages (conforming and conventional) have been purchased or securitized by Fannie Mae or Freddie Mac (about 41 percent of all single-family mortgage loans originated or refinanced). Information on 6.9 million repeat transactions is in the national statistical sample.

A Little Help From Our Friends, Please

This is the 11th issue of *U.S. Housing Market Conditions*, and we would like to turn the tables and hear from our readers about ways that we might improve this publication. If you have thoughts about possible topics we might discuss, suggestions about data series, changes in table formats, or any other way we may better serve you, our readers, please take a few moments and write us (HUD USER—USHMC, P.O. Box 6091, Rockville, MD 20849), fax us (301-251-5767), or e-mail us (huduser@aspensys.com). Thank you.



TABLE OF CONTENTS

Summary	1
Regional Perspective	3

New Data on the Low-Income Housing

Tax Credit	3
The Database	5
Basic Facts	5
Database To Support More Research	6

National Data

Housing Production	9
Permits	9
Starts	10
Under Construction	10
Completions	11
Manufactured (Mobile) Home Shipments	11

Housing Marketing

Home Sales	12
Home Prices	13
Housing Affordability	14
Apartment Absorptions	14
Manufactured (Mobile) Home Placements	15
Builders' Views of Housing Market Activity	16

Housing Finance

Mortgage Interest Rates	17
FHA 1-4 Family Mortgage Insurance	18
PMI and VA Activity	18
Mortgage Originations by Loan Type, 1-4 Family Units	19
Residential Mortgage Originations by Building Type	20
Mortgage Originations by Lender Type, 1-4 Family Units	21
Delinquencies and Foreclosures	22

Housing Investment

Residential Fixed Investment and Gross Domestic Product	23
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Housing Inventory

Housing Stock	24
Vacancy Rates	25
Homeownership Rates	25

Regional Activity

New England	28
<i>Spotlight on:</i> New Haven-Meriden, Connecticut	28
New York/New Jersey	29
<i>Spotlight on:</i> Jersey City, New Jersey	30
Mid-Atlantic	31
<i>Spotlight on:</i> Norfolk-Virginia Beach-Newport News (Hampton Roads), Virginia	32
Southeast/Caribbean	33
<i>Spotlight on:</i> Tampa-St. Petersburg-Clearwater, Florida	35
Midwest	35
<i>Spotlight on:</i> Cincinnati, Ohio-Kentucky-Indiana	36
Southwest	37
<i>Spotlight on:</i> Austin-San Marcos, Texas	38

Great Plains	39
<i>Spotlight on:</i> St. Louis, Missouri-Illinois	40
Rocky Mountain	41
<i>Spotlight on:</i> Pueblo, Colorado	42
Pacific	43
<i>Spotlight on:</i> San Francisco, California	44
Northwest	45
<i>Spotlight on:</i> Seattle-Bellevue-Everett, Washington	46

Historical Data

Table 1 New Privately Owned Housing Units Authorized: 1959-Present	47
Table 2 New Privately Owned Housing Units Started: 1959-Present	48
Table 3 New Privately Owned Housing Units Under Construction: 1969-Present	49
Table 4 New Privately Owned Housing Units Completed: 1968-Present	50
Table 5 Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1974-Present	51
Table 6 New Single-Family Home Sales: 1963-Present	52
Table 7 Existing Single-Family Home Sales: 1968-Present	53
Table 8A New Single-Family Home Prices: 1963-Present	54
Table 8B Existing Single-Family Home Prices: 1968-Present	55
Table 8C Repeat Sales House Price Index: 1980-Present	56
Table 9 Housing Affordability Index: 1970-Present	57
Table 10 Market Absorption of New Rental Units and Median Asking Rent: 1970-Present	58
Table 11 Builders' Views of Housing Market Activity: 1978-Present	59
Table 12 Mortgage Interest Rates, Average Commitment Rates, and Points: 1972-Present	60
Table 13 Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982-Present	61
Table 14 FHA, VA, and PMI 1-4 Family Mortgage Insurance Activity: 1968-Present	62

Table 15 FHA Unassisted Multifamily Mortgage Insurance Activity: 1980-Present	63
Table 16 Mortgage Originations, 1-4 Family Units by Loan Type: 1970-Present	64
Table 17 Residential Mortgage Originations by Building Type: 1970-Present	65
Table 18 Mortgage Originations, 1-4 Family Units by Lender Type: 1970-Present	66
Table 19 Net Acquisitions, 1-4 Family Units by Lender Type: 1970-Present	67
Table 20 Mortgage Delinquencies and Foreclosures Started: 1984-Present	68
Table 21 Expenditures for Existing Residential Properties: 1968-Present	69
Table 22 Value of New Construction Put in Place, Private Residential Buildings: 1974-Present	70
Table 23 Gross Domestic Product and Residential Fixed Investment: 1959-Present	71
Table 24 Net Change in Number of Households by Age of Householder: 1971-Present	72
Table 25 Net Change in Number of Households by Type of Household: 1971-Present	73
Table 26 Net Change in Number of Households by Race and Ethnicity of Householder: 1971-Present	74
Table 27 Total U.S. Housing Stock: 1970-Present	75
Table 28 Rental Vacancy Rates: 1979-Present	76
Table 29 Homeownership Rates by Age of Householder: 1982-Present	77
Table 30 Homeownership Rates by Region and Metropolitan Status: 1983-Present	78
Table 31 Homeownership Rates by Race and Ethnicity: 1983-Present	79
Table 32 Homeownership Rates by Household Type: 1983-Present	80

Some observations can be made about these apparently conflicting trends. First, the economy was performing well—employment was up, unemployment was down, and wages and salaries showed real growth not seen in years—so that increasing consumer confidence was buoying the sales market. Second, buyers were relying more and more on adjustable-rate mortgages, which had rates more than 100 basis points lower than conventional fixed-rate mortgages, to ameliorate the costs of rising interest rates. Third, declining affordability may have been spurring potential buyers into action before their window of opportunity closed. Would-be buyers who had been hesitating apparently decided it was “now or not for the foreseeable future,” and were entering the market. This added demand put upward pressure on prices and encouraged builders to continue production. Healthy sales also relieved builders of some of the burden of carrying expensive inventory financed by rising construction loan interest rates. How long these positive factors can continue to offset the negative factors is open to question. There is a lot of uncertainty about future market conditions, so proceeding with caution would seem to be the minimal prudence required.

Regional Perspective

HUD's field economists report that residential construction continued at strong levels during the first half of this year, and housing market conditions remain healthy throughout most of the major markets.

Home construction activity increased in all regions but New York/New Jersey, where single-family building permits for the first half of 1996 were down a slight 2 percent from the first half of 1995. The largest increase in homebuilding has been in the Southwest, where single-family permits increased 26 percent, with big gains in the Dallas-Fort Worth, Houston, and Austin areas.

Home sales during the first half of 1996 were especially strong in the Southeast, Midwest, and Rocky Mountain regions. California markets continue to show improvement, with sales up 28 percent overall. Among the strongest local markets, sales increased by 24 percent in Phoenix, by 40 percent in Las Vegas, and by 25 percent in Seattle.

Multifamily housing permit activity is up in New York; 8,000 rental units are planned for construction in Manhattan during the next 4 to 5 years. Midwest rental markets are experiencing high occupancy rates and rapid absorption of the increased supply of new units. There are signs that Southwest rental markets are becoming more competitive. Multifamily permit activity has declined in the Dallas-Fort Worth area, and the market reception of the more than 6,200 units under construction in the Austin-San Marcos area bears watching. While Colorado and Utah rental markets are holding up well, rent concessions are in evidence in Denver and may soon follow in Colorado Springs and Salt Lake City. The Phoenix and Las Vegas markets remain strong, ranking first and second in the Nation in multifamily units permitted during the first half of the year.

NEW DATA ON THE LOW-INCOME HOUSING TAX CREDIT

The Low-Income Housing Tax Credit (LIHTC) dispenses more than the equivalent of \$3 billion in annual budget authority to subsidize the construction or rehabilitation of housing for low-income families. Support is given to private investors in the form of tax credits that are cashed in over a 10-year period. In exchange, rents for these units must be maintained at affordable levels. The program can be combined with numerous other Federal, State, and local housing subsidies as well as private funds to expand the supply of affordable rental housing. Because of the considerable resources provided, the LIHTC is one of the Federal Government's most important housing programs for low-income families.

Under the supervision of the U.S. Internal Revenue Service, 54 State and local housing finance agencies administer the LIHTC program. These agencies independently allocate tax credits within their jurisdictions and perform various monitoring activities.



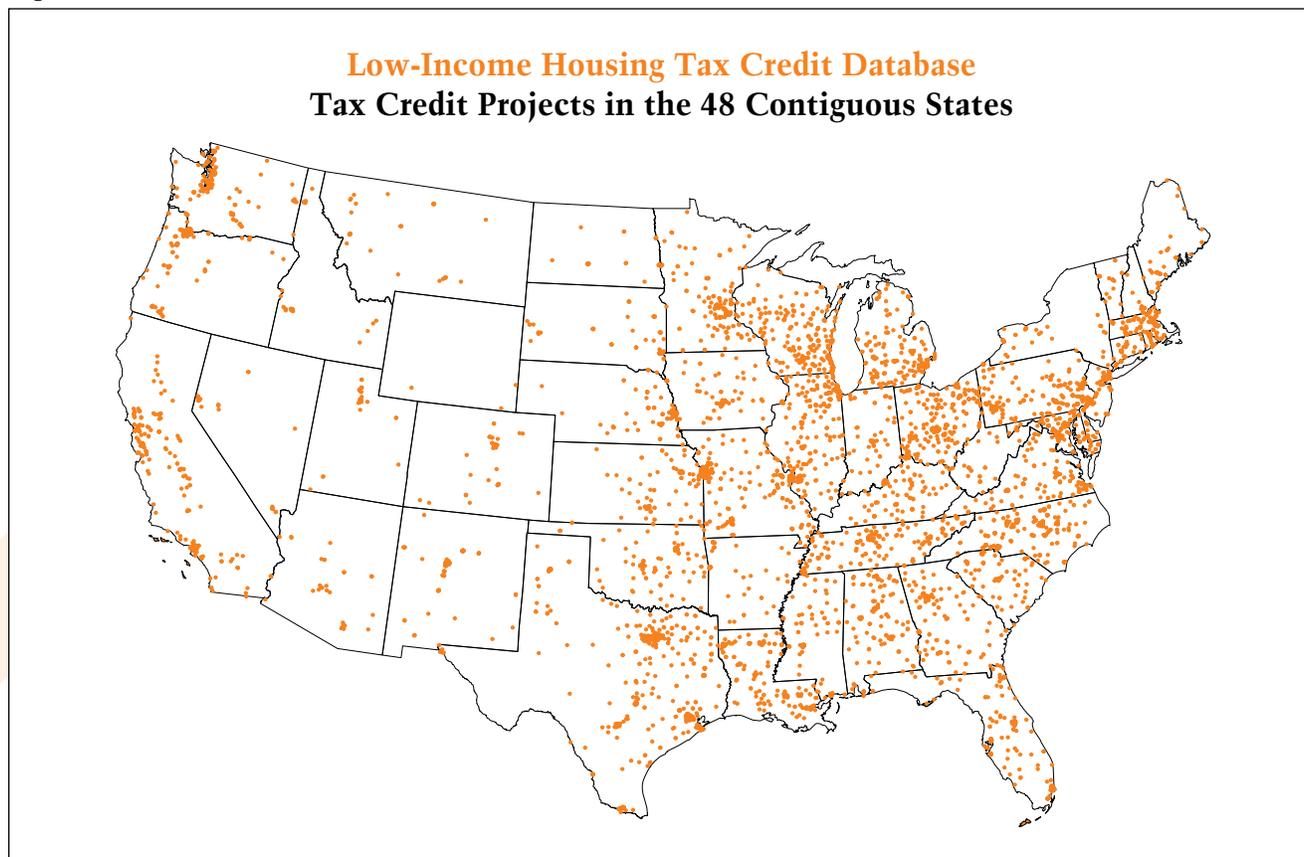
A decentralized administration makes the LIHTC program responsive to State and local housing needs but also means that little aggregate information is collected about the LIHTC. Because no Federal or State agency has collected comprehensive information on the LIHTC, there are no complete and reliable sources of data available to those individuals wishing to study it. Consequently, many unanswered questions about the LIHTC exist, such as:

- Who resides in tax-credit projects?
- What are their incomes?
- What are their ages?
- What is the racial makeup of LIHTC project tenants?
- How big are LIHTC projects?
- Where are they located?

One of the barriers to analyzing LIHTC data has been the lack of a sampling frame or list of all projects receiving tax credits. Not knowing the total number and basic characteristics of the LIHTC projects in existence precluded designing and drawing a random sample from which to draw statistically valid inferences. To remedy this situation, the U.S. Department of Housing and Urban Development (HUD) contracted with Abt Associates Inc.¹ to collect data on tax-credit projects ready for occupancy (placed in service) between 1990 and 1994. The data were collected by surveying the 54 State and local housing finance agencies.

The LIHTC data collection endeavored to create a national sampling frame of tax-credit projects that can be used to answer a wide range of questions of interest to national, State, and local policymakers, investors, housing advocates, and researchers. This article describes the database and discusses some preliminary analysis done by Abt Associates Inc. and HUD.

Figure 1



The Database

The database contains basic information on 9,785 projects with 339,190 units. The information includes the following:

- Project name and address.
- Name and address of the owner or owner's representative.
- Total number of units.
- Number of low-income units.
- Total number of units by size.
- Year the project was placed in service.
- Year the project received a tax-credit allocation or had tax-exempt bonds issued.
- Type of structure (new construction, rehabilitation, or existing building).
- Credit percentage used (9 percent or 4 percent).
- Nonprofit sponsorship.
- Increase in basis due to location in Qualified Census Tract or Difficult Development Area.
- Use of tax-exempt bonds.
- Use of Rural Housing Service (formerly Farmers Home Administration) Section 515 loans earmarked exclusively for rural housing.

The most complete coverage of LIHTC units and projects placed in service is for the period 1992–94.² For 1992 all 54 State housing agencies submitted the requested data. For 1993 and 1994, all agencies except the Chicago agency reported information. For 1990 and 1991, 46 and 47 agencies, respectively, contributed data. For 1987, 1988, and 1989, the number responding declined to 31, 32, and 34 agencies, respectively.

Each project in the database was geocoded using its address to assign latitude and longitude coordinates and census tract identifiers. Overall, 76 percent of the properties and 78 percent of the units were successfully geocoded. Figure 1 displays the location of LIHTC projects in the 48 contiguous States for the years 1987 through 1994. Using geographic information system software, market analysts can use the geocoded location information to provide a snapshot view of the distribution of LIHTC projects in their areas. Geocoding of projects also permitted the inclusion of census tract information in the database, such as population, population density, racial make-up, median income, Qualified Census Tract/Difficult Development Area status, and fair-market rent.

Basic Facts

From 1990 through 1994, an average of nearly 49,500 total units per year were placed in service in connection with the LIHTC program. Of these an average of 44,900 units each year were rent restricted for low-income households. In total the LIHTC added more than 247,000 total units to the rental housing stock, of which 224,446 were low-income units.

Table 1: LIHTC Units by Year Placed in Service, 1990–94

Year	Number of Projects	Total Units ^a	Low-Income Units	All Unfurnished Rental Apartment Completions ^b	LIHTC Low-Income Units as Percentage of All Units
1990 ^c	1,038	39,889	33,081	214,300	15.4
1991 ^c	1,097	39,428	35,644	165,300	21.6
1992	1,355	49,931	44,800	110,200	40.7
1993	1,355	59,942	54,690	77,200	70.8
1994	1,297	58,290	56,231	104,000	54.1
Total	6,142	247,480	224,446	671,000	33.4

^aIncludes market-rate units in projects with low-income units supported by the credit.

^bSource: Survey of Market Absorption of New Apartments, Census Bureau and HUD.

^cData not available for Arkansas, Idaho, Iowa, New Jersey, New York, Utah, and Wyoming.



Table 1 demonstrates the importance of the LIHTC program by reporting LIHTC units placed in service by their year of completion, the number of rental apartments completed each year as reported by the Survey of Market Absorption, and LIHTC units as a proportion of all new rental units. From 1990 through 1994, more than 36 percent of all rental apartment units completed have been in LIHTC projects. Total completions fell from 1990 through 1993 but rose slightly in 1994, while the number of LIHTC units increased during this period. LIHTC-supported low-income units made up 54 percent of total units completed in 1994.

Table 2 summarizes some of the most interesting findings contained in the database. An average of 1,228 projects were placed in service annually during the period 1990 to 1994. The vast majority of LIHTC projects were relatively small. More than two-thirds of LIHTC projects placed in service during this time contained 50 units or fewer, and more than 20 percent had fewer than 10 units. The average LIHTC project placed in service during this period contained 40.6 units.

According to table 2, 86 percent of LIHTC units placed in service between 1990 and 1994 contained 2 bedrooms or fewer. The American Housing Survey reports that 62.4 percent of the total rental units built in the years 1990–93 contained 2 bedrooms or fewer, and 28 percent were 3-bedroom units. Thus, the typical LIHTC unit is smaller than its counterpart in the broader rental housing market.

As noted above, figure 1 shows the geographic distribution of LIHTC projects. Within the 4 census regions, 43.3 percent of LIHTC units are located in the South, 27.0 percent in the Midwest, 12.5 percent in the Northeast, and 17.2 percent in the West.

More LIHTC units are located inside metropolitan central cities than outside. About 53.6 percent of LIHTC units are in central cities, 26.6 percent are in suburbs, and 19.8 percent are in nonmetropolitan areas. The sizable rural component of the tax-credit program is probably linked to the 26.8 percent of LIHTC units financed through Rural Housing Service Section 515. Therefore, it is fair to characterize the LIHTC as a significant source of affordable housing in both rural and urban America.

To qualify for tax credits, projects must set aside a specific proportion of units for lower-income households. Owners may elect to set aside at least 20 percent of the project's units for households at or below 50 percent of the area's median income or at least 40 percent of the project's units for households with incomes less than 60 percent of the area's median income. Rents in set-aside units are limited to no more than 30 percent of

the elected 50- or 60-percent income limit. Thus, owners of LIHTC projects have some discretion over the number of low-income tenants. Between 1990 and 1994, nearly 91 percent of units in LIHTC-supported projects were set aside for low-income families. LIHTC projects placed in service during that period were composed almost entirely of rent-restricted units reserved for low-income use. In fact, only about 5 percent of units are in projects where LIHTC units compose 40 percent or fewer of the total units. Almost 90 percent of LIHTC projects have at least 80 percent of their units receiving LIHTC assistance.

When potential maximum rents for LIHTC projects are compared with HUD's local area Section 8 Fair Market Rents (FMRs) based on the rent of the 45th-percentile market-rate unit, 76.5 percent of LIHTC units would have a higher maximum rent than the local FMR under the 60 percent of median-income standard. Under the 50 percent of median-income standard, 40.9 percent of units would have maximum rents higher than the FMR.

In establishing the tax-credit program, Congress required that 10 percent of each State's LIHTC dollar allocation be set aside for projects with nonprofit sponsors. The percentage of units with nonprofit sponsors rose from 18 percent in 1992 to 24 percent in 1993 to 27 percent in 1994, for an average of 23 percent across the 3 years. Nonprofit organizations are increasingly using the tax credit in their efforts to help supply affordable housing.

Database To Support More Research

Although the database contains useful information on some important issues related to LIHTC, more research will be needed to answer many other important questions. The major purpose of the LIHTC data collection is to provide a sampling frame that will enable additional research on LIHTC by both HUD and outside researchers. HUD has made the LIHTC database and the accompanying report available to the general public on the Internet at <http://www.huduser.org/lihtc>, and HUD will periodically update the database.

LIHTC data collection and locational analysis are part of a broader effort that is under way at HUD to gather and make available data on all major housing and urban economic development programs. In cooperation with the research community, HUD seeks to better understand these programs to improve program efficiency and effectiveness.

Table 2: Characteristics of LIHTC Properties, 1990–1994¹

Total projects	6,142
Total units	247,480
Total assisted units	224,446
Average project size (units)	40.6
Distribution by project size (percentage)	
0–10 Units	26.2
11–50 Units	53.1
50–99 Units	11.1
100+ Units	9.6
Distribution of units by qualifying ratio² (percentage)	
0–20	1.5
21–40	3.5
41–60	2.7
61–80	2.3
81–90	1.6
91–95	1.0
96–100	87.3
Distribution of units by number of bedrooms (percentage)	
0 Bedroom	4.4
1 Bedroom	41.1
2 Bedrooms	40.5
3 Bedrooms	13.0
4+ Bedrooms	1.0
Distribution of units by construction type (percentage)	
Existing	0.3
New	60.5
Rehab	38.3
Both New/Rehab	0.9
Percentage of units with nonprofit sponsor	19.5
Percentage of units with Rural Housing Service Section 515 financing	26.8
Distribution of units by region (percentage)	
Northeast	12.5
Midwest	27.0
South	43.3
West	17.2
Distribution of units by place (percentage)	
Central City	53.6
Suburbs	26.6
Nonmetropolitan	19.8

¹From *Development and Analysis of the Low-Income Housing Tax Credit Database* report. This table excludes units placed in service from 1990 to 1994 for which the precise year is unavailable.

²Ratio of low-income units to total units.



Notes:

¹ Abt Associates Inc. prepared a report, *Development and Analysis of the National Low-Income Housing Tax Credit*, summarizing the database and many preliminary findings. This information is available to the public on the Internet: <http://www.huduser.org/lihtc>

² The General Accounting Office (GAO) is conducting a similar study of the LIHTC focusing on the 1992 to 1994 period. There are slight differences between HUD's database and GAO's for this period.

Because of different definitions and different reporting by the States, GAO's database includes projects that HUD's database does not, and HUD's database contains projects that GAO's does not. Specifically, States provided information to GAO on about 8 percent more projects than the States identified to HUD; conversely, about 5 percent of the projects contained in the HUD database do not appear in GAO listings. These differences can only be resolved with additional State cooperation.

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National Data

HOUSING PRODUCTION



Permits*

Permits for construction of new housing units rose 3 percent in the second quarter of 1996 to a seasonally adjusted annual rate of 1,442,000 units and were 14 percent above the second quarter of 1995. One-unit permits, at 1,099,000 units, were 2 percent above the level of the previous quarter and up 17 percent from a year earlier. Multifamily permits (5 or more units in structure), at 276,000 units, were 5 percent above the first quarter and 6 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,442	1,406	1,264	+ 3	+ 14
ONE UNIT	1,099	1,080	940	+ 2	+ 17
TWO TO FOUR	67	62	62	+ 8	+ 7
FIVE PLUS	276	264	261	+ 5	+ 6

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

Source: Bureau of the Census, Department of Commerce



Starts*

Construction starts of new housing units in the second quarter of 1996 totalled 1,484,000 units at a seasonally adjusted annual rate, a statistically insignificant 1 percent above the first quarter of 1996 and 15 percent higher than the second quarter last year. Single-family starts, at 1,192,000 units, were a statistically insignificant 2 percent higher than the previous quarter and 17 percent above the previous year's rate. Multifamily starts totalled 245,000 units, 12 percent below the previous quarter but a statistically insignificant 1 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,484	1,469	1,293	+ 1**	+ 15
ONE UNIT	1,192	1,164	1,019	+ 2**	+ 17
TWO TO FOUR	47	25	32	+ 87	+ 48
FIVE PLUS	245	279	242	- 12	+ 1**

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

**This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



Under Construction*

Housing units under construction at the end of the second quarter of 1996 were at a seasonally adjusted annual rate of 842,000 units, 3 percent higher than the previous quarter but 12 percent above the second quarter of 1995. Single-family units under construction at the end of the second quarter of 1996 stood at 604,000 units, 4 percent above the previous quarter and 13 percent above the second quarter of 1995. Multifamily units were at 210,000 units, down a statistically insignificant 2 percent from the previous quarter but 5 percent above the second quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	842	816	755	+ 3	+ 12
ONE UNIT	604	581	533	+ 4	+ 13
TWO TO FOUR	28	20	22	+ 40	+ 27
FIVE PLUS	210	215	200	- 2**	+ 5

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

**This change is not statistically significant.

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



Completions*

Housing units completed in the second quarter of 1996, at a seasonally adjusted annual rate of 1,380,000 units, were nearly equal to the previous quarter but a statistically insignificant 6 percent above the same quarter last year. Single-family completions, at 1,094,000 units, were also nearly equal to the previous quarter but a statistically insignificant 3 percent above the year-earlier rate. Multifamily completions, at 260,000 units, were a statistically insignificant 3 percent above the previous quarter and 27 percent above the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL	1,380	1,374	1,304	—	+ 6**
ONE UNIT	1,094	1,092	1,064	—	+ 3**
TWO TO FOUR	26	30	34	- 13**	- 24**
FIVE PLUS	260	252	205	+ 3**	+ 27

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

**This change is not statistically significant.

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



Manufactured (Mobile) Home Shipments*

Shipments of new manufactured (mobile) homes to dealers were at a seasonally adjusted annual rate of 352,000 units in the first quarter of 1996, nearly equal to the previous quarter, but 6 percent above the rate a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
MANUFACTURERS' SHIPMENTS	352	354	332	—	+ 6

*Components may not add to totals because of rounding. Units in thousands. These are 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 totalled 758,000 units at a seasonally adjusted annual rate (SAAR) in the second quarter of 1996, a statistically insignificant 2 percent above the previous quarter but 14 percent above the second quarter of 1995. The number of new homes for sale at the end of June 1996 numbered 359,000 units, up a statistically insignificant 1 percent from the last quarter and up a statistically insignificant 3 percent from the second quarter of 1995. At the end of June, inventories represented a 5.9 months' supply at the current sales rates, a statistically insignificant 6 percent above the previous quarter and the same as the second quarter of 1995.

Sales of existing single-family homes reported by the NATIONAL ASSOCIATION OF REALTORS® for the second quarter of 1996 totalled 4,220,000 (SAAR), up 7 percent from the second quarter's level and 16 percent above the second quarter of 1995. The number of units for sale at the end of the second quarter was 2,160,000, 5 percent below the previous quarter but 20 percent above the second quarter of 1995. At the end of the second quarter, there was a 6.2 months' supply of units, 5 percent below the previous quarter but 9 percent above the second quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
NEW HOMES SOLD	758	747	666	+ 2**	+ 14
FOR SALE	359	362	349	- 1**	+ 3**
MONTHS' SUPPLY	5.9	6.3	5.9	- 6**	—
Existing Homes					
EXISTING HOMES SOLD	4,220	3,950	3,630	+ 7	+ 16
FOR SALE	2,160	2,270	1,800	- 5	+ 20
MONTHS' SUPPLY	6.2	6.5	5.7	- 5	+ 9

*Units in thousands.

**This change is not statistically significant.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®



Home Prices

The median price of new homes during the second quarter of 1996 was \$139,800, a statistically insignificant 2 percent above the previous quarter but 4 percent above the second quarter of 1995. The average price of new homes sold during the second quarter of 1996 was \$165,700, up 3 percent from the first quarter of 1996 and up 4 percent from the same quarter a year ago. (Both changes are statistically insignificant.) The price adjusted to represent a constant-quality house was \$164,400, nearly the same as in the first quarter of 1996 and up a statistically insignificant 2 percent from the second quarter of 1995. The values for the set of physical characteristics used for the constant-quality house are based on 1992.

The median price of existing single-family homes in the second quarter of 1996 was \$118,900, 4 percent above last quarter and 7 percent above the second quarter of 1995, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of \$145,400 was 4 percent above the previous quarter and 6 percent above the second quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
New Homes					
MEDIAN	\$139,800	\$137,000	\$133,900	+ 2*	+ 4
AVERAGE	\$165,700	\$161,100	\$158,900	+ 3*	+ 4*
CONSTANT-QUALITY HOUSE¹	\$164,400	\$165,200	\$161,300	—	+ 2*
Existing Homes					
MEDIAN	\$118,900	\$114,800	\$111,100	+ 4	+ 7
AVERAGE	\$145,400	\$140,000	\$137,700	+ 4	+ 6

*This change is not statistically significant.

¹A constant-quality house has the same physical characteristics from year to year and its price is estimated using statistical models.

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

Existing: NATIONAL ASSOCIATION OF REALTORS®



Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the second quarter of 1996 showed that the family earning the median income had 121.7 percent of the income needed to purchase the median-priced existing home. This figure is 7 percent below the first quarter of 1996 and 3 percent below the second quarter of 1995. This decrease is the result of a 4-percent rise in the median home price, a 50-basis-point interest-rate rise, failing to be offset by a 0.9-percent growth in median family income during the last quarter. The fixed-rate index fell by 9 percent from the first quarter of 1996 and by 2 percent from the second quarter of 1995. The adjustable-rate index fell by 4 percent from the previous quarter and by 3 percent from the year-earlier quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
COMPOSITE INDEX	121.7	131.1	125.2	- 7	- 3
FIXED-RATE INDEX	118.2	130.0	120.2	- 9	- 2
ADJUSTABLE-RATE INDEX	131.2	136.8	135.6	- 4	- 3

Source: NATIONAL ASSOCIATION OF REALTORS®



Apartment Absorptions

There were 43,800 new, unsubsidized, unfurnished, multifamily (5 or more units in structure) rental apartments completed in the first quarter of 1996, down a statistically insignificant 4 percent from the previous quarter but up 72 percent from the first quarter of 1995. Of the apartments completed in the first quarter of 1996, 77 percent were rented within 3 months. This absorption rate is unchanged from the previous quarter and 17 percent above the same quarter the previous year. The median asking rent for apartments completed in the first quarter was \$614, 9 percent below the previous quarter but a statistically insignificant 3 percent higher than a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	43.8	45.5	25.5	- 4**	+ 72
PERCENT ABSORBED NEXT QUARTER	77	77	66	—	+ 17
MEDIAN RENT	\$614	\$676	\$594	- 9	+ 3**

*Units in thousands.

**This change is not statistically significant.

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



Manufactured (Mobile) Home Placements

Homes placed on site ready for occupancy in the first quarter of 1996 totalled 333,000 at a seasonally adjusted annual rate, 10 percent above the level of the previous quarter and a statistically insignificant 1 percent above the first quarter of 1995. The number of homes for sale on dealers' lots at the end of the first quarter totalled 90,000 units, 2 percent below the previous quarter, but 23 percent above the same quarter the previous year. The average sales price of the units sold in the first quarter was \$37,000, down 4 percent from the previous quarter but 6 percent higher than the previous year's price.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	333	304	331	+ 10	+ 1**
ON DEALER LOTS*	90	92	73	- 2**	+ 23
AVERAGE SALES PRICE	\$37,000	\$38,500	\$34,800	- 4	+ 6

*Units in thousands. These are 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.

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



Builders' Views of Housing Market Activity

The National Association of Home Builders (NAHB) conducts a monthly survey focusing on builders' views of the level of sales activity and their expectations for the near future. NAHB uses these survey responses to construct indices of housing market activity. (The index values range from 0 to 100.) The second-quarter value for the index of current market activity for single-family detached houses stood at 65, up 8 points from the first-quarter level of 57 and up 21 points from last year's second quarter. The index for future sales expectations, 68, was up 6 points from the first-quarter value and up 16 points from last year's level. Prospective buyer traffic had an index value of 52, 10 points above the first-quarter value and 22 points above last year's level. NAHB combines these separate indices into a single housing market index that mirrors the three components quite closely. In the second quarter, this index stood at 61, 7 points above the first-quarter level, but up 19 points from last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOUSING MARKET INDEX	61	54	42	+ 14	+ 47
CURRENT SALES ACTIVITY—SINGLE-FAMILY DETACHED	65	57	44	+ 14	+ 46
FUTURE SALES EXPECTATIONS—SINGLE-FAMILY DETACHED	68	62	52	+ 10	+ 31
PROSPECTIVE BUYER TRAFFIC	52	42	30	+ 22	+ 72

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

HOUSING FINANCE



Mortgage Interest Rates

Mortgage interest rates for all categories of loans rose from the previous quarter. The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac was 8.11 percent in the second quarter, 83 basis points higher than the previous quarter and 16 basis points higher than the same quarter last year. Adjustable-rate mortgages in the second quarter were going for 5.81 percent, 38 basis points above the previous quarter, but 31 basis points below the same quarter last year. Fixed-rate, 15-year mortgages, at 7.62 percent, were up 84 basis points from last quarter and 14 basis points from the same quarter last year. The FHA rate rose 100 basis points during the quarter, but was unchanged from the same quarter last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
CONVENTIONAL FIXED-RATE 30-YEAR	8.11	7.28	7.95	+ 11	+ 2
CONVENTIONAL ARMs	5.81	5.43	6.12	+ 7	- 5
CONVENTIONAL FIXED-RATE 15-YEAR	7.62	6.78	7.48	+ 12	+ 2
FHA FIXED-RATE 30-YEAR	8.33	7.33	8.33	+ 14	0

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



FHA 1-4 Family Mortgage Insurance*

Applications for FHA mortgage insurance on 1-4 family homes were received for 280,500 (not seasonally adjusted) properties in the second quarter of 1996, down 10 percent from the previous quarter but up 23 percent from the second quarter of 1995. Endorsements or insurance policies issued totalled 213,600, up 4 percent from the first quarter of 1996 and up 68 percent from the second quarter of 1995. Endorsements for refinancing were 48,100, up 19 percent from the first quarter of 1996 and up 525 percent from a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APPLICATIONS RECEIVED	280.5	313.0	228.7	- 10	+ 23
TOTAL ENDORSEMENTS	213.6	205.9	127.0	+ 4	+ 68
PURCHASE ENDORSEMENTS	165.6	165.4	119.3	—	+ 39
REFINANCING	48.1	40.5	7.7	+ 19	+ 525

*Thousands of properties.

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



PMI and VA Activity*

Private mortgage insurers issued 298,300 policies or certificates of insurance on conventional mortgage loans during the second quarter of 1996, up 23 percent from the first quarter and up 34 percent from the second quarter of 1995; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs reported the issuance of mortgage loan guaranties for 92,000 single-family properties in the second quarter of 1996, up 5 percent from the previous quarter and up 77 percent from the second quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PMI CERTIFICATES	298.3	243.6	222.0	+ 23	+ 34
TOTAL VA GUARANTIES	92.0	87.4	52.1	+ 5	+ 77

*Thousands of loans.

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



Mortgage Originations by Loan Type, 1-4 Family Units

The total value of mortgage originations for 1-4 family homes was \$205.0 billion in the first quarter of 1996, up 8 percent from the fourth quarter of 1995. Three of the four loan types decreased in volume during the quarter: VA-guaranteed mortgages fell 30 percent, privately insured mortgages decreased 7 percent, and FHA-insured mortgages declined 23 percent. Uninsured mortgage volume grew 22 percent. The overall increase from the first quarter of 1995 was 72 percent. FHA and VA mortgages increased 71 percent and 41 percent, respectively. Uninsured mortgages increased 82 percent, while privately insured mortgages rose 41 percent. Market shares changed very little during the first quarter of 1996, although changes were more pronounced than changes from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
FHA INSURED	18.1	23.5	10.6	- 23	+ 71
VA GUARANTIED	8.9	12.7	6.3	- 30	+ 41
PRIVATE INSURANCE	29.1	31.2	20.6	- 7	+ 41
NOT INSURED*	148.9	122.4	81.8	+ 22	+ 82
TOTAL	205.0	189.8	119.3	+ 8	+72
Percentage of Market Shares**					
FHA INSURED	8.8	12.4	8.9	- 29	- 1
VA GUARANTIED	4.3	6.7	5.3	- 35	- 18
PRIVATE INSURANCE	14.2	16.4	17.3	- 14	- 18
NOT INSURED	72.6	64.5	68.6	+ 13	+ 6

*Includes Rural Housing Service (formerly Farmers Home Administration) loans.

**Market shares and percentages are computed from unrounded data.

Source: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity



Residential Mortgage Originations by Building Type*

Residential mortgage originations totalled \$217.3 billion in the first quarter of 1996, up 8 percent from the fourth quarter of 1995 and up 69 percent from the first quarter of 1995, and nearly identical to the single-family mortgage pattern reported above. The financing volume for multifamily (5+) units totalled \$12.3 billion in the first quarter, up 7 percent from the previous quarter and up 32 percent from the first quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ONE TO FOUR UNITS	205.0	189.8	119.3	+ 8	+ 72
FIVE PLUS	12.3	11.5	9.3	+ 7	+ 32
TOTAL	217.3	201.3	128.6	+ 8	+ 69

*Billions of dollars.

Source: HUD Survey of Mortgage Lending Activity



Mortgage Originations by Lender Type, 1-4 Family Units

Mortgage companies increased their volumes during the first quarter of 1996 to \$121 billion, a 12-percent increase from the fourth quarter of 1995 and an 86-percent gain from the first quarter of 1995. Their market share rose only slightly, although they continue to dominate the market with a 59-percent share. Most other lenders experienced increased volumes, especially over a year earlier: mortgage loans made by commercial banks rose 2 percent from the fourth quarter, although their volume was up 56 percent from the first quarter of 1995. Overall, their share fell slightly to 22.8 percent of the market. Mutual savings banks, with a market share of 3.7 percent, wrote \$7.5 billion in loans, a 1-percent increase from the previous quarter and 97 percent over the previous year. Mortgages written by savings and loan institutions, which made \$28.4 billion in loans, rose 5 percent for the quarter and 52 percent for the year although their market share dropped slightly.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
Dollar Volume (\$Billions)					
COMMERCIAL BANKS	46.8	46.0	30.0	+ 2	+ 56
MUTUAL SAVINGS BANKS	7.5	7.4	3.8	+ 1	+ 97
SAVINGS AND LOANS	28.4	27.0	18.7	+ 5	+ 52
MORTGAGE COMPANIES	121.0	108.0	65.0	+ 12	+ 86
OTHER LENDERS	1.3	1.4	1.8	- 7	- 28
TOTAL	205.0	189.8	119.3	+ 8	+ 72
Percentage of Market Shares					
COMMERCIAL BANKS	22.8	24.2	25.1	- 6	- 9
MUTUAL SAVINGS BANKS	3.7	3.9	3.2	- 6	+ 15
SAVINGS AND LOANS	13.9	14.2	15.7	- 3	- 12
MORTGAGE COMPANIES	59.0	56.9	54.5	+ 4	+ 8
OTHER LENDERS	0.6	0.7	1.5	- 14	- 58

Source: HUD Survey of Mortgage Lending Activity



Delinquencies and Foreclosures

Total delinquencies were at 4.46 percent at the end of the first quarter of 1996, nearly identical to the fourth quarter but up 14 percent from the first quarter of 1995. Ninety-day delinquencies were at 0.70 percent, down 1 percent from the first and fourth quarters of 1995. During the first quarter of 1996, 0.38 percent of loans entered foreclosure, up 15 percent from the previous quarter and up 19 percent from the first quarter of 1995.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
TOTAL PAST DUE (%)	4.46	4.48	3.91	—	+ 14
90 DAYS PAST DUE (%)	0.70	0.71	0.71	- 1	- 1
FORECLOSURES STARTED (%)	0.38	0.33	0.32	+ 15	+ 19

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 1996 was \$313.6 billion, up 4 percent from the first quarter of 1996 and up 11 percent from the second quarter of 1995. As a percent of the Gross Domestic Product, RFI was 4.2 percent, up 2 percent from the previous quarter and up 6 percent from a year ago.

 GDP	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
GDP	7,538.1	7,426.8	7,196.5	+ 2	+ 5
RFI	313.6	301.7	281.9	+ 4	+ 11
RFI/GDP (%)	4.2	4.1	3.9	+ 2	+ 6

*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce



HOUSING INVENTORY



Housing Stock*

The estimate of the total housing stock as of the second quarter of 1996, 114,207,000 units, was 0.8 percent above the first quarter of 1996 and 1.3 percent above last year. The number of occupied units followed a similar pattern. Owner-occupied homes showed a 1.1-percent increase over the first quarter of 1996 and a 2.3-percent increase from the second quarter of 1995. Rentals declined a statistically insignificant 0.2 percent from last quarter and declined 0.9 percent from last year. Vacant units rose 2.4 percent from last quarter and 2.5 percent from the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSING UNITS	114,207	113,285	112,743	+ 0.8	+ 1.3
OCCUPIED UNITS	101,082	100,472	99,932	+ 0.6	+ 1.2
OWNERS	66,147	65,453	64,668	+ 1.1	+ 2.3
RENTERS	34,935	35,019	35,264	- 0.2**	- 0.9
VACANT UNITS	13,125	12,813	12,811	+ 2.4	+ 2.5

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

**This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



Vacancy Rates

The national rental vacancy rate in the second quarter of 1996, at 7.8 percent, was down 0.1 percentage points from last quarter but up 0.1 percentage points from last year. The homeowner vacancy rate, at 1.5 percent, was down 0.1 percentage points from both last quarter and last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOMEOWNER RATE¹	1.5	1.6	1.6	- 6*	- 6*
RENTAL RATE¹	7.8	7.9	7.7	- 1*	- 1*

*This change is not statistically significant.

¹Major changes related to the survey effective with 1994 first quarter data.

Source: Bureau of the Census, Department of Commerce



Homeownership Rates

The national homeownership rate was 65.4 percent in the second quarter of 1996, up 0.3 percentage points from the first quarter and up 0.7 percentage points from the second quarter of 1995. The second-quarter rate is a 15-year high. The homeownership rate for minority households increased 0.6 percentage points from the first quarter and 1.4 percentage points from last year. The rate for young households, at 58.8 percent, was up 1.1 percentage points from last quarter and 1.9 percentage points from last year.

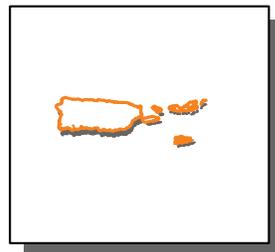
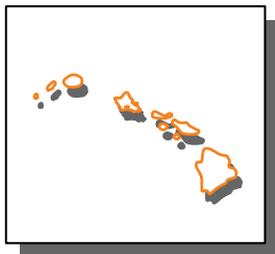
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
ALL HOUSEHOLDS	65.4	65.1	64.7	+ 0.5*	+ 1.1
MINORITIES	44.9	44.3	43.5	+ 1.4*	+ 3.2
YOUNG MARRIED-COUPLE HOUSEHOLDS	58.8	57.7	56.9	+ 1.9	+ 3.3

*This change is not statistically significant.

Source: Bureau of the Census, Department of Commerce



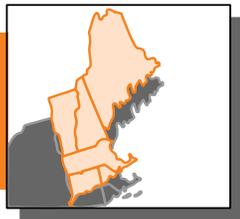
Regional Activity



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. Each regional report also includes a profile of a selected housing market that provides a perspective of current economic conditions and their impact on the local housing market. The reports are based on information obtained by HUD economists from State and local governments, housing industry sources, and from their ongoing investigations of housing market conditions carried out in connection with the review of HUD program applications.



NEW ENGLAND



Employment in New England showed solid improvement during the second quarter of 1996, with nonagricultural wage and salary employment reaching 6.4 million in May. Job growth over the 12-month period through May 1996 ranged from 2 percent in both Massachusetts and New Hampshire to 1 percent in Connecticut, Rhode Island, and Vermont. Rhode Island showed substantial gains in health services and retail trade. Connecticut's employment increased by 13,200 jobs, with gains in the services sector offsetting declines in manufacturing. Massachusetts had a net gain of 52,000 new jobs, mostly in the services sector where 34,000 jobs were created.

New England sources are projecting a 1.4-percent growth rate for employment during 1997. The manufacturing sector is expected to show a small increase for the first time in a number of years.

As of May 1996, the unemployment rates in all New England States were below the national average. New Hampshire's unemployment rate was the lowest in New England, at 3.7 percent. Vermont had the second lowest rate of 3.8 percent. The Boston area continues to have a tight labor market, with current unemployment at 3.9 percent. Shortages of skilled workers are being reported by Boston area manufacturers.

Residential building permit activity was up 1 percent for the first 6 months of 1996 compared with the same period a year ago. Permits were issued for 18,226 units in the first half of 1996. All States but Massachusetts and New Hampshire showed modest increases in activity. In Massachusetts 7,576 single-family units were permitted in the first 6 months of 1996, a decline of 2 percent. In Connecticut single-family activity (3,830 units) was up 13 percent from 1 year ago. Multifamily activity (1,890 units) in the region was down 29 percent compared with the same period last year.

The annual volume of existing home sales in Massachusetts was up a healthy 13.8 percent to 73,300 units as of the first quarter of 1996. The median sales price in the Boston metropolitan area during the period was up about 7 percent compared with the first quarter of 1995. However, prices in the other major markets of the region either remained flat or showed only slight gains.

Rental markets in New England remain in stable condition in most areas. Boston has a tight rental market due to the increased demand from an improving economy and pressure from growing student enrollments at local universities. Rental vacancy rates in the city of Boston and close-in suburbs are in the 2- to 4-percent range. The weak rental market in the Providence, Rhode Island, area continues to show improvement, with the rental vacancy rate declining to about 6 percent. Rental vacancy rates continue to drop in Maine, New Hampshire, and Vermont housing markets. Apartment developers have begun to show interest in the Manchester, New Hampshire, and Portland, Maine, areas.

Spotlight on

New Haven-Meriden, Connecticut

After several years of employment losses, the economy of the New Haven-Meriden metropolitan area appears to have stabilized. While growth is slow, the real estate market is relatively stable and there are moderate levels of new construction activity. The housing and commercial markets of the central city still have problems due to abandonment and out-migration, but public and business officials are exploring ways and committing resources to reverse these trends.

The New Haven area's economy has steadily but slowly improved since 1992, after losing more than 23,000 jobs annually between 1989 and 1991. Since 1992 employment has increased by about 1,350 annually through May 1996.

Residential building activity has been holding steady since 1990, averaging 1,275 units annually. This figure contrasts with the peak level of residential construction of more than 4,600 units

in 1986. During the first 6 months of 1996, 520 units were permitted, compared with 480 units in the first half of 1995. Since 1990 single-family building permits have accounted for 76 percent of the new construction in the New Haven area. This trend will continue due to the remaining excess supply of condominiums, many currently in the rental market, that have been slow to sell.

Home sales in the metropolitan area have steadily improved since 1990. In New Haven County, which makes up most of the metropolitan area, sales reached a high of 12,200 homes in 1994, and 1995's sales volume was only slightly below that peak level. During the first 5 months of 1996, sales were up by almost 10 percent from the comparable period in 1995. The median sales price, however, has declined each year since 1989 to \$118,500 in 1995.

The rental market in the New Haven area has improved over the past 2 years. The improvement, however, has been restricted to the middle and upper end of the market.

NEW YORK/ NEW JERSEY



Between May 1995 and May 1996, nonagricultural wage and salary employment in New York State increased by 80,500 jobs, or 1 percent. Most of the job growth occurred in retail trade and services, particularly business and health services. Employment gains were partially offset by declines in nondurable goods manufacturing and government. New York State's unemployment rate in May 1996 was 6.1 percent, down slightly from 6.2 percent in May 1995. New York City's unemployment rate was 8.4 percent in May 1996, up from 8.0 percent a year ago.

In New Jersey seasonally adjusted nonagricultural employment as of May 1996 was up 1.1 percent from a year earlier. Employment in service industries rose by 9,200 jobs, while manufacturing

employment remained essentially unchanged. The seasonally adjusted unemployment rate dropped to 6.1 percent as of May 1996, the lowest level since December 1990.

In New York State, single-family building permits in the first 6 months of 1996 (9,607 units) were down a slight 3 percent from the comparable 1995 period. However, multifamily activity in the first 6 months of 1996 (7,207 units) showed a 214-percent increase. The Albany, Buffalo, Newburgh, Syracuse, and New York City metropolitan areas all reported substantial increases in multifamily activity. New Jersey multifamily permit activity, in contrast, was down 20 percent and single-family activity was unchanged.

Home sales for the first quarter of 1996 dropped 8 percent from the first quarter of 1995, according to the New York State Association of Realtors.[®] The median sales price of \$119,500 in the first quarter of 1996 represented a 3-percent gain over the same period last year. New Jersey home sales in the first quarter of 1996 were 3.5 percent higher than the same period a year ago, and the median sales price (\$150,100) was up 3 percent from the first quarter of 1995.

The Manhattan rental market has become very tight. Rents increased as much as 12 percent in some units in 1995, with greater increases on the East Side than the West Side. The smallest increases were for two- and three-bedroom apartments, which are attributable to the competition from larger size condominiums and cooperatives. Manhattan's tight rental market and escalating rents have stimulated developer interest; local sources estimate that some 8,000 rental units are planned for construction during the next 4 to 5 years. About one-third of the units are located in old office buildings in the Wall Street area, which are planned for rehabilitation.

The emphasis on rental housing construction in Manhattan is a recent occurrence. In the 1980s most construction was in the condominium and cooperative market, and the supply of rental housing was being further diminished by condominium and cooperative conversions. Little residential construction was completed in the first half of the 1990s due to the poor economic conditions from 1989 through 1992.



Manhattan's increasing rents and sales prices have started to affect rents in the more affluent neighborhoods in other boroughs of New York City, such as Brooklyn Heights, Forest Hills, and Riverdale. The tight market has been the impetus for one project in Queens to be insured by FHA. The development, known as Queens West, recently received an \$85.6 million mortgage for the first phase, a 42-story, 522-unit, middle-income housing project. The development will be situated on the East River directly across from the United Nations, a 5-minute subway ride from Grand Central Station. It is planned ultimately to comprise 19 buildings consisting of moderate-income housing, office space, a 250-room hotel, commercial and retail space, and a 20-acre park.

Elsewhere in New York City, a group of 50 corporation and business executives have raised \$50 million to launch the New York City Investment Fund. The fund seeks to promote economic development and create jobs by offering loans to promising new and established retailers in poorer neighborhoods where commercial loans have been difficult to obtain. It is hoped that the fund will expand various businesses by leveraging small investments into large ones, creating a resurgence of confidence in commercial efforts in these neighborhoods.

Spotlight on

Jersey City, New Jersey

The Jersey City Primary Metropolitan Statistical Area (PMSA) (Hudson County) on the west bank of the Hudson River opposite Manhattan began to rebound in the mid-1980s after a long decline. Following years of population loss, during the 1980s the number of residents in Jersey City actually increased by 2.2 percent to 228,500 as of 1990.

Between 1980 and 1990, employment increased by 8 percent in the metropolitan area and by 10 percent in Jersey City. After a lull from 1989 to 1992, this positive trend has continued and should persist through 1996. The improvement has been due to a number of major real estate developments on underutilized land, State and

Federal Government assistance, and strong local leadership. A major strength of Jersey City's real estate development is its proximity to New York City's financial district.

Areas of Jersey City and adjacent Hoboken served by PATH (Port Authority Transit Hudson), a major commuter link from Hudson County to downtown and midtown Manhattan, have experienced large-scale residential revitalization. At the same time, the area's economic mix has shifted significantly. While manufacturing declined 43 percent in the 1980s, the service sector has now become the largest employer. The finance, insurance, and real estate sector has benefitted from the addition of such large firms as Merrill Lynch and First Chicago, which have established large back-office operations in Jersey City.

Major redevelopment projects in the Jersey City area over the past 10 years include:

- Newport, a 400-acre mixed-use development completed in 1987, consisting of a regional shopping mall, office towers, a marina, and more than 2,000 units of multifamily housing. Construction has recently started on an additional 346-unit apartment building to be insured by FHA.
- Exchange Place, a class A office center with 6.5 million square feet that is almost 93-percent occupied.
- Liberty Industrial Park, formerly a vacant industrial building, converted by *The New York Daily News* into a 400,000-square-foot printing plant for 1,000 employees.
- Avalon Cove, a 504-unit rental housing complex that is nearing completion of its first phase.

In addition, a \$20 million renovation of the Hoboken Railway Terminal is under way. Plans were recently announced for a \$700 million residential and retail development on the Hudson River in West New York. The project will consist of 4,000 units of highrise apartments and condominiums with some retail space. Construction could begin in early 1997 and will take several years to complete. In North Bergen a 2-building, 400-unit highrise development that will include both rental units and condominiums is under

construction. New market-rate housing construction in the Jersey City area has been stimulated by its lower rents (about 33 percent less than comparable new Manhattan apartments) and easier land assemblage than in New York City. Overall, the Jersey City rental market is balanced. While newer developments built during the past 10 years have a rental vacancy of under 2 percent, the rental vacancy rate for older units in less desirable locations is about 6 to 8 percent.

MID-ATLANTIC



Overall employment increases in 1996 in the Mid-Atlantic region have been nominal. The four major metropolitan areas (Philadelphia, Pittsburgh, Baltimore, and Washington, D.C.), which comprise more than half of the region's jobs, have had sluggish economies. In the Pittsburgh area, 1-percent employment growth continues for the third consecutive year, with three of every four jobs added in wholesale and retail trade. In the Washington, D.C., area, the 2-percent job gain this year in Northern Virginia is twice that of the growth rate in the Maryland suburbs, fueled by continued rapid expansion in computer-related business services. Baltimore's employment has held steady during the first 5 months of this year, while the Philadelphia area has had a slight net loss. The May unemployment rate is down somewhat in all four metropolitan areas, ranging from 3.8 percent in the Washington, D.C., area to 5.8 percent in Philadelphia.

Some increase in economic activity is expected in the second half of the year, based on an anticipated strong tourist season and commencement of construction projects. Two major hotels with 950 rooms are under construction in downtown Philadelphia. A new Lazarus department store will be built in downtown Pittsburgh.

National retailers are targeting the Mid-Atlantic, creating thousands of wholesale and retail trade jobs. The Interstate 81 corridor in both Virginia and Maryland has attracted warehouse/distribution centers to serve the entire region, including Target stores, Staples office products, and GBC Film products. The interchange of Interstates 81 and 70 outside Hagerstown is also attracting credit card/telemarketing jobs, helping to offset job losses in the area due to electric power consolidations by Allegheny Power throughout their five-State service area. In the Pittsburgh area, Sony has started hiring 400 employees for the American Video Glass Company plant and the PNC Bank is hiring 400 workers for its telebanking operation. In Virginia a second semiconductor plant for the Richmond area was announced in May by Siemens/Motorola that will employ 1,000 in the production of memory chips.

Rebounding sales in housing markets throughout the region should also contribute to the improvement in the local economies. In Pittsburgh existing home sales through the first 5 months were up 14 percent from a year ago. A major project is planned for the city on Herts Island, which will include 1,200 units. A combination of single-family, duplex, and townhouse units priced from \$150,000 to \$300,000 and luxury rentals could be started late next year. In the Baltimore area, existing home sales were up 19 percent in the first half of 1996. In the Washington, D.C., area, May 1996 sales were up 9 percent over May 1995, with similar gains registered on both the Virginia and Maryland sides.

Due to expansion at the Patuxent River Naval Air Warfare Center in St. Mary's County, housing demand in southern Maryland has continued to increase. In Charles County major area builders are particularly active in the Waldorf/La Plata corridor. Builders are typically offering single-family homes in the \$150,000 to \$175,000 range. One of the largest developments, Kingsview, is a 900-acre site that will include 500 single-family homes and 140 townhouses with a variety of home styles and prices. Prices start at \$125,000 for townhouses and go up to \$300,000 or more for custom, single-family detached units. In St. Mary's County, 1- to 4-acre lots are typical, and prices for new homes start at \$128,000, among the lowest in the 3-county area.



Single-family construction is up this year in the Pittsburgh suburbs of Washington, Butler, and Westmoreland Counties, attracting buyers looking for close-in yet rural locations. In the Baltimore area, single-family residential construction is up 4 percent this year. Virginia's 11-percent increase in single-family activity is due largely to the improving Northern Virginia market. Construction is up 20 percent in the area comprising Fairfax, Loudoun, Prince William, Stafford, and Spotsylvania Counties, with 5,000 single-family units authorized through May.

Rental markets continue to improve in the absence of significant multifamily construction. Most multifamily activity throughout the region is being developed for a particular market segment, such as tax-credit projects for moderate-income renters or housing for the elderly. In downtown Philadelphia rental vacancies are now about 2 percent, spurring the conversion of older office buildings to apartments. Using FHA insurance, one project is converting offices to efficiency and one-bedroom units in a 12-story building. Rents will be \$600 for an efficiency and \$800 for a one-bedroom unit.

Many of the new apartment developments coming on the market in the Washington, D.C., area are aimed at the upper income renter. Upscale rentals in the Washington metropolitan area are priced at about \$800 for a one-bedroom unit and \$1,100 for a two-bedroom unit. Convenience to the subway system is important in addition to a full range of amenities and onsite services. Moderate-income rentals are being added in the area using the Low-Income Housing Tax Credit (LIHTC) program.

Spotlight on

Norfolk-Virginia Beach-Newport News (Hampton Roads), Virginia

The annual rate of growth in the Hampton Roads economy slowed in 1996 to 1 percent, about half the rate of the annual employment gain in the last 2 years. Shipbuilding layoffs and civilian job losses at local military bases offset healthy gains

in the construction and real estate sectors this year. Unemployment in the area was 4.7 percent as of May 1996, slightly above the State's rate of 4.2 percent. A strong summer tourist season, job expansion in computer assembly and telecommunications, and the rebounding housing market will likely mean an increase in the rate of growth in the second half of 1996.

Faster growth over the next 3 years is also likely. Two new regional shopping malls with nearly 2 million square feet of retail space have been announced and expansions are under way at four existing regional retail centers. Out-of-State retailers are establishing a presence in Hampton Roads. In addition, Oceana Naval Air Station in Virginia Beach is scheduled to add 5,000 personnel by 1999 as it becomes the Navy's largest fighter base, home of all F-14 fighters and the East Coast hub of F/A-18s. Most of the buildup will occur in 1998. The expansion is expected to result in an additional 7,100 jobs in the private sector.

Until this year, the sales market had been stagnant in the Tidewater submarket (Norfolk, Portsmouth, Chesapeake, Virginia Beach, Suffolk, and Isle of Wight County) due to military uncertainty. However, existing home sales are now up 18 percent over last year in Tidewater and single-family permits have increased by 39 percent as well.

Home construction in the Tidewater area has shifted to the western suburbs due to construction of Interstate 664, the Monitor-Merrimac bridge/tunnel, and the Western Freeway, which opened Suffolk, Isle of Wight County, and Chesapeake to major job centers on the Peninsula (Gloucester County, Williamsburg, James City, York County, Hampton, and Newport News) and downtown Norfolk. In Suffolk, where production has doubled in recent years to 800 single-family units a year, construction is characterized by 1,700- to 2,500-square-foot homes on one-third to one-half acre lots. These homes are priced primarily in the \$110,000 to \$140,000 range. Presently, there are more than 30 active subdivisions in the Suffolk area. The Harbour View, a new planned community in north Suffolk, is planned to include 3,000 homes, a

golf course, and a community center with recreational amenities. More than half of the 1,500 lots in Phase I have already been sold to builders.

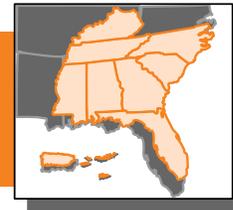
Single-family home production in Isle of Wight County is at peak levels. The largest development is Gatling Pointe South where some 200 homes priced at \$200,000 and above are planned for construction. The Deep Creek portion of northern Chesapeake is also accounting for a greater share of growth, with 10 approved subdivisions and more than 1,250 homes planned for development.

Existing home sales are down by 2 percent this year in the Peninsula submarket after a similar drop last year. However, Williamsburg remains strong, showing a 20-percent increase in sales in 1995 and a slight gain this year. The Williamsburg area is less affected by shipyard losses and continues to attract East Coast retirees. The Governor's Land at Two Rivers, located west of Williamsburg, offers a harbor, a marina, golf courses, and 1,444 acres with 722 homes. Lots are priced at \$150,000 for golf course frontage to more than \$400,000 for waterfront acreage. Homes are priced at \$300,000 and above.

Townhouse and condominium production has remained steady in Tidewater and on the Peninsula, accounting for about 25 percent of all sales in housing construction. Activity is concentrated in Virginia Beach and Chesapeake in Tidewater and in James City and York County on the Peninsula. Condominium prices start at about \$60,000 and townhouses are primarily in the \$80,000 to \$100,000 range. Major active subdivisions are adding about 10 units per month based on a steady rate of sales.

Although rental vacancy rates have declined in the past 6 years to about 7 percent currently, there is still a slight excess of available rental housing, particularly those units renting for less than \$500 per month. Since 1991 apartment construction has averaged about 1,200 units annually in the Hampton Roads area. Virtually all apartment construction in recent years has been developed for specialized markets, including tax-credit housing and housing for the elderly and military personnel.

SOUTHEAST/ CARIBBEAN



Employment growth in the Southeast/Caribbean continues to exceed the national rate of growth. As of May 1996, total employment in the eight States and Puerto Rico had increased by 2.2 percent compared with May 1995 levels. The largest rate of growth was in Georgia, at just more than 4 percent. Job growth in Puerto Rico and Florida was also strong, at more than 3 percent. Kentucky and South Carolina, however, experienced slight declines in employment.

The lowest unemployment rate was in North Carolina, at 4.3 percent; the rates in Georgia and Tennessee were also less than 5 percent. Alabama's unemployment rate was 5.6 percent, while Mississippi's rate of 6.3 percent exceeded the national figure.

The Southeast's textile industry continues to suffer, with a loss of more than 26,000 jobs over the past year. In South Carolina Springs Industries is closing 3 plants by the end of the year, which will mean a loss of 850 jobs. In Denton and Wake Forest, North Carolina, Burlington Industries, Inc., is closing 2 plants, resulting in a loss of 1,100 jobs. Rocky Mount Mills in North Carolina will eliminate 320 jobs.

For the first 6 months of 1996, 155,682 single-family units were permitted for the 8 States in the Southeast, a 16-percent increase over the same period in 1995. The biggest increases were in Alabama and Georgia, which were both up 22 percent. Kentucky and Mississippi had increases of 19 percent. While most metropolitan areas experienced significant increases in single-family permits, production plummeted in the Miami PMSA. Through June only 1,487 units had been permitted compared with 2,589 during the first 6 months of 1995, a decline of 43 percent. The reduced number of units reflects a substantial surge in permit activity in 1995 as builders banked permits in anticipation of substantial increases in impact fees in 1996.



Home sales in 1996 in most Southeast major markets continue to be very strong. Birmingham, with 976 home sales in May, had its highest monthly volume in history. According to the Nashville Board of Realtors,[®] sales of single-family homes in that area were up 19 percent from a year ago. The Memphis Area Association of Realtors[®] reported that May 1996 sales were up 26 percent over May 1995. HUD's San Juan office reported that the number of FHA single-family loan cases rose 20 percent compared with the same period in 1995.

State agencies throughout the region are actively involved in affordable sales housing efforts. The Tennessee Housing Development Agency (THDA) has a homeownership program for low- to moderate-income families and a Special Targeted Affordable Rate for Tennesseans (START) program. The START program offers a 30-year, fixed-rate mortgage at an interest rate of 5.5 percent to families that earn less than \$17,000 a year. THDA has committed to 990 loans in the first 5 months of 1996. In June THDA initiated a \$64 million bond sale to help 1,300 first-time homebuyers qualify for low-interest loans. The 30-year, fixed-rate loans will bear an interest rate of 7.5 percent.

The Puerto Rico Department of Housing's New Housing Program, in partnership with HUD's FHA Section 203(b) Insurance Program, promotes private-sector development of affordable housing units with a maximum sales price of \$60,000 per unit. To address builders' concerns on thin profit margins, the program provides tax exemptions of up to \$5,000 per unit sold and speedy processing of building permits. Mortgage rates vary from 3.5 to 5.5 percent, depending on the payment ability of each family.

The State Housing Finance and Development Authority of South Carolina is making \$25 million available to first-time homebuyers and those who have not owned a home in the past 3 years. The program should provide housing for 500 families. The maximum income is \$28,160, plus \$1,000 for each additional family member. The maximum home purchase price must be \$76,000 or less.

In May the Alabama Housing Finance Authority announced it would offer low-interest loans to about 500 limited-income buyers.

Multifamily construction activity remains strong in the first 6 months of 1996. The number of multifamily units permitted through the first half of the year (43,160) was down a modest 3.8 percent from strong 1995 levels. North Carolina, South Carolina, and Tennessee all recorded substantial increases in activity of 13, 29, and 49 percent, respectively, compared with the first 6 months of 1995. Among the metropolitan areas, the Miami PMSA experienced the biggest decline in multifamily activity (70 percent), again reflecting builders banking permits in 1995.

In the Southeast the LIHTC program has typically been used to fund projects that only serve families whose incomes do not exceed 60 percent of the area's median family income. Some North Carolina projects are serving 20 percent of tenants with incomes below 50 percent of the median income if the project has received additional HUD or State subsidies. The North Carolina Housing Finance Agency attempts to distribute funds for tax-credit projects so that 65 percent are located in metropolitan areas and 35 percent are in nonmetropolitan areas. The agency has required that tax-credit rents be set at 10 percent below the maximum level permitted by the income limit, so that they are usually below market and the projects have less difficulty leasing up.

The Alabama Housing Finance Agency (AHFA) will have \$5.3 million in tax credits to allocate this year. Most of the projects in Alabama target families; however, there are some projects for the elderly and disabled. Typically, AHFA uses approximately 10 percent of its annual allocation to fund projects for elderly citizens.

Information available for 305 tax-credit projects with 24,484 units in Florida indicates an occupancy rate of 91 percent, but some projects have only recently been completed. In Georgia a majority of the projects outside metropolitan areas have involved the Rural Housing Service's Section 515 program.

Spotlight on

Tampa-St. Petersburg-Clearwater, Florida

The current population of the Tampa-St. Petersburg-Clearwater metropolitan area is estimated to be 2,275,000, reflecting a moderate increase of about 1.5 percent annually since 1990. Growth has been much larger in the Tampa part of the area.

For the 12 months ending in March 1996, the 4-county metropolitan area reported an average of 1 million jobs, an annual growth rate of more than 36,000. The unemployment rate in March 1996 was a very low 4.0 percent. Tourism, manufacturing, shipping, and defense are the major components of the area's economic base. More than one-half of the manufacturing employment in the metropolitan area is located in Pinellas County (St. Petersburg). There is a significant concentration in durable goods, particularly industrial machinery and equipment, and electronic and other electrical equipment.

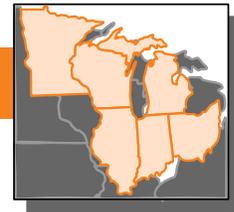
From 1992 through 1995, single-family building permits averaged 10,150 units, reaching a peak of 11,000 in 1994. Activity for the first half of 1996 totalled 4,992 units, almost identical to the comparable 1995 level.

Home sales through May 1996 increased about 20 percent compared with the volume in the corresponding period in 1995. In Hillsborough County sales are up 25 percent, with the average sales price rising almost 7 percent to \$109,984. In the southern part of Pinellas County, which accounts for an estimated one-third of all sales activity in the county, sales prices are up approximately 10 percent and sales volume has risen just over 10 percent.

Since the beginning of 1993, multifamily building permits increased each year to almost 4,200 units in 1995. Multifamily permit activity in the first 5 months of 1996 is down about 13 percent to 1,860 units. The apartment association for the Tampa-St. Petersburg area reported that apartment occupancy was 96 percent during the third

quarter of 1995. This figure was up from 94 percent in the same quarter of 1993. During this same period, the average rent for a two-bedroom, two-bath unit increased 3 percent to \$569.

MIDWEST



The Midwest economy continued to perform well during the second quarter of 1996. Through May all States in the region reported employment gains and unemployment rates below the national average. Construction, retail trade, and business services provided the largest number of new jobs. Private surveys of business conditions showed strengthening of local economies throughout the second quarter in the Chicago, Detroit, Cleveland, Cincinnati, and Grand Rapids metropolitan areas. Homebuilding activity in the first half of the year was strong overall, but apartment construction is showing signs of slowing after several years of high production.

Employment gains in Illinois reduced the State's unemployment rate to 5.2 percent in May 1996, one of the lowest in the past 15 years. Minnesota is increasing employment at a faster pace than the region, up 2.3 percent annually compared with 1.6 percent last year. Economic conditions are particularly strong in the Minneapolis-St. Paul area, which has experienced strong growth in construction and business service employment. In 1995, for the second consecutive year, Ohio ranked first in the Nation for new and expanded businesses.

Single-family construction in the region, as measured by building permits, showed continued strength in the second quarter of the year. During the first half of 1996, permits were issued for 94,300 single-family units, a 15-percent increase over the comparable 1995 period. All States showed gains in single-family activity, with increases in building permits ranging from 20 percent in Indiana and Minnesota to 9 percent in Illinois.



Single-family activity in the first 6 months of 1996 was especially solid in the Minneapolis-St. Paul area, where permits were up 27 percent (7,550 units) compared with the same period a year earlier. Twin Cities area builders reported increased demand for large, amenity-rich homes that, combined with a declining supply of buildable lots, contributed to the sharp 11-percent rise in the average sales price to \$165,600. In response to the shortage of affordable housing in Minnesota, particularly outside the Twin Cities area, the \$25 million Greater Minnesota Housing Fund has been established by the Blandon and McKnight Foundations. The fund hopes to leverage \$225 million more in public and private development financing for both sales and rental housing.

Continuing to benefit from a healthy economy, Wayne and Oakland Counties in the Detroit area saw strong sales of existing homes in the second quarter of 1996.

Indiana showed a significant 20-percent gain in single-family permit activity (15,400 units) in the first 5 months of 1996. While sales were up in the first quarter of 1996 compared with the same period in 1995, builders reported activity began to slow in April and May to about 1995 levels. In response, builders have begun to cut back production; permits in the second quarter were below 1995 levels for the same period.

In Illinois sales of existing homes in April were the highest since August 1995, and activity remained brisk in May. Condominium sales have been particularly strong in Chicago; the sale of almost 500 new units in the first 3 months of 1996 was nearly double 1995's first-quarter volume. The market response has been strong to the \$50 million in single-family mortgage revenue bonds issued by the city of Chicago; about 600 moderate-income homebuyers (\$25,000 to \$62,000 annual income) have received financial assistance with their downpayments.

Multifamily housing production in the Midwest began to slow slightly in the first half of 1996. Nonetheless, 22,900 units were permitted through June, only 4 percent below the 1995 figure, which was a robust year for apartment construction.

Absorption of new rental units has been excellent in Minnesota due to the State's generally tight markets. Production has been largely confined to high-amenity townhomes.

Apartment occupancy in the Indianapolis area as of the second quarter of 1996 was 94 percent, down slightly from the second quarter of 1995. Developers report steady absorption of new units. The market is expected to become more competitive during the remainder of 1996 as the 2,100 units under construction enter the market.

The Madison, Wisconsin, rental market has absorbed almost 2,000 units annually since the beginning of 1994, with overall occupancy holding steady at about 95 percent as of March 1996.

Apartment occupancy in the Chicago metropolitan area remains around 95 percent, although rent concessions are becoming more common in existing projects in suburban Cook and Du Page Counties. Rents are increasing 6 to 8 percent annually in downtown Chicago, and for the first time since the late 1980s, highrise apartments are being planned.

Low vacancies and improving rents in suburban Detroit communities have stimulated builder interest in FHA multifamily insurance programs. Michigan's HUD office reported a significant increase in multifamily mortgage insurance applications in 1996 compared with last year. Most of the proposals are for Oakland County.

Spotlight on

Cincinnati, Ohio-Kentucky-Indiana

The Cincinnati metropolitan area has a well-diversified economy. Strong job growth of 2.9 percent annually during the 12 months ending in May 1996 has helped reduce the unemployment rate to 4 percent, one of the lowest in the Midwest. The services, trade, and finance, insurance, and real estate sectors have provided the largest number of new jobs during the past 12 months. Population in the Cincinnati area has been growing modestly and is now close to 1.6 million.

The Kentucky part of the metropolitan area has been an important contributor to economic growth. In Boone County, the location of the area's regional airport, construction has begun on a \$750 million project for new infrastructure and runways and airline terminal improvements. Toyota Motor Corporation will soon open its North American Headquarters in Kenton County, relocating 200 personnel from Lexington and Georgetown, Kentucky, and hiring another 350 employees by 1998.

Downtown Cincinnati is experiencing significant development. Activity is focused in the Fountain Square West area, where a new Lazarus department store and specialty retail shops are under construction. Planned sports stadiums for the Reds baseball and Bengals football teams received a boost from Cincinnati area voters, who have approved a 1/2-percent tax on retail sales in Hamilton County to help fund these projects. Other revitalization projects include Bancorp Corporation's planned 20-story office tower, the recently completed \$80 million Aronoff Theater Arts complex, and a \$31 million library addition.

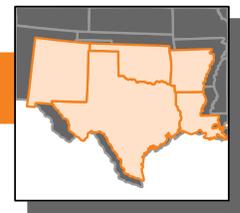
New luxury apartments are also a visible aspect of downtown Cincinnati revitalization. The first two phases of Garfield Place have been completed in the downtown area. The 212 units in this project are near the top end of the market, with one-bedroom units renting for \$500 and two-bedroom units for \$900. Absorption of the units has been good, and construction has begun on a third phase of 42 units.

City officials are working to preserve the stock of affordable housing. The Urban Land Institute recently completed a report that recommended the transformation of the Over-the-Rhine area located just north of downtown to a mixed-income neighborhood. More than half of the 4,000 units in the area are subsidized by HUD's Section 8 program. A large percentage of the remaining units are in poor physical condition. Nonprofit groups are renovating buildings and improving the stock in this area using the LIHTC program and other sources of Federal funds. Affordable new homes also are being built in the Betts-Longworth neighborhood near downtown; the City-Rama home show will exhibit units priced between \$100,000 and \$125,000.

Single-family home permit activity in the Cincinnati area has increased significantly from an average of 4,000 units annually in the 1980s to a little more than 6,200 units annually in the 1990s. Construction in the suburban Ohio communities near Interstate 275 has been active. New homes in these areas start at around \$160,000, with typical single-family detached units in the \$225,000 to \$250,000 range. Existing home sales in the metropolitan area for the first quarter of 1996 were 13 percent above the same period of 1995.

The Cincinnati area rental market is balanced, with a vacancy rate in the 5- to 6-percent range. Multifamily housing building permits have remained relatively stable, averaging approximately 2,550 units annually since 1990. The most active areas are the Interstate 71 northeast corridor, which has the highest rents; Clermont County, where low-cost land has attracted developers; and the Kentucky suburbs near the airport employment centers. New apartment units are being absorbed well. A 278-unit project in northeast Hamilton County, for example, is renting 18 to 20 units a month.

SOUTHWEST



Nonagricultural wage and salary employment in the Southwest increased by 384,700 from June 1995 to May 1996 compared with the previous 12 months, a solid gain of 3 percent. The largest percentage increases were in the construction and services sectors. New Mexico continued to post the highest percentage gain of 4.2 percent, followed by Texas at 3.2 percent.

Among major markets in Texas, Austin generated the biggest employment gains, followed by San Antonio. Dallas and Fort Worth also had strong increases, while Houston showed a moderate job-generating trend. Texas' border cities have begun to show expanding job markets, reversing nearly 16 months of weak performance.



Nonfarm employment in Arkansas during the 12 months ending in May 1996 was up 25,200 jobs over the previous 12-month period. The largest gains were in health, business, and other services.

Oklahoma City's economy should get a boost from the recently announced expansions by private contractors at nearby Tinker Air Force Base (AFB). Boeing announced plans in June to add 1,005 jobs during the next 6 years to fulfill aircraft maintenance contracts they have with the Air Force and Navy. Two weeks later Northrup-Gruman Corporation stated that it will employ more than 400 engineers and computer programmers to support the B-2 bomber when it becomes operational and moves to Tinker next year. Tinker AFB currently employs 8,750 military and 12,550 civilian personnel.

Homebuilding activity continued to be very strong in the Southwest in the first half of 1996; permits were issued for 65,300 single-family units, a 26-percent increase over the same period in 1995. Single-family permits were up 23 percent in the Dallas-Fort Worth area, 37 percent in the Houston area, and 28 percent in the San Antonio area. Austin-San Marcos reported a 72-percent increase in activity for the first half of the year. In the Oklahoma City metropolitan area, permits were issued for 2,129 single-family houses during the first 6 months of 1996, a 33-percent increase over the first half of 1995. Albuquerque, New Orleans, and Tulsa also recorded substantial gains in single-family permits.

While single-family activity is up in every major market in Texas, multifamily activity has shown mixed results. Activity for the first 6 months continued to be strong in Austin-San Marcos, with the number of multifamily units permitted up 53 percent. In contrast, multifamily activity declined 42 percent in the Dallas-Fort Worth area.

All States in the Southwest have actively participated in the LIHTC program. Most LIHTC projects in Texas, New Mexico, Arkansas, and Louisiana designate 100 percent of the units for households earning 60 percent or less of the median family income. In Louisiana most of the LIHTC projects are being built in first-ring suburbs.

In Texas a number of LIHTC projects have been built in rural areas with Rural Housing Service financing. In the past much LIHTC development in Arkansas has been in the small cities, some of the new suburbs of Little Rock, and the metropolitan areas of northwest Arkansas. Recently, housing proposals in the slower growing areas of Arkansas have been awarded most of the tax credits.

Albuquerque is using bond-refunding proceeds to develop affordable multifamily housing for New Mexico residents. The city is also asking developers of single-family subdivisions to set aside lots for low- and moderate-income families.

Spotlight on

Austin-San Marcos, Texas

Austin, the State capitol, is home of the University of Texas, with over 50,000 students in the area. Southwest Texas State University in San Marcos has more than 20,000 students. The census population estimate for the 5-county area was almost 1 million in July 1995, up some 154,000 persons or 18 percent since 1990.

Semiconductor production, personal computer manufacturing, and software development continue to be the major factors affecting the Austin area's rapid growth. Austin's high-technology manufacturing and service industries employ 75,000 persons in nearly 700 different companies. Since 1990 manufacturing has grown by 18,000 new jobs, a 35-percent increase. This growth trend is expected to continue based on recent announcements. IBM is relocating 700 technical jobs to the area, Samsung is planning to build a \$1.3 billion microchip manufacturing plant that will employ 900 to 1,000 employees by the end of 1998, Cypress Semiconductor is preparing for a \$500 million expansion, and Dell Computer is planning to add 1,500 employees.

State and Federal government employment is also a significant factor in the Austin metropolitan area's economy, constituting almost 25 percent

of total jobs. This total includes employees at the two major State universities, State and local government, and an Internal Revenue Service processing and monitoring center.

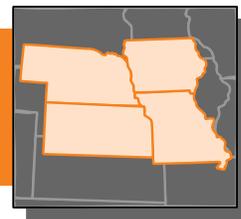
Overall nonagricultural wage and salary employment growth last year was a very high 6.6 percent, following similarly strong growth rates of 6.8 percent in 1994 and 7 percent in 1993. Labor market experts are predicting job growth in the 3.5- to 4.5-percent range for the next several years. Even at this reduced rate, Austin would be one of the fastest-growing areas in Texas.

From 1990 through 1995, building permits were issued for 43,675 units in the Austin metropolitan area. Single-family construction accounted for 29,545 units. More than 90 percent of the 14,130 multifamily units permitted were in Travis County (Austin). More than 75 percent of the multifamily permit activity in the metropolitan area during this period occurred in 1994 and 1995; with permits issued for over 6,300 units in 1995. In the first half of this year, permits were issued for 4,552 single-family and 2,211 multifamily units, increases of 72 and 53 percent, respectively, over the first half of 1995.

Sales for both new and existing homes remain strong. The median sales price of an existing home in the Austin area as of the first quarter of 1996 was \$111,800, up almost 14 percent from the first quarter of 1995. The Austin Multiple Listing Service recorded 11,262 sales in the 12-month period ending April 1996, up 9 percent from the previous period.

To date absorption of the large supply of new rental units has been solid. According to Capital Market Research, apartment occupancy in the Austin area was 95 percent in June 1996, despite the completion of almost 3,600 units in the first half of the year. There are 6,254 units under construction in the metropolitan area and more than 4,000 units in 16 projects with site plan approval. This large supply of new units suggests a much more competitive rental market during the next 2 years.

GREAT PLAINS



Nonagricultural wage and salary employment in the Great Plains increased by 117,100 jobs from May 1995 to May 1996, a healthy annual growth rate of 2 percent. Kansas led the way with a 2.6-percent job growth rate. The May 1996 unemployment rate for the region was a low 3.6 percent. Nebraska's unemployment rate has fallen to 2.8 percent.

Kansas, which added 30,800 jobs, continued as the region's fastest-growing economy as a result of strong growth in the Wichita and Kansas City metropolitan areas. Wichita's economy generated 6,700 new jobs (2.6 percent) from May 1995 to May 1996, due largely to a sharp rebound in the aircraft industry.

In DRI/McGraw-Hill's *America's Clusters* report, Wichita is listed as second only to the Seattle-Tacoma-Bremerton area as the largest manufacturing cluster for aerospace/defense in the United States. Boeing, Cessna, Raytheon (formerly Beech Aircraft), and Learjet employ more than 30,000 persons in the area. All four aircraft manufacturers are currently on an upswing that many observers think is the long-awaited major expansion of production that could last up to 20 years. With an already low unemployment rate of 3.7 percent and labor shortages, Wichita has begun recruiting aerospace workers from outside the area. This June a job fair was held in St. Louis and others are scheduled for States with major concentrations of aerospace employees.

The Kansas City metropolitan area continued its strong economic growth by adding 26,200 jobs (3.0 percent) during the 12 months ending in May 1996. Growth was fueled by casino construction, renovation of downtown buildings, and residential construction.

Recent announcements indicate that Kansas City's economy will remain strong. The Harley-Davidson Motor Company recently purchased



330 acres to construct a 300,000-square-foot plant to manufacture its Sportster motorcycles. Production at the facility is scheduled to begin in 1998. The company expects that some of its suppliers will also move to the Kansas City area. In addition, Allied Signal Commercial Avionics Systems intends to relocate 1,100 jobs to Kansas City during the next 18 months. The firm is building its headquarters and a manufacturing plant in suburban Johnson County, Kansas.

Building permits for new residential construction in the Great Plains totalled 31,974 units during the first 6 months of 1996, up 32 percent from the first half of 1995. Building activity in Kansas was up 75 percent, going from 4,832 units in 1995 to 8,468 in 1996. Activity also rose in Nebraska (24 percent), Missouri (23 percent), and Iowa (15 percent).

In 1995 the Kansas City area had its highest residential construction volume since 1987, with building permits reaching 11,215. The housing market remains strong, with permits for the first 6 months of 1996 totalling 6,770 units, a 51-percent increase over the 1995 level.

Low levels of multifamily housing construction from 1989 through 1993, combined with recent robust job and population growth, have lowered the apartment vacancy rate to about 5 percent from a peak of about 13 percent in the late 1980s. The tighter rental market has resulted in recent rent increases. Apartment builders responded in 1995, pushing the yearly total of multifamily permits to 2,900 units, almost 3 times the annual average for the previous 6 years. This pace has continued into 1996; for the first 6 months, permits were issued for 1,463 multifamily units compared with 569 units during the first half of 1995. Demand for rental housing should be strong enough to support the increased level of apartment construction without driving up the vacancy rate.

Lawrence, Kansas, the home of the University of Kansas, is also experiencing a sharp housing construction upturn, with 1,132 units permitted in the first half of the year compared with 321 units for the first half of 1995. Multifamily housing volume was particularly impressive, with

887 units permitted thus far in 1996, up from 104 in 1995 and 123 in 1994. Lawrence has become popular as a bedroom community for people working in Kansas City and Topeka.

Spotlight on

St. Louis, Missouri-Illinois

St. Louis metropolitan area unemployment dropped from 4.8 percent in May 1995 to 4.1 percent in May 1996. In St. Charles County, the metropolitan area's fastest growing county, the unemployment rate was 2.7 percent in May 1996.

Area employers added 18,000 nonfarm jobs, or 1.4 percent, in the 12 months ending in May 1996 compared with the 12 months ending May 1995. Most of the increase was in service industries, such as recreation, business services, and restaurants. Manufacturing lost employment during the year, despite a strong resurgence in vehicle assembly by the big three automobile manufacturers. Automobile industry employment is up 25 percent in May 1996 over May 1995. However, cuts in metal products, aircraft manufacturing, food products, chemicals, and oil refining eliminated 4,500 manufacturing jobs, exceeding the strong 12-month gains in the automobile industry.

The Defense Base Realignment and Closure Commission's cutbacks announced in June 1995 hit the St. Louis metropolitan area hard. The Army's Aviation and Troop Command (ATCOM) in St. Louis will be moved to other locations in the United States by the end of 1997, affecting more than 3,600 military and civilian employees.

Single-family permits in the St. Louis metropolitan area were up 11 percent in the first half of 1996 compared with the first half of 1995. Most of the construction was in St. Louis and St. Charles Counties. The share of home construction will continue to increase in St. Charles County, which has a greater supply of developable land and is less costly than St. Louis County.

Sales of single-family homes were up 35 percent during the first quarter of 1996 over the same period in 1995. This is a significant increase considering that sales declined by 2 percent from 1994 to 1995.

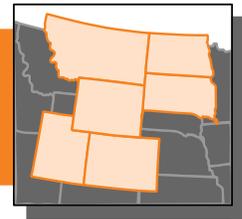
Apartment construction has picked up in 1996 due to market conditions that continue to improve. Multifamily building permits for the first half of the year totalled 1,024 units compared with 621 units for the first half of 1995. There has been a marked improvement in apartment occupancy rates during the last 18 months. Except for a couple of soft spots, the overall market is fairly balanced, and rent levels have begun to rise at modest rates.

On the Illinois side of the metropolitan area, several major developments are under way, or will be shortly, that will have a significant impact on the region's future economic growth. The \$300 million Mid-America Airport is currently under construction in St. Clair County. The airport will relieve traffic at St. Louis Lambert International Airport, which serves as a hub for TWA. The new airport, which is scheduled to open in October 1997, will help support the region's increased air travel. Besides providing passenger service, it will add significant cargo-carrying capacity to the St. Louis region.

It was recently announced that an Air National Guard unit from Chicago's O'Hare Airport will move to Scott AFB. The move of the 126th Air Refueling Wing is expected to create 342 new full-time and 1,314 part-time jobs by 1999. As part of the move, \$94 million will be spent for new facilities and runway extensions at the base.

The U.S. Department of Transportation has announced it will fund a \$295 million extension of the MetroLink light-rail service from east St. Louis to Belleville Area College and eventually to the new Mid-America Airport. When completed, the second phase of MetroLink will run from St. Louis Lambert International Airport to the new Mid-America Airport in Illinois. Funding is scheduled for the Fall of 1996, with the design and engineering work beginning immediately. The new section will be 17.5 miles long and will consist of 12 stations and 9 Park & Ride lots. The target date for opening is 2001.

ROCKY MOUNTAIN



Employment gains in the second quarter were ahead of first-quarter increases in most Rocky Mountain States. Utah's annual growth rate was up to 5.8 percent, the second-fastest rate in the Nation. Colorado's 4.5-percent increase was not far behind. Wyoming's growth of just over 1 percent continues to lag the other States; however, Montana, North Dakota, and South Dakota all posted moderately strong gains of about 3 percent. The construction boom continues with double-digit percentage employment gains in Utah and Colorado. Increased residential building is responsible for some of the increases, but commercial building is also up substantially. The \$760 million expansion of the E-470 beltway in the Denver metropolitan area is under way and will boost the construction sector considerably.

Manufacturing growth was limited in most States except South Dakota and Utah. The services sector continues to provide more jobs than any other major sector, with impressive gains in business and health services. After a slow start, the winter tourism season posted a new record for skier visits to Colorado and was Utah's second best year. Cattle producers remain squeezed by low beef prices and high grain prices. Colorado's wheat crop was pummelled by hail recently after a Spring drought destroyed much of the earlier crop.

Labor markets remain tight throughout the region. North and South Dakota have unemployment rates hovering around 3 percent. Employers in many areas report difficulty finding workers with appropriate skills. The quality and skills of the labor force were the top issues concerning firms replying to a recent survey by the Denver Metropolitan Chamber of Commerce. Retailers, however, were pleased with the turnout and qualifications of workers at a recent job fair held to fill the 2,000 jobs at the Park Meadows shopping mall southeast of Denver.



The number of housing units authorized by building permits in the first half of 1996 was up almost 20 percent from last year. The rate of increase was greatest in Wyoming, where the building permit total was up by more than 50 percent. Single-family activity rose in most States, but especially in Colorado. Apartment construction, which is concentrated in Colorado and Utah, is booming. Multifamily units permitted were up more than 31 percent in Colorado and almost 28 percent in Utah during the first half of 1996.

Most rental markets are holding up well in the face of this increased construction activity. Absorption of new rental units has generally been solid. Leasing has been particularly strong in Colorado Springs and Salt Lake City. Units are occupied as soon as they are completed and entire buildings are often preleased.

Denver's rental market was steady during 1994 and the first half of 1995. However, by the Fall of 1995, rent concessions began to appear and have now become widespread. Projects that leased up in 1994 above their proforma rents now offer concessions to maintain occupancy. The vacancy rate has increased only marginally to date and remains below 6 percent. Nevertheless, the rental market is more competitive, a situation that soon may be replicated in Colorado Springs and Salt Lake City.

The LIHTC program remains popular in the Rocky Mountain region. Most recent projects are 100-percent rent restricted. Many projects now have a portion of units aimed at groups earning less than 40 and 50 percent of the median income. Nonprofit sponsors have typically targeted some units to these groups, but now even profit-motivated developers are reserving units for the lowest income groups to increase their ability to compete in the tax-credit allocation process.

Existing home sales surged 15 percent in the first quarter, with gains recorded in all States except Wyoming. South Dakota led with a 22-percent increase over the first quarter of last year. Home prices continue to climb, but the rate of increase has slowed in some areas. Salt Lake City's huge 18-percent gain in the median sales price from 1 year ago set the pace for the region.

Spotlight on

Pueblo, Colorado

Pueblo's economy so far in 1996 has recorded a reduced growth rate from the rapid pace of the past few years. Dominated by the Colorado Fuel & Iron (CF&I) Steel company through most of its history, the local economy suffered through much of the 1980s when employment at that plant declined to a fraction of its peak level of more than 8,000 workers. Beginning in the mid-1980s, the low cost of doing business in the area and local promotion efforts started to attract defense-related, machine manufacturing, warehousing, telemarketing, and health care companies. These industries combined have added nearly 4,000 jobs to the economy in the past 10 years.

The pace of growth slowed in the first half of 1996 as plant closures and layoffs in manufacturing offset some of the continued gains in health care and insurance and retail trade. Total employment increased by only 1 percent in the 12 months ending in May 1996, considerably below the average 4.5-percent growth rate recorded in 1994 and 1995. The unemployment rate of 5.5 percent in 1996 is low by local historical standards, but remains above the State average.

The potential for stronger growth in the second half of the year is good. Retail construction will continue as several restaurants, grocery stores, and warehouses are slated to break ground. McDonnell Douglas Aerospace is completing construction of a facility that will add 200 new workers. QualMed Health Insurance will add 500 to 600 workers to the downtown area, occupying space in 4 historic buildings currently being renovated. The new Pueblo Convention Center has recently started construction, and the \$13 million Historic Arkansas River Project (HARP) is expected to break ground this year. HARP will rechannel part of the Arkansas River back to its original flow pattern through downtown Pueblo. The focal point of the project is the riverwalk, which is expected to draw businesses, local citizens, and tourists to the downtown area. Prison construction projects are expected to begin this year in Pueblo and nearby Canon City.

Residential construction activity remained essentially dormant until 1993, when the market finally absorbed the earlier excess capacity. Single-family permits have accelerated dramatically since then, and in the first half of 1996 are approaching a record pace. Multifamily construction also increased substantially during the past 18 months. There are several market-rate and affordable multifamily housing projects in the pipeline.

Sales of existing homes remain strong despite the high level of new construction. During the first 6 months of 1996, the average sales price increased by 18 percent to nearly \$90,000 compared with the same period last year.

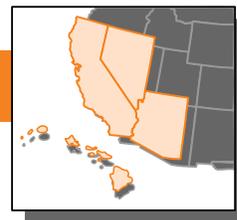
Sales are most active in the first-time buyer range of \$70,000 to \$80,000, although demand is strong for all price ranges under \$100,000. Much of the new construction in the Pueblo area has been for the move-up market, priced from \$130,000 to \$170,000. Homes in this price range also move quickly. Sales for both new and existing homes priced above \$200,000 are moving slower than the rest of the market.

The county and city of Pueblo jointly issued \$33 million in revenue bonds that will provide financing for nearly 500 first-time homebuyers. Lower income households were also aided by Home Investment Partnership Act (HOME) funds for deferred loans on their downpayments and the Neighborhood Housing Service (NHS) for counseling services. All lower income owners (nearly 160) used FHA mortgage insurance, mostly for rehabilitation loans. The Pueblo Housing Authority also allows some very low-income tenants to become homeowners under the Homeownership for People Everywhere (HOPE) programs. The housing authority, in partnership with a local bank and the NHS, adds about five new owners a year. Many of these homes under the county/city and housing authority programs are in older neighborhoods where these programs have significantly aided neighborhood revitalization.

The rental market is tight. New two-bedroom units are renting for \$550, while existing projects in the \$450 to \$500 range are full. The market will remain tight due to continued growth in

the economy. An FHA/Colorado Housing and Finance Authority risk-sharing project of 108 units should begin construction this Fall and help ease the current shortage.

PACIFIC



The Pacific economy continues to improve. In the 12 months ending in May 1996, employment in California increased by 300,000 jobs, a strong 2.4-percent gain. High-technology exports, motion pictures, business services, electronics manufacturing, wholesale trade, and construction are the leading sources of growth. The San Francisco Bay Area had the highest rate of growth, paced by Silicon Valley's electronics and software sectors. Southern California showed a solid 2-percent increase in employment. Sacramento, due to its electronics production, is outperforming an otherwise lagging Central Valley region, whose large agricultural base was affected by late rains.

The Arizona economy recorded a 4-percent rate of employment growth in the 12 months ending in May 1996, adding more than 70,000 jobs. While the gain was below the 93,000 increase in jobs in the prior 12 months, it was still one of the largest in the Nation. High-technology manufacturing, tourism, and construction for an increasing population led the expansion, which has occurred primarily in the Phoenix area.

Nevada gained nearly 59,000 new jobs in the 12 months ending in May 1996, a 7.5-percent gain that led the Nation. Three-fourths of the growth was in the Las Vegas area, where the 1,500-room Stratosphere Tower and the 3,000-room Monte Carlo casino/hotels opened in the second quarter, adding a total of more than 6,000 jobs. There is no letup in gaming expansions scheduled or under construction, underpinning the U.S. Department of Commerce projection



that Las Vegas will be the fastest-growing metropolitan area in the country in the 1993 to 2005 period.

Hawaii's economy is gradually stabilizing, with improved tourism and retail trade beginning to offset weakness in other sectors. Summer visitor bookings have increased, bolstered by expansions of airline services and improving California and Asian economies.

The improved economy in California and continued strong growth in Arizona and Nevada pushed up the region's single-family building permit activity (72,710 units) by 14 percent in the first 6 months of 1996 over the comparable period in 1995. Activity in Arizona and Nevada increased 17 and 14 percent, respectively, over strong performances last year. California's comeback continued with a 14-percent gain, bringing single-family permits to 36,518.

Sales of existing homes were generally strong throughout the region. In California single-family resales were up 28 percent in the first 5 months of this year over the same period in 1995. In the Phoenix area, resales increased 24 percent over last year's strong levels, and existing sales in Las Vegas were up 40 percent. Sales prices advanced 3 to 4 percent in Phoenix and Las Vegas, and were up 1.5 percent in California markets.

Strong rental demand supported a 12-percent increase in the number of multifamily units permitted in the region in the first half of 1996. In Arizona and Nevada, multifamily units were up 5 and 38 percent, respectively, through June. Phoenix and Las Vegas rank first and second in the United States in the number of multifamily units permitted so far this year. While apartment occupancy in both areas is running about 95 percent, some submarkets are showing signs of softer market conditions.

California rental markets are strengthening, resulting in a 23-percent increase in the number of multifamily units (8,792) permitted in the first 6 months of the year, but levels are still fairly low. Most of the San Francisco Bay Area has tightened considerably, with rental vacancy rates of 3 percent or less. Vacancy rates in the Sacramento area have declined to about 6 percent due to stronger

job growth, while slower growing Fresno is moderately soft with about an 8-percent vacancy rate.

Improvement in the local economy and lack of new construction have helped reduce Los Angeles County's overall rental vacancy rate to 8.9 percent from 9.8 percent in 1995, according to a new study by the Apartment Owners Association of Southern California. All areas of the county experienced a vacancy rate decline, except for the San Fernando Valley. Submarket vacancy rates are lowest in the San Gabriel Valley and highest in the eastern part of the county. Weak conditions prevail in Riverside County, where vacancy rates of 13 to 15 percent are common.

Spotlight on

San Francisco, California

As of May 1996, nonagricultural employment for the San Francisco metropolitan area totalled 920,000, an increase of 1 percent over May 1995. The economy is now recovering the substantial job losses that followed the 1989 earthquake and the subsequent recession. May unemployment was 4.1 percent, an improvement from the 5.2-percent rate last May. Construction (5.2 percent) and durable goods manufacturing (5.7 percent) posted the largest percentage gains in employment growth. The Federal Government remains a major employer, but its role has diminished with the closing of military bases at the Presidio and Treasure Island.

Construction employment has been boosted by a \$140 million main library and new municipal courts and State office buildings, all in the San Francisco Civic Center. City hall and the opera house, also in the Center, are being renovated. Other major plans include building a baseball stadium, expanding the convention center, and converting the old library into the Asian Art Museum.

HUD has allocated \$72 million to demolish three distressed public housing projects and replace them with 560 new units. HUD also has committed funds to leverage construction of two mixed-income rental townhouse communities totalling 250 units in the Visitacion

Valley neighborhood. One of these developments will occupy the site of Geneva Towers, another assisted-housing project to be demolished.

Prices of existing homes in the Bay Area fell during the early 1990s, but have been recovering since mid-1994. The median sales price of \$252,200 as of the first quarter of 1996 is still the second highest (next to Honolulu) of any metropolitan area in the United States. While high construction costs and the limited supply of available building sites are major constraints, single-family home construction has increased in the metropolitan area over the past 2 1/2 years, averaging approximately 1,050 units annually, compared with less than 800 units annually from 1991 through 1993.

Bay Area rental housing construction had been relatively stable. From 1990 through 1995, an average of 1,265 multifamily housing units were permitted annually. In the first 6 months of 1996, however, permits were issued for 915 units, more than double last year's volume for the same period.

NORTHWEST



Nonagricultural wage and salary employment in the Northwest grew by a healthy 2.4 percent (188,575 jobs) from the second quarter of 1995 to the second quarter of 1996. Economic expansion has gained momentum with the aerospace industry recovery. With employment growth in the high-technology, banking, construction, utilities, and services sectors finally coinciding with an aerospace boom period, the region's economy is expected to remain strong during the remainder of this decade. Second-quarter 1996 versus second-quarter 1995 employment was up 3.5 percent in Idaho, 3.4 percent in Oregon, 1.8 percent in Washington, and 0.4 percent in Alaska. The region's unemployment rate for the second quarter was 5.8 percent compared with 5.9 percent during the same period in 1995. Among the metropolitan

areas, the lowest unemployment rates were in Boise (3.7 percent) and Portland (3.8 percent).

Oregon employment averaged 1,460,600 persons during the second quarter of 1996. Electronics led the manufacturing sector in job growth, with an increase of 4,300 workers over the second quarter of 1995. Job expansion in electronics can be expected to continue to improve during the year with the completion of several memory chip and silicon wafer factories around the State. The largest increase in nonmanufacturing was in construction, with 7,300 jobs. Oregon has critical worker shortages throughout the State in occupations ranging from sheet metal workers to physician's assistants. Because the labor market is unlikely to adjust very quickly to these shortages, job growth in Oregon is likely to slow in the remainder of 1996. Contributing to the tight labor market conditions has been a decrease in in-migration during the first half of 1996, about 33 percent lower than the 1995 total for the same period.

Single-family construction, as measured by building permits, was up 16 percent (30,342 units) in the Northwest region through June 1996 compared with the first 6 months of 1995. The number of single-family permits issued was up in every State. Idaho had the largest percentage increase (22 percent), followed by Washington (16 percent). Multifamily housing activity (11,224 units) in the first 6 months of 1996 was down a modest 6 percent from strong 1995 levels for the same period.

Median sales prices of existing homes throughout the Northwest appreciated slightly during the first quarter of 1996 to \$116,500 in Eugene-Springfield, \$135,800 in Portland, \$160,700 in Seattle, and \$99,400 in Boise.

Rental market conditions in Washington range from balanced to soft. The market is extremely soft in the Tri-Cities area, with rental vacancy rates more than 15 percent. In contrast, Oregon rental markets are tight. The apartment vacancy rate in Portland is below 4 percent; a survey of 75,000 units conducted in May by McGregor Millette & Associates showed a vacancy rate of 3.7 percent compared with 4.7 percent in May 1995.

Housing affordability and availability is a major problem in the Northwest. HouseSeattle, a Federal National Mortgage Association (FNMA) program,



has designated \$1.5 billion for the Puget Sound region to promote homeownership and to provide affordable multifamily dwellings. This 5-year program announced in October 1995 is targeting \$1.3 billion for homeownership and \$200 million for multifamily projects to approximately 18,000 low- to middle-income families. During the fourth quarter of 1995 and first quarter of 1996, nearly \$18 million was committed for multifamily units and \$18 million for homeownership programs.

Spotlight on

Seattle-Bellevue-Everett, Washington

The Seattle area economy grew rapidly in the late 1980s, slowed with the downturn in the aerospace industry in the early 1990s, and since 1995 has again begun to expand significantly.

In the second quarter of 1996, employment averaged more than 1.2 million, up 3.2 percent (38,000 jobs) from the second quarter of 1995. Services, especially business services, such as those provided by Microsoft, make up the bulk of new employment. During the aerospace recession, Microsoft added nearly 10,000 jobs to the local economy, with average annual wages of \$80,000 per worker.

The recovery in aerospace together with continued growth in the software, high-technology, services, and retail trade industries are expected to stimulate economic expansion throughout the entire Puget Sound region. Employment is projected to grow by 3 percent a year in 1996 and 1997. Boeing received orders for 346 airplanes in 1995, worth an estimated \$31.2 billion, and orders have continued to come in thus far in 1996. In response to the growing backlog, the company announced plans to hire an additional 6,700 workers locally by year's end.

Downtown Seattle is in the midst of the largest redevelopment effort in its history. New retail shops, hotels, housing, restaurants, theaters, and public buildings are under construction and in planning stages. Nearly 1 million square feet of retail space will be added during the next several years, including a new flagship store for

Nordstrom. Other developments include a new baseball stadium, a waterfront renovation project by the Port of Seattle, and an expansion of the Washington State Convention and Trade Center. New residential projects include 569 units of luxury rental housing in 3 developments.

Residential construction was relatively stable in the Seattle area from 1991 through 1995, with single-family permits averaging 8,650 units a year and multifamily units permitted averaging 4,250 units a year. Single-family permits totalled 4,884 during the first 6 months of 1996, up 3 percent compared with the same period in 1995. There were 2,571 new multifamily units permitted through June 1996, a 19-percent increase compared with the previous year.

Housing sales were up 25 percent during the first half of this year compared with last year, with more than 14,700 homes sold. The median sales price for the first 6 months of 1996 was \$164,950, an increase of 3.3 percent. Sales of moderately priced homes below \$200,000 were strong. Condominium sales represented a significant portion of the affordable housing market. The median sales price for a condominium during the first half of 1996 was \$114,750, and sales were up 20 percent compared with the same period last year.

The rental market in the Seattle PMSA is balanced, with an overall rental vacancy rate of 5 percent. Tight market conditions prevail in some close-in neighborhoods of Seattle and eastern King County (Bellevue, Kirkland, and Redmond) where vacancy rates are 3 percent or less. With rental vacancies expected to decline, large rent increases of 5 to 7 percent are likely in the coming year in the tighter submarkets. According to the most recent *Dupree and Scott Apartment Vacancy Report*, the average rent in King County (Seattle) was \$619 and in Snohomish County (Everett) was \$587.

Much of the new multifamily housing development in recent years has been geared to the condominium market. The continued popularity of condominiums will limit the amount of luxury apartments that this market can handle. Well-designed, high-quality condominiums are priced with monthly mortgage payments equal to or less than rents for high-end apartments.

Historical Data

Table 1. New Privately Owned Housing Units Authorized*: 1959–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											
1959	1,208.3	938.3	77.1	NA	192.9	NA	NA	222.4	285.8	355.8	344.3
1960	998.0	746.1	64.6	NA	187.4	NA	NA	199.0	228.3	283.0	287.7
1961	1,064.2	722.8	67.6	NA	273.8	NA	NA	229.4	226.1	299.4	309.4
1962	1,186.6	716.2	87.1	NA	383.3	NA	NA	242.5	238.3	342.8	363.0
1963	1,334.7	750.2	51.0	67.9	465.6	1,080.8	253.8	239.4	268.8	403.2	423.3
1964	1,285.8	720.1	49.1	51.7	464.9	1,034.4	251.4	243.4	286.9	401.4	354.2
1965	1,239.8	709.9	47.3	37.5	445.1	992.3	247.5	252.7	310.5	407.5	269.1
1966	971.9	563.2	36.3	24.7	347.7	775.2	196.8	209.8	250.9	331.1	180.2
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	1,333.0	999.1	33.3	32.0	268.6	1,109.8	223.2	123.0	291.9	587.0	331.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
April	1,243	905	61		277	NA		128	269	540	306
May	1,258	946	62		250	NA		118	270	550	320
June	1,290	970	64		256	NA		118	288	563	321
July	1,358	1,017	62		279	NA		117	304	598	339
August	1,379	1,046	62		271	NA		122	309	601	347
September	1,427	1,079	69		279	NA		128	313	637	349
October	1,393	1,050	68		275	NA		125	323	629	316
November	1,450	1,073	71		306	NA		124	324	634	368
December	1,487	1,123	60		304	NA		128	317	644	398
1996											
January	1,378	1,056	65		257	NA		102	312	594	370
February	1,417	1,087	60		270	NA		122	323	600	372
March	1,423	1,097	61		265	NA		137	329	591	366
April	1,459	1,115	75		269	NA		135	342	634	348
May	1,452	1,098	62		292	NA		137	304	668	343
June	1,416	1,085	63		268	NA		133	312	633	338

*Authorized in Permit-Issuing Places.

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

Source: Bureau of the Census, Department of Commerce



Table 2. New Privately Owned Housing Units Started: 1959–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											
1959	1,517.0	1,234.0	55.9	227.0	NA	1,054.9	462.1	268.7	367.4	511.4	369.5
1960	1,252.2	994.7	44.0	213.5	NA	864.5	387.7	221.4	292.0	429.4	309.4
1961	1,313.0	974.3	43.9	294.8	NA	913.6	399.4	246.3	277.7	472.7	316.3
1962	1,462.9	991.4	49.2	422.3	NA	1,034.1	428.8	263.8	289.6	531.2	378.3
1963	1,603.2	1,012.4	52.9	537.8	NA	1,125.4	477.8	261.0	329.2	586.2	426.8
1964	1,528.8	970.5	53.9	54.5	450.0	1,079.8	449.0	254.5	339.7	577.8	356.9
1965	1,472.8	963.7	50.8	35.8	422.5	1,011.9	460.9	270.2	361.5	574.7	266.3
1966	1,164.9	778.6	34.6	26.5	325.1	787.7	377.1	206.5	288.3	472.5	197.6
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
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
April	1,278	1,017	25	236	NA	NA	108	276	577	317	
May	1,300	1,005	36	259	NA	NA	129	256	576	339	
June	1,301	1,036	35	230	NA	NA	124	289	567	321	
July	1,450	1,125	39	286	NA	NA	115	290	713	332	
August	1,401	1,135	28	238	NA	NA	119	320	626	336	
September	1,401	1,130	39	232	NA	NA	116	308	616	361	
October	1,351	1,109	31	211	NA	NA	120	278	606	347	
November	1,458	1,129	32	297	NA	NA	103	318	708	329	
December	1,425	1,150	29	246	NA	NA	93	305	679	348	
1996											
January	1,453	1,146	20	287	NA	NA	99	333	625	396	
February	1,514	1,183	33	298	NA	NA	130	317	648	419	
March	1,439	1,163	25	251	NA	NA	139	325	634	341	
April	1,511	1,209	53	249	NA	NA	136	322	660	393	
May	1,461	1,141	52	268	NA	NA	130	318	663	350	
June	1,480	1,225	37	218	NA	NA	122	304	688	366	

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

Source: Bureau of the Census, Department of Commerce



Table 3. New Privately Owned Housing Units Under Construction: 1969–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											
1969	884.8	349.6	23.0	26.2	486.0	NA	NA	158.7	210.5	335.2	180.3
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	778.2	549.2	8.4	11.9	208.8	622.1	156.2	86.2	173.1	331.9	187.1
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
April	762	545	20	197	NA	95	164	319	184		
May	755	537	21	197	NA	93	155	318	189		
June	755	533	22	200	NA	92	157	317	189		
July	762	539	21	202	NA	90	155	328	189		
August	772	547	21	204	NA	90	159	331	192		
September	783	555	21	207	NA	90	162	336	195		
October	781	560	21	200	NA	90	165	333	193		
November	790	562	20	208	NA	89	170	339	192		
December	800	569	22	209	NA	87	175	345	193		
1996											
January	803	569	20	214	NA	86	177	346	194		
February	800	565	21	214	NA	83	181	339	197		
March	816	581	20	215	NA	88	180	348	200		
April	826	591	22	213	NA	90	180	352	204		
May	833	594	24	215	NA	90	183	354	206		
June	842	604	28	210	NA	91	184	358	209		

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

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



Table 4. New Privately Owned Housing Units Completed: 1968–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											
1968	1,319.8	858.6	44.2	33.4	383.6	920.4	399.5	198.8	347.5	527.4	246.1
1969	1,399.0	807.5	44.0	35.4	512.1	1,009.4	389.6	219.8	344.7	553.1	281.4
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	NA	NA	126.9	287.9	581.1	316.7
Monthly Data (Seasonally Adjusted Annual Rates)											
1995											
April	1,331	1,085	39		207	NA		101	346	581	303
May	1,324	1,058	32		234	NA		141	316	565	302
June	1,256	1,049	32		175	NA		119	273	549	315
July	1,332	1,034	43		255	NA		148	307	568	309
August	1,247	1,019	26		202	NA		101	266	573	307
September	1,267	1,009	30		228	NA		124	277	559	307
October	1,320	1,039	25		256	NA		127	255	604	334
November	1,360	1,081	39		240	NA		104	270	630	356
December	1,225	1,003	30		192	NA		136	225	561	303
1996											
January	1,403	1,113	28		262	NA		112	323	612	356
February	1,328	1,052	32		244	NA		142	244	596	346
March	1,391	1,112	30		249	NA		97	305	633	356
April	1,350	1,073	26		251	NA		117	304	607	322
May	1,392	1,108	24		260	NA		117	282	640	353
June	1,398	1,100	28		270	NA		125	295	638	340

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

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

Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1974–Present



Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1974	329	332	23	68	171	70	\$9,300	92
1975	213	229	15	49	111	55	\$10,600	64
1976	246	250	17	52	115	67	\$12,300	67
1977	277	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	286	16	53	174	43	\$33,500	72
1995	340	311	15	56	198	42	\$36,300	91
Monthly Data (Seasonally Adjusted Annual Rates)								
1995								
January	345	365	22	66	233	43	\$35,500	70
February	325	317	17	65	191	44	\$34,800	72
March	326	312	15	60	196	42	\$34,200	73
April	327	299	11	51	196	41	\$33,900	74
May	335	307	13	50	205	39	\$35,300	78
June	333	308	14	54	201	40	\$36,100	78
July	337	298	15	52	191	40	\$36,200	82
August	344	305	17	54	190	44	\$38,300	85
September	352	328	18	66	200	44	\$35,800	84
October	354	316	12	52	208	43	\$37,700	88
November	355	289	14	55	180	39	\$37,700	89
December	352	307	9	58	199	40	\$40,000	92
1996								
January	352	311	17	49	205	40	\$37,600	91
February	341	360	20	71	222	47	\$36,600	84
March	364	328	13	55	218	43	\$35,900	90
April	378	256	9	42	168	37	\$37,600	97
May	369	NA	NA	NA	NA	NA	NA	NA

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

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



Table 6. New Single-Family Home Sales: 1963–Present*

Period	Sold During Period					For Sale at End of Period						Month's 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												
1963	560	87	134	199	141	265	48	57	85	73	NA	NA
1964	565	90	146	200	129	250	41	49	87	71	NA	NA
1965	575	94	142	210	129	228	47	50	75	55	NA	NA
1966	461	84	113	166	99	196	40	45	61	49	NA	NA
1967	487	77	112	179	119	190	36	48	65	40	NA	NA
1968	490	73	119	177	121	218	38	53	82	45	NA	NA
1969	448	62	97	175	114	228	39	52	85	53	NA	NA
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	413	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
	Monthly Data (Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)					(Seasonally Adjusted)	
1995												
April	608	55	124	255	174	344	56	61	148	80	349	6.8
May	667	52	124	287	204	346	58	61	149	79	347	6.3
June	724	75	136	297	216	349	57	62	151	78	347	5.9
July	782	54	141	381	207	343	58	63	145	77	344	5.0
August	707	51	138	313	205	350	59	64	149	78	349	6.0
September	684	44	130	304	206	354	60	64	151	78	350	6.4
October	673	50	123	305	195	361	62	66	153	79	360	6.6
November	679	43	128	310	198	371	64	69	156	82	368	6.7
December	683	72	124	301	187	374	62	69	158	86	372	6.6
1996												
January	743	52	159	322	210	370	61	66	158	85	370	6.2
February	784	67	131	354	232	362	58	66	157	81	355	5.1
March	713	51	132	321	209	362	59	66	159	79	368	6.3
April	766	66	128	334	237	364	59	66	162	77	368	5.9
May	775	64	147	357	207	361	61	66	159	75	363	5.6
June	734	81	104	340	210	359	58	68	159	74	359	5.9

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

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



Table 7. Existing Single-Family Home Sales: 1968–Present*

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
Annual Data							
1968	1,569	243	490	529	308	NA	NA
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,802	575	992	1,429	806	1,470	NA
Monthly Data (Seasonally Adjusted Annual Rates)							
1995							
April	3,470	550	920	1,270	730	1,870	6.5
May	3,620	550	960	1,880	730	1,830	6.1
June	3,800	560	1,020	1,450	780	1,800	5.7
July	3,970	580	1,020	1,510	850	1,800	5.4
August	4,050	580	1,060	1,540	870	1,810	5.4
September	4,090	610	1,060	1,540	880	1,800	5.3
October	4,070	610	1,060	1,520	880	1,890	5.6
November	4,000	630	1,050	1,470	850	1,810	5.4
December	3,870	590	990	1,430	850	1,470	4.6
1996							
January	3,720	560	950	1,380	820	1,780	5.8
February	3,940	570	960	1,490	910	2,010	6.1
March	4,200	600	1,080	1,560	970	2,270	6.5
April	4,200	650	1,050	1,530	970	2,170	6.2
May	4,280	640	1,120	1,580	930	2,170	6.1
June	4,180	640	1,020	1,590	920	2,160	6.2

*Components may not add to totals because of rounding. Units in thousands.
Source: NATIONAL ASSOCIATION OF REALTORS®



Table 8A. New Single-Family Home Prices: 1963–Present

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant Quality House ¹
Annual Data							
1963	18,000	20,300	17,900	16,100	18,800	19,300	NA
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
Quarterly Data							
1995							
2nd Quarter	133,900	179,900	136,000	124,500	140,000	158,900	161,300
3rd Quarter	132,000	184,000	130,000	121,000	149,500	157,700	161,600
4th Quarter	138,000	183,500	135,000	127,000	143,000	160,900	162,800
1996							
1st Quarter	137,000	179,000	135,200	125,500	148,200	161,100	165,200
2nd Quarter	139,800	200,000	137,000	123,700	155,000	165,700	164,400

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

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

Table 8B. Existing Single-Family Home Prices: 1968–Present



Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
Annual Data						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,800	139,100	87,900	96,000	146,700	136,700
1995	112,900	136,900	93,600	97,700	147,200	139,000
Monthly Data						
1995						
April	108,000	133,400	88,700	93,400	143,600	134,200
May	109,100	134,700	91,500	93,600	144,600	135,500
June	116,200	140,000	95,300	101,500	150,100	143,300
July	116,000	141,300	96,400	101,900	148,400	142,500
August	117,600	142,100	97,700	102,700	151,800	144,500
September	114,800	137,200	96,700	98,400	148,900	140,200
October	113,200	134,000	95,200	98,100	147,700	138,700
November	114,300	135,200	95,800	99,400	148,700	139,500
December	113,900	133,300	95,700	99,400	147,100	138,700
1996						
January	114,800	136,200	96,900	99,100	150,600	141,200
February	114,000	138,900	96,100	98,300	146,500	138,700
March	115,700	141,100	97,200	99,700	150,300	140,100
April	116,500	140,600	98,600	100,600	149,900	141,900
May	117,600	142,500	99,200	102,300	151,700	144,400
June	122,700	146,100	105,000	106,200	157,200	150,000

Source: NATIONAL ASSOCIATION OF REALTORS®



Table 8C. Repeat Sales House Price Index: 1980–Present

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
Annual Average										
1980	102.1	104.5	102.8	101.7	98.6	102.3	102.1	101.0	102.2	104.2
1981	107.1	113.2	105.7	107.6	100.2	110.8	101.8	103.0	109.8	113.4
1982	110.7	119.1	110.5	113.5	101.6	122.4	102.0	100.2	116.6	115.6
1983	114.4	132.9	116.8	117.3	106.7	124.0	106.5	101.8	118.8	117.2
1984	118.3	156.9	131.1	119.1	100.6	122.2	110.4	104.0	118.0	121.3
1985	124.9	189.9	147.2	124.2	112.4	120.2	113.2	107.4	119.8	125.3
1986	135.8	231.9	171.7	134.5	121.1	121.6	119.4	114.8	124.5	133.5
1987	147.6	272.2	204.7	144.9	130.0	114.3	125.9	124.8	125.1	146.5
1988	157.8	291.5	226.5	156.5	135.2	108.8	129.5	134.5	123.6	167.3
1989	167.1	294.3	233.3	165.2	138.8	109.8	132.8	142.7	124.9	199.9
1990	171.8	283.3	233.4	169.0	141.3	111.5	135.4	149.7	127.9	217.7
1991	174.1	270.1	232.2	171.8	145.1	114.3	138.8	155.6	132.8	220.8
1992	178.2	267.1	237.0	176.4	150.4	118.5	143.3	161.9	139.7	221.0
1993	181.6	267.4	240.1	180.0	156.1	122.8	148.2	167.7	149.8	217.1
1994	186.4	265.5	239.9	183.5	164.7	127.5	157.9	177.9	166.2	213.3
1995	192.9	271.2	242.1	189.7	174.2	131.5	166.3	188.5	180.8	215.4
Quarterly Data										
1995										
1st Quarter	188.5	265.1	237.3	185.4	169.6	128.2	162.5	184.1	175.1	211.2
2nd Quarter	191.8	269.1	241.2	188.4	172.7	131.1	165.2	187.1	178.9	214.8
3rd Quarter	194.7	274.0	244.5	191.3	176.1	132.5	167.8	190.0	182.9	217.6
4th Quarter	196.7	276.8	245.6	193.9	178.3	134.0	169.6	192.8	186.3	218.2
1996										
1st Quarter	198.7	279.3	248.5	195.8	180.6	135.6	171.0	194.4	189.0	220.0

Source: Office of Federal Housing Enterprise Oversight
 Base: First Quarter 1980 equals 100.0

Table 9. Housing Affordability Index: 1970–Present



Period	U.S.				Affordability Indexes*		
	Median Existing Price	Mortgage Rate ¹	Median Family Income	Income To Qualify	Composite	Fixed	ARM
Annual Data							
1970	\$23,000	8.35	\$9,867	\$6,697	147.3	147.3	147.3
1971	\$24,800	7.67	\$10,285	\$6,770	151.9	151.9	151.9
1972	\$26,700	7.52	\$11,116	\$7,183	154.8	154.8	154.8
1973	\$28,900	8.01	\$12,051	\$8,151	147.9	147.9	147.9
1974	\$32,000	9.02	\$12,902	\$9,905	130.3	130.3	130.3
1975	\$35,300	9.21	\$13,719	\$11,112	123.5	123.5	123.5
1976	\$38,100	9.11	\$14,958	\$11,888	125.8	125.8	125.8
1977	\$42,900	9.02	\$16,010	\$13,279	120.6	120.6	120.6
1978	\$48,700	9.58	\$17,640	\$15,834	111.4	111.4	111.4
1979	\$55,700	10.92	\$19,680	\$20,240	97.2	97.2	97.2
1980	\$62,200	12.95	\$21,023	\$26,328	79.9	79.9	79.9
1981	\$66,400	15.12	\$22,388	\$32,485	68.9	68.9	68.9
1982	\$67,800	15.38	\$23,433	\$33,713	69.5	69.4	69.7
1983	\$70,300	12.85	\$24,580	\$29,546	83.2	81.7	85.2
1984	\$72,400	12.49	\$26,433	\$29,650	89.1	84.6	92.1
1985	\$75,500	11.74	\$27,735	\$29,243	94.8	89.6	100.6
1986	\$80,300	10.25	\$29,458	\$27,047	108.9	105.7	116.3
1987	\$85,600	9.28	\$30,970	\$27,113	114.2	107.6	122.4
1988	\$89,300	9.31	\$32,191	\$28,360	113.5	103.6	122.0
1989	\$93,100	10.11	\$34,213	\$31,662	108.1	103.6	114.3
1990	\$95,500	10.04	\$35,353	\$32,286	109.5	106.5	118.3
1991	\$100,300	9.30	\$35,939	\$31,825	112.9	109.9	124.2
1992	\$103,700	8.11	\$36,812	\$29,523	124.7	120.1	145.0
1993	\$106,800	7.16	\$36,959	\$27,727	133.3	128.4	154.9
1994	\$109,800	7.47	\$38,782	\$29,392	131.9	122.3	149.6
1995	\$112,900	7.85	\$39,558	\$31,359	126.1	120.7	136.6
Monthly Data							
1995							
April	\$108,000	8.14	\$39,042	\$30,836	126.6	119.6	138.6
May	\$109,100	8.04	\$39,107	\$30,858	126.7	121.6	136.4
June	\$116,200	7.77	\$39,172	\$32,029	122.3	119.5	131.8
July	\$116,000	7.71	\$39,237	\$31,789	123.4	121.5	130.5
August	\$117,600	7.75	\$39,302	\$32,352	121.5	118.6	131.9
September	\$114,800	7.75	\$39,367	\$31,582	124.7	122.3	133.2
October	\$113,200	7.68	\$39,432	\$30,932	127.5	125.2	136.5
November	\$114,300	7.61	\$39,497	\$31,021	127.3	125.5	136.6
December	\$113,900	7.33	\$39,558	\$30,074	131.5	127.6	143.2
1996							
January	\$114,800	7.31	\$39,672	\$30,252	131.1	130.4	135.5
February	\$114,000	7.27	\$39,786	\$29,922	133.0	132.0	138.6
March	\$115,700	7.45	\$39,900	\$30,913	129.1	127.6	136.4
April	\$116,500	7.71	\$40,014	\$31,926	125.3	122.7	134.7
May	\$117,600	7.88	\$40,128	\$32,759	122.5	118.7	131.0
June	\$122,700	7.93	\$40,242	\$34,343	117.2	113.2	127.9

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

¹The 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®



Table 10. 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	73	\$655
Quarterly Data			
1995			
1st Quarter	25,500	66	\$594
2nd Quarter	35,900	75	\$663
3rd Quarter	48,000	72	\$662
4th Quarter	45,500	77	\$676
1996			
1st Quarter	43,800	77	\$614

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



Table 11. Builders' Views of Housing Market Activity: 1978–Present

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1978	NA	75	66	57
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
Monthly Data—Seasonally Adjusted				
1995				
April	38	40	49	28
May	42	45	54	29
June	45	48	53	33
July	51	52	61	41
August	53	55	64	42
September	53	56	62	44
October	57	61	64	44
November	50	52	62	41
December	52	55	60	41
1996				
January	51	55	61	37
February	50	52	60	39
March	60	63	65	51
April	60	63	69	51
May	63	66	66	54
June	61	65	69	50
July	60	64	64	49

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



Table 12. Mortgage Interest Rates, Average Commitment Rates, and Points: 1972–Present



Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		One-Year ARMs	
	Rate	Points ¹	Rate	Points	Rate	Points	Rate	Points
Annual Data								
1972	7.00	4.3	7.38	0.9	NA	NA	NA	NA
1973	7.41	5.4	8.04	1.0	NA	NA	NA	NA
1974	8.85	4.6	9.19	1.2	NA	NA	NA	NA
1975	8.64	4.4	9.04	1.1	NA	NA	NA	NA
1976	8.50	3.2	8.88	1.2	NA	NA	NA	NA
1977	8.27	2.7	8.84	1.1	NA	NA	NA	NA
1978	9.10	3.6	9.63	1.3	NA	NA	NA	NA
1979	10.00	4.5	11.19	1.6	NA	NA	NA	NA
1980	12.36	5.7	13.77	1.8	NA	NA	NA	NA
1981	15.17	5.1	16.63	2.1	NA	NA	NA	NA
1982	14.83	4.1	16.09	2.2	NA	NA	NA	NA
1983	12.24	4.4	13.23	2.1	NA	NA	NA	NA
1984	13.21	3.8	13.87	2.5	NA	NA	11.49	2.5
1985	11.96	2.8	12.42	2.5	NA	NA	10.04	2.5
1986	9.75	2.2	10.18	2.2	NA	NA	8.42	2.3
1987	9.67	2.8	10.20	2.2	NA	NA	7.82	2.2
1988	10.25	1.5	10.33	2.1	NA	NA	7.90	2.3
1989	10.08	1.6	10.32	2.1	NA	NA	8.80	2.3
1990	9.92	1.8	10.13	2.1	NA	NA	8.36	2.1
1991	9.25	0.9	9.25	2.0	NA	NA	7.10	1.9
1992	8.29	1.2	8.40	1.7	7.96	1.7	5.63	1.7
1993	7.46	0.4	7.33	1.6	6.83	1.6	4.59	1.5
1994	8.42	0.6	8.35	1.8	7.86	1.8	5.33	1.5
1995	8.29	0.4	7.95	1.8	7.49	1.8	6.07	1.5
Monthly Data								
1995								
April	8.50	0.7	8.32	1.9	7.88	1.8	6.35	1.5
May	8.50	0.4	7.96	1.8	7.51	1.7	6.14	1.5
June	8.00	0.2	7.57	1.8	7.06	1.7	5.87	1.4
July	8.00	0.0	7.61	1.8	7.09	1.7	5.83	1.4
August	8.00	0.7	7.84	1.8	7.34	1.8	5.91	1.5
September	8.00	0.2	7.61	1.8	7.13	1.8	5.80	1.5
October	8.00	0.2	7.48	1.9	7.01	1.8	5.74	1.4
November	7.50	0.8	7.37	1.8	6.88	1.8	5.63	1.4
December	7.50	0.1	7.17	1.8	6.71	1.7	5.57	1.5
1996								
January	7.50	0.1	7.03	1.8	6.55	1.7	5.44	1.4
February	7.00	0.9	7.14	1.7	6.62	1.7	5.32	1.4
March	7.50	0.5	7.68	1.8	7.18	1.8	5.54	1.4
April	8.00	0.6	7.93	1.8	7.44	1.7	5.73	1.4
May	8.50	0.1	8.07	1.7	7.58	1.7	5.77	1.5
June	8.50	0.5	8.32	1.7	7.83	1.7	5.92	1.4

¹Excludes origination fee.

Sources: Office of Housing, Department of Housing and Urban Development (FHA), and Federal Home Loan Mortgage Corporation (Conventional)

Table 13. Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982–Present



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
Annual Data								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
Monthly Data								
1995								
April	8.57	1.05	8.75	26.8	7.14	0.82	7.26	29.4
May	8.28	1.15	8.47	26.5	7.16	0.92	7.30	29.4
June	7.85	0.96	8.02	26.4	6.89	0.96	7.03	29.4
July	7.72	0.98	7.88	26.5	7.00	0.95	7.15	29.2
August	7.84	0.98	8.00	26.3	6.80	0.92	6.94	29.8
September	7.78	0.95	7.93	26.7	6.97	0.78	7.09	29.0
October	7.70	0.98	7.86	26.5	6.87	0.80	6.99	28.8
November	7.60	0.88	7.74	26.5	6.80	0.75	6.91	29.4
December	7.48	0.83	7.62	26.3	6.45	0.58	6.54	28.7
1996								
January	7.23	0.89	7.38	26.4	6.86	0.77	6.98	27.5
February	7.19	0.92	7.33	26.1	6.72	0.83	6.85	27.7
March	7.40	1.07	7.58	26.0	6.75	0.83	6.88	29.2
April	7.76	1.06	7.93	25.9	6.85	0.76	6.97	28.5
May	7.99	1.07	8.18	26.4	7.07	0.75	7.19	29.2
June	8.10	1.09	8.30	25.4	6.96	0.72	7.07	29.6

Source: Federal Housing Finance Board



Table 14. FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1968–Present



Period	FHA*			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
1968	751,982	425,339	NA	211,025	NA
1969	788,874	450,079	NA	213,940	NA
1970	941,566	475,176	NA	167,734	NA
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	680,278	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	536,931	1,148,696
1995	857,364	568,399	516,380	243,836	960,756
Monthly Data					
1995					
April	65,303	36,216	33,479	16,623	62,819
May	76,163	45,818	43,312	17,334	75,138
June	87,283	45,012	42,526	18,098	84,022
July	83,099	45,365	42,760	18,357	88,470
August	92,336	58,364	53,363	23,796	102,673
September	76,262	55,281	49,205	23,624	95,805
October	81,133	61,246	54,325	25,354	97,479
November	77,793	54,202	47,565	21,063	88,218
December	56,072	35,070	29,988	16,731	83,132
1996					
January	96,178	72,289	61,431	30,074	85,179
February	109,347	68,840	55,537	26,865	73,008
March	107,504	64,730	48,441	30,422	85,384
April	101,442	70,266	51,518	31,051	99,727
May	95,755	72,876	56,171	30,989	100,681
June	83,258	70,475	57,866	30,001	97,932

* These operational numbers differ slightly from adjusted accounting numbers.

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

Table 15. 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, Assisted Living, and 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 (6 mos.)	53	10,193	527.4	103	20,566	529.1	67	8,851	457.5

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

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

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

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

Source: Office of Housing—FHA Comptroller, Department of Housing and Urban Development



**Table 16. Mortgage Originations, 1–4 Family Units
by Loan Type: 1970–Present**

Period	FHA Insured	VA Guarantied	Private Insurance	Not Insured*	Totals
Annual Data (Current Dollars in Billions)					
1970	8.769	3.846	0.116	22.856	35.587
1971	10.994	6.830	3.526	36.438	57.788
1972	8.456	7.749	9.158	50.501	75.864
1973	5.185	7.577	12.627	53.737	79.126
1974	4.532	7.889	9.220	45.867	67.508
1975	6.265	8.836	10.024	52.788	77.913
1976	6.998	10.426	14.600	80.761	112.785
1977	10.469	14.882	21.595	115.027	161.973
1978	14.581	16.026	27.327	127.102	185.036
1979	20.710	18.876	25.327	122.178	187.091
1980	14.955	12.102	19.035	87.670	133.762
1981	10.538	7.534	18.079	62.061	98.212
1982	11.482	7.687	18.953	58.829	96.951
1983	28.753	18.880	42.363	111.867	201.863
1984	16.600	12.024	63.403	111.678	203.705
1985	28.767	15.246	50.475	195.296	289.784
1986	64.770	23.149	46.138	365.355	499.412
1987	77.822	30.176	44.475	354.758	507.231
1988	46.655	15.875	39.664	344.069	446.263
1989	45.108	13.681	37.117	357.001	452.907
1990	59.803	21.901	38.956	337.744	458.404
1991	46.914	15.285	53.997	445.878	562.074
1992	50.275	24.543	101.047	717.817	893.681
1993	83.457	41.023	136.767	758.615	1,019.861
1994	94.913	48.190	131.402	494.243	768.748
1995	48.111	26.151	109.625	451.885	635.772
Quarterly Data					
1995					
1st Quarter	10.649	6.328	20.644	81.800	119.314
2nd Quarter	10.476	5.513	24.697	99.837	140.523
3rd Quarter	13.642	7.397	33.054	133.065	187.158
4th Quarter	23.500	12.700	31.229	122.400	189.800
1996					
1st Quarter	18.100	8.900	29.100	148.900	205.000

*Includes Rural Housing Service (formerly Farmers Home Administration) backed loans.

Sources: Mortgage Insurance Companies of America and HUD Survey of Mortgage Lending Activity

**Table 17. Residential Mortgage Originations
by Building Type: 1970–Present**



Period	One-to Four-Unit Buildings	Five-Unit Buildings and Greater	Totals
Annual Data (Current Dollars in Billions)			
1970	35.6	8.8	44.4
1971	57.8	12.5	70.2
1972	75.9	15.4	91.3
1973	79.1	14.0	93.1
1974	67.5	12.3	79.8
1975	77.9	10.6	88.6
1976	112.8	12.3	125.1
1977	162.0	15.8	177.8
1978	185.0	16.4	201.4
1979	187.1	15.2	202.3
1980	133.8	12.5	146.2
1981	98.2	12.0	110.2
1982	97.0	11.6	108.6
1983	201.9	21.4	223.3
1984	203.7	27.6	231.3
1985	289.8	31.9	321.7
1986	499.4	49.9	549.3
1987	507.2	45.1	552.3
1988	446.3	38.2	484.4
1989	452.9	31.1	484.1
1990	458.4	32.6	491.0
1991	562.1	25.5	587.6
1992	893.7	25.7	919.4
1993	1,019.9	31.7	1,051.6
1994	768.7	32.7	801.4
1995	635.8	38.4	674.2
Quarterly Data			
1995			
1st Quarter	119.3	9.3	128.6
2nd Quarter	140.5	8.5	149.0
3rd Quarter	187.2	9.6	196.8
4th Quarter	189.8	11.5	201.3
1996			
1st Quarter	205.0	12.3	217.3

Source: HUD Survey of Mortgage Lending Activity



Table 18. Mortgage Originations, 1–4 Family Units by Lender Type: 1970–Present

Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Other Lenders	Totals
Annual Data (Current Dollars in Billions)						
1970	7.8	2.1	14.8	8.9	1.9	35.6
1971	12.6	3.5	26.6	12.5	2.6	57.8
1972	17.7	5.1	36.7	13.3	3.0	75.9
1973	18.8	5.9	38.4	12.7	3.3	79.1
1974	16.1	3.9	30.9	13.0	3.5	67.5
1975	14.5	4.3	41.2	14.0	3.9	77.9
1976	24.5	6.4	61.9	15.7	4.2	112.8
1977	36.7	8.7	86.3	25.7	4.7	162.0
1978	43.9	9.4	90.0	34.4	7.3	185.0
1979	41.4	9.0	82.8	45.3	8.6	187.1
1980	28.8	5.4	61.1	29.4	9.0	133.8
1981	21.7	4.0	42.0	24.0	6.5	98.2
1982	25.2	4.0	34.8	28.0	5.0	97.0
1983	44.8	10.8	81.5	59.8	5.0	201.9
1984	41.9	12.7	96.2	47.6	5.3	203.7
1985	57.0	7.5	109.3	110.0	6.0	289.8
1986	108.6	31.1	176.1	176.0	7.6	499.4
1987	124.6	34.2	174.5	167.1	6.8	507.2
1988	101.9	28.4	160.4	148.0	7.5	446.3
1989	121.2	23.2	134.5	166.5	7.5	452.9
1990	153.3	18.0	121.0	161.2	5.0	458.4
1991	153.3	18.5	121.9	263.9	4.4	562.1
1992	232.1	34.2	184.5	437.6	5.2	893.7
1993	269.0	39.4	179.3	526.5	5.6	1,019.9
1994	200.0	29.3	123.1	408.1	8.2	768.7
1995	151.3	23.7	95.6	358.7	6.5	635.8
Quarterly Data						
1994 4th Quarter	38.3	6.3	25.5	63.6	1.9	135.6
1995 1st Quarter	30.0	3.8	18.7	65.0	1.8	119.3
2nd Quarter	31.6	4.6	22.3	80.3	1.7	140.5
3rd Quarter	45.0	7.7	27.5	105.3	1.6	187.2
4th Quarter	46.0	7.4	27.0	108.0	1.4	189.8
1996 1st Quarter	46.8	7.5	28.4	121.0	1.3	205.0

Source: HUD Survey of Mortgage Lending Activity

**Table 19. Net Acquisitions, 1–4 Family Units
by Lender Type: 1970–Present**



Period	Commercial Banks	Mutual Savings Banks	Savings and Loans	Mortgage Companies	Private Mortgage-Backed Conduits	Federal Credit Agencies	Mortgage Pools	Other Lenders	Totals
Annual Data (Current Dollars in Billions)									
1970	6.6	3.3	17.4	-0.6	0.1	5.1	1.7	1.1	34.8
1971	11.8	5.2	31.6	0.5	0.1	3.7	3.8	0.9	57.5
1972	16.5	7.6	43.4	0.4	0.2	3.2	4.6	0.9	76.8
1973	17.7	7.7	41.5	-0.9	0.0	5.4	3.7	1.7	76.8
1974	14.9	4.7	32.7	-1.0	0.0	8.7	5.6	1.8	67.4
1975	11.8	5.2	43.7	0.3	0.0	6.9	10.7	1.6	80.1
1976	21.3	8.1	65.3	0.6	0.1	1.4	15.8	2.0	114.7
1977	32.6	11.4	86.5	2.4	0.1	4.8	22.1	2.4	162.3
1978	38.8	11.9	85.2	3.2	0.1	14.5	21.8	4.7	180.2
1979	37.0	11.1	76.3	6.5	0.0	14.4	27.2	7.8	180.3
1980	25.6	5.7	58.0	1.3	0.0	11.5	23.5	12.2	137.9
1981	20.3	3.8	39.6	1.7	0.0	9.8	18.3	7.4	101.0
1982	19.2	3.2	4.2	3.3	3.0	13.9	54.2	4.6	105.7
1983	33.5	10.6	64.3	2.8	5.5	18.9	81.4	6.8	223.6
1984	34.4	13.1	86.7	3.2	7.7	19.2	59.9	7.1	231.3
1985	41.6	0.3	64.4	2.8	7.9	25.6	107.4	7.8	257.8
1986	80.4	21.8	81.2	11.0	16.2	24.8	252.5	10.0	497.9
1987	95.5	25.0	115.2	-11.8	21.2	20.4	225.0	9.2	499.7
1988	86.7	22.1	112.1	5.0	23.4	25.7	142.5	9.8	427.2
1989	103.6	12.2	72.0	20.2	16.4	25.8	192.1	11.1	453.3
1990	117.8	9.4	49.9	-0.9	20.1	39.0	229.7	7.5	472.5
1991	112.6	12.0	51.6	11.3	38.8	45.0	271.7	6.4	549.3
1992	172.4	21.9	71.9	-0.4	78.2	76.2	463.2	6.2	889.5
1993	192.1	23.7	90.1	-0.5	90.6	107.4	561.8	4.4	1,069.6
1994	164.0	19.0	79.1	-24.0	61.9	84.1	353.3	8.1	745.4
1995	150.3	19.3	64.4	-4.5	37.4	90.5	263.4	10.0	630.8
Quarterly Data									
1995									
1st Quarter	33.7	2.9	15.6	-3.7	4.3	11.5	35.3	2.5	102.2
2nd Quarter	36.1	4.2	16.1	7.4	9.2	21.7	54.8	2.4	152.0
3rd Quarter	44.2	7.5	18.2	1.5	11.6	26.2	79.8	2.5	191.5
4th Quarter	36.2	4.8	14.5	-9.8	12.2	31.2	93.4	2.6	185.1
1996									
1st Quarter	25.4	5.7	20.5	12.7	11.1	28.2	93.2	2.3	199.1

Source: HUD Survey of Mortgage Lending Activity



Table 20. Mortgage Delinquencies and Foreclosures Started: 1986–Present*



Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due				All	Conv.	FHA	VA
	All	Conv.	FHA	VA	All	Conv.	FHA	VA				
Quarterly Data												
1986												
1st Quarter	5.74	4.05	7.44	6.68	0.98	0.67	1.26	1.18	0.24	0.18	0.30	0.27
2nd Quarter	5.69	3.92	7.29	6.63	1.04	0.71	1.32	1.25	0.25	0.18	0.31	0.29
3rd Quarter	5.51	3.72	7.08	6.63	1.02	0.67	1.30	1.29	0.27	0.20	0.32	0.31
4th Quarter	5.31	3.49	6.83	6.36	0.99	0.61	1.29	1.24	0.26	0.19	0.33	0.31
1987												
1st Quarter	5.23	3.40	6.73	6.31	1.01	0.65	1.28	1.27	0.26	0.19	0.31	0.31
2nd Quarter	5.06	3.34	6.53	6.20	0.95	0.65	1.19	1.17	0.25	0.18	0.32	0.29
3rd Quarter	4.69	2.85	6.35	6.04	0.85	0.57	1.11	1.07	0.26	0.15	0.35	0.32
4th Quarter	4.89	3.01	6.62	6.27	0.89	0.55	1.18	1.16	0.27	0.18	0.36	0.35
1988												
1st Quarter	4.88	2.93	6.66	6.26	0.87	0.54	1.17	1.13	0.27	0.17	0.36	0.33
2nd Quarter	4.90	2.95	6.71	6.36	0.88	0.53	1.21	1.19	0.27	0.16	0.36	0.32
3rd Quarter	4.70	2.87	6.39	6.00	0.83	0.53	1.10	1.09	0.27	0.17	0.36	0.31
4th Quarter	4.69	2.99	6.47	6.27	0.83	0.55	1.09	1.14	0.27	0.19	0.38	0.31
1989												
1st Quarter	4.74	2.97	6.61	6.43	0.82	0.52	1.12	1.13	0.29	0.18	0.41	0.37
2nd Quarter	4.56	2.90	6.28	6.17	0.79	0.51	1.07	1.11	0.30	0.19	0.43	0.40
3rd Quarter	4.91	3.14	6.94	6.47	0.78	0.50	1.08	1.06	0.28	0.18	0.39	0.35
4th Quarter	5.03	3.11	7.12	6.74	0.76	0.46	1.07	1.04	0.28	0.18	0.40	0.35
1990												
1st Quarter	4.54	2.84	6.48	6.17	0.70	0.38	1.04	1.03	0.31	0.21	0.44	0.39
2nd Quarter	4.52	2.87	6.54	6.19	0.70	0.37	1.10	1.04	0.31	0.21	0.41	0.38
3rd Quarter	4.83	3.13	6.84	6.58	0.71	0.41	1.10	1.03	0.33	0.21	0.47	0.44
4th Quarter	4.75	3.12	6.85	6.46	0.73	0.41	1.16	1.06	0.29	0.21	0.41	0.40
1991												
1st Quarter	5.13	3.42	7.29	6.69	0.78	0.47	1.17	1.05	0.31	0.24	0.42	0.38
2nd Quarter	5.26	3.44	7.55	7.04	0.79	0.46	1.21	1.09	0.34	0.26	0.43	0.40
3rd Quarter	4.87	3.02	7.22	6.73	0.82	0.44	1.31	1.16	0.35	0.28	0.44	0.45
4th Quarter	4.85	3.16	7.17	6.62	0.81	0.46	1.29	1.13	0.35	0.31	0.43	0.44
1992												
1st Quarter	4.69	3.08	7.05	6.54	0.80	0.47	1.32	1.13	0.33	0.26	0.42	0.41
2nd Quarter	4.69	3.06	7.12	6.51	0.83	0.49	1.38	1.17	0.33	0.25	0.43	0.40
3rd Quarter	4.60	2.90	7.19	6.53	0.83	0.48	1.39	1.20	0.33	0.25	0.45	0.38
4th Quarter	4.29	2.76	8.91	6.25	0.76	0.45	1.31	1.09	0.34	0.26	0.48	0.41
1993												
1st Quarter	4.31	2.74	6.99	6.30	0.78	0.46	1.35	1.14	0.32	0.23	0.47	0.43
2nd Quarter	4.26	2.66	7.21	6.37	0.78	0.45	1.41	1.15	0.32	0.25	0.48	0.42
3rd Quarter	4.22	2.71	7.13	6.27	0.77	0.46	1.40	1.17	0.31	0.24	0.46	0.38
4th Quarter	4.09	2.52	7.22	6.25	0.76	0.42	1.45	1.17	0.31	0.22	0.49	0.43
1994												
1st Quarter	4.13	2.62	7.29	6.30	0.76	0.44	1.45	1.19	0.31	0.22	0.51	0.44
2nd Quarter	4.17	2.67	7.29	6.34	0.81	0.50	1.46	1.22	0.34	0.24	0.56	0.49
3rd Quarter	3.93	2.49	7.04	6.04	0.74	0.43	1.43	1.16	0.34	0.22	0.61	0.53
4th Quarter	4.15	2.63	7.40	6.35	0.73	0.42	1.43	1.18	0.33	0.22	0.54	0.47
1995												
1st Quarter	3.91	2.45	7.09	6.05	0.71	0.41	1.36	1.13	0.32	0.21	0.56	0.50
2nd Quarter	4.15	2.68	7.36	6.38	0.77	0.45	1.46	1.21	0.33	0.22	0.56	0.53
3rd Quarter	4.41	2.91	7.84	6.68	0.77	0.43	1.55	1.22	0.32	0.23	0.49	0.51
4th Quarter	4.48	3.01	7.66	6.64	0.71	0.41	1.47	1.11	0.33	0.25	0.49	0.49
1996												
1st Quarter	4.46	2.86	8.19	6.70	0.70	0.36	1.57	1.09	0.38	0.29	0.54	0.57

* All data are seasonally adjusted.

Source: National Delinquency Survey, Mortgage Bankers Association

Table 21. Expenditures for Existing Residential Properties: 1968–Present



Period	Total Expenditures	Maintenance and Repairs	Improvements					Major Replacements
			Total	Additions and Alterations			To Property Outside Structure	
				Total	To Structures	To Property Outside Structure		
Annual Data (Millions of Dollars)								
1968	12,703	5,186	7,517	5,314	1,261	3,077	976	2,202
1969	13,535	5,479	8,055	5,885	1,094	3,409	1,382	2,170
1970	14,770	5,895	8,875	6,246	1,411	3,539	1,296	2,629
1971	16,299	6,361	9,939	6,818	1,685	3,699	1,433	3,120
1972	17,498	6,717	10,781	7,526	1,378	4,447	1,701	3,255
1973	18,512	7,924	10,588	7,386	1,360	4,694	1,332	3,202
1974	21,114	8,491	12,622	8,060	1,529	4,836	1,695	4,563
1975	25,239	9,758	15,481	10,997	1,971	6,844	2,182	4,484
1976	29,034	11,379	17,665	12,314	3,493	6,367	2,454	5,341
1977	31,280	11,344	19,936	14,237	2,655	8,505	3,077	5,699
1978	37,461	12,909	24,552	16,458	3,713	8,443	4,302	8,094
1979	42,231	14,950	27,281	18,285	3,280	9,642	5,363	8,996
1980	46,338	15,187	31,151	21,336	4,183	11,193	5,960	9,816
1981	46,351	16,022	30,329	20,414	3,164	11,947	5,303	9,915
1982	45,291	16,810	28,481	18,774	2,641	10,711	5,423	9,707
1983	49,295	18,128	31,167	20,271	4,739	11,673	3,859	10,895
1984	69,894	28,894	40,890	27,822	6,007	14,486	7,329	13,067
1985	80,267	35,358	44,909	28,775	3,966	17,599	7,211	16,134
1986	91,274	35,941	55,303	38,608	7,377	21,192	10,040	16,695
1987	94,082	38,229	55,853	39,978	9,557	21,641	8,779	15,875
1988	101,117	40,885	60,232	43,339	11,333	22,703	9,303	16,893
1989	100,891	42,689	58,202	39,786	6,828	23,129	9,828	18,415
1990	106,773	51,305	55,468	37,253	8,561	21,920	6,771	18,215
1991	97,528	49,840	47,688	30,944	7,914	16,076	6,954	16,744
1992	103,734	45,154	58,580	40,186	6,783	22,700	10,704	18,393
1993	108,304	41,699	66,606	45,797	12,757	24,782	8,259	20,809
1994	115,030	42,953	72,077	48,828	9,647	28,673	10,509	23,248
Quarterly Data (Seasonally Adjusted Annual Rates)								
1994								
3rd Quarter	114,700	42,900	71,900	47,400	NA	NA	NA	24,400
4th Quarter	118,900	44,100	74,700	46,400	NA	NA	NA	28,300
1995								
1st Quarter	115,800	37,700	78,100	52,200	NA	NA	NA	25,900
2nd Quarter	114,400	45,100	69,200	46,400	NA	NA	NA	22,800
3rd Quarter	113,900	44,300	69,700	41,500	NA	NA	NA	24,300
4th Quarter	107,500	41,200	66,300	42,000	NA	NA	NA	24,300

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

Additions refer to actual enlargements of the structure.

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

Alterations and additions to property outside the structure include walks, driveways, walls, fences, pools, garages, sheds, etc.

Major replacements are relatively expensive and are not considered repairs and include furnaces, boilers, roof replacement, central air conditioning, etc.

Source: Bureau of the Census, Department of Commerce



Table 22. Value of New Construction Put in Place, Private Residential Buildings: 1974–Present

Period	Total	New Housing Units			Improvements
		Total	1 Unit Structures	2 or More Unit Structures	
Annual Data (Current Dollars–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	125,521	94,649	72,203	22,447	30,872
1984	153,849	113,826	85,605	28,221	40,023
1985	158,474	114,662	86,123	28,539	43,812
1986	187,148	133,192	102,154	31,038	53,956
1987	194,656	139,915	114,463	25,452	54,741
1988	198,101	138,947	116,649	22,298	59,154
1989	196,551	139,202	116,898	22,304	57,349
1990	182,856	127,987	108,737	19,250	54,869
1991	157,835	110,592	95,444	15,148	47,243
1992	187,869	129,600	116,505	13,094	58,269
1993	210,454	144,070	133,282	10,788	66,384
1994	238,883	167,928	153,838	14,090	70,955
1995	236,172	162,270	143,808	18,462	NA
Monthly Data (Seasonally Adjusted Annual Rates)					
1995					
April	234,100	159,800	141,500	18,200	NA
May	232,500	157,600	140,100	17,500	NA
June	231,100	155,900	139,000	16,800	NA
July	232,400	157,600	139,000	18,700	NA
August	234,000	161,300	142,900	18,400	NA
September	237,600	164,300	145,300	19,000	NA
October	237,700	165,600	146,900	18,700	NA
November	239,400	165,900	146,800	19,100	NA
December	241,900	167,000	146,400	20,600	NA
1996					
January	242,500	169,200	149,800	19,400	NA
February	238,600	166,900	147,700	19,200	NA
March	245,900	173,800	153,800	20,000	NA
April	247,500	178,700	156,300	22,500	NA
May	246,700	177,400	156,300	21,200	NA
June	246,100	176,900	156,100	20,700	NA

Source: Bureau of the Census, Department of Commerce

Table 23. Gross Domestic Product and Residential Fixed Investment: 1959–Present



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
Annual Data (Current Dollars in Billions)			
1959	494.2	28.1	5.7
1960	513.3	26.3	5.1
1961	531.8	26.4	5.0
1962	571.6	29.0	5.1
1963	603.1	32.1	5.3
1964	648.0	34.3	5.3
1965	702.7	34.2	4.9
1966	769.8	32.3	4.2
1967	814.3	32.4	4.0
1968	889.3	38.7	4.4
1969	959.5	42.6	4.4
1970	1,010.7	41.4	4.1
1971	1,097.2	55.8	5.1
1972	1,207.0	69.7	5.8
1973	1,349.6	75.3	5.6
1974	1,458.6	66.0	4.5
1975	1,585.9	62.7	4.0
1976	1,768.4	82.5	4.7
1977	1,974.1	110.3	5.6
1978	2,232.7	131.6	5.9
1979	2,488.6	141.0	5.7
1980	2,708.0	123.3	4.6
1981	3,030.6	122.5	4.0
1982	3,149.6	105.7	3.4
1983	3,405.0	152.0	4.5
1984	3,777.2	178.9	4.7
1985	4,038.7	185.9	4.6
1986	4,268.6	216.6	5.1
1987	4,539.9	225.2	5.0
1988	4,900.4	232.0	4.7
1989	5,250.8	230.9	4.4
1990	5,546.1	215.3	3.9
1991	5,724.8	189.6	3.3
1992	6,020.2	223.8	3.7
1993	6,343.3	250.6	4.0
1994	6,738.4	283.0	4.2
1995	7,245.8	289.8	4.0
Quarterly Data (Seasonally Adjusted Annual Rates)			
1995			
1st Quarter	7,147.8	290.4	4.1
2nd Quarter	7,196.5	281.9	3.9
3rd Quarter	7,298.5	290.3	4.0
4th Quarter	7,350.6	296.5	4.0
1996			
1st Quarter	7,426.8	301.7	4.1
2nd Quarter	7,538.1	313.6	4.2

Source: Bureau of Economic Analysis, Department of Commerce



Table 24. 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 Over
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 ²	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 ²	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 ²	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
Quarterly Data								
1995								
2nd Quarter	161	22	(14)	71	70	181	(33)	(136)
3rd Quarter	(59)	(249)	22	(51)	(82)	302	(42)	40
4th Quarter	489	113	209	(248)	144	135	78	58
1996								
1st Quarter	109	- 7	- 179	- 39	180	- 96	85	166
2nd Quarter	610	- 39	9	- 68	435	294	- 29	9

Note: 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.

NA: Data files for 1971, 1972, 1973, and 1975 are not yet available.

¹Implementation of new March CPS processing system.

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

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

⁴Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Units in thousands.

Source: Current Population Survey, Bureau of the Census



Table 25. Net Change in Number of Households by Type of Household: 1971–Present

Period	Total	Families ⁴				Non-Family Households		One-Person Households	
		Husband-wife		Other Male Headed	Other Female Headed	Male Headed	Female Headed	Males	Females
		With Children	Without Children						
Annual Data									
1971 ¹	848	NA	NA	NA	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA	NA	NA	NA
1974 ¹	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	3,062	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 ¹	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 ¹	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
Quarterly Data									
1995									
1st Quarter	180	323	16	(46)	(17)	(87)	(27)	(50)	52
2nd Quarter	161	63	66	(7)	8	(21)	(21)	3	76
3rd Quarter	(59)	(226)	141	(35)	(31)	30	31	(2)	23
4th Quarter	489	179	(62)	45	(49)	70	66	181	58
1996									
1st Quarter	109	- 253	7	253	251	- 31	44	- 2	- 161
2nd Quarter	610	386	14	2	- 196	50	- 24	88	291

Note: 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.

NA: Data files for 1971, 1972, 1973, and 1975 are not yet available.

¹Implementation of new March CPS processing system.

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

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

⁴Beginning in 1993 CPS data weighted based on the 1990 decennial census.

⁵Primary families only.

Units in thousands.

Source: Current Population Survey, Bureau of the Census



Table 26. Net Change in Number of Households by Race and Ethnicity of Householder: 1971–Present

Period	Total	White, Non-Hispanic	Black, Non-Hispanic	Other Races Non-Hispanic	Hispanics
Annual Data					
1971 ¹	848	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA
1974 ^r	1,554	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA
1977	1,275	832	288	22	133
1978	1,888	1,356	190	119	223
1979	1,300	1,115	96	102	(13)
1980 ²	3,446	2,367	488	198	393
1981	1,592	903	244	223	222
1982	1,159	890	129	66	74
1983	391	218	(37)	105	105
1984 ^r	1,372	434	299	58	581
1985	1,499	938	250	94	217
1986	1,669	954	283	102	330
1987	1,021	527	116	173	205
1988 ^r	1,645	1,053	255	113	224
1989	1,706	947	382	109	268
1990	517	428	(49)	115	23
1991	965	540	156	(18)	287
1992	1,364	590	397	218	159
1993 ³	750	(518)	183	312	774
1994	681	590	(6)	(114)	209
1995	1,883	1,307	387	(182)	373
Quarterly Data					
1995					
2nd Quarter	159	152	47	(34)	(4)
3rd Quarter	(58)	(52)	36	(96)	53
4th Quarter	489	214	(86)	181	180
1996					
1st Quarter	109	- 319	- 126	540	15
2nd Quarter	610	201	235	150	23

Note: 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.

NA: Data not available prior to 1974.

¹Implementation of new March CPS processing system.

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

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

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

Source: Current Population Survey, Bureau of the Census



Table 27. Total U.S. Housing Stock: 1970–Present*

Period	Total ⁴	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
Annual 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 ²	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1982	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1984	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1986	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1988	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 ³	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
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
Quarterly Data										
1995										
2nd Quarter	112,743	3,017	109,726	9,794	2,969	1,046	5,779	99,932	64,668	35,264
3rd Quarter	112,530	3,099	109,431	9,557	2,966	987	5,604	99,874	64,885	34,989
4th Quarter	112,987	3,095	109,892	9,529	2,966	1,050	5,513	100,363	65,355	35,008
1996										
1st Quarter	113,285	3,130	110,128	9,656	3,026	1,066	5,564	100,472	65,453	35,019
2nd Quarter	114,207	3,176	111,031	9,949	2,975	997	5,977	101,082	66,147	34,935

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

¹Census of Housing 1970

²Census of Housing 1980

³Census of Housing 1990

⁴Annual Housing Survey estimates through 1981 based on 1970 Census weights; 1983 to 1989 estimates based on 1980 Census weights; 1991 and 1993 estimates based on 1990 Census weights. No reduction in Nation's housing inventory has ever occurred; apparent reductions are due to changes in bases used for weighting sample data.

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



Table 28. Rental Vacancy Rates: 1979–Present

Period						Regions				Units in Structure		
	All Rental Units	Inside MSAs	In Central Cities	Suburbs	Outside MSAs	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	NA	NA	NA
Quarterly Data												
1995												
2nd Quarter	7.7	7.6	8.5	6.5	8.2	7.5	7.1	8.2	7.7	5.5	9.0	9.5
3rd Quarter	7.7	7.7	8.6	6.6	7.9	7.1	7.4	8.2	7.9	5.6	9.0	9.5
4th Quarter	7.7	7.7	8.4	6.9	8.0	6.9	7.6	8.5	7.5	5.3	9.2	9.6
1996												
1st Quarter	7.9	7.6	8.0	7.1	9.6	6.9	8.3	8.5	7.6	5.6	9.2	9.8
2nd Quarter	7.8	7.5	7.8	7.2	8.8	7.6	7.2	8.6	7.2	5.3	9.2	9.5

Source: Bureau of the Census, Department of Commerce

Table 29. 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	54.7	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*	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
Quarterly Data								
1995								
2nd Quarter	64.7	16.5	33.9	53.2	65.1	75.2	79.9	78.1
3rd Quarter	65.0	17.0	33.8	53.8	65.4	75.4	79.3	78.1
4th Quarter	65.1	16.5	35.6	53.2	65.5	75.2	79.5	78.7
1996								
1st Quarter	65.1	17.0	35.1	52.6	64.6	75.5	80.2	79.1
2nd Quarter	65.4	19.2	33.7	53.7	65.6	75.5	80.0	78.9

*Revised based on adjusted 1990 Census weights rather than 1980 Census weights, resulting in lower estimates.

Source: Bureau of the Census, Department of Commerce



**Table 30. Homeownership Rates by Region and Metropolitan Status:
1983–Present**



Period	Total	Region				Metropolitan Status		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
Annual Data								
1983	64.6	61.5	69.3	67.0	58.2	NA	NA	NA
1984	64.5	61.2	68.4	67.0	58.5	NA	NA	NA
1985	63.9	60.8	66.9	66.4	59.0	NA	NA	NA
1986	63.8	61.4	66.9	66.1	58.3	48.5	70.8	72.3
1987	64.0	61.7	67.3	66.3	58.4	48.7	70.8	72.8
1988	63.8	61.3	67.5	65.8	58.5	48.3	70.6	72.6
1989	63.9	62.0	67.7	65.9	57.8	48.7	70.2	72.8
1990	63.9	62.6	67.5	65.7	58.0	48.7	70.1	73.2
1991	64.1	62.3	67.2	66.1	58.6	48.7	70.2	73.2
1992	64.1	62.5	67.2	65.8	59.3	49.3	70.1	72.8
1993	64.0	61.8	67.1	65.7	59.9	48.6	70.3	72.6
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
Quarterly Data								
1995								
2nd Quarter	64.7	62.3	68.5	66.5	59.8	49.4	71.5	71.7
3rd Quarter	65.0	62.2	70.1	66.6	59.1	49.9	71.4	72.8
4th Quarter	65.1	61.6	70.1	67.5	59.0	49.3	71.7	73.9
1996								
1st Quarter	65.1	61.4	70.4	67.5	58.9	49.2	71.9	73.8
2nd Quarter	65.4	62.3	70.5	67.2	59.8	50.0	72.4	72.7

NA: Not Available.

Source: Current Population Survey, Bureau of the Census

Table 31. Homeownership Rates by Race and Ethnicity: 1983–Present



Period	Non-Hispanic			Hispanic
	White	Black	Other	
Annual Data				
1983 ¹	69.1	45.6	53.3	41.2
1984 ^r	69.0	46.0	50.9	40.1
1985	69.0	44.4	50.7	41.1
1986	68.4	44.8	49.7	40.6
1987	68.7	45.8	48.7	40.6
1988 ^r	69.1	42.9	49.7	40.6
1989	69.3	42.1	50.6	41.6
1990	69.4	42.6	49.2	41.2
1991	69.5	42.7	51.3	39.0
1992	69.6	42.6	52.5	39.9
1993 ²	70.2	42.0	50.6	39.4
1994	70.1	42.8	51.7	41.6
1995	70.8	42.2	51.0	42.4
Quarterly Data				
1995				
1st Quarter	70.4	41.5	51.5	41.8
2nd Quarter	70.9	42.3	50.6	42.8
3rd Quarter	71.1	43.3	52.0	42.5
4th Quarter	71.2	44.6	52.1	41.1
1996				
1st Quarter	71.4	44.2	51.5	41.4
2nd Quarter	71.7	44.0	50.4	43.9

Note: 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.

^rImplementation of new March CPS processing system.

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

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

Source: Current Population Survey, Bureau of the Census



Table 32. Homeownership Rates by Household Type: 1983–Present

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
Annual Data					
1983 ¹	75.0	80.8	38.3	67.5	44.5
1984 ¹	74.2	80.9	39.1	66.4	44.6
1985	74.0	81.1	38.6	65.4	45.0
1986	73.4	81.4	38.0	65.7	43.9
1987	73.8	81.6	37.6	66.3	43.9
1988 ¹	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
1994	73.8	83.2	35.6	65.7	47.7
1995	74.7	84.0	37.3	65.6	47.4
Quarterly Data					
1995					
2nd Quarter	75.0	83.7	37.3	66.7	47.9
3rd Quarter	75.0	84.2	38.3	66.1	47.7
4th Quarter	75.2	84.3	38.2	66.0	48.3
1996					
1st Quarter	75.4	84.3	38.4	66.8	48.3
2nd Quarter	76.0	84.3	38.2	67.5	48.7

Note: 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.

¹Implementation of new March CPS processing system.

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

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

Source: Current Population Survey, Bureau of the Census

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