



# U.S. Housing Market Conditions

February 2004

## SUMMARY

### 2003 Annual Data

The year 2003 was an exceptionally good year for housing. Records were set for single-family permits, single-family starts, single-family completions, new single-family home sales, existing single-family home sales, mortgage interest rates, and the home-ownership rate. The strength of the housing sector contributed heavily to the strength of the overall economy. In 2003 the real gross domestic product (GDP) grew by 3.1 percent from the 2002 value, and housing or Residential Fixed Investment grew by 7.6 percent and contributed 0.37 percent to the overall growth rate. Other housing market measures, such as total permits, total starts, builders' attitudes, and housing affordability, were at levels not seen in the past 25 to 30 years. Manufactured housing continues to suffer with near record low shipments. The multifamily sector was weak, with record high vacancies and record low lease-up rates.

- Builders took out permits for 1,857,300 new housing units in 2003, the most since 1972, and up 6 percent from 2002. Single-family permits were issued for 1,440,400 new homes in 2003, up 8 percent from 2002. This number is the highest reported in the 44-year history of the series.
- Housing starts totaled 1,848,400 units in 2003, the highest number since 1978, and up 8 percent from 2002. Single-family housing starts equaled 1,498,500 units in 2003, up 10 percent from 2002, and set a new single-family record.
- In 2003 construction was completed on 1,677,700 new housing units, up 2 percent from 2002. Single-family completions set a new record in 2003 with 1,386,200 units ready for occupancy, up 5 percent from 2002.

- Builders were relatively upbeat in 2003 compared to 2002. The Housing Market Index of the National Association of Home Builders™ averaged 64 points in 2003, up 3 points from 2002. The 2003 value is the third highest annual value in the 19-year history of the attitude survey.
- Builders sold a record number of new single-family homes in 2003. New home sales totaled 1,085,000 units, up 12 percent from 2002.
- REALTORS® sold a record 6,100,000 existing single-family homes in 2003.
- Interest rates were at the lowest level ever reported in the 31-year history of Freddie Mac's Primary Mortgage Market Survey. Rates were below 6 percent for 10 of the 12 months. The 2003 average was 5.83 percent, 71 basis points below the 2002 average.
- Affordability was buoyed by the low interest rates. The family earning the median income had 140.6 percent of the income needed to purchase the median-priced existing home in 2003, up 5.6 percentage points from 2002, and among the most

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favorable affordability conditions in the 31-year history of the NATIONAL ASSOCIATION OF REALTORS® affordability series.

- In 2003 a higher proportion of American households owned their own homes than ever reported. The annual homeownership rate set a new annual record in 2003 with a rate of 68.3 percent, up from the previous record of 67.9 percent set in 2002.
- Manufactured housing remains thwarted at very low shipment levels. For 2003, manufacturers shipped 131,000 housing units, down 22.5 percent from 2002. Annual shipments have not been this low since 1962. The industry still is plagued by repossessed units and loss of sales to conventional stick-built housing.
- Multifamily housing (5+ units) did not fare as well as the single-family portion of the market. Housing production was somewhat mixed. The 2003 annual total for multifamily permits was 335,400, down 1.8 percent from 2002. Construction was started on 316,600 multifamily housing units in 2003, up 2.8 percent from 2002. Rental units experienced record high vacancy rates and newly completed apartments faced record low absorption or lease-up rates. The rental sector vacancy rate averaged 9.8 percent in 2003, up 0.8 percentage point from 2002, and the highest annual vacancy rate in the more than 40-year history of the measure. Only about 60 percent of new apartments in the past year were rented within 3 months of their completion, the lowest level in the 33-year history of the data series.

## Fourth-Quarter Data

Housing had a very strong fourth quarter. Housing production was at generation-high levels for total permits, total starts, and total completions while new records were set for single-family permits, starts, and completions. Marketing and sales are still at the rapid pace of the past 2 to 3 years. New and existing home sales had their second best quarters ever. Price changes for new homes are fairly modest given the volume of new home sales, while existing home prices declined slightly. The new home inventory increased but was still moderate in terms of

sales volume. Builders are optimistic about current and future sales. Interest rates are under 6 percent and are very low from a historic perspective. Potential homebuyers are finding homeownership to be very affordable, and these new buyers have pushed the homeownership rate to a new high. The manufactured housing industry continues in the doldrums with very low shipments of new manufactured housing units. In the multifamily sector, signs of weakness exist. The production levels are strong but the rental sector faces record high vacancies and very low lease-up rates on new apartments.

Housing production was very strong in the fourth quarter of 2003. New quarterly records were set for single-family permits, single-family starts, and single-family completions. Near record levels were reported for total permits, total starts, and total completions. The exception to the strength of the production sector was the record low shipments of new manufactured homes.

- During the fourth quarter of 2003 builders took out permits for 1,923,000 new housing units on a seasonally adjusted annual rate (SAAR) basis, up 3 percent from the third quarter and up 5 percent from the fourth quarter of 2002. This is the highest value for total permits since the third quarter of 1971. Single-family permits set a new quarterly record, with 1,509,000 (SAAR) new housing permits issued, up 3 percent from the third quarter and up 8 percent from the fourth quarter of 2002.
- Builders started construction on 2,040,000 (SAAR) new housing units in the fourth quarter of 2003, up 8 percent from the third quarter and up 17 percent from the fourth quarter of 2002. This is the highest level for total starts since the third quarter of 1971. Single-family housing starts set a new quarterly record with 1,659,000 (SAAR) housing units, up 9 percent from the third quarter and up 18 percent from the fourth quarter of 2002.
- Construction was completed on 1,711,000 (SAAR) new housing units in the fourth quarter of 2003, up 4 percent from the third quarter and up 3 percent from the fourth quarter of 2002. This is the highest level for housing completions since the first quarter of 1985. Builders set a new quarterly record for single-family housing unit completions, with 1,458,000 new housing units in the fourth quarter, up 6 percent from the third quarter and up 8 percent from the fourth quarter of 2002.



- Manufactured housing remains stymied at very low shipment levels. In the fourth quarter, manufacturers shipped 126,000 housing units, down 5 percent from the third quarter and down 16 percent from the fourth quarter of 2002. Manufactured home shipments have not been this low on a quarterly basis since the fourth quarter of 1959.

Housing sales and marketing continued at very high, near record levels in the fourth quarter of 2003. Builders of new single-family homes had their second highest quarterly sales in the fourth quarter following their record-setting third quarter. REALTORS® also had their second best quarter for sales of existing single-family homes following their record-setting third quarter. Prices are somewhat mixed. New home prices generally increased in the fourth quarter while existing home prices declined slightly. The inventory of new homes available for sale at the end of the fourth quarter increased considerably in absolute terms and relative to sales. On the other hand, the inventory of existing single-family homes declined slightly in absolute terms but was unchanged relative to sales. Continued strong sales have led to optimism among builders as they gave positive responses to the National Association of Home Builders' Housing Market Index survey.

- In the third quarter 1,109,000 (SAAR) new single-family homes were sold, down 4 percent from the record 1,155,000 (SAAR) new homes sold in the third quarter but up 8 percent from the fourth quarter of 2002. New home sales in the past seven quarters are the highest ever reported.
- REALTORS® sold 6,290,000 (SAAR) existing single-family homes in the fourth quarter of 2003, down 2 percent from the record set in the third quarter but up 9 percent from the fourth quarter of 2002. Existing home sales in the past 11 quarters are the highest quarterly values ever reported.
- The median price for new homes sold in the fourth quarter was \$196,300, up 2 percent from the third quarter and up 3 percent from the fourth quarter of 2002. The average price for new homes sold in the fourth quarter was \$256,000, up 3 percent from the third quarter and up 10 percent from the fourth quarter of 2002. A constant-quality house would have sold for \$223,300 in the fourth quarter, unchanged from the third quarter but up 5 percent from the fourth quarter of 2002.

- The NATIONAL ASSOCIATION OF REALTORS® reported that the median price for existing homes was \$171,600 in the fourth quarter of 2003, down 3 percent from the third quarter but up 7 percent from the fourth quarter of 2002. The average price in the fourth quarter was \$218,400, down 2 percent from the third quarter but up 8 percent from the fourth quarter of 2002.

- At the end of the fourth quarter, 382,000 new homes were in the unsold inventory, up 9 percent from the end of the third quarter and up 11 percent from the end of the fourth quarter of 2002. This inventory will support 4.3 months of sales at the current sales pace, up 0.5 months from the end of the third quarter and up 0.3 months from the end of the fourth quarter of 2002. The inventory of existing homes available for sale at the end of the fourth quarter of 2003 consisted of 2,300,000 homes, down 4 percent from the end of the third quarter but up 8 percent from the end of the fourth quarter of 2002. This inventory would last for 4.3 months at the current sales rate, unchanged from both the end of the third quarter of 2003 and the end of the fourth quarter of 2002.

- Home builders were more optimistic in the fourth quarter. The National Association of Home Builders' composite Housing Market Index was 71 in the fourth quarter of 2003, up 3 index points from the third quarter and up 7 index points from the fourth quarter of 2002. Two of the three components of the composite index—current sales expectations and future sales expectations—posted gains from the third quarter—while the prospective buyer traffic component declined.

Housing affordability improved slightly in the fourth quarter and remains among the most favorable levels ever, according to the index published by the NATIONAL ASSOCIATION OF REALTORS®. Slightly higher interest rates were offset by lower home prices and income growth. The composite index indicates that a family earning the median income had 139.1 percent of the income needed to purchase the median-priced existing home using standard lending guidelines, which is 2.5 percentage points above the third quarter value but 1.1 percentage points below 2002's fourth quarter value. Incomes grew 0.7 percent from the third quarter and 2.7 percent from the fourth quarter of 2002. The median price of an existing home

decreased 3 percent in the quarter but increased 6.6 percent from the fourth quarter of 2002. The interest rate on closed loans was 5.83 percent, 17 basis points higher than in the third quarter but 27 basis points below the fourth quarter of 2002. Interest rates for new mortgage commitments in 2003 were the lowest ever reported by Freddie Mac's Primary Mortgage Market Survey since it began in 1971. Low interest rates and favorable affordability may account for the fourth quarter increase in the homeownership rate to 68.6 percent, a new record. The fourth quarter homeownership rate is 0.3 percentage point above the third quarter rate of 2003 and 0.4 percentage point above the fourth quarter of 2002.

The multifamily (5+ units) sector is not faring as well as the single-family sector, with production mixed, absorption of new rental units sluggish, and the vacancy rate at an all-time high of 10.2 percent. The rental vacancy rate exceeded 10 percent for the first time ever and the absorption rate is among the lowest quarterly absorption rates reported in the past 30 years.

- In the fourth quarter of 2003, builders took out permits for 333,000 (SAAR) new multifamily units, up 8 percent from the third quarter but down 7 percent from the fourth quarter of 2002.
- Construction was started on 349,000 (SAAR) new multifamily units in the fourth quarter of 2003, up 8 percent from the third quarter and up 17 percent from the fourth quarter of 2002.
- Builders completed 228,000 (SAAR) units in the fourth quarter, down 5 percent from the third quarter and down 20 percent from the fourth quarter of 2002.
- The rental vacancy rate set a record high of 10.2 percent in the fourth quarter, up 0.3 percentage point from the third quarter and up 0.9 percentage point from the fourth quarter of 2002.
- Market absorption of new rental apartments has decreased, with 57 percent of new apartments completed in the third quarter leased or absorbed in the first 3 months following completion.





# FIRST-TIME HOMEBUYERS: UPDATE FROM THE 2001 AMERICAN HOUSING SURVEY

As of the fourth quarter of 2003, 68.6 percent of American households owned their own home, and during the last decade, homeownership rates rose fairly steadily from 64.0 percent in 1994 to 68.3 percent in 2003. Historically low interest rates, real income growth, steady employment levels, and the introduction of new mortgage lending programs aimed at lower income and younger families have contributed to this growth in homeownership. The November 2001 issue of *U.S. Housing Market Conditions* contained the article, "First-Time Homebuyers: Trends From the American Housing Survey." That article presented information about first-time homebuyers from the decade of the 1990s. This current article updates and extends the first-time homebuyer information using the more recent 2001 American Housing Survey.

In general, the findings for 2001 parallel the findings in the earlier article. In 2001, 5.7 million homeowners said they had moved in the year prior to the survey interview, of which 2.3 million were first-time homeowners.

This article examines the characteristics of the 2001 sample of first-time homebuyers, comparing them to other recent homebuyers (that is, repeat homebuyers) and to other homeowners (that is, homeowners who had not moved in the year prior to the interview). First-time homebuyers are households that moved in the year preceding the interview and who answered "no" to the question: "Did you ever own a home before?"<sup>1</sup>

When compared with other recent homebuyers and other homeowners, first-time homebuyers are younger, more often foreign born, and more likely to be minorities. They live less frequently as traditional families (for example, husband-wife families). In terms of location, they are slightly more likely to

live in the West or in central cities of metropolitan areas and less likely to live in the Northeast or outside metropolitan areas. The homes they purchase are more likely to be townhouses, apartments in multifamily buildings, manufactured (mobile) housing, and units in condominiums or cooperatives. Their houses tend to be smaller and of more modest value. First-time homebuyers more often require mortgage financing, take out smaller mortgages, and more often rely on Federal Housing Administration (FHA) mortgage insurance and Department of Veterans Affairs (VA) guarantees.

## The American Housing Survey

Every other year the Census Bureau conducts the American Housing Survey-National Survey. This national sample includes about 60,000 housing units, 43,000 of which are occupied. Occupants provide information to the Census Bureau's field interviewers.<sup>2</sup> The AHS collects extensive information on the housing structure and unit; social, demographic, and economic characteristics of the occupants; equipment in the units; housing costs and mortgage information; condition and quality of the housing unit; neighborhood features and qualities; commuting and labor force information; remodeling and improvements; and moving and relocation data. Because the AHS is a statistical sample, the estimates presented here are subject to sampling and nonsampling errors, and the reader should consider the nature of the data when reading the discussion of the results.

## Demographic Characteristics of First-time Homebuyers

First-time homebuyers are more likely to be minority households and foreign born. These new homeowners are less likely to be traditional husband-wife families and more likely to be families with unmarried heads or nonfamily households. Considerably younger than other homebuyers, 63 percent of these household heads are under 35 years of age. They have less income than other recent homebuyers do, but they have about the same income as other homeowners.

First-time homebuyers surveyed for the 2001 AHS were about 75 percent more likely to be minority households than were other recent movers and homeowners. Exhibit 1 shows that 31.6 percent of

first-time homebuyers were minority households: 11.2 percent were non-Hispanic, Black households, 7.5 percent were non-Hispanic households of other races, and 12.9 percent were Hispanic households.<sup>3</sup> In contrast, 17.4 percent of other recent homebuyers were minority households: 5.4 percent were non-Hispanic, Black households, 4.1 percent were non-Hispanic households of other races, and 7.9 percent were Hispanic households. Other owners are about as likely to be minority households as other recent homebuyers; that is, 18.2 percent. In addition, non-Hispanic, Blacks tended to have a higher representation among other owners (8.7 percent) than among other recent buyers (5.4 percent.) The percentage of minorities among first-time homeowners nearly equals the 35.7 percent reported in the 1999 AHS data.

In 2001, first-time homebuyers were slightly more likely than other recent movers and other owners to be foreign-born households, both citizens and noncitizens. Exhibit 2 shows that 14.1 percent of first-time homebuyers were foreign born— 5.8 percent naturalized citizens and 8.3 percent noncitizens. Foreign-born households accounted for 10.2 percent

of other recent homebuyers and 7.6 percent of other owners. Foreign-born noncitizens show the sharpest contrast across the three homeowner groups. First-time homebuyers are much more likely to be foreign-born noncitizens (8.3 percent) than other recent buyers (5.0 percent) or other owners (2.5 percent).

First-time buyers are less likely to be traditional husband-wife households than other recent buyers and all other homeowners. Exhibit 3 shows that 54.3 percent of first-time buyers were husband-wife families compared to 66.0 percent for other recent buyers and 62.7 percent for all other homeowners. On the other hand, first-time buyers are more likely to be nontraditional family households headed by other males and other females (such as families whose heads are widowed, divorced, separated, single, or who are married with spouse absent for some other reason). Among first-time buyers, 4.8 percent were families headed by other males, and 12.7 percent had other females at the head of the family. In comparison, 3.4 percent of other recent buyers were families headed by other males, and 8.3 percent were headed by other females. Other homeowners had 3.3 percent and 9.2 percent, respectively.

**Exhibit 1. Homebuyers by Race and Ethnicity, 2001**

Race and Ethnicity	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
White, Non-Hispanic	1,568,866	68.3	2,689,900	82.6	54,715,792	81.9
Black, Non-Hispanic	258,036	11.2	176,148	5.4	5,789,423	8.7
Other, Non-Hispanic	171,979	7.5	132,899	4.1	2,114,696	3.2
Hispanic	297,248	12.9	256,467	7.9	4,179,210	6.3
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 2. Homebuyers by Citizenship, 2001**

Citizenship	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Native, born in United States	1,917,886	83.5	2,844,873	87.4	60,661,390	90.8
Native, born in Puerto Rico or U.S. outlying area	43,408	1.9	37,266	1.1	744,405	1.1
Native, born abroad of U.S. parent(s)	10,256	0.4	40,951	1.3	315,891	0.5
Foreign born, U.S. citizen by naturalization	133,534	5.8	168,537	5.2	3,409,153	5.1
Foreign born, not a U.S. citizen	191,045	8.3	163,787	5.0	1,668,282	2.0
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0



**Exhibit 3. Homebuyers by Family and Household Type, 2001**

Family and Household Type	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Husband-wife families	1,245,991	54.3	2,147,071	66.0	41,858,818	62.7
Other male-headed families	110,180	4.8	112,131	3.4	2,208,856	3.3
Other female-headed families	291,906	12.7	268,806	8.3	6,159,668	9.2
Male-headed households	375,862	16.4	364,942	11.2	6,773,490	10.1
Female-headed households	272,190	11.9	362,464	11.1	9,798,289	14.7
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 4. Homebuyers by Age of Householder, 2001**

Age of Householder	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Under 25	331,371	14.4	74,094	2.3	920,414	1.4
25 to 29	597,432	26.0	258,469	7.9	2,396,867	3.6
30 to 34	516,678	22.5	440,923	13.5	4,762,819	7.1
35 to 44	557,398	24.3	998,305	30.7	14,814,353	22.2
45 to 64	269,608	11.7	1,110,352	34.1	26,775,212	40.1
65 and over	23,642	1.0	373,271	11.5	17,129,456	25.6
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		31		43		51

First-time buyers are more likely to be nonfamily households due to the increased representation of male-headed (nonfamily) households among first-time homebuyers.<sup>4</sup> Such households accounted for 16.4 percent of all first-time buyers, compared to 11.2 percent of other recent buyers and 10.1 percent of all other homeowners. Female-headed (nonfamily) households accounted for nearly equal portions of first-time and other recent buyers (11.9 percent and 11.1 percent, respectively), but represented a slightly higher percentage of other homeowners (14.7 percent). The earlier article listed 21.9 percent of first-time homebuyers as female-headed households (both family and nonfamily), while the 2001 data shows 24.6 percent, an increase of 2.7 percentage points.

First-time homebuyers are considerably younger than other recent homebuyers and other homeowners. Exhibit 4 shows that 62.9 percent of first-time homebuyers were under 35 years of age, compared to 23.7 percent of other recent buyers and 12.1 percent of other homeowners. This pattern holds for each of the three age subgroups—under 25 years of

age, 25 to 29 years of age, and 30 to 34 years of age. Median ages also indicate the more youthful composition of the first-time homebuyer group. While other recent homebuyers had a median age of 43 and other homeowners were oldest with a median age of 51, first-time homebuyers had a median age of just 31. The 2001 age distribution shows a slight movement toward younger first-time homebuyers compared to the 1999 data in the earlier article reporting that 55.3 percent of first-time homebuyers were under age 35.

The size of household does not appear to differ among the three groups of homeowners as shown in Exhibit 5. The two mover groups—first-time buyers and other recent buyers—were slightly larger with median numbers of 2.9 persons per household compared to a median 2.8 persons for other homeowners.

The household incomes of first-time homebuyers are considerably lower than those of other recent buyers but nearly equal to household incomes of other owners. Exhibit 6 shows that first-time home-



**Exhibit 5. Homebuyers by Number of Persons in Household, 2001**

Number of Persons in Household	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
1	473,396	20.6	541,579	16.6	14,407,327	21.6
2	715,412	31.2	1,154,695	35.5	23,602,072	35.3
3	455,162	19.8	600,578	18.4	10,925,431	16.4
4	378,007	16.5	587,043	18.0	10,813,478	16.2
5	170,383	7.4	263,317	8.1	4,635,835	6.9
6	54,420	2.4	66,163	2.0	1,520,137	2.3
7	49,349	2.1	42,039	1.3	894,841	1.3
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		2.9		2.9		2.8

**Exhibit 6. Homebuyers by Household Income, 2001**

Household Income (\$)	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Less than 25,000	456,835	19.9	519,632	16.0	16,206,066	24.3
25,000 to 49,999	693,154	30.2	724,191	22.2	17,173,750	25.7
50,000 to 99,999	848,814	37.0	1,263,999	38.8	21,503,981	32.2
100,000 and above	297,326	12.9	747,592	23.0	11,915,324	17.8
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		\$49,300		\$61,648		\$50,000

buyers had a median income of \$49,300, other recent buyers had a median income of \$61,648, and other homeowners had a median income of \$50,000. While 50 percent of both first-time homebuyers and other homeowners had incomes above \$50,000, 61.8 percent of other recent buyers had incomes of more than \$50,000. This pattern for first-time homebuyers closely follows that reported for 1999.

## Location of First-time Homebuyers

Compared to other homeowners, first-time homebuyers and other recent homebuyers are more likely to be found in the West and in central cities. First-time purchasers are less likely to be found in the Northeast and outside metropolitan areas than are other recent homebuyers and other homeowners.

First-time homebuyers and other recent buyers are more likely to reside in the West than are other homeowners. This geographic slant may be consistent with the fact that first-time buyers are disproportionately Hispanic households that tend to live in the West. On the other hand, other homeowners have a slightly higher preference for the Northeast than do recent homebuyers. Exhibit 7 shows that more than one-third of all owners live in the South, while about 18 percent live in the Northeast, 25 percent in the Midwest, and 20 percent in the West. All three mover groups closely matched these regional distributions, but recent movers were slightly more likely to live in the West—23.5 percent for first-time homebuyers and 24.1 percent for other recent buyers, compared to 19.7 percent for other homeowners. Recent movers also were less likely to settle in the Northeast—13.8 percent for first-time homebuyers and 13.3 percent for other recent movers, compared to 18.4 percent for other homeowners.



**Exhibit 7. Homebuyers by Census Region, 2001**

Census Region	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Northeast	316,334	13.8	432,309	13.3	12,279,014	18.4
Midwest	565,185	24.6	715,682	22.0	16,802,196	25.2
South	875,013	38.1	1,321,593	40.6	24,538,006	36.7
West	539,597	23.5	785,830	24.1	13,179,905	19.7
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 8. Homebuyers by Location of Home, 2001**

Location of Home	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Inside Metropolitan Statistical Areas						
Central city	598,975	26.1	657,634	20.2	14,993,990	22.4
Suburban	1,248,236	54.4	1,794,790	55.1	35,177,468	52.7
Outside Metropolitan Statistical Area	448,918	19.6	802,990	24.7	16,627,663	24.9
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 9. Homebuyers by Home Structure Type, 2001**

Home Structure Type	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Single-family, detached	1,615,226	70.3	2,528,880	77.7	55,150,051	82.6
Single-family, attached	221,251	9.6	190,656	5.9	3,318,535	5.0
Multifamily						
2 to 4 units	53,143	2.3	49,036	1.5	1,180,519	1.8
5 to 9	18,898	0.8	23,897	0.7	436,950	0.7
10 to 19	43,896	1.9	25,070	0.8	434,034	0.6
20 to 49	15,535	0.7	28,696	0.9	384,605	0.6
50 or more	32,564	1.4	21,127	0.6	551,210	0.8
Manufactured house	295,616	12.9	388,052	11.9	5,343,217	8.0
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 10. Homebuyers by Ownership Type, 2001**

Condominium or Cooperative Ownership	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Yes	251,716	11.0	244,188	7.5	3,308,912	5.0
No	2,044,413	89.0	3,011,226	92.5	63,490,209	95.0
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

First-time homebuyers are slightly more likely to live in central cities of metropolitan areas and slightly less likely to live outside metropolitan areas than other recent homebuyers and other homeowners. Exhibit 8 shows that 26.1 percent of first-time homebuyers lived in central cities, compared to 20.2 percent of other recent buyers and 22.4 percent of other homeowners. Residing outside metropolitan areas was the choice of 19.6 percent of first-time homebuyers, 24.7 percent of other recent buyers, and 24.9 percent of other owners. For each group, most of the households lived in suburban areas with nearly equal proportions for both recent buyer groups—54.4 percent of first-time homebuyers, 55.1 percent of other recent buyers, and 52.7 percent of other homeowners. Little has changed since 1999, when the proportions for first-time homebuyers were 28.3 percent in central cities and 20.1 percent outside metropolitan areas.

## Types of Housing Purchased by First-time Buyers

First-time homebuyers are more likely to occupy single-family, attached homes (for example, a townhouse); apartments in multifamily buildings; and manufactured (mobile) homes. The higher proportion in townhouses and multifamily structures also leads to first-time buyers more frequently occupying condominiums and cooperatives. Smaller units, fewer rooms, and fewer bedrooms are more prevalent for first-time homebuyers than for other recent homebuyers or other homeowners. First-time homebuyers are more likely to live in newer housing units and they select homes with modest values.

While first-time homebuyers, like most Americans, overwhelmingly live in single-family, detached homes, they are more likely to live in townhouses (single-family, attached), manufactured homes, and multifamily units than are other recent buyers and other homeowners. Exhibit 9 shows that 70.3 percent of first-time buyers lived in single-family, detached units compared to 77.7 percent for other recent movers, and 82.6 percent for other homeowners. First-time buyers are more likely to live in single-family, attached units (9.6 percent) than are other recent buyers (5.9 percent) or other homeowners (5.0 percent). They also are more likely to live in multifamily structures (7.1 percent) than are other recent movers (4.5 percent) or other homeowners (4.5 percent).<sup>5</sup> Finally, first-time buyers and other recent buyers are more likely (12.9 percent and 11.9 percent, respectively) to live in manufactured (mobile) homes than are other homeowners (8.0 percent).

Condominium and cooperative forms of ownership are more prevalent among first-time homebuyers and other recent movers. Exhibit 10 shows that 11 percent of first-time buyers and 7.5 percent of other recent buyers lived in condominiums or cooperatives, compared to only 5 percent of other homeowners.

First-time homebuyers tend to live in housing units containing fewer rooms. Exhibit 11 indicates that 17.9 percent of first-time buyers purchased homes with four or fewer rooms, considerably above the rates for other recent homebuyers (12.5 percent) and other homeowners (11.2 percent). The same holds true for homes with five rooms: 27.2 percent for first-time homebuyers, 19.4 percent for other recent homebuyers, and 23.9 percent for other homeowners.

**Exhibit 11. Homebuyers by Number of Rooms, 2001**

Number of Rooms	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
4 or fewer	411,137	17.9	405,462	12.5	7,498,217	11.2
5	623,913	27.2	631,130	19.4	15,951,005	23.9
6	607,827	26.5	746,040	22.9	17,873,852	26.8
7	381,122	16.6	590,921	18.2	11,878,549	17.8
8 or more	272,130	11.9	881,861	27.1	13,597,498	20.4
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		6.2		6.8		6.6



other homeowners. Only 11.9 percent of first-time homebuyers occupy large housing units with eight or more rooms, compared to recent buyers (27.1 percent) and other homeowners (20.4 percent). The median number of rooms also reflects the smaller size of first-time purchasers—6.2 rooms compared to 6.8 rooms for other recent homebuyers and 6.6 rooms for other homeowners.

First-time homebuyers more frequently live in housing units with fewer bedrooms and less frequently live in units with more bedrooms. Exhibit 12 shows that 30.9 percent of first-time homebuyers lived in smaller units (two or fewer bedrooms) than did other recent buyers (21.7 percent) or other homeowners (22.8 percent). At the same time, first-time homebuyers are less likely to occupy large units with four or more bedrooms (16.6 percent) compared to other recent homebuyers (32.2 percent) or other homeowners (24.7 percent). The

median number of bedrooms also shows that first-time buyers live in smaller housing units (3.4 rooms) than do other recent homebuyers (3.6 rooms) and other homeowners (3.6 rooms).

First-time homebuyers and other recent buyers are more likely to live in newer housing (built in 2000 or later). Exhibit 13 shows that 17.4 percent of first-time homebuyers and 26.6 percent of other recent buyers owned homes built in 2000 or 2001, significantly higher than the 1.2 percent of other homeowners who lived in such new housing. While both recent homebuyer groups are more likely to live in newer units than are other homeowners, first-time buyers tend to live in housing that is slightly older than the units occupied by other recent homebuyers. For example, 19.9 percent of first-time buyers lived in units built before 1950, while only 13.6 percent of other recent homebuyers lived in similarly aged units.

**Exhibit 12. Homebuyers by Number of Bedrooms, 2001**

Number of Bedrooms	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
None	6,183	0.3	0	0.0	39,041	0.1
One	78,132	3.4	82,196	2.5	1,651,301	2.5
Two	623,465	27.2	624,984	19.2	13,480,727	20.2
Three	1,207,289	52.6	1,501,220	46.1	35,157,232	52.6
Four or more	381,060	16.6	1,047,014	32.2	16,470,820	24.7
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		3.4		3.6		3.6

**Exhibit 13. Homebuyers by Year Unit Was Built, 2001**

Year Unit Was Built	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
1919 or earlier	131,147	5.7	125,924	3.9	4,951,086	7.4
1920–29	83,885	3.7	75,652	2.3	2,703,805	4.0
1930–39	100,140	4.4	116,295	3.6	3,186,091	4.8
1940–49	141,171	6.1	123,517	3.8	4,508,833	6.7
1950–59	238,491	10.4	192,643	5.9	8,646,024	12.9
1960–79	641,274	27.9	714,317	21.9	22,266,178	33.3
1980–89	249,616	10.9	470,990	14.5	9,002,809	13.5
1990–99	310,699	13.5	570,368	17.5	10,713,043	16.0
2000 or later	399,706	17.4	865,708	26.6	821,252	1.2
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

**Exhibit 14. Homebuyers by Value of Home, 2001**

Value of Home (\$)	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Under 50,000	362,023	15.8	421,237	12.9	8,241,838	12.3
50,000 to 99,999	633,922	27.6	567,262	17.4	18,237,421	27.3
100,00 to 149,999	548,412	23.9	623,376	19.1	14,444,092	21.6
150,000 to 249,999	527,391	23.0	850,273	26.1	14,539,741	21.8
250,000 and more	224,381	9.8	793,266	24.4	11,336,029	17.0
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		113,200		151,500		123,100

**Exhibit 15. Homebuyers With or Without Mortgages, 2001**

Mortgages on This Property?	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Yes	1,842,301	80.2	2,441,929	75.0	37,476,930	56.1
No	453,828	19.8	813,485	25.0	29,322,191	43.9
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0

First-time homebuyers tend to live in less expensive housing units. Exhibit 14 shows that 43.6 percent of first-time homebuyers occupied homes valued at under \$100,000, lower than the 30.3 percent of other recent buyers and the 39.7 percent of other homeowners. The median values also show that first-time homebuyers have modest dwellings. The median value for first-time homebuyers was \$113,200; for other recent buyers, the median value was \$151,500, and \$123,100 for other homeowners. Allowing some consideration for house price inflation, the 1999 data also revealed that first-time homebuyers selected lower valued homes. In 1999, 54 percent of first-time homebuyers and 36.4 percent of other recent homebuyers selected homes valued at under \$100,000.

## First-time Homebuyer Mortgages

First-time homebuyers are more likely to have mortgage loans. Apart from lacking the most common source of downpayments (sale of a previous home), first-time homebuyers have downpayment sources similar to other recent buyers and other homeowners. First-time homebuyers take out smaller mortgages than other recent buyers, but pay mortgage interest rates similar to other recent buyers and

other homeowners. FHA-insured and VA-guaranteed mortgages are considerably more likely to be used by first-time homebuyers.

First-time homebuyers are least likely not to have a mortgage on their home. Exhibit 15 shows that 19.8 percent of first-time homebuyers reported not having a mortgage on their home. For other recent buyers, 25.0 percent reported not having a mortgage, while for other homeowners, 43.9 percent reported having no mortgage, the highest percentage without mortgages.

One of the most common sources of downpayments for homeowners is the proceeds of the sale of their previous home. Nearly 53 percent of other recent homebuyers and 32 percent of other homeowners reported the source of their downpayment as the sale of a previous home, as shown in the first row of Exhibit 16. First-time homebuyers, of course, do not have access to this source. The lower panel of Exhibit 16 shows the percentage distributions across the remaining sources of downpayments, revealing that the distributions are amazingly similar for the three groups of homeowners. Between 10 and 12 percent reported not making a downpayment; between 1.4 and 2.9 percent reported sale of other investments as the source of downpayment; between 5.3 and 6.6 percent reported other borrowing; between 2.6 and 4.6 percent reported inheri-





**Exhibit 16. Homebuyers by Source of Downpayment, 2001**

Source of Downpayment	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Sale of previous home if sold during 12 months prior to purchase of new home		NA	1,623,065	52.7	19,799,027	31.9
Savings or cash on hand	1,486,308	70.3	988,393	68.0	30,518,806	72.1
Sale of other investment	41,186	1.9	42,703	2.9	571,640	1.4
Borrowing, other than a mortgage on this property	93,609	4.4	96,081	6.6	2,258,978	5.3
Inheritance or gift	97,898	4.6	37,203	2.6	1,548,169	3.7
Land where building was built used for financing	8,210	0.4	5,494	0.4	505,064	1.2
Other (specify)	137,860	6.5	128,174	8.8	2,530,077	6.0
No downpayment	249,476	11.8	156,258	10.7	4,404,768	10.4
All, excluding sale of previous home in past year	2,114,547	100.0	1,454,306	100.0	42,337,502	100.0

**Exhibit 17. Homebuyers by Amount of 1st Mortgage When Acquired, 2001**

Amount of 1st Mortgage When Acquired (\$)	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Under 50,000	400,147	21.4	418,464	16.9	10,821,176	27.7
50,000 to 74,999	265,530	14.2	354,011	14.3	7,832,900	20.0
75,000 to 99,999	288,215	15.4	271,926	11.0	6,118,402	15.7
100,000 to 124,999	301,183	16.1	342,784	13.8	4,715,892	12.1
125,000 to 149,999	228,398	12.2	289,932	11.7	2,917,406	7.5
150,000 to 174,999	123,459	6.6	186,903	7.5	2,120,555	5.4
175,000 to 199,999	91,981	4.9	129,235	5.2	1,303,082	3.3
200,000 to 224,999	69,740	3.7	153,457	6.2	987,261	2.5
225,000 to 250,000	27,558	1.5	86,582	3.5	502,070	1.3
250,000 and more	71,279	3.8	247,609	10.0	1,755,722	4.5
All	1,867,490	100.0	2,480,903	100.0	39,074,466	100.0
Median		\$97,000		\$114,000		\$77,280

tance or gift; and between 6 and 9 percent reported other sources.

First-time homebuyers originate smaller mortgages than other recent homebuyers do, but they have larger mortgages than do other homeowners. Exhibit 17 shows that 51 percent of first-time

homebuyers carried original mortgages of under \$100,000; 42.2 percent of other recent buyers possessed such small mortgages; and 63.4 percent of other homeowners had such small original mortgages. The low initial mortgages being carried by other homeowners reflect mortgages and purchases made over the past several decades. The median

**Exhibit 18. Homebuyers by Interest Rate, 2001**

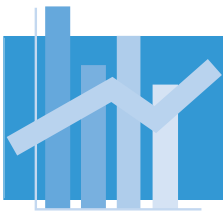
Interest Rate (%)	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
6 or less	124,353	6.7	166,410	6.7	2,656,674	6.8
6 $\frac{1}{8}$ to 6 $\frac{1}{2}$	105,639	5.7	156,014	6.3	2,888,607	7.4
6 $\frac{5}{8}$ to 7	418,941	22.4	680,772	27.4	9,957,002	25.5
7 $\frac{1}{8}$ to 7 $\frac{1}{2}$	490,267	26.3	662,871	26.7	7,681,987	19.7
7 $\frac{5}{8}$ to 8	302,707	16.2	412,214	16.6	6,872,904	17.6
8 $\frac{1}{8}$ to 8 $\frac{1}{2}$	138,125	7.4	105,674	4.3	2,588,948	6.6
8 $\frac{5}{8}$ to 9	96,613	5.2	102,831	4.1	2,880,266	7.4
More than 9	190,845	10.2	194,117	7.8	3,548,078	9.1
All	1,867,490	100.0	2,480,903	100.0	39,074,466	100.0
Median	7 $\frac{1}{8}$		7 $\frac{1}{2}$		7 $\frac{1}{2}$	

**Exhibit 19. Homebuyers by Type of 1st Mortgage, 2001**

Type of 1st Mortgage	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
FHA	502,076	27.7	301,695	12.7	5,310,020	14.6
VA	138,708	7.7	140,076	5.9	1,903,349	5.3
Farmers Home Administration Mortgage	14,992	0.8	10,770	0.5	294,109	0.8
Some other type	1,156,606	63.8	1,921,770	80.9	28,742,204	79.3
All	1,812,382	100.0	2,374,311	100.0	36,249,682	100.0

**Exhibit 20. Homebuyers by Monthly Housing Costs, 2001**

Monthly Housing Costs (\$)	First-time Buyers		Other Recent Buyers		Other Owners	
	Number	Percent	Number	Percent	Number	Percent
Less than 250	220,728	9.6	275,381	8.5	9,328,139	14.0
250 to 499	315,524	13.7	462,624	14.2	15,257,325	22.8
500 to 749	309,310	13.5	402,736	12.4	10,645,901	15.9
750 to 999	353,652	15.4	468,928	14.4	8,855,346	13.3
1,000 to 1,249	364,467	15.9	358,032	11.0	6,743,022	10.1
1,250 to 1,499	237,968	10.4	323,018	9.9	5,228,322	7.8
1,500 to 1,749	199,264	8.7	251,427	7.7	3,552,915	5.3
1,750 to 1,999	123,585	5.4	215,408	6.6	2,308,359	3.5
2,000 or more	171,631	7.5	497,860	15.3	4,879,792	7.3
All	2,296,129	100.0	3,255,414	100.0	66,799,121	100.0
Median		953		1,005		702



mortgage values also show that first-time homebuyers with a median mortgage amount of \$97,000 have smaller mortgages than do other recent buyers who had a median mortgage of \$114,000, but larger initial mortgages than other homeowners who had a median of \$77,280.

The mortgage interest rates being paid by first-time homebuyers are very similar to the rates paid by all homeowners. Exhibit 18 shows the distribution of the three homeowner groups across interest rate categories. The three distributions were very similar, with first-time homebuyers paying slightly more than other recent homebuyers and other homeowners. The median interest rate paid was 7 and 3/8 percent for first-time homebuyers, an eighth of a point higher than the 7 and 1/4 percent paid by the other two groups.

First-time homebuyers are much more likely to have FHA-insured or VA-guaranteed mortgages than are other recent homebuyers or other homeowners. Exhibit 19 shows the distribution across mortgage types. FHA-insured mortgages were reported by 27.7 percent of first-time homebuyers, 12.7 percent of other recent homebuyers, and 14.6 percent of other homeowners. First-time homebuyers used FHA insurance nearly twice as often as other recent buyers or other homeowners. First-time homebuyers also were more likely to use VA-guaranteed mortgages (7.7 percent) than were other recent buyers (5.9 percent) and other homeowners (5.3 percent).

First-time buyers pay lower monthly housing costs than other recent homebuyers do, but higher costs than other homeowners pay.<sup>6</sup> Exhibit 20 shows that 52.2 percent of first-time homebuyers had monthly housing costs of under \$1,000; 49.5 percent of other recent homebuyers had such low costs, and 66 percent of other homeowners had such low out-of-pocket expenses. Median monthly housing costs also follow this pattern: \$953 for first-time homebuyers, \$1,005 for other recent homebuyers, and \$702 for other homeowners. Much of the difference in monthly housing costs can be traced to higher initial mortgages for first-time homebuyers and other recent homebuyers (as shown in Exhibit 17) and the fact that many in the other homeowners group have no mortgages (Exhibit 15).

## Notes

1. In the FHA program, first-time homebuyers are households that had not owned a house in the previous 5 years.
2. The survey was called the Annual Housing Survey from 1973 to 1983 and American Housing Survey from 1985 to 2001. Copies of the 1973 to 2001 reports can be found on the Internet at <http://www.census.gov/prod/www/abs/h150.html>. Information on the AHS can be found at the HUD USER Web site (<http://www.huduser.org/datasets/ahs.html>) or at the Census Bureau Web site (<http://www.census.gov/hhes/www/ahs.html>). The latter two sites also provide information on ordering printed copies of the reports.
3. The "other race" category includes American Indians, Alaska Natives, Asians, Pacific Islanders, and other responses.
4. Nonfamily households consist of individuals living alone or with nonrelatives only.
5. In smaller multifamily structures (buildings with 2–4 and 5–9 units), many households may be landlord/owners living in rental apartment buildings they own rather than cooperative and condominium occupants.
6. Monthly housing costs for owner-occupied units include monthly payments for all mortgages, installment loans or contracts, real estate taxes, property insurance, homeowner association fees, cooperative and condominium fees, mobile home park fees, land rent, and utilities.

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## HOUSING PRODUCTION



### Permits<sup>★</sup>

Permits for construction of new housing units were up 3 percent in the fourth quarter of 2003 at a seasonally adjusted annual rate (SAAR) of 1,923,000 units and were up 5 percent from the fourth quarter of 2002. One-unit permits, at 1,509,000 units, were up 3 percent from the level of the previous quarter and up 8 percent from a year earlier. Multifamily permits (5 or more units in structure), at 333,000 units, were 8 percent above the third quarter of 2003 but 7 percent below the fourth quarter of 2002.

In 2003, permits for construction of 1,857,300 units were issued, 6 percent more than in 2002. Of these, 1,440,400 were for single-family units, an increase of 8 percent from the previous year. In 2003, 335,400 permits for multifamily units were issued, down 2 percent from 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,923	1,859	1,828	+ 3	+ 5
<b>ONE UNIT</b>	1,509	1,468	1,396	+ 3	+ 8
<b>TWO TO FOUR</b>	81	83	73	- 2 <sup>**</sup>	+ 11
<b>FIVE PLUS</b>	333	307	360	+ 8	- 7

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Starts★

Construction starts of new housing units in the fourth quarter of 2003 totaled 2,040,000 units at a seasonally adjusted annual rate, 8 percent above the third quarter of 2003 and 17 percent above the fourth quarter of 2002. Single-family starts, at 1,659,000 units, were 9 percent higher than the previous quarter and 18 percent above the fourth-quarter level of the previous year. Multifamily starts totaled 349,000 units, a statistically insignificant 8 percent above the previous quarter and a statistically insignificant 17 percent above the same quarter in 2002.

A total of 1,848,800 units were started in 2003. Of these, 1,498,500 were single-family units, and 316,600 were units in multifamily structures. These represent an 8-percent increase in total starts, a 10-percent increase in single-family starts, and a 3-percent increase in multifamily starts, compared with 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	2,040	1,884	1,743	+ 8	+ 17
<b>ONE UNIT</b>	1,659	1,523	1,410	+ 9	+ 18
<b>FIVE PLUS</b>	349	323	298	+ 8**	+ 17**

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Under Construction★

Housing units under construction at the end of the fourth quarter of 2003 were at a seasonally adjusted annual rate of 1,189,000 units, 6 percent above the previous quarter and 14 percent above the fourth quarter of 2002. Single-family units stood at 814,000, 6 percent above the previous quarter and 16 percent above the fourth quarter of 2002. Multifamily units were at 350,000, up 8 percent from the previous quarter and up 13 percent from the fourth quarter of 2002.

At the end of 2003, 1,150,000 units were under construction, of which 776,400 were single-family units and 349,000 multifamily units. Compared with 2002, these represent a 15-percent increase in total units, a 16-percent increase in single-family units, and a 14-percent increase in multifamily units.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,189	1,117	1,039	+ 6	+ 14
<b>ONE UNIT</b>	814	768	703	+ 6	+ 16
<b>FIVE PLUS</b>	350	325	309	+ 8	+ 13

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


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



## Completions\*

Housing units completed in the fourth quarter of 2003, at a seasonally adjusted annual rate of 1,711,000 units, were up a statistically insignificant 4 percent from the previous quarter and up 3 percent from the same quarter of 2002. Single-family completions, at 1,458,000 units, were up a statistically insignificant 6 percent from the previous quarter and up 8 percent from the rate of a year earlier. Multifamily completions, at 228,000 units, were a statistically insignificant 5 percent below the previous quarter and 20 percent below the same quarter of 2002.

In 2003, 1,677,700 housing units of all types were completed, including 1,386,200 single-family units and 260,100 multifamily units. Compared with the previous year, total completions are up 2 percent, single-family completions are up 5 percent, and multifamily completions are down 10 percent.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL</b>	1,711	1,653	1,657	+ 4**	+ 3
<b>ONE UNIT</b>	1,458	1,382	1,344	+ 6**	+ 8
<b>FIVE PLUS</b>	228	240	284	- 5**	- 20

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

\*\*This change is not statistically significant.


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



## Manufactured (Mobile) Home Shipments\*

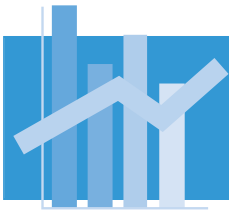
Shipments of new manufactured (mobile) homes were at a seasonally adjusted annual rate of 126,000 units in the fourth quarter of 2003, which is 5 percent below the previous quarter and 16 percent below the rate of a year earlier.

In 2003, 131,000 manufactured housing units were shipped, 22 percent fewer than the 2002 annual shipments.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>MANUFACTURERS' SHIPMENTS</b>	126	132	150	- 5	- 16

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

Source: National Conference of States on Building Codes and Standards



# HOUSING MARKETING




## Home Sales★

Sales of new single-family homes totaled 1,109,000 units at a seasonally adjusted annual rate (SAAR) in the fourth quarter of 2003, down a statistically insignificant 4 percent from the previous quarter but up 8 percent from the fourth quarter of 2002. The number of new homes for sale at the end of December 2003 was 382,000 units, an increase of 9 percent from the past quarter and up 11 percent from the fourth quarter of 2002. At the end of December, inventories represented a 4.3 months' supply at the current sales rate, up 13 percent from the previous quarter and up a statistically insignificant 8 percent from the fourth quarter of last year.

In 2003, 1,085,000 new houses were sold, up 12 percent from last year.

Sales of existing single-family homes for the fourth quarter of 2003 reported by the NATIONAL ASSOCIATION OF REALTORS® totaled 6,290,000 (SAAR), down 2 percent from the third quarter of 2003 but up 9 percent from the fourth quarter of 2002. The number of units for sale at the end of the fourth quarter of 2003 was 2,300,000, 4 percent below the previous quarter but 8 percent above the fourth quarter of 2002. At the end of the fourth quarter, a 4.3 months' supply of units remained, unchanged from the previous quarter and unchanged from the fourth quarter a year ago.

In 2003, sales of existing single-family homes rose to 6,100,000, up 10 percent over the past year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>NEW HOMES SOLD</b>	1,109	1,155	1,026	- 4**	+ 8
<b>FOR SALE</b>	382	350	344	+ 9	+ 11
<b>MONTHS' SUPPLY</b>	4.3	3.8	4.0	+ 13	+ 8**
<b>Existing Homes</b>					
<b>EXISTING HOMES SOLD</b>	6,290	6,423	5,747	- 2	+ 9
<b>FOR SALE</b>	2,300	2,400	2,130	- 4	+ 8
<b>MONTHS' SUPPLY</b>	4.3	4.3	4.3	—	—

\*Units in thousands.

\*\*This change is not statistically significant.

Sources: New: Census Bureau, 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 fourth quarter of 2003 increased to \$196,300, up a statistically insignificant 2 percent from the previous quarter and up a statistically insignificant 3 percent from the fourth quarter of 2002. The average price of new homes sold during the fourth quarter of 2003 was \$256,000, up a statistically insignificant 3 percent from the third quarter of the past year and up 10 percent from the fourth quarter a year ago. The price adjusted to represent a constant-quality house was \$223,300, unchanged from the third quarter of 2003 but up 5 percent from the fourth quarter a year ago. The values for the set of physical characteristics used for the constant-quality house are based on 1996 sales.

The annual median price of new homes in 2003 increased to \$193,400, up 3 percent from 2002. The annual average price was \$244,800, an increase of 7 percent from the past year.

The median price of existing single-family homes in the fourth quarter of 2003 was \$171,600, down 3 percent from the third quarter of 2003 but 7 percent above the fourth quarter a year ago, according to the NATIONAL ASSOCIATION OF REALTORS®. The average price of existing homes, \$218,400, decreased 2 percent from the previous quarter but was 8 percent greater than in the fourth quarter of 2002.

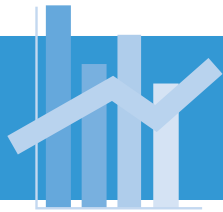
The annual median price of existing homes increased 7 percent to \$169,900 in 2003, while the average price rose to \$216,200, a 7-percent gain over the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>New Homes</b>					
<b>MEDIAN</b>	\$196,300	\$191,900	\$190,100	+ 2 **	+ 3 **
<b>AVERAGE</b>	\$256,000	\$248,100	\$232,500	+ 3 **	+ 10
<b>CONSTANT-QUALITY HOUSE<sup>1</sup></b>	\$223,300	\$222,300	\$213,200	—	+ 5
<b>Existing Homes</b>					
<b>MEDIAN</b>	\$171,600	\$176,900	\$161,000	– 3	+ 7
<b>AVERAGE</b>	\$218,400	\$223,000	\$202,700	– 2	+ 8

\*\*This change is not statistically significant.

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






## Housing Affordability

Housing affordability is the ratio of median family income to the income needed to purchase the median-priced home based on current interest rates and underwriting standards, expressed as an index. The NATIONAL ASSOCIATION OF REALTORS® composite index value for the fourth quarter of 2003 shows that families earning the median income have 139.1 percent of the income needed to purchase the median-priced existing home. This figure is up 2 percent from the third quarter 2003 index but down 1 percent from the fourth quarter of 2002.

The fourth-quarter increase in the housing affordability index is the result of changes in the market place. The national average home mortgage interest rate for existing single-family homes has increased 17 basis points from the previous quarter to an interest rate of 5.83 percent. The median price of existing single-family homes in the fourth quarter of 2003 decreased to \$171,600, a decline of 3 percent from the third quarter of 2003 but an increase of 7 percent from the fourth quarter of 2002. The median family income in the fourth quarter of 2003 rose just 0.7 percent from the previous quarter and 3 percent from last year's fourth quarter.

The fixed-rate index for the fourth quarter of 2003 increased 1 percent to 135.4 from the third-quarter 2003 index but decreased 2 percent from the fourth quarter of 2002.

From 2002 to 2003, the annual composite index increased 4 percent to 140.6 but the fixed-rate index declined 4 percent to 127.6 over the year.


	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>COMPOSITE INDEX</b>	139.1	136.6	140.2	+ 2	- 1
<b>FIXED-RATE INDEX</b>	135.4	134.2	138.6	+ 1	- 2
<b>ADJUSTABLE-RATE INDEX</b>	150.7	148.9	152.1	+ 1	- 1

Source: NATIONAL ASSOCIATION OF REALTORS®



## Apartment Absorptions

There were 42,500 new, unsubsidized, unfurnished, multifamily (five or more units in structure) rental apartments completed in the third quarter of 2003, down a statistically insignificant 15 percent from the previous quarter and down 31 percent from the third quarter of 2002. Of the apartments completed in the third quarter of 2003, 57 percent were rented within 3 months. This absorption rate is a statistically insignificant 10 percent below the previous quarter but a statistically insignificant 2 percent above the same quarter of the previous year. The median asking rent for apartments completed in the third quarter was \$914, which is a statistically insignificant 8 percent below the previous quarter but a statistically insignificant 2 percent above a year earlier.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
APARTMENTS COMPLETED*	42.5	50.0	61.7	- 15**	- 31
PERCENT ABSORBED NEXT QUARTER	57	63	56	- 10**	+ 2**
MEDIAN RENT	\$914	\$992	\$898	- 8**	+ 2**

\*Units in thousands.


\*\*This change is not statistically significant.

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



## Manufactured (Mobile) Home Placements

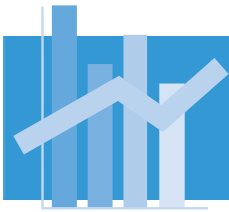
Manufactured homes placed on site ready for occupancy in the third quarter of 2003 totaled 131,000 at a seasonally adjusted annual rate, a statistically insignificant 2 percent below the level of the previous quarter and 29 percent below the third quarter of 2002. The number of homes for sale on dealers' lots at the end of the third quarter totaled 46,000 units, a statistically insignificant 4 percent below the previous quarter and 22 percent below the same quarter of 2002. The average sales price of the units sold in the third quarter was \$55,000, a statistically insignificant 1 percent above the previous quarter and 9 percent above the price in the third quarter of 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
PLACEMENTS*	131	133	184	- 2**	- 29
ON DEALER LOTS*	46	48	59	- 4**	- 22
AVERAGE SALES PRICE	\$55,000	\$54,000	\$51,000	+ 1**	+ 9

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

\*\*This change is not statistically significant.


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



## 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 indexes of housing market activity. (The index values range from 0 to 100.) The fourth-quarter 2003 value for the index of current market activity for single-family detached houses stood at 78, up 5 points from the third quarter and up 7 points from the fourth quarter of 2002. The index for future sales expectations, 80, was up 3 points from the third-quarter value and up 11 points from the 2002 same-quarter level. Prospective buyer traffic had an index value of 50, which is down 2 points from the third-quarter 2003 value but up 2 points from the 2002 fourth-quarter level. NAHB combines these separate indexes into a single housing market index that mirrors the three components quite closely. In the fourth quarter, this index stood at 71, up 3 points from the third-quarter level and up 7 points from the value in the fourth quarter of 2002.

Over all of 2003 the current sales index averaged 70, up 4 points from the previous year. The expected sales index had an annual average of 72, 3 points higher than in 2002. The prospective buyer traffic index averaged 47, virtually unchanged from the previous year. The composite index had an average of 64 in 2003, up 3 points from 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
HOUSING MARKET INDEX	71	68	64	+ 4	+ 11
CURRENT SALES ACTIVITY—SINGLE-FAMILY DETACHED	78	73	71	+ 7	+ 10
FUTURE SALES EXPECTATIONS—SINGLE-FAMILY DETACHED	80	77	69	+ 4	+ 16
PROSPECTIVE BUYER TRAFFIC	50	52	48	– 4	+ 4


Source: NAHB, Builders Economic Council Survey

# HOUSING FINANCE



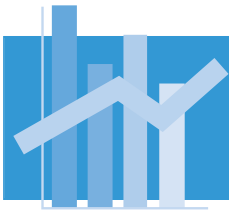
## Mortgage Interest Rates

The contract mortgage interest rate for 30-year, fixed-rate, conventional mortgages reported by Freddie Mac decreased to 5.92 percent in the fourth quarter of 2003, 9 basis points lower than in the previous quarter and 16 basis points lower than in the fourth quarter of 2002. Adjustable-rate mortgages in the fourth quarter of 2003 were going for 3.75 percent, 1 basis point above the previous quarter but 44 basis points below the fourth quarter of 2002. Fixed-rate, 15-year mortgages, at 5.25 percent, were down 9 basis points from the third quarter of 2003 and down 22 basis points from the fourth quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>CONVENTIONAL FIXED-RATE 30-YEAR</b>	5.92	6.01	6.08	– 2	– 3
<b>CONVENTIONAL ARMs</b>	3.75	3.74	4.18	—	– 10
<b>CONVENTIONAL FIXED-RATE 15-YEAR</b>	5.25	5.34	5.47	– 2	– 4
<b>FHA FIXED-RATE 30-YEAR*</b>	NA	NA	NA	NA	NA


\*Mortgage loan interest rate data on FHA-insured loans are no longer collected by the Department of Housing and Urban Development.

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 268,300 (not seasonally adjusted) properties in the fourth quarter of 2003, down 34 percent from the previous quarter and down 33 percent from the fourth quarter of 2002. Total endorsements or insurance policies issued totaled 333,100, down 10 percent from the third quarter of 2003 but up 15 percent from the fourth quarter of last year. Purchase endorsements, at 179,800, were up 9 percent from the previous quarter and up 9 percent from the fourth quarter of 2002. Endorsements for refinancings decreased to 153,300, a 25-percent decrease from the third quarter, but were up 23 percent from the fourth quarter a year ago.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>APPLICATIONS RECEIVED</b>	268.3	408.6	398.7	- 34	- 33
<b>TOTAL ENDORSEMENTS</b>	333.1	369.5	289.4	- 10	+ 15
<b>PURCHASE ENDORSEMENTS</b>	179.8	164.5	165.1	+ 9	+ 9
<b>REFINANCING</b>	153.3	205.0	124.2	- 25	+ 23


\*Units in thousands of properties.

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



## PMI and VA Activity\*

Private mortgage insurers issued 490,500 policies or certificates of insurance on conventional mortgage loans during the fourth quarter of 2003, down 28 percent from the third quarter of 2003 and down 25 percent from the fourth quarter of 2002; these numbers are not seasonally adjusted. The U.S. Department of Veterans Affairs (VA) reported the issuance of mortgage loan guaranties on 115,400 single-family properties in the fourth quarter of 2003, down 25 percent from the previous quarter but up 26 percent from the fourth quarter of 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL PMI CERTIFICATES</b>	490.5	680.2	653.8	- 28	- 25
<b>TOTAL VA GUARANTIES</b>	115.4	153.6	91.5	- 25	+ 26


\*Units in thousands of properties.

Sources: PMI, Mortgage Insurance Companies of America; and VA



## Delinquencies and Foreclosures

Total delinquencies were at 4.28 percent at the end of 2003's third quarter, down 7 percent from the second quarter of 2003 and down 8 percent from the third quarter of 2002. Ninety-day delinquencies were 0.80 percent, down 5 percent from the second quarter of 2003 and down 2 percent from the third quarter a year ago. During the third quarter of 2003, 0.38 percent of loans entered foreclosure, up 19 percent from the second quarter of 2003 and up 3 percent from the second quarter of the previous year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>TOTAL PAST DUE (%)</b>	4.28	4.62	4.66	- 7	- 8
<b>90 DAYS PAST DUE (%)</b>	0.80	0.84	0.82	- 5	- 2
<b>FORECLOSURES STARTED (%)</b>	0.38	0.32	0.37	+ 19	+ 3

Source: National Delinquency Survey, Mortgage Bankers Association




# HOUSING INVESTMENT



## Residential Fixed Investment and Gross Domestic Product\*

Residential Fixed Investment (RFI) for the fourth quarter of 2003 was at a seasonally adjusted annual rate of \$598.6 billion, 4 percent above the value from the third quarter of 2003 and 15 percent above the fourth quarter of 2002. As a percentage of the gross domestic product (GDP), RFI for the fourth quarter of 2003 was 5.3 percent, 0.1 percentage point above the previous quarter and 0.4 percentage point above the same quarter a year ago.

On an annual basis, RFI was \$562.8 billion in 2003, 12 percent above 2002. RFI represented 5.1 percent of GDP, a 0.3-point increase over 2002.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>GDP</b>	11,246.3	11,107.0	10,623.7	+ 1	+ 6
<b>RFI</b>	598.6	575.1	520.3	+ 4	+ 15
<b>RFI/GDP (%)</b>	5.3	5.2	4.9	+ 2	+ 8

\*Billions of dollars.

Source: Bureau of Economic Analysis, Department of Commerce




# HOUSING INVENTORY



## Housing Stock\*

At the end of the fourth quarter of 2003 the estimate of the total housing stock, 121,415,000 units, was up a statistically insignificant 0.3 percent from the third quarter of 2003 and increased a statistically insignificant 1.3 percent above 2002's fourth-quarter level. The number of occupied units increased a statistically insignificant 0.3 percent from 2003's third quarter and rose 0.5 percent above the fourth quarter of 2002. Owner-occupied homes increased a statistically insignificant 0.7 percent from the third quarter of 2003 and were up 1.0 percent above last year's fourth quarter. Rentals decreased a statistically insignificant 0.3 percent from the previous quarter and decreased a statistically insignificant 0.7 percent from the fourth quarter of 2002. Vacant units were up 0.2 percent from last quarter and increased 7.0 percent from 2002's fourth quarter.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>ALL HOUSING UNITS</b>	121,415	121,030	119,875	+ 0.3**	+ 1.3**
<b>OCCUPIED UNITS</b>	105,858	105,499	105,340	+ 0.3**	+ 0.5
<b>OWNERS</b>	72,650	72,178	71,903	+ 0.7**	+ 1.0
<b>RENTERS</b>	33,208	33,321	33,437	- 0.3**	- 0.7**
<b>VACANT UNITS</b>	15,557	15,531	14,535	+ 0.2	+ 7.0

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

\*\*This change is not statistically significant.


Source: Census Bureau, Department of Commerce



## Vacancy Rates

The homeowner vacancy rate, at 1.8 percent, decreased a statistically insignificant 0.1 percentage point from the third quarter of 2003 but was up a statistically insignificant 0.1 percentage point from the fourth quarter of 2002.

The 2003 fourth-quarter national rental vacancy rate, at 10.2 percent, increased a statistically insignificant 0.3 percentage point from the previous quarter and was up 0.9 percentage point from the same quarter of last year.

	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>HOMEOWNER RATE<sup>1</sup></b>	1.8	1.9	1.7	– 5 **	+ 6 **
<b>RENTAL RATE<sup>1</sup></b>	10.2	9.9	9.3	+ 3 **	+ 10

\*\*This change is not statistically significant.

<sup>1</sup>Major changes related to the survey effective with 1994 first-quarter data.


Source: Census Bureau, Department of Commerce



## Homeownership Rates

The national homeownership rate was 68.6 percent in the fourth quarter of 2003, up a statistically insignificant 0.2 percentage point from last quarter and up 0.3 percentage point from the fourth quarter of 2002. The homeownership rate for minority households, at 50.6 percent, increased 1.3 percentage points from the third quarter of 2003 and increased 0.9 percentage point from the fourth quarter of 2002. The 61.9-percent homeownership rate for young households was down a statistically insignificant 0.1 percentage point from the third quarter of 2003 and decreased a statistically insignificant 0.4 percentage point from 2002's fourth quarter.

For 2003 the homeownership rate for all households was 68.3 percent, up 0.4 percentage point from 2002.

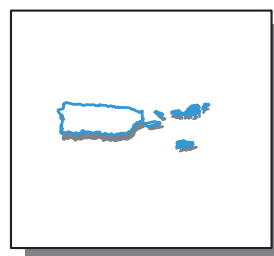
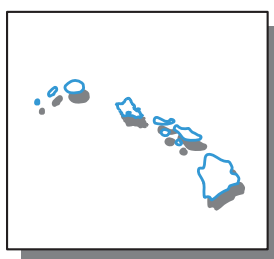
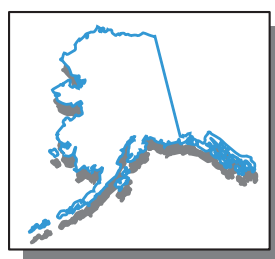
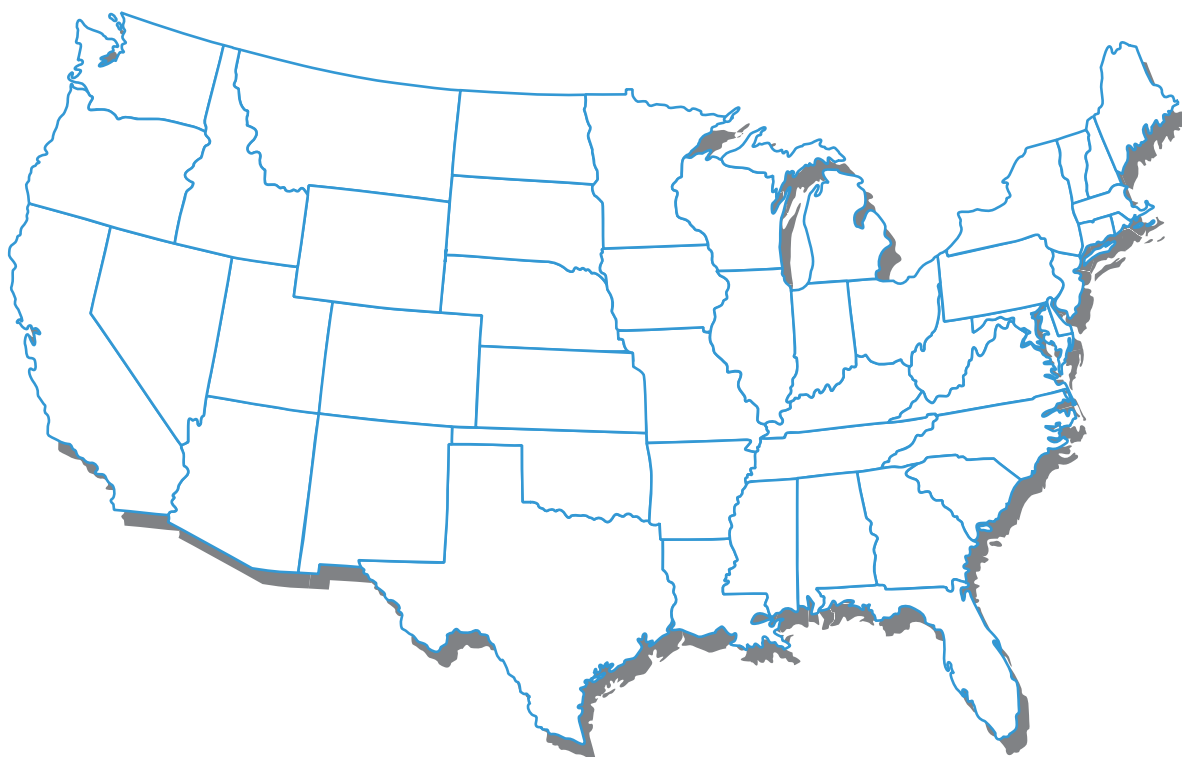
	Latest Quarter	Previous Quarter	Same Quarter Previous Year	% Change From Previous Quarter	% Change From Last Year
<b>ALL HOUSEHOLDS</b>	68.6	68.4	68.3	+ 0.3 **	+ 0.4
<b>MINORITIES</b>	50.6	49.3	49.7	+ 2.6	+ 1.8
<b>YOUNG MARRIED-COUPLE HOUSEHOLDS</b>	61.9	62.0	62.3	– 0.2 **	– 0.6 **

\*\*This change is not statistically significant.

Source: Census Bureau, Department of Commerce



# Regional Activity

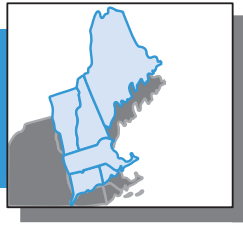


he following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included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



## Regional Reports

### NEW ENGLAND



Nonfarm wage and salary employment in New England declined by 54,000 jobs, or 0.8 percent, to 6,913,600 in the 12 months ending December 2003. Although the past several months saw an increase in nonfarm jobs, the level of employment still is 262,300 below the December 2000 peak employment level of 7,175,900. During the past year Massachusetts and Connecticut lost more than 60,000 jobs while the four other New England states posted small net gains totaling about 6,000 jobs. All states lost goods-producing jobs, primarily in manufacturing industries. Massachusetts and Connecticut, however, had the highest losses at 13,800 and 11,300, respectively. Rhode Island and Vermont, together, lost fewer than 1,000 goods-producing jobs. Losses in service-producing jobs were, again, limited to Massachusetts and Connecticut. The other four states, however, offset 43 percent of these losses with a gain of almost 15,000 jobs, led by 6,600 job gains in New Hampshire. Overall, Massachusetts and Connecticut had the highest rate of job losses in the region during 2003.

New Hampshire has made a dramatic sustained economic recovery since the recession of the early 1990s. With the restructuring of the state's economy from a manufacturing orientation to a more service-based job market, and the successful redevelopment of Pease Air Force Base in Portsmouth, not only has the economy of New Hampshire recouped jobs lost in the real estate bust and recession of the late 1980s and early 1990s, but also substantially eclipsed previous employment peaks with sustained employment growth. In the early 1990s the largest employers in the state were the manufacturing firms of Digital Equipment Corporation and Lockheed Corporation, together employing more than 12,000 persons. Today the two largest employers are Wal-Mart and Dartmouth-Hitchcock Medical Center, with combined employment of more than 15,000 persons. The conversion of Pease Air Force Base with 4,000 mili-

tary and civilian employees to Pease International Tradeport with 175 companies and more than 5,500 employees has produced a payroll estimated to be twice the previous military payroll at the base. The diversified technology sector and fortified service economy, supported by tourism and strong real estate markets, will continue to foster sustained levels of job growth.

The unemployment rate in New England as of December 2003 was 4.8 percent, unchanged from the last few months and from December 2002. Vermont posted the lowest unemployment rate in the region with 3.7 percent, up from 3.5 percent in December 2002 and recovering from several major job cuts at IBM in the Burlington area. New Hampshire has had the most dramatic decrease in the level of unemployment, decreasing more than 15 percent from December 2002 to December 2003. Massachusetts had the highest unemployment rate in the region at 5.3 percent, up from 5.1 percent in December 2002. In addition December was the first month in 9 years that the seasonally adjusted unemployment rate for Massachusetts was not below the national average.

The markets for commercial real estate are still soft in metropolitan Boston and some Connecticut markets. The office vacancy rate rose to 17.4 percent in Boston. Rents have been declining for the past 2 years and sources indicate that it will be 2005 at the earliest before the market shows any significant improvement. In Connecticut vacancy rates in Greenwich, Stamford, and Norwalk range from the teens to the low 20s. With average rents down 10 to 15 percent, substantial concessions are evident.

Residential building activity in New England, as measured by authorized building permits, was up about 6 percent through December 2003 compared to 2002. Considerable disparity exists, however, between the 1-percent decrease in single-family production and the 39-percent increase in multifamily construction. Single-family construction is down in four of the six states in the region. The only increases came in the northern New England states of Maine and Vermont, with 14 percent and 7 percent, respectively. The increased building activity is primarily in Bangor and Lewiston-Auburn, Maine and Burlington, Vermont. The increased levels of multifamily activity are mostly in markets in Massachusetts and Connecticut. Of the 6,547 multifamily units authorized in Massachusetts for 2003, 92 percent are located in the Boston metropolitan area or one of the smaller adjacent metropolitan areas of Lawrence, Lowell, or

Brockton. In Connecticut 44 percent of the multifamily units permitted were in the Hartford metropolitan area, due in part to increased rental production in the city of Hartford. The Bridgeport, Danbury, and Stamford-Norwalk areas also are recording increased activity.

Several sources indicate that an increasing number of the multifamily activity is in condominium developments. The very high prices for single-family homes have made condominiums an attractive alternative for buyers. In addition, demographics show that as those in the "baby boom" generation become empty-nesters, they tend to downsize their housing choices. Downtown Boston has a very active and strong condominium market with high presales, increasing prices, and successful sell-out rates. The growing pipeline includes more than 800 units planned in the Back Bay, downtown, and waterfront markets in the next few years. There has even been a trend lately to convert older, underutilized commercial properties in Boston to condominiums. Similar trends exist in Stamford, Connecticut. Small rental projects are being converted to condominiums and some larger proposed rental projects are considering conversion to condominiums.

For most of New England, excluding New Hampshire and Vermont where data was not available, sales of existing homes were up 14.8 percent as of the third quarter of 2003 compared to a year earlier. All four states had double-digit increases in sales, and Massachusetts led the market with a 16.4 percent increase according to the NATIONAL ASSOCIATION OF REALTORS®. Driven by lower interest rates and limited supply, increased pricing and equity growth have continued to buoy real estate sales, refinancing, and consumer spending. According to the Office of Federal Housing Enterprise Oversight (OFHEO), prices continue to rise significantly in New England. Rhode Island leads the region and the nation in price appreciation with a 12.4 percent increase, the only state with a double-digit increase. The top 13 positions are still held by 5 of the 6 New England states, with only Vermont having an appreciation rate under 7 percent. The national appreciation rate for the third quarter of 2003 compared to 2002 was 5.6 percent.

The metropolitan area with the highest level of appreciation in New England was New Bedford, Massachusetts at 12.9 percent. Located near Rhode Island in southeastern Massachusetts and with one of the lowest metropolitan median incomes in the region, this market has benefited from the trends of

movement away from the higher priced metropolitan areas to areas with more affordable inventory. Conversely, Stamford-Norwalk and Danbury, Connecticut, having the highest median incomes in the region, have the lowest rates of appreciation at 6.5 percent and 6.0 percent, respectively.

The Greater Hartford sales market enjoyed a robust year with total sales down only 1.5 percent. New listings grew by 6 percent and average time on the market increased by 3 days. The median price, however, increased 12 percent from \$185,000 in 2002 to \$206,500 in 2003. For 2003 Massachusetts sold record-breaking numbers of single-family homes and condominiums. During the year 66,364 homes and condominiums were sold, an 8 percent increase over 2002 and a 6 percent increase over the all-time record high of 62,662 sales in 1999. Single-family home sales increased by 4.9 percent in 2003 and the average sales price increased by 6 percent to \$366,777, one-half of the annual percentage increase from 2001 to 2002. Condominium sales increased 16 percent to 17,324 units in 2003 and the average sales price increased 10 percent to \$267,269. In the Greater Boston market single-family home sales were up only 3 percent to 11,616 units and the average sales price was up 6 percent to \$527,668. Condominium sales were up 18.8 percent to 7,664 units in 2003 with the average price rising to \$341,408, an increase of 6 percent. Low interest rates, trade-up equity, and tenure shift toward ownership continue to support the strong demand for sales housing not only in the Boston market but the entire state, despite the 3-year job losses and very slow recovery.

With the strong home sales and high prices in Massachusetts, foreclosures dropped for the third year in a row according to the Massachusetts Land Court. Foreclosures fell to 4,167 in 2003, a drop of 7.5 percent from the 4,506 foreclosures in 2002 and only about one-third of the recent record level of foreclosures, 12,150 in 1991.

New England rental markets, for the most part, remain stable. The primary exceptions are the Greater Boston metropolitan market and some Connecticut markets. Considerable job losses in eastern Massachusetts and Connecticut over the past several years, along with the homeownership impact of lower interest rates, have reduced the short-term demand for rental housing. Low demand has not been a concern because very tight markets caused double-digit rent increases for several years in the late 1990s.



An increasing number of apartment developments are entering the production pipeline. An estimated 5,600 new apartment units came on the market in the past 2 years, and 3,100 units are anticipated in 2004. Vacancy levels have been increasing for the past 2 years and rent levels have been down during this period. Although the current vacancy rates are in the range of 5 to 6 percent, they are representative of a balanced market in a moderately growing area. These rates, however, are higher than property owners and managers consider optimum.

The recent release of a study conducted by the University of Massachusetts Donahue Institute indicated that 600,000 Massachusetts households spend more than 30 percent of their income on rents or mortgages, and 250,000 spend more than 50 percent. As a response to these conditions, the Governor has pledged \$100 million to build 5,000 units of mixed-income housing over the next 3 years. The funds from the state are expected to leverage as much as \$1 billion in additional resources.



Although economic conditions in the New York/New Jersey region improved slightly during the latter part of the year, total nonfarm employment in the two-state region declined by 25,200 to 12,408,700 jobs in the 12 months ending December 2003. Total nonfarm employment in New York declined to 8,398,300, or a net loss of 41,800 jobs for the year. Most of these losses were the result of the economic situation in New York City. Despite a continuing decline in employment levels in New York State, the rate of loss is slowing due to various factors, including low interest rates, an improving stock market, and a strong market for sales housing throughout much of the state.

The downstate New York economy relies on healthy conditions in the financial and stock markets. During 2003 total nonfarm employment in New York City declined by approximately 47,000 jobs. This loss is significantly lower than in 2002, when the city lost more than 100,000 jobs because of a decline in the stock market and business relocations out of the city in the aftermath of September 11.

The resumption of the Port Authority Trans-Hudson (PATH) train service between New York and New Jersey should benefit both lower Manhattan and suburban New Jersey. During the fourth quarter of 2003 the Federal Reserve Bank of New York reported slowly improving Wall Street employment. Bonuses, an integral part of the typical compensation package, are expected to increase 18 to 20 percent above the levels in 2002.

In 2003 total nonfarm employment in New Jersey increased to 4,010,400 jobs; a increase of 16,600 or 0.4 percent compared with 2002 employment. This small rate of increase masks the loss of approximately 12,000 jobs in the manufacturing sector. During 2003 service sector employment in New Jersey increased by 26,200 jobs, or 0.8 percent over the previous year. Employment levels also increased in professional and business services; retail trade; trade, transportation, and utilities; and state and local government.

In Upstate New York, Eastman Kodak Company, headquartered in Rochester, recently announced plans to eliminate another 12,000 to 15,000 jobs in its total workforce over the next 3 years. The impact on the Rochester metropolitan area, however, is not known at this time.

The average unemployment rate in 2003 for New York State was 6.1 percent, down from 6.3 percent a year earlier. The rate in New York City dropped to 7.8 percent as of December 2003, down from 8.3 percent in December 2002. Similarly, the unemployment rate in New Jersey decreased from 6.0 percent to 5.4 percent during the same period.

Demand for commercial office space in both New York and New Jersey remains soft, with an oversupply of available lease space. Although a marginal improvement in absorption rates occurred during the last quarter of the year, leasing firms continue to offer incentives and price concessions.

The New York City housing market continued to improve into the fourth quarter of 2003 according to reports from the firm of Douglas Elliman. Sales of smaller, less-expensive units continued to be strong. The sale of larger, more-expensive apartments also improved.

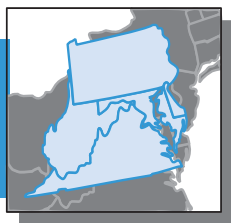
In the Albany-Schenectady-Troy metropolitan area, existing single-family sales activity for the 12 months ending in November 2003 increased approximately 1 percent to 8,869 homes. Median sales prices increased in all six counties in the metropolitan area. The most active markets were Albany



County, where the median sales price increased 13 percent to \$146,000, and Saratoga County, with a 9-percent increase in the median sales price to \$180,000. According to the Buffalo-Niagara Association of REALTORS®, 10,236 existing homes were sold during 2003, the highest level of sales activity since the association began keeping records in 1992. Continued strong residential housing sales activity is expected in 2004. In the Rochester area the median sales price of an existing home in 2003 increased 6.4 percent to \$102,000. Total existing sales volume increased by 2 percent to 11,350 units.

In 2003 residential building permit activity in the New York/New Jersey region totaled 82,367 units, or a 4-percent increase over 2002. A total of 49,998 residential building permits were issued in New York, a 1-percent increase over the previous year. In New Jersey, permits were issued for 32,369 units, an 8-percent increase compared with 2002 levels. During 2003, single-family permit activity in the region declined 4 percent to 45,449 units but multifamily activity increased to 36,918 units, primarily due to a 36-percent increase in New Jersey.

## MID-ATLANTIC



Employment in the Mid-Atlantic region continued to decline by small increments. During the 12 months of 2003 nonfarm employment declined by 0.2 percent, or 30,925 jobs, to approximately 13.4 million. The Washington, DC metropolitan area continued to record small gains of less than 1 percent because of increases in the professional and business services, government, and financial activities sectors. The strength in the metropolitan area derived from small gains in the suburban Maryland and Virginia areas, offsetting the loss of 3.5 percent of the jobs in the District of Columbia during 2003. Job losses in Pennsylvania and West Virginia held steady at 0.3 and 0.4 percent; but, continued losses in Delaware's manufacturing and government sectors during the period increased to 0.5 percent.

Changes in unemployment rates among the states were minimal, with increases or declines of less than 0.2 percent. Virginia recorded a 0.2-percent decline in the unemployment rate primarily because of employment increases in the Northern Virginia portion of the Washington metropolitan area. Unemployment rates remained steady in other major metropolitan areas in the region, with the exception of Pittsburgh.

Overall the market for new homes remained very strong in 2003. Approximately 116,560 single-family building permits were recorded during 2003. Only Delaware recorded an increase in single-family activity, 13 percent over 2002. All but two of the region's larger metropolitan areas registered declines in single-family building permit activity, ranging from 3 to 12 percent. In both the Norfolk and Washington metropolitan areas, the number of permits increased but the rate of increase was slower than before. The number of units in each of these areas during 2003 was only 3 percent greater than in 2002, compared to increases of 8 and 5 percent, respectively, between 2001 and 2002.

Interest rates have remained at levels that continue to support sales of existing homes. The Virginia Association of REALTORS® reported existing home sales in the state totaling 122,750 for 2003. Sales were 10.4 percent greater than 2002, and the median sales price rose 10 percent to \$167,750. After an increase in sales of 13 percent between 2001 and 2002, existing home sales in the Richmond metropolitan area increased 12 percent in 2003. The Northern Virginia area continues to lead the state in both sales volume and prices. Of the total existing home sales in Virginia in 2003, 31 percent were in the Northern Virginia suburbs, an increase of 12 percent. The median sale price in the Northern Virginia area rose to \$313,850, slightly more than 15 percent higher than a year earlier.

This year has also been good for sales in the state of Maryland. The Maryland Association of REALTORS® reported that sales for 2003 totaled 90,200, an increase of 9 percent compared with the 4-percent increase recorded for 2002. During 2003 the median sales price of an existing home rose 15 percent to \$199,100. Sales in the Baltimore metropolitan area increased 8 percent in 2003 and the median sales price of \$171,100 was 15 percent higher. Sales in Pennsylvania for the 12-month period ending September 2003, the most recent data available, increased 8.5 percent, with the average price up 17 percent over the comparable period in 2002. Sales in the Philadelphia and Reading metropolitan areas





accounted for more than 40 percent of the sales in the state and were 13 percent greater than in the comparable period ending in 2002. The rise in interest rates has had little impact on demand.

Construction of apartments in the Mid-Atlantic region, as measured by multifamily building permit activity, declined slightly in 2003. The 26,630 multifamily units permitted were 2 percent below the number for 2002. The decline was most evident in Virginia where 4,000 fewer units were permitted than in the previous year. The number of units in Delaware increased by 150 percent, on a small base, with more than 80 percent of the units located in suburban New Castle County.

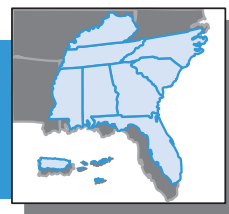
Rental market conditions in the largest metropolitan areas in the region continue to tighten. According to The Delta Associates, the overall vacancy rate for Class A apartments in the Philadelphia metropolitan area was 6.8 percent, down from 9 percent at the end of 2002. Rates remain the highest in Chester County, Pennsylvania, and Camden County, New Jersey, at 13 and 8 percent, respectively, where new units are currently being absorbed. Overall vacancies in Class A high-rise properties in Philadelphia's Center City declined to 7.6 percent from 10.8 percent in 2002. Three developments are in active marketing as of the fourth quarter and another, a 300-unit high-rise, has begun pre-leasing. The reported absorption rate for recently completed developments in Center City was 15 units per month. In the metropolitan area, there are an estimated 3,900 new units, either under construction or in planning, expected to enter the market during the next 36 months.

In the Baltimore metropolitan area, the overall vacancy rate in Class A properties at the end of 2003, including those in leasing stages, was 5.7 percent, down from 10.6 percent reported at the end of the fourth quarter of 2002. Vacancies were highest in the north and northeast areas of Baltimore County as approximately 800 units were absorbed. Baltimore's downtown market has tightened, but an apartment vacancy rate of 7.8 percent was recently reported for the market. Approximately 3,600 units are in the development pipeline.

The overall vacancy rate in existing Class A garden-type developments in the Washington metropolitan area suburbs remained relatively stable at 7.5 percent as approximately 1,600 units are in leasing stages; rates increased slightly to 8 percent in the Northern Virginia suburbs and declined to 6.9 percent in the Maryland suburbs. The supply of garden units under construction and in planning

in the Washington suburbs and expected to come on the market over the next 36 months is reported to be 11,900 units, with almost two-thirds located in the Northern Virginia submarket. An additional 10,400 mid- and high-rise units are reported under development in the Maryland and Northern Virginia suburbs, with slightly more than one-half of those located in Maryland, principally Montgomery County. The vacancy rate in Class A high-rise developments in the Northern Virginia market declined to 3.3 percent from 10.1 percent at the end of 2002 as new units were absorbed. Rates have risen in Montgomery County. Delta Associates reports a year-end vacancy rate in the high-rise developments in the Bethesda area of 34.7 percent due to the significant numbers of new units entering the market. The rate in Class A high-rise developments in the District of Columbia as of December was 26.5, reflecting the approximately 900 new units on the market. Another 1,900 units are expected to begin marketing in 2004. As a result of the more competitive conditions, pipeline activity has dropped to 1,200 units as several developments switched from rentals to condominiums.

## SOUTHEAST/ CARIBBEAN



Nonfarm employment in the Southeast declined by 87,600 jobs, or less than 1 percent, to approximately 24.1 million during 2003. Manufacturing employment continues to decline and any gains come from the services-producing sectors. The unemployment rate was 5.4 percent, down from 5.7 percent a year earlier. Only Florida and Georgia registered jobs gains.

In Florida trends in employment point to the possibility of a growing recovery. Nonfarm employment in Florida averaged 7,301,200 for 2003, an increase of 96,500, or 1.3 percent. Between 2001 and 2002 nonfarm employment increased only 0.5 percent. Tourism shows signs of recovery, with employment in this sector increasing both numbers of jobs and the rate of increase. In South Florida seasonal hiring is reported to be stronger than it has been for several years. Unemployment

averaged 5.2 percent statewide for 2003. Nonfarm employment in Ft. Lauderdale in 2003 increased 11,700 jobs, or 1.7 percent over last year. More than half of this increase can be attributed to local government, which increased by 6,000 jobs during the past year. Educational and health services accounted for another 2,300 jobs. The annual average unemployment rate was 5.7 percent in the fourth quarter, down from 6.0 percent a year ago. In West Palm Beach employment increased by 15,900 jobs, or 3 percent, over last year. The annual average unemployment rate was 5.6 percent, down from 5.9 last year.

Nonfarm employment in Georgia during 2003 increased 0.8 percent, or 31,900 jobs, over 2002. As has been typical during the recovery, employment growth for the state has been the net result of gains in the service-providing sector offsetting losses in the goods-producing sector. During the year employment in the Atlanta metropolitan area increased by 31,700, the result of a gain of 34,700 service-providing jobs and the loss of 3,000 goods-producing jobs. All of the state's other metropolitan areas, except Columbus, recorded gains in nonfarm employment for the year. In Columbus, employment fell 1.6 percent, a result of continued losses in the textile industry.

Throughout much of the Southeast region in 2003, employment increases in services-producing sectors of the economy have been offset by the continued losses in manufacturing. For 2003, nonfarm jobs in Alabama averaged 1,874,800, a decline of 11,900 jobs, or 0.6 percent, from 2002. The loss can be traced to the 11,100 decline in manufacturing. The unemployment rate of 5.7 percent was down only slightly from year ago. North Carolina continues to record declines in nonfarm employment but at a much slower rate. In 2003 employment was down a slight 0.2 percent to 3,835,100. In Puerto Rico the economy has stabilized in recent months, growing by some 2 percent during 2003. This slight growth is an improvement over 2002 when the economy remained flat. Tourism is showing signs of improvement. Hotel occupancy rates have been increasing.

Nonfarm employment in Mississippi in 2003 remained virtually unchanged from 2002 as gains in service-providing activities were offset by continued losses in goods-producing activities. Employment in the state's manufacturing sector continues to decline with 8,900 fewer workers during the last 12 months.

In the Southeast region building permits were issued for approximately 412,835 single-family

units in 2003, an increase of approximately 12 percent from 2002. Multifamily permit activity in the Southeast declined 6 percent to 103,405 units, as activity was cutback in some markets because of softer rental market conditions and large existing pipelines. The common story across much of the region is that demand for homes continues to be very strong. Demand for new rental units remains stable in some markets but generally it is down because of substantial excess supplies from high production in recent years; the continued low mortgage interest rates and the shift of renter households to homeownership; and a reduction in the growth of new renter households due to the current situation of the economy.

The number of single-family building permits issued in Mississippi during 2003 was 20 percent higher than in 2002 but multifamily units fell 27 percent. Multifamily activity in both Jackson and the Gulf Coast areas is down considerably compared to production during the past 8 years. In Tennessee single-family activity increased 10 percent, while the number of multifamily units fell 7 percent. Single-family permit activity was 14 percent higher. Data available from the Alabama Real Estate Research and Education Center indicate that single-family home sales in the first 11 months of 2003 totaled 43,478, an increase of 21 percent compared with the same period in 2002. The number of units authorized by building permit in 2003 increased 7 percent in Kentucky compared with 2002. Multifamily permit activity remained unchanged compared with a 15-percent increase between 2001 and 2002.

Housing production in Florida, as measured by building permits, increased to 211,078 units, or an increase of 16 percent compared with 2002. Single-family activity in 2003 totaled approximately 155,050 homes for a 22-percent increase over last year. According to the Florida Association of REALTORS® 203,243 existing homes were sold during 2003, an increase of 13 percent from a year ago. The Tampa and Orlando metropolitan areas led the larger metropolitan areas with increases of 18 and 15 percent, respectively.

Sales of existing homes in the West Palm Beach metropolitan area totaled 15,417 during 2003, an increase of 4 percent over 2002, according to the Florida Association of REALTORS®. Strong demand has pushed the median price of a single-family existing home to \$241,300, according to the Florida Association of REALTORS®, 24 percent higher than



during 2002. The median price for new single-family homes also rose 17 percent during the year to \$266,833.

According to the South Carolina Association of REALTORS® 50,098 existing homes were sold in the state in 2003, a 16-percent increase compared with 2002. The median price increased 10 percent to \$136,000.

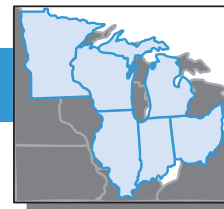
Multifamily production in Florida increased slightly to 56,026 for 2003, up from 55,256 for 2002, following a record year last year. Building permit activity in Ft. Lauderdale totaled 8,363 for 2003, a decline of 30 percent from 2002. Both single-family and multifamily activity showed marked declines. The significant decline in multifamily activity is not surprising given the softer conditions in the rental market during the past year. The decline in apartment activity is even greater, since a number of the multifamily permits are for condominium developments.

According to Marcus & Millichap, condominiums are expected to dominate the multifamily construction pipeline in 2004.

Marcus & Millichap predicts that the return of more rapid employment growth in the Atlanta area will help offset the effects of past high apartment construction activity. The overall apartment vacancy is expected to remain unchanged at 11 percent, though improved occupancy is forecast for some submarkets.

In Greenville, South Carolina the apartment market soft conditions continue as the area loses manufacturing jobs. According to the 2003 Carolina Real Data Apartment Index, the apartment vacancy rate as of November was 12.5 percent compared to 10.7 percent in November 2002. The vacancy rate is expected to remain at 12 percent or higher for at least the next 12 months. Multiple Listing Service data published by the North Carolina Association of REALTORS® show statewide residential home sales for the first 11 months of 2003 increased 16 percent over the first 11 months of 2002. Statewide average sales prices increased from \$179,713 for the period in 2002 to \$185,130 for 2003, a 3-percent increase. According to the Carolina Real Data Apartment Index, the apartment vacancy rate in the Jacksonville, Florida metropolitan area increased to 8.3 percent and is expected to remain between 8 and 10 percent over the next 6 months.

## MIDWEST



According to July 1, 2003 population estimates released by the Census Bureau, the population of the Midwest region reached 50.9 million, or an increase of 0.5 percent annually since the 2000 Census and half the rate for the nation as a whole.

The slower population growth mirrors recent trends in the economy. Average employment in the Midwest region totaled approximately 25 million in 2003, essentially unchanged since 2002. Minnesota, Indiana, and Wisconsin registered unemployment rates for the year of 4.5, 5.0, and 5.5 percent, respectively, while Ohio, Illinois, and Michigan, had unemployment rates of 6.0, 6.6, and 7.0 percent, respectively.

Nonfarm employment also was unchanged at approximately 24 million during 2002 and 2003. Only the educational and health services sector posted any significant gain, with an increase of 47,000 jobs during 2003. The manufacturing sector registered the largest absolute decline in employment of 113,300 jobs or 2.9 percent. Manufacturing employment declined in all the Midwest states at rates ranging from 2.0 percent in Indiana to 3.5 percent in Ohio.

In spite of the lack of employment gains, single-family permit activity increased in all the states. Permits for 220,519 single-family units were issued during 2003, which is 7 percent above 2002. Minnesota and Wisconsin led with gains of 15 and 10 percent, respectively. The remaining Midwest states had annual single-family permit increases between 4 and 6 percent of the previous year's totals.

Continued low interest rates have helped sustain demand for both new and existing homes in most sales markets in the Midwest region. The Ohio Association of REALTORS® reported an 8-percent increase in sales activity through the first 11 months of 2003 and a 4-percent increase in the average sale price to \$148,716 compared with the same period in 2002. According to the Michigan Association of REALTORS®, sales activity was on a record pace. In the first 10 months of 2003 sales

were up 5 percent compared with the same period in 2002. The average sales price rose 5 percent to \$145,106. Sales activity has been greatest in Macomb County, Grand Rapids, and western Wayne/Oakland Counties.

The Illinois Association of REALTORS® expects 2003 to be a record-breaking year as a result of sales through November 2003 totaling 111,836, up 6 percent from this time last year. Fueled by strong demand, the median sales price in the first 11 months of 2003 increased by 7 percent to \$171,700. The strong demand for existing homes in the Chicago area boosted the median sales price to \$249,100, up 8 percent. The Rockford and Peoria areas recorded similar gains in median sales prices of 9 and 6 percent, respectively. The Minneapolis Area Association of REALTORS® reported that existing sales in 2003 in the Minneapolis-St. Paul market exceeded the 2002 total by 10 percent, and average sales price increased 11 percent.

The REALTORS® Association of South Central Wisconsin reported that the Madison area's 2003 home sales of 5,536 broke the record of 5,261 sales previously set in 2002. Low interest rates and a strong economy with an increase of more than 20,000 jobs since 2000 are the main factors behind Madison's strong housing market. The median sales price of existing homes reached \$189,900 and increased by 7 percent during 2003. The Greater Milwaukee Association of REALTORS® reported record sales of existing housing in 2003 with 19,358 units, a 5-percent increase over the 18,479 sales for 2002. Homes in the \$100,000 to \$150,000 range form the strongest segment of the market.

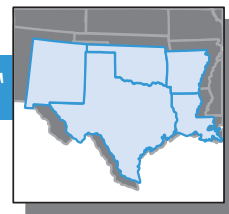
Multifamily activity in the Midwest region during the 12 months ending December 2003 totaled 64,365 units, only 1 percent below activity in 2002. Multifamily activity declined by 13 percent in Ohio. The drop is consistent with the decline in renter demand with the slower economy and the more competitive market conditions and increased inventory of new units during the past 2 years. Activity increased 13 percent in Illinois. Much of the gain is attributed to condominiums and townhomes for sale in the Chicago area.

Rental vacancy rates in many of the markets in the region have risen during the past 12 months because of competition from the sales market, lack of growth in renter demand due to slow economy and job losses, and continued apartment construction. According to Hendricks & Partners, apartment vacancy rates as of the third quarter of 2003 were up in the Chicago, Cincinnati, Columbus, Detroit,

Indianapolis, Milwaukee, and Minneapolis-St. Paul markets compared with third quarter of 2002. The Cleveland market posted a slight decline in the vacancy rate as fewer new units entered the rental market this year. The vacancy rate in downtown Cleveland, however, increased to 14 percent as some new housing product was added. Rent increases in all these markets were less than 1 percent for the 12 months ending September 2003.

The market for affordable rentals in most housing markets is generally tighter than in market-rate rentals because this segment of the market has not been affected by the shift to homeownership or the economic slowdowns.

## SOUTHWEST

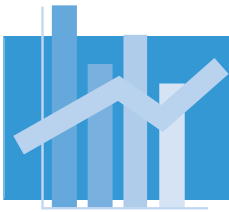


Economic conditions in the Southwest are improving and employment gains were reported during the last quarter of 2003. Nonfarm employment in the region averaged 14.7 million in 2003, an increase of 21,900 jobs compared with nearly 129,000 jobs lost in 2002. Gains in education and health services, construction, and government offset significant declines in information, manufacturing, and natural resources and mining. The outlook for substantial employment gains in the short run remains uncertain.

Employment continued to increase in Texas, New Mexico, and Arkansas in 2003. The number of jobs was 18,600 higher in Texas and 12,200 higher in New Mexico over the past year. Based on a decline in the rate of employment losses, conditions improved in Oklahoma and Louisiana. If conditions continue at the present trend, Louisiana may register an increase in employment by mid-2004, the first time in almost 3 years. In Oklahoma the job loss had slowed in 2003 to only one-third of that for 2002. If the trend continues a net increase in new employment may be evident by the third quarter of 2004.

An encouraging development is occurring at the Port of Houston Authority, which is beginning a \$1.2 billion expansion. The first two phases of the project at the nation's second biggest port should generate 24,000 construction jobs and 28,000





permanent jobs, according to local sources. The entire project will double the port's capacity and take 15 to 20 years to complete.

Despite a weak economy, single-family construction in the Southwest region continued at a record pace. The shift to homeownership by many renters has resulted in softer rental markets in many of the major metropolitan areas. With industry experts predicting continued high levels of single-family construction through 2004 and continued low home mortgage interest rates, most rental markets are expected to become even softer.

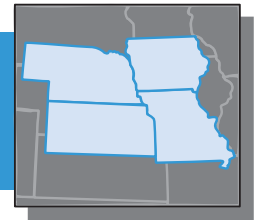
All states in the region posted increases in single-family permit activity of 9 percent or higher in 2003. Activity set a new record in New Mexico and Texas. There is some possible softness in the market for new homes in the Albuquerque area as evidenced by increased advertising of "immediate move-ins." Throughout the region, permits were issued for 183,625 single-family homes in 2003, an 11-percent increase. Almost 500,000 single-family permits have been issued during the past 3 years, increasing the rate of homeownership in the region, but also increasing the supply of single-family homes available for rent. Strong demand in Texas in 2003 resulted in more than 211,000 home sales. The average sales price was up 3 percent over 2002.

Multifamily permits were issued for 53,683 units in the Southwest region in 2003, a 3-percent increase over 2002. Within the region, Louisiana and New Mexico recorded declines in activity in 2003, while Arkansas and Texas each had a modest increase of approximately 3 percent. In Oklahoma, activity increased 32 percent on a very small base. Multifamily permit activity in the Houston metropolitan area increased 36 percent for 2003. The change in permit activity in the other large metropolitan areas in the region ranged from no change in the Dallas area to a decline of 59 percent in the Austin metropolitan area.

Rental market conditions throughout the Southwest remained soft. Apartment occupancy in both the Dallas and Fort Worth metropolitan areas is below 88 percent. In the Houston metropolitan area occupancy as of the end of 2003 is 89 percent and falling. Occupancy is 89 percent in the Tulsa and Austin market areas and 90 percent in San Antonio. Oklahoma City has a 91 percent occupancy rate. Rent concessions abound throughout the metropolitan areas in the region, including up to 2 months free rent for a 15-month lease, a "\$99

move-in" offer, and a 5-percent reduction for a corporate employee. Rents in 2003 have remained flat or declined in most major metropolitan areas. Unless the economy improves dramatically and the volume of apartment construction slows significantly, rental markets throughout the region will continue to soften in 2004.

## GREAT PLAINS



The economy in the Great Plains shows signs of rebounding. Nonfarm employment in the region averaged 6.4 million employees in 2003 compared to 6.3 million in 2002. Employment increases occurred primarily in the construction, health care and social assistance, and hospital sectors. The rate of job losses slowed in manufacturing in 2003, down 2 percent last year compared with 3 percent in 2002. Nonfarm employment held steady in the Kansas City and Omaha metropolitan areas and increased by 2 percent in Des Moines. Employment in St. Louis declined 1.0 percent, with job losses occurring primarily in durable goods and transportation. Significant gains, however, arose in wholesale and retail trade. Despite continued losses in the manufacturing sector across the region, manufacturing employment increased an impressive 2 percent in Kansas City, driven by transportation equipment manufacturing. Due to the strengthening labor market, the average annual unemployment rate in the region decreased from 4.8 percent in 2002 to 4.5 percent in 2003, well below the national unemployment rate of 5.7 percent.

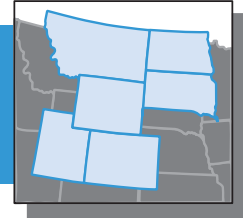
Low mortgage interest rates continued to drive the demand for homes throughout the region during 2003. Approximately 53,500 single-family permits were issued region wide in 2003, up 15 percent compared with 2002. In Kansas City, more than 11,000 single-family permits were issued in 2003, up 10 percent. Activity in St. Louis increased 9 percent, or 12,000 permits, while Omaha recorded a 17-percent increase, or 5,000 permits. Despite a declining economy, single-family permit activity increased 3 percent in Wichita.

Existing home sales in the Kansas City area totaled 28,000 in 2003, up 11 percent compared with 2002. The average sales price was \$146,500, an 11-percent annual increase. Sales of new homes in Kansas City increased 17 percent with average sales prices reflecting an annual 4-percent increase to \$237,000. In St. Louis, existing home sales rose 11 percent in 2003 to 35,000 units sold at an average sales price of \$134,000, a 6-percent increase.

In Lincoln, Nebraska existing sales increased 3 percent in 2003 compared with 2002 to 3,300 units sold, and the average sales price rose 6 percent to \$132,500. New home sales increased 29 percent to 1,076 new units sold at an average sales price of \$183,500, a slight increase in price of 2 percent. Omaha experienced a 4-percent growth in existing sales with an average sales price of \$144,265, up 5 percent in 2003 compared with 2002. Sales of newly constructed units increased 7 percent in Omaha while the average sales price increased 10 percent to \$248,500. Region wide multifamily permit activity declined in 2003, down 9 percent to 14,400 permits issued compared with 2002. The drop represents the second straight year of declines in multifamily activity in the Great Plains. The fall in activity occurred in all metropolitan areas in the region except for the university localities of Columbia, Missouri and Iowa City, Iowa. In St. Louis, multifamily permit activity was down 8 percent and activity was down 9 percent in Kansas City to 2,900 units. The declines reflect the continued softer market conditions resulting from a continued lack of growth in rental demand as renters shift to homeownership and oversupply.

The rental vacancy rate in the St. Louis metropolitan area has remained relatively unchanged from 2002 through 2003, at 9 percent. In the Kansas City area the rental vacancy rate improved to 10 percent compared with a high in 2002 of nearly 12 percent. The rental vacancy rate in Omaha has remained at about 7.5 percent over the past year, while rates have increased to 6 percent in Lincoln and Des Moines. The vacancy rate in Wichita has remained at 8 percent for the past 2 years.

## ROCKY MOUNTAIN



As of the fourth quarter of 2003 the economic situation had improved in Colorado and Utah, the region's two largest states, while modest job gains were typical in the remaining states. The average nonfarm employment for Colorado for 2003 was down 0.8 percent from 2002, a disappointing second consecutive decline but considerably better than the 1.9-percent loss posted in 2002. The 0.6-percent gain in 2003 in Wyoming was the fastest growth rate of the states in the region, as the rate of growth remained relatively unchanged in South Dakota, Montana, and North Dakota. Low unemployment rates have continued in most of the region. In December 2003, North and South Dakota had the lowest rates in the nation, while Colorado's 5.8-percent rate inched just above the U.S. rate. Rates in Montana, Utah, and Wyoming remained in the 4 to 5 percent range.

Following an unprecedented 2 consecutive years of decline in nonfarm jobs, the Colorado economy appears headed for improvement in 2004. The telecommunications sector is still losing jobs, but other high-technology employers are beginning to expand the number of jobs. Aerospace firms have announced hiring plans, and a recent boost in state revenue shows that many sectors are on the road to recovery. Early returns from the ski industry are disappointing, but visits from out-of-state skiers, who spend more money than Front Range day skiers, actually are up from last year. Montana's construction industry is booming, particularly in the state's metropolitan areas. Proposed expansion of area available for natural gas drilling could jump-start this sector in other areas of the state. The health of the farm sector has helped manufacturers in North Dakota weather the recent downturn in this industry nationwide, but major expansions remain unlikely. South Dakota's economy should continue its moderate growth, but recent cutbacks at Gateway will dampen growth in the Sioux Falls area. Layoffs at Southwest Airlines and Unisys threaten the fragile recovery in Utah, but nonresidential construction has been boosted by two major hospital construction projects. Wyoming's mining sector has helped this state sur-



vive the recent recession without an actual job decline in either of the past 2 years. Modest growth should continue.

Recently released Census Bureau population estimates as of July 2003 reveal a slowdown in growth in the region. The 1.4-percent increase in Utah from July 2002 was the greatest in the region and the eighth fastest in the nation. Domestic migration to the region is down dramatically but offset by international in-migration. All states except Montana experienced domestic out-migration, but international in-migration in Colorado, South Dakota, and Wyoming more than offset the losses. North Dakota and Utah also registered out-migration during the 12 months ending in July 2003.

As in 2002, total residential building activity for the region was down in 2003, the net result of a major cutback in multifamily activity in Colorado that offset gains in single-family activity in the remaining states. The drop in multifamily permits in Colorado of more than 53 percent was joined by declines of 5 percent in Montana, 11 percent in North Dakota, and 8 percent in South Dakota. Multifamily permit activity was actually up in Utah and Wyoming. In the single-family sector, Colorado posted a decline of 5 percent during 2003, matching the decline during 2002. Other states posted increases, which ranged from a modest 3-percent gain in South Dakota to an increase of almost 24 percent, on a small base, in North Dakota.

Sales market conditions have softened in many of the major markets in the region, producing a buyer's market. Buyers now approach new homebuilders expecting free upgrades or other incentives or making offers to sellers of existing homes well below listing prices. Kitchen upgrades, home theaters, an extra garage, or a year's worth of homeowner fees are common incentives for new homes sales. Some buyers in downtown Denver may be able to get a free shopping spree at a home decorating store or a free motor scooter. The buyer's market has dramatically slowed house price appreciation, particularly in Colorado and Utah. The third-quarter house price index produced by the OFHEO ranks these two states in a virtual tie for last place in annual change in the price index. The annual rate in both states slipped below 2 percent in the latest report. Price increases have not slowed as drastically in the remaining Rocky Mountain states, but Montana was the only state with a gain above the U.S. average.

Metropolitan areas in the region have registered some employment recovery, but a return to the growth of the late 1990s remains uncertain at pres-

ent. The Denver and Boulder metropolitan areas finished the year with the nonfarm average job total for 2003 down 1.3 percent from the annual average during 2002. Steeper declines in covered employment earlier in the year could portend some downward revisions in the nonfarm numbers. This lack of job growth continues to dampen hopes for a speedy recovery in the local rental market. The rental market in the Denver and Boulder metropolitan areas remains soft but is past its trough in the current cycle. The Apartment Association of Metro Denver reported a 10.9-percent vacancy rate in the fourth quarter of 2003, little changed from 11.1 percent in the third quarter but down from two previous quarters at a 13.1-percent rate. Concessions and outright rent reductions are still widespread. The number of units under construction has now dropped below 3,000, but completion of these units and others in the pipeline should keep the vacancy rate in double digits during much of the first half of 2004.

The Colorado Springs economy slowed from a stronger showing earlier in the year because of the lingering impact of high-technology layoffs. The area also has been hit especially hard by the deployment of an estimated 12,000 Army personnel to the Middle East. Dave Bamberger & Associates estimates that the 12-month deployment will cost the area's economy \$220 million in direct military payroll and another \$100 million from the secondary impacts of lost civilian jobs by the end of the year. This impact has already reversed some positive gains that began to surface at the end of last year and early this year. Average total nonfarm employment in 2003 was down 1.4 percent from 2002. The outlook for the area is upbeat, but a return to positive growth is unlikely until the deployed troops return and new high technology jobs appear. These factors should be more evident by mid-2004. The rental market has fared poorly because, in addition to the deployment and a weak job market, a flood of new units hit the market in 2003. In an area apartment survey conducted by Doug Carter, LLC, the fourth-quarter vacancy rate of 12.8 percent was up from 11.3 percent posted in the previous quarter. The deployment heavily impacted the normally tight far south and the southeast/airport areas near Fort Carson. With vacancy rates at approximately 16 percent, rates in these areas were among the highest of all submarkets in the Colorado Springs area. Average rents have declined for the third year in a row, and lease-up incentives are universal and run as high as 3 months free rent. The good news is that the pipeline of units under construction was down from as high as 2,000 units in early 2003 to a more manageable 500 units



by the end of the year. With deployed troops returning and the economy expected to improve, the rental market should begin to show stronger signs of recovery by the second quarter of 2004.

## PACIFIC



Nonfarm employment in the Pacific region increased by a modest 38,000 jobs in 2003, but economic performance varied considerably by state. In California, jobs declined for the second consecutive year by 22,400, off 0.2 percent due to losses in manufacturing and state and local government. The recovery of tourism and gaming fueled a gain of 25,000 new jobs in Nevada in 2003, more than 80 percent of which were added to the Las Vegas area. In Hawaii, employment rose 2.2 percent, or 12,500 jobs, the state's strongest gain since 1990. The Arizona economy grew by 1 percent, led by gains in construction, health, and educational services.

Labor markets generally improved in the Pacific region during the year. The regional average unemployment rate fell to 6.4 percent in 2003. Despite the weak economy, the unemployment rate in California averaged 6.6 percent, down slightly from 2002. Unemployment rates in the remaining states ranged from 4 percent in Hawaii to 5.6 percent in Arizona. The Phoenix, Las Vegas, and Honolulu metropolitan areas all had tighter labor markets than the region overall, reflecting the faster growing job markets in these areas.

Population growth in the Pacific region continued to be strong. The population increased by an average of 700,000 persons annually between early 2000 and mid-2003, a 1.7-percent annual increase. Two-thirds of the gain was registered in California and can be traced to both net natural increase and international in-migration. Annual population growth rates during the period ranged from 1.4 percent in Hawaii to 3.4 percent in Nevada. Population growth rates in Arizona and Nevada have continued to be among the nation's fastest. The population gains in Hawaii since 2000 reflect improvement in the economy.

Improving economic conditions, rapid population growth, and low mortgage interest rates in the Pacific region created a strong demand for homes during 2003, resulting in record levels of new home construction. Single-family permits rose to a record 243,800 homes in 2003, an 18-percent increase over the previous year. In California, single-family activity rose 16 percent to 140,500, the highest annual total since 1989. Arizona and Nevada also reached record levels with increases of 17 and 26 percent, respectively. Single-family permits rose in Hawaii to levels not seen in more than 20 years. The unsold inventory was minimal in nearly every major market area in the region, another reflection of the unprecedented demand for new homes.

Sales of existing homes were also robust throughout the Pacific region. California resales set a new record with 602,000 closings in 2003, up 5 percent over the previous record set last year, according to the California Association of REALTORS®. DQNews reported total sales of both new and existing homes grew 6 percent in 2003 to 360,000 in Southern California. Total sales in the San Francisco Bay Area rose by double digits in the latter half of 2003, resulting in a 9-percent gain in sales for the year. Sales of previously owned homes in Honolulu reached more than 11,300, exceeding the former high set in 1988. Resales in the Phoenix and Las Vegas areas reached new highs with activity up 15 and 30 percent, respectively, over 2002. Home prices in all the states except Arizona rose faster than the nation overall in the last year. Price increases varied from 4.7 percent in Arizona to 9.7 percent in California, as measured by the OFHEO price index.

Pacific rental markets were generally strong through the fourth quarter of 2003, although some areas were still unusually competitive due to weak economic conditions or an oversupply of new units. In Northern California, mixed rental market conditions prevailed. The 7-percent vacancy in San Jose remained the highest in the Bay Area, according to the RealFacts survey of larger rental communities. The San Francisco-West Bay area was balanced with a 5-percent vacancy rate, down from 6 percent a year earlier. Oakland and the East Bay were stable with a vacancy rate of 5 percent, a 1-percentage point decline since the last quarter of 2002. North Bay counties remained relatively tight. Rents are down 5 to 6 percent in some higher rent areas of the West Bay and San Jose-Silicon Valley where weak economies still existed.



Demand continued to outpace supply in Southern California rental markets. Orange County's rental vacancy rate remained tight at 4.5 percent, although vacancies were higher in luxury rentals. The vacancy rate in Ventura County declined to 4 percent due to low levels of apartment construction and a slow-down in the sales market. The San Diego and Riverside-San Bernardino rental markets remained balanced in the 6-percent range. Due to low levels of apartment construction for the past several years, the South Coast portion of Santa Barbara remained tight with a vacancy rate below 4 percent. The rental vacancy rate in Los Angeles County improved to 4.5 percent, mainly due to declining vacancies in low and middle rent ranges.

The apartment vacancy rate in Las Vegas declined from 9 percent in early 2003 to 7.5 percent at the year's end because of increased rental demand and reduction in apartment completions during the year, according to CB Richard Ellis. Although rents rose about 2 percent in 2003, increases in many developments were typically offset by concessions. The Phoenix rental market experienced relatively strong absorption during the fourth quarter of 2003, causing rental vacancies to decline to 9.5 percent according to the Arizona Real Estate Center survey. In addition to a modest improvement in economic conditions, the falling dollar attracted a greater number of winter visitors compared with recent years. Advertised rents in Phoenix fell 0.5 percent overall during 2003 and many submarkets made concessions of 1 to 2 months free rent for 1-year leases.

Multifamily permit activity in the Pacific region reflected the generally strong rental market conditions, rising 27 percent to 71,900 units in 2003. Due to the steady demand for rental units in Nevada and California, multifamily permits increased 26 and 37 percent, respectively. In Arizona, multifamily permits fell 6 percent as builders trimmed production in the highly competitive markets.

## NORTHWEST



The Northwest economy improved slightly during 2003. Nonfarm wage and salary employment averaged 5.1 million for the year, an increase of 3,200 jobs compared with the 2002 annual average. These gains represented a significant advance over 2002 when the region lost 56,000 jobs. Economic performance differed greatly among the region's four states. Alaska recorded an increase of 1.3 percent primarily due to gains in health services, professional and business services, and financial activities. Contrary to the national trend, manufacturing employment also increased over the year in Alaska. Washington and Idaho added just 5,100 and 3,600 jobs, respectively, during 2003. Most of the gains in Idaho occurred in professional and business services and retail trade; losses continued to occur in semiconductors, food manufacturing, and wood products. In Washington, gains in construction and education and health services were nearly totally offset by losses in manufacturing, down nearly 15,000 jobs over the past 12 months. The aerospace products and parts sector represented nearly two-thirds of the losses in manufacturing due to layoffs at Boeing. Boeing, however, chose Everett, Washington as the site for assembling its new 7E7 plane. Work on the 7E7 is expected to begin within the next 2 to 3 years and create 1,000 jobs. Oregon was the only state in the region to record a net decline in jobs during 2003, down 0.6 percent, or 9,400 jobs, compared with 2002. The regional unemployment rate for 2003 was 7.2 percent, unchanged from 2002. Rates ranged from 5.3 percent in Idaho to 7.8 percent in Oregon.

The demand for homes throughout the Northwest remained robust during 2003. In the Seattle metropolitan area existing home sales were up 23 percent compared with 2002 according to data from the Northwest Multiple Listing Service. Sales in the Tacoma metropolitan area rose 16 percent and the Bremerton area registered a 15-percent increase in homes sold in 2003. In the Olympia area, sales also rose, up 13 percent. Counties neighboring the Puget Sound region, such as Mason, Skagit, Grays Harbor, and Lewis, posted sales gains between 15 and 19 percent compared with last year. Sales prices increased

in response to the strong demand for homes. The median sales price rose 5 percent in both the Seattle and Tacoma metropolitan areas, 11 percent in the Bremerton area, and 8 percent in the Olympia area.

Sales markets in Idaho, Oregon, and Alaska were equally strong over the past year. Total sales were up 20 percent in the Coeur d'Alene area and 16 percent in the Sandpoint area. The average sales price increased 12 percent in Coeur d'Alene to \$156,800 and 8 percent in Sandpoint to \$163,600. The average sales price in the Sun Valley/Ketchum area, the highest in the state, rose 3.5 percent over the year to \$538,300. In Oregon, sales were up 12.5 percent in 2003 compared with 2002. Many areas of the state, including the Portland metropolitan area, registered double-digit increases in the number of homes sold, ranging between 10 and 13 percent. Median sales prices rose by 6 percent statewide, with the greatest appreciation in Coos County and the mid-Willamette Valley counties (Benton, Linn, Marion, and Polk) where prices rose by an estimated 14 percent over the year. The median sales price in the Portland area rose to \$172,600, up 5 percent.

Builders offered a greater range of purchase choices throughout Oregon, including condominiums, row houses, small-lot infill homes, rehabbed older homes, and vintage-style new construction. In an effort to lure even more renter households to homeownership, one Salem area builder offered new construction, lease-to-own homes. In Alaska, total sales of homes and condominiums for the year were up 6 percent, and the average sales price rose 6 percent to \$233,500.

Single-family building activity in the Northwest totaled 67,500 homes in 2003, up 7 percent compared with the number issued in 2002. Idaho recorded the greatest increase in the four-state region over the year, up 22 percent to 12,400 homes. In the Puget Sound area (Bremerton, Seattle-Everett, and Tacoma) the volume of building permit activity totaled 18,700 homes, up 5 percent compared with the total permitted in 2002. The most active metropolitan areas in the region included the Tri-Cities, Yakima, and Spokane with

increases in building permit activity of 37, 30, and 27 percent, respectively.

Northwest rental market conditions remained competitive during the fourth quarter of 2003. The Puget Sound area ended the year with vacancy rates ranging between 4 percent in the Bremerton area and 8 percent in the Seattle metropolitan area. Eastern Washington markets were typically balanced, but steady demand continued to create tight market conditions in the Tri-Cities area where the vacancy rate was 4 percent because of a strong economy.

In Oregon markets, vacancy rates increased compared with the fourth quarter a year ago. According to the Bratton Report, the vacancy rate in central Oregon was 6.25 percent, up from 4.5 percent in the fourth quarter of 2002. The Eugene-Springfield area had a reported vacancy rate of 8 percent based on data from Duncan & Brown, Inc. This level of vacancy has not been noted in the Eugene area in 20 years and was attributable to low mortgage interest rates and new rental units entering the market. In the Portland metropolitan area, vacancies were in the 8-percent range as well. Vacancies were expected to remain in this range due to the slow economy and several large rental complexes under construction in Hillsboro, Gresham, and Fairview.

Idaho rental markets displayed mixed conditions during the quarter. Southwest markets, including the Boise metropolitan area, remained soft with vacancy rates in the 9-percent range. Market conditions were tight in the eastern Idaho communities of Madison, Bonneville, and Bannock Counties but vacancies were on the rise in Cassia and Minidoka Counties in central Idaho where several firms have left the area.

Multifamily building activity in the region totaled 20,700 units during 2003 compared with 17,800 units in 2002. In Washington, multifamily permits increased significantly in Bellingham, Olympia, and Spokane. Corvallis, Medford, and Portland posted strong gains in Oregon. Multifamily permits in the Anchorage metropolitan area increased 41 percent over 2002 due to low rental vacancy rates and steady demand for condominiums.



## Housing Market Profiles

### Austin-Round Rock, Texas

The Austin-Round Rock metropolitan area serves as the economic, healthcare, artistic, educational, and regional trade center of central Texas. Dell Inc., with approximately 16,000 employees, is the largest private sector employer. The largest public sector employer, the University of Texas (UT), employs more than 20,000 faculty and staff. The metropolitan area has experienced a significant slowdown in employment growth since 2000 but signs point to the beginning of a recovery. According to the Texas Workforce Commission (TWC), the job losses of recent years have been replaced and employment showed a modest increase in 2003. Average nonfarm employment for 2003 was 666,500, up 1.0 percent from the 2002 average. Gains over the past year were posted in the construction, financial activities, educational and health services, leisure and hospitality, other services, and government sectors. The employment gains have been partially offset by continued job losses in the manufacturing; trade, transportation, and utilities; information; and professional and business services sectors. TWC reported the average unemployment rate for the year 2003 was 5.5 percent, comparable to the 2002 rate of 5.7 percent. UT and Texas State University (TSU) will continue to be major stabilizing factors in the local economy. High-technology industries will still play an important role, but to a lesser degree than in the past decade. The construction sector is expected to continue to rebound. Several major public and private construction projects are planned or underway, including a new residence hall at TSU, renovation of the abandoned Intel building in downtown Austin into the new federal courthouse, and Austin's new city hall and public plaza. The redevelopment of the Robert Mueller Municipal Airport includes the construction of a new children's hospital and approximately 1,200 single-family homes, 640 row houses, and 2,200 condominiums and apartments. Whole Foods Market has also begun construction of its new 200,000-square-foot corporate headquarters and 80,000-square-foot grocery store.

The estimated 114,000 students enrolled at the seven colleges and universities located in the metro-

politan area have a significant impact on the local housing market, particularly rentals. Approximately 16,000 students reside in either residence halls or university apartments. The remaining 98,000 students live in private sector units in the local housing market.

Home builders and developers are planning several large subdivisions throughout the metropolitan area. Because more than 10,000 homes are available on the market, very few speculative homes are being built. For the most part home builders and developers opt to wait to pull building permits until a sales contract has been executed. A major cutback in multifamily permit activity in 2003 caused the residential total for the year to drop below the levels of the past 2 years, despite an increase in single-family permits. The estimated total of 15,000 units permitted in 2003 came in much lower than the 17,223 units in 2002 and 17,814 units in 2001. The total of 12,000 single-family units in 2003 was a 9-percent increase over 2002, while the multifamily total of 3,000 units was less than half of last year's activity. Currently, an estimated 3,500 single-family and 3,000 multifamily units are under construction.

Home sales have remained strong over the past year, despite the weak economy, but a buyer's market remains in place. The Real Estate Center at Texas A&M University reported 19,516 sales in 2003, a 4-percent increase over the 2002 level. The 2003 median sales price of \$155,100 represents an increase of less than .05 percent in the past 12 months. Historic low mortgage rates have kept the sales market stable. Sellers are more willing to reduce asking prices and in some instances offer concessions. Also, numerous downpayment assistance programs are being offered to help potential homebuyers, in most cases first-time purchasers, acquire a home with little or no money down.

The completion of 26,000 market-rate rental units since 2000 has softened the market and caused a decline in occupancy rates and rents throughout the metropolitan area. In its fourth-quarter 2003 "Trend Report," Austin Investor Interests, Inc. (AII) reported a rental occupancy rate of 89 percent, up from 88.4 percent as of the same quarter in 2002. The low occupancy rates have made the rental market much more competitive and rent specials are widespread. Some developments have lowered rents rather than offer concessions. AII reported the average rent in the fourth quarter of 2003 was \$667, a decrease of \$32 from the previous year.



## Cedar Rapids, Iowa

The Cedar Rapids metropolitan area, consisting of Linn County, is approximately 100 miles northeast of the state capital of Des Moines. Between 1990 and 2000, population in the Cedar Rapids metropolitan area grew at an annual rate of 1.3 percent to 191,700. The rate of population growth, however, slowed to less than 1 percent annually between 2000 and 2003. The population in the metropolitan area was estimated to be 197,000 persons at the end of 2003.

The local economy has been in a downturn during the past 3 years but shows signs of improvement. Nonfarm employment declined by less than 1 percent in 2003 compared with 2-percent declines in 2002 and 2001. Employment rolls averaged 118,000 workers in 2003. Job losses in 2003 occurred primarily in telecommunications and the manufacturing of durable goods, both down 7 percent for the year. The professional and business services and retail trade sectors demonstrated solid growth in the area, up 7 and 6 percent, respectively. Construction jobs also were up because of residential construction. The average annual unemployment rate was 4.4 percent in 2003 compared with 5.2 percent in 2002.

Despite weak employment conditions, new and existing home sales in Cedar Rapids remained strong in 2003, although building activity slowed significantly. In 2003 home sales totaled 4,090, up 8 percent over the 3,792 homes sold in 2002. The median price was \$119,230, an annual increase of 2.3 percent. Nearly two-thirds of the homes sold were in the \$80,000 to \$180,000 price range. Condominium sales, as a percentage of all units sold, declined from 13 percent during 2002 to 12 percent in 2003. Over the past 5 years, the number of three-bedroom homes sold averaged 57 percent of all sales, while homes containing four or more bedrooms accounted for 28 percent of all single-family home sales. Single-family permit activity totaled 900 homes in 2003, a 4-percent decline following a 15-percent increase in 2002.

Multifamily permit activity in Cedar Rapids declined 7 percent to 682 units in 2003 compared with 730 in 2002. This decline occurred, in part, because of overbuilding in apartments over the past 5 years. Multifamily construction averaged 750 units annually during 5-year period, a 70-percent increase over the average annual number of units permitted during the 1990s. Unless building activity slows substantially or the economy generates a significant number of new jobs, softer market conditions will continue.

## Columbus, Ohio

Despite job losses the Columbus metropolitan area continues to grow, setting records for population and housing. Population within the Columbus metropolitan area, which currently includes the six counties of Delaware, Fairfield, Franklin, Licking, Madison, and Pickaway, grew 1.4 percent annually between 1990 and 2000, and, according to Census Bureau population estimates, has since grown 1.3 percent annually to approximately 1,584,000 as of July 2002. Recent growth has occurred mainly in Franklin County, where the city of Columbus accounts for more than 60 percent of the population, and Delaware County, the fastest growing county in the state.

The Columbus economy has proved reasonably stable throughout 2003. Nonfarm employment is down by less than 1 percent from 2002, and the unemployment rate is up only slightly to 4.8 percent compared with 4.4 percent in 2002. The diversity of the local economy has lessened the effects of the prior recession on the local job market. Employment sectors such as state government, higher education, and insurance have been stable employers, varying by less than 1 percent since 2000. In addition, construction employment, supported by record single-family construction, also has been stable. Healthcare employment increased by more than 2 percent between 2002 and 2003, continuing a 3-year climb. Columbus has long been a regional healthcare center, but local hospitals now are attempting to create specialty designations for fields such as cardiac care and cancer treatment. Two local hospitals opened cardiac care wings in 2003. The Arthur James Cancer Center at Ohio State University continues to expand.

Because manufacturing accounts for only 9 percent of area employment, continued job losses in that sector have a less dramatic effect in Columbus than elsewhere in the Midwest. The largest manufacturing employer in central Ohio, Honda of America, is located in Union County, just outside the metropolitan area. A significant number of Columbus area residents commute to Union County. As a result resident employment in the metropolitan area increased slightly in 2003 even though nonfarm employment in the area declined.

For the fourth time in 5 years a record number of single-family permits were issued in the Columbus area and existing home sales also reached a record. Permits for 11,693 homes were issued in 2003, which is a 12-percent increase over the 2002 total. The single-family housing boom continues, having



produced more than 50,000 units in the metropolitan area since 1999. Close to 50 percent of the metropolitan area's single-family activity took place in growing outer areas of Franklin County where the city of Columbus has annexed many underdeveloped parts of unincorporated townships. Of the area's single-family permits, 28 percent were issued in Delaware County, directly north of Franklin County, where considerable commercial and retail development has also occurred.

Low interest rates and affordable prices have helped many renters become homeowners and allowed sellers to move up, thus increasing the demand for new homes. According to the Columbus Board of REALTORS® a record 24,306 existing homes were sold in 2003, a 9-percent increase over 2002. The average sales price for a single-family home in the Columbus area increased to \$166,928, or 6 percent, from 2002 to 2003, the largest annual increase since 1996.

In Columbus some of the same factors supporting growth in the sales market have contributed to softer market conditions in the overall rental market. According to Hendricks & Partners, the overall vacancy rate for Columbus area apartments increased to 7.3 percent in the third quarter of 2003, up from the 6.9 percent reported 1 year earlier. Low interest rates and an increasing supply of affordable homes have enabled many renters to shift to homeownership. Cutbacks in entry-level manufacturing and retail jobs have further reduced the number of new renter households entering the market. At the same time, the construction of a record number of units created a slight surplus. In 2003, in response to these softer, more competitive market conditions, developers cut back sharply on large apartment development. Multifamily permit activity declined 28 percent from 2002, to 4,468 units. In 2003 more than 85 percent of multifamily permit activity in the metropolitan area took place in Franklin County. Much of the development, as expected, has occurred in the growing suburban areas throughout the county. A significant number of new units, however, are being developed in downtown Columbus, with more than 500 units currently under construction and more than 900 additional units in the planning stages.

## Minneapolis-St. Paul, Minnesota

The population of the Minneapolis-St. Paul area grew from 2,538,834 in 1990 to 2,968,806 in 2000, an increase of 1.6 percent annually. The Census Bureau estimated that by July 2002 the population had

grown to 3,054,637. The average number of people employed in 2003, 1,752,500, was slightly less than in 2002 but the 2003 unemployment rate remained at 4.3 percent. The number of jobs, as measured by nonfarm employment, declined from an annual average of 1,748,800 in 2001 to 1,706,600 in 2003.

The highly diversified Minneapolis-St. Paul economy has an industry mix increasingly weighted toward knowledge-based jobs. Major employers include multinational companies such as 3M Corporation, General Mills, and Northwest Airlines, as well as Target Corporation, Wells Fargo, and the University of Minnesota. Although Northwest Airlines has been affected by the recent downturn in the economy and airline industry, and the manufacturing sector has lost ground, most large local employers have weathered the downturn without major reductions in employment. A particularly strong feature of the local economy has been the ongoing expansion of its medical devices industry, supported by research at the University of Minnesota.

Many sectors lost jobs during the past 2 years. Manufacturing employment reached an all-time high in 2000 when this sector had 14 percent of the nonfarm employment. By 2003, manufacturing employment declined to 203,500, and manufacturing fell to 12 percent of total nonfarm jobs. Over the past 2 years, manufacturing employment declined by approximately 22,600 jobs. The service-providing sector, normally a source of growth, registered a net loss of 16,000 jobs from 2001 to 2003. Some signs of improvement have appeared in recent monthly employment reports, with gains in government, manufacturing, and leisure and hospitality resulting in net increases in employment. The Federal Reserve Bank of Minneapolis anticipates modest job growth in Minneapolis-St. Paul during the coming year.

Despite the continued lack of significant job growth throughout 2003, residential building activity has continued at a high level. In 2003 single-family permits totaled 20,827 homes, a dramatic increase of 20 percent compared with 2002. Multifamily activity for the year, 7,334 units, was down from 8,001 in 2002, but up significantly from 5,558 in 2001.

Sales housing accounts for a sizable and growing portion of multifamily building activity in the metropolitan area. According to the Builders Association of the Twin Cities, multifamily housing comprises 49 percent of the 19,000 units permitted by its members this year. Contributing to the move toward single-family attached and multifamily sales housing are shorter supplies of land for development, escalating site costs, and demand for housing at prices

affordable to prospective new homebuyers. Average valuations on units built by Association members have steadily risen from \$145,420 in 2000 to \$163,210 in 2003. The most active communities for 2003 were Shakopee, Eden Prairie, Blaine, Lakeville, and Maple Grove.

In 2003, existing home sales totaled 56,528, up 10 percent from 2002. The average sales price in 2003 was \$238,446, up 11 percent from the previous year. The strong market for sales housing continues to be supported by low interest rates.

The condition of the rental market, very tight in recent years, has become balanced. The quarterly survey of nearly 125,000 apartment units by GVA Marquette Advisors reported a vacancy rate of 7.6 percent, up from 6.6 percent in December 2002. For luxury units of \$1,100 or more the vacancy rate was 8.7 percent. With additional units having entered the market during the fourth quarter and more slated for the first quarter of 2004, it is projected that apartment vacancies will continue to climb.

## Orange County, California

Orange County's proximity to Los Angeles County and its diverse economy have contributed to strong population growth in the area. Orange County is the second most populous county in California and the fifth largest county in the United States. Santa Ana and Anaheim are the two largest cities in Orange County with current populations of 350,650 and 341,000, respectively.

It is estimated that the population of Orange County grew at a rate of 1.7 percent annually between April 2000 and December 2003 to an estimated 3,030,000 persons. This rate is approximately equal to the average annual growth during the 1990s. Nearly 60 percent of the growth since 2000 was due to net natural increase, but international in-migration has been a significant factor.

The county's diverse economic base includes tourism, aerospace, defense, government, technology, and manufacturing. Disneyland and Boeing are the largest private employers with 21,000 and 18,840 workers, respectively. Nonagricultural employment averaged 1,403,000 in 2003, virtually unchanged from 2002. The economy in Orange County currently is recovering from declines in the high-technology sector, reduced aerospace and defense spending, and a drop in tourism-related businesses. Manufacturing declined about 4 percent from 2002 but small gains occurred in professional and business services, finan-

cial services, leisure and hospitality, education and health, and retail trade. Federal and state government employment increased but local government jobs decreased because of local budget problems. The average unemployment rate in Orange County was one of the lowest in the nation during 2003, having declined from 4.1 percent in 2002 to just 3.8 percent.

The housing market remained strong during 2003, although employment has exhibited little growth. Due to favorable mortgage interest rates and continued population growth, the sales market remained robust throughout 2003 in all price ranges. DataQuick recorded total home sales of 359,983 for 2003, a 6-percent increase compared with total sales in 2002. The median sales price for existing homes rose to an annual average of \$321,300 during the year, up 19 percent compared with 2002. Home prices have risen nearly 70 percent in the past 5 years according to Office of Federal Housing Enterprise Oversight data. Although demand remains strong for homes, only 6,115 single-family permits were issued in 2003, a 10-percent decline from the previous year. Some of the decline according to local sources can be partly blamed on the lengthy subdivision planning process in Orange County. The city of Irvine and the unincorporated portions of the county combined to account for 18 percent of the single-family permit activity.

Although the overall rental housing market conditions have been considered tight since 2000, vacancy rates vary widely depending on rent levels. The overall rental vacancy rate in the fourth quarter of 2003 was 4.5 percent, compared with 5 percent a year earlier. Vacancies in the low to middle rent ranges were less than 4 percent, while the vacancies in the upper rent ranges were above 8 percent. The higher vacancy rates in the upper rent ranges were due to a number of factors. First, low mortgage interest rates and rapidly rising home prices have encouraged renter households who could afford the upper-priced rental units to purchase homes instead. In addition, high-end rentals were targeted to many of the highly paid technology workers who lost their jobs during the late 1990s and early 2000s. Finally, more than 5,100 multifamily units were permitted in 2002, resulting in a large number of luxury apartments reaching the initial rent-up phase in 2003. RealFacts reported that the average rent in Orange County increased 3 percent during 2003 to \$1,273; rent increases were predominantly in low to middle rent properties.

Multifamily production has fluctuated greatly over the past several years in response to economic conditions and the demand for rental units. In 1990 permits were issued for more than 7,600 multifamily





units but activity fell to an average of 3,150 units annually between 1991 and 1999. In 2000, multifamily activity rose to 5,700 units and then fell significantly to 2,600 in 2001 and increased to more than 5,000 in 2002. Multifamily permit activity in 2003 totaled approximately 3,200 units in 2003, down 37 percent from 2002 due in part to more competitive market conditions and the large pipeline of units still in development. The city of Irvine accounted for nearly 63 percent of the multifamily activity in the county.

Major residential reuse proposals under consideration in the city of Irvine could add thousands of housing units in the city. After the closure in 1999 of the El Toro Marine Corps Air Station, Orange County voters rejected a plan to turn the 4,700 acres of land into a commercial airport. Current proposals range from a single large park to mixed business and residential development.

## Reno, Nevada

Since the 2000 Census the population of the Reno metropolitan area has grown at a strong 2.2-percent annual average rate to approximately 368,000 as of January 2004. In-migration from adjacent states, especially California, has been robust in the past several years and contributed to the relatively rapid rate of population growth. With slightly more than half of the metropolitan area's population, the city of Reno is the second largest incorporated area in Northern Nevada.

Although the Reno economy has diversified over the past 10 years, it still relies heavily on tourism and gaming, with one in every five jobs in the leisure and hospitality sector. The gaming industry has been heavily impacted by the economic weakness in Northern California where most Reno area tourists originate. In addition, new casinos in California have become increasingly competitive with Reno's gaming facilities, and several small casinos in Reno have closed as a result. Some signs, however, point to improvements in the gaming industry. Gaming revenues in the first 10 months of 2003 were down by 2.1 percent compared with the same period in 2002, the lowest rate of decline in the past 3 years. In addition, total passenger traffic at the Reno/Tahoe International Airport posted an annual increase of 1.7 percent in 2003, reversing a 6-year slump.

Other sectors of the economy that provided some stability when tourism and gaming were weak are contributing to the recent economic rebound.

Nonfarm employment rose by 1.8 percent during 2003, reaching an annual average of 199,500 jobs. This number represented a new peak employment level for the area and indicated a significant improvement over 2002 when the area lost 1.2 percent of its jobs. The largest job gains occurred in education and health services and construction, but some weakness remained in trade, transportation, and information services. The unemployment rate remained at 4.3 percent in 2003, well below the national level, and lower than the 6-year peak of 4.6 percent in 2002.

The improving economy, growing population, and historically low mortgage rates have produced strong demand for both new and existing homes in the Reno area. New homes sales in larger subdivisions totaled 3,377 in 2003 according to the Gregory Group Newsletter, a 10-percent increase over the number of new homes sold in 2002. The inventory of unsold new homes totaled just 224 at the end of 2003, or only 3 weeks of supply. The Northern Nevada Regional Multiple Listing Service reported 5,318 sales of existing homes in 2003, within 1 percent of the record level in 2002. The median price rose to \$228,450 in 2003. Single-family permit activity increased 12 percent in 2003 to a record 4,229 homes.

Rental market conditions in the Reno metropolitan area became more competitive during the fourth quarter of 2003 due to competition from the sales market. According to a RealFacts survey, the apartment vacancy rate increased to 6.2 percent, up from 5.2 percent in the fourth quarter of 2002. Average monthly rents increased by only 1 percent during the same period to \$754. The luxury rental market was even more competitive because two new complexes entered the market in 2003. Concessions were typical in the high-end market. Apartment developers have scaled back activity with the rising vacancies and softer conditions. For the 12 months ending November 2003, multifamily building permits were issued for only 555 units.

## Rochester, New York

The low rates of population and household growth in the Rochester metropolitan area reflect the changes in the local economy since 1990. From 1990 to 2002, total population in the Rochester, New York metropolitan area increased 3.4 percent to 1,102,581 persons. In contrast, the population in the city of Rochester declined by more than 6 percent to 217,158 persons during the 12-year period.

A well-educated, professional workforce characterizes the Rochester metropolitan area. The economy of the area historically has been dominated by several large manufacturing companies, including Eastman Kodak Company, Xerox Corporation, and Bausch & Lomb. During the past 3 years, employment has been contracting as a result of significant layoffs by all major employers. During 2003 total nonfarm employment declined by 1.4 percent or 7,400 jobs to 526,800. Net employment gains were limited to the education and health services and financial services sectors. The unemployment rate for the Rochester metropolitan area averaged 5.8 percent in 2003, almost unchanged from the rate for 2002.

Future employment growth in the area is expected to take place in information and business services, high-technology manufacturing, and research and development with a focus on digital imaging and optics. Eastman Kodak has recently partnered with Nokia Corporation to integrate transfer of images between wireless devices and self-service digital kiosks to produce photographs. Xerox Corporation continues to move forward on its office digital and production digital services. As part of the restructuring efforts by Xerox Corporation, numerous vacant buildings in Rochester and adjacent suburban townships will be sold to reduce corporate operating costs, adding to the existing surplus of commercial space within Monroe County. Paychex Inc., a leading national provider of payroll and human resource services for small- and medium-sized businesses, continues to add employees at their corporate headquarters in Penfield, New York and is now actively expanding in other regions of the country.

In 2003 building permits were issued for 2,623 units, an increase of 18 percent compared with 2002. Single-family units accounted for 75 percent of all permits issued in this metropolitan area. New construction single-family housing development has been concentrated in Monroe County.

Despite a weak local economy multifamily rental housing in suburban Monroe County remains stable in the range of 600 to 650 units per year. During 2003, 650 multifamily permits were issued, which is 60 percent above 2002. General occupancy properties are reporting softer market conditions, which are attributed to the weak local economy. Current rent concessions in this market area, in combination with seasonal promotions, exceed what has been typical during previous winter seasons. More than 625 multifamily units are in an initial lease-up status, actively under construction, or scheduled for a spring 2004 construction start.

Demand for senior housing units, including patio homes and rental townhouse-style units, remains strong. Two age-restricted projects are now in development or under construction in Greece, New York, in the western suburbs, offering "villa-style" apartment homes of 1,200 to 1,400 square feet with monthly rents of \$1,300 or more. The initial market response has been favorable as senior households take advantage of appreciating home values in the currently strong for-sale housing market, converting home equity into more liquid assets and downsizing into modern, low-maintenance, energy-efficient rental units. Several assisted-living and senior-independent apartment projects have also been absorbed in Monroe County during the previous 18 months.

According to statistics from the New York State Association of REALTORS® 7,858 sales occurred through the third quarter of 2003, a 4-percent decline from the 8,155 sales recorded for the comparable period in 2002. Median sales prices in Monroe County increased by 7 percent, from \$103,000 to \$110,000 for the 9 months ending September 2003. This price appreciation was well below the 16 percent reported statewide. The outlook for 2004 continues to be positive because the fundamental conditions for a strong housing market—a growing number of households, an improving job market, and generally good affordability conditions based on low mortgage interest rates—are in place.

## Salt Lake City-Ogden, Utah

After the affects of the Olympics "bubble" and the weakened high-technology sector, the Salt Lake City-Ogden area has yet to register any net employment growth during the past 2 years. But there are signs of improvement. Although the average nonfarm employment in 2003 was 0.4 percent below the level recorded a year earlier, it was an improvement from the 1.4-percent decline recorded in 2002. The unemployment rate in December 2003 was 4.7 percent, down by more than a full percentage point from a year ago. As of July 2003, the Utah Office of Planning and Budget estimated a population of 1,387,200 persons in the area.

The year 2003 marks the first time the area has experienced 2 years of back-to-back employment losses since the 1940s. The area is still recovering from the national high-technology recession; an estimated 8,000 technology jobs were lost in the area in 2001 and 2002. Layoffs have subsided in 2003 and a large number of small high-technology firms and



venture capital investors have begun to move into the area. The outlook for 2004 is for a return to modest employment growth. In addition to the technology sector improving, increased tourism, defense contracting, and education and health service expenditures are expected to stimulate employment to grow at a rate of approximately 2 percent in 2004. Although well below the 4-percent annual pace of the 1990s, it is a welcome change to the declines during the past 2 years.

Despite the slow economy, single-family construction in 2003 was well above last year's level. During 2003, permits were issued for 9,150 single-family homes, up 20 percent from 2002 and only 15 homes short of the record set in 1996. Many of the new single-family detached homes are located in southwest Salt Lake, north Davis, and south Weber Counties, which hold most of the available land. According to a University of Utah study, the average sales price for a new single-family home for 2003 was approximately \$235,000. The average sales price for an existing home was \$175,000 for 2003. Both are higher than the Utah Housing Corporation's purchase limit of \$171,000 for first-time homebuyers. Contributing to higher new home prices are impact, hook-up, and building permit fees that, according to the same study, have increased by 85.3 percent between 1997 and 2002.

Since 2000 Salt Lake County's portion of the area's single-family construction has been approximately 55 percent, followed by 30 percent in Davis County and 15 percent in Weber County. The recent start of a 15,000-unit project on the western edge of Salt Lake County will help ensure the county's future dominance of single-family development.

In spite of a weak economy, the continued low interest rates have helped stabilize the sales market and demand for new homes. An increase in the supply of available homes has led to more balanced conditions and price increases. According to the Salt Lake Board of REALTORS® and the Greater Ogden Area Association of REALTORS® existing home sales activity in 2003 was up by 14 percent from last year even as the average sales price increased by a modest 2 percent. The market is strongest in the first-time buyer range of under \$160,000 and becomes more competitive in the move-up price range of between \$160,000 and \$300,000. High-end homes, priced above \$300,000, move the slowest. For 2003 the average single-family sales price in Salt Lake County was \$187,000, followed by Davis County at \$170,700 and Weber County at \$131,200.

The rental market is highly competitive but has improved from the soft conditions present at the beginning of the year. This earlier weakness resulted from layoffs in the area's high technology sector, completion of construction projects timed for the 2002 Olympics, and record low interest rates that enabled many renters to purchase homes. The post-Olympics cutback in rental production has contributed to the recent improvement, as has renewed growth in renter households. Approximately 40 percent of the 2,440 multifamily units permitted during 2003 were in owner-condominium units. As a result, the number of rental units expected to enter the market in 2004 is much less than the multifamily totals indicate.

In a survey conducted by EquiMark Properties, Inc., the December 2003 vacancy rate of 9.9 percent was down from the 10.9 percent recorded at the end of 2002. At the same time, average rent declined by 3.9 percent, while use of concessions has held steady. Newer and larger projects have fared better than older and smaller projects. The market should continue to strengthen in 2004 because of the improving economy and some upward pressure on mortgage interest rates. A return to a balanced market, however, will take as long as 24 months, given the current surplus of vacant rental units plus the estimated 1,200 units currently under construction that need to be absorbed. An estimated 1,000 units are in the late planning stages, some of which could come on line during the next 2 years. Any of these units entering the market could extend the time period required to return to a balanced market. Submarkets showing the most strength in the face of an overall weak market are downtown Salt Lake City, West Jordan, South Davis County, and along the light rail corridors south to Sandy and east to the university areas.

## Seattle, Washington

The Seattle metropolitan area economy continued to register declines during 2003, but at a slower pace than in 2002. Nonagricultural wage and salary employment decreased by 1.5 percent, or 20,000 jobs during 2003, compared with a 3.2-percent loss in 2002. More than three-fourths of the net job decline in the region was attributable to losses in the aerospace products and parts manufacturing sector. As of December 2003, job losses at Boeing totaled an estimated 26,000 in the Puget Sound region since the

fall of 2001, more than 25 percent of which occurred in 2002. Sectors that recorded gains in 2003 included financial activities, professional and business services, education and health services, and leisure and hospitality. The unemployment rate in the Seattle area averaged 6.7 percent in 2003, up from 6.5 percent in 2002 and 5.2 percent in 2001.

Due to the weak labor market, population growth has remained relatively low in the Seattle metropolitan area. The population was 2,479,000 as of December 2003 based on Economy.com estimates, an increase of 1 percent over the past year. Economic conditions and population growth are expected to improve slightly in 2004, but the outlook is still tentative. Boeing recently announced that production of the 757 aircraft will be discontinued in 2004, creating the possibility of additional layoffs. Both the 757 and 737 airplanes are produced at Boeing's plant in Renton, a suburb south of Seattle. Boeing received approval for a total rezone of the company's 280 acres of Renton property for use as biotech lab/office, mixed-use office, and urban-density residential. Due to the consolidation of its operations in the area, up to 75 acres may be available for sale in the near future. The rezone application has lead many local analysts to speculate that the company has long-term plans to close the plant. On the positive side, Boeing chose Everett as the site for assembly of the new 7E7 jetliner. Everett is currently the production site for Boeing's 747, 767, and 777 aircrafts. The 7E7 work is expected to create 1,000 jobs and begin within the next 2 to 3 years.

Slow economic conditions and the lack of substantial population growth have done little to slow demand for sales housing. Low mortgage interest rates continued to create strong demand for homes throughout the Seattle metropolitan area during 2003. Existing home sales through the Northwest Multiple Listing Association totaled 42,660 in the Seattle metropolitan area, up 23 percent compared with 2002. The median sales price rose 5 percent during 2003 to \$270,500. New home sales rose 12 percent in 2003 compared with 2002, and the median sales price was up 3 percent to \$297,300. The condominium market improved markedly during the past 12 months compared with 2002 when the market had an oversupply, particularly in newly built units. Both new and existing sales and prices increased in 2003 compared with 2002. Existing condominium sales rose 19 percent and new construction sales were up 11 percent. The median sales price for existing condominiums increased 6 percent to \$181,000 and the new construction median sales price rose 12 percent to \$223,200.

Single-family building permit activity increased 9 percent to 11,226 homes as continued demand from the sales market spurred builders. The most active communities were in south and southeast King County, including Auburn, Kent, Renton, Issaquah, Redmond, and Snoqualmie. In the northern end of the metropolitan area, builders were active in the Snohomish County communities of Arlington, Marysville, Monroe, and Mukilteo. In the city of Seattle an estimated 900 homes were permitted in 2003, up from 886 in 2002. Due to land constraints, single-family permits only accounted for 33 percent of the total units permitted in 2003 in the city of Seattle, compared with 70 percent in the metropolitan area overall.

Rental market conditions throughout the Seattle area continued to be very competitive during the fourth quarter, showing little improvement over the year. The estimated rental vacancy rate was 8 percent, unchanged from the fourth quarter of 2002. New construction and competition from the housing sales market caused increasing vacancies and flat or declining rents even in close-in submarkets traditionally insulated from market cycles. The average rent for a two-bedroom/two-bath unit was estimated at \$1,018 in King County and \$857 in Snohomish County. This average rent is a \$4 drop in King County and a \$16 decline in Snohomish County over the past year. Rents are depressed further by an increase in concessions, which are being offered at nearly 75 percent of rental properties in the Seattle metropolitan area. According to the Dupre + Scott Apartment Vacancy Report, the conversion of approximately 1,000 apartments into condominiums in 2003 helped prevent even higher vacancies by reducing the rental inventory.

Multifamily building units permitted during 2003 totaled 4,920 units, down 17 percent compared with 2002 due to the highly competitive rental market conditions in the Seattle metropolitan area. In the city of Seattle, multifamily units permitted declined by 40 percent compared with last year to approximately 1,800 units in 2003. In major east King County communities, hit particularly hard by declines in the high-tech sector, multifamily new construction decreased by an even greater amount. In 2002 multifamily permits increased dramatically to nearly 1,400 units in the combined areas of Bellevue, Redmond, Issaquah, Kirkland, and Bothell, an 80 percent increase compared with 2001. Permits issued for the combined areas in 2003 totaled only an estimated 350 units.





## Wilmington, Delaware

The Wilmington-Newark metropolitan area consists of New Castle County, Delaware and Cecil County, Maryland. The economy, once dominated by the chemical industry and DuPont, has become more diverse over the past 20 years as the financial sector expanded to include more than half of the nation's largest credit card companies. Downtown Wilmington provides jobs to large numbers of commuters living outside the metropolitan area. The portion of New Castle County southwest of the city of Wilmington and Cecil County are sources of affordable single-family housing for those employed in the Philadelphia and Baltimore metropolitan areas. As of 2000, a net commutation of 13,500 workers flowed into the Wilmington metropolitan area.

As the supply of relatively inexpensive owner-occupied housing expanded from 1990 to 2000, the population of the Wilmington area increased to 586,216 persons, or 1.3 percent annually. Since 2000, population growth has slowed to 0.9 percent a year as net in-migration and the birth rate have declined. The population of the city of Wilmington increased slightly by 0.2 percent annually from 1990 to 2000, and by 0.1 percent from 2000 through December 2003. Since 2000, Wilmington has experienced a net out-migration to the remainder of New Castle County of approximately 400 persons a year for its supply of single-family detached housing.

During the latter part of the 1990s nonfarm wage and salary employment increased 3.1 percent annually as the area's largest employer, MBNA, and other credit card and banking firms expanded. Since 2000, employment gains diminished, with job reductions in both goods-producing and service-producing industries, including layoffs of auto assembly workers and temporary back-office financial services employees. Average nonfarm employment for the 12 months ending December 2003 was 1.1 percent below the prior 12-month average ending in December 2002. The unemployment rate has remained stable, averaging approximately 4.5 percent over the past 2 years.

The Wilmington sales market currently is strong in all price ranges. Demand is greatest for single-family detached homes, while single-family attached townhouse communities also are popular. According to the New Castle County Board of REALTORS® and

Cecil County Board of REALTORS® existing home sales have increased steadily since 2000 to 8,959 homes in 2003, an increase of 9 percent during the past year. New Castle County's median sales price was \$164,697 in 2003, or an annual increase of 8 percent, and Cecil County's median sales price averaged approximately \$194,700 during 2003, or an annual increase of 9 percent. During the 12 months ending December 2003, permits were issued for 2,773 single-family homes in the Wilmington area, 6 percent below the activity for the same period a year earlier. Since 1990 most of New Castle County's growth has occurred in and around Middletown, Newark, and Bear, and development continues to move south toward Kent County. In Cecil County, growth occurred primarily in incorporated towns such as Elkton, Perryville, and North East.

Housing options in the Wilmington downtown area have expanded since 2000 with the conversion of two former office towers and historic buildings into luxury apartments. The Nemours Building was rehabilitated to include new office and retail space and 85 furnished corporate apartments, which began leasing in February 2002. During the summer of 2003 a 278-unit upscale rental apartment development opened in the former Delaware Trust Building, and an 86-unit mixed income market-rate and low-income housing tax credit development also began leasing. With the new developments renting an average of 16 and 4 units per month, respectively, absorption has been slower than anticipated. Two-bedroom/two-bath gross rents in new downtown units average \$1,600, compared with \$1,100 rents in newly completed Class A developments in suburban Wilmington.

The rental market in the metropolitan area remains balanced, although concessions are being offered in the city and suburbs. Rental vacancies have increased slightly from 7.3 percent as of 2000 to approximately 8.0 percent currently. Despite the weaker market conditions, multifamily permits almost doubled to 748 units during the 12 months ending December 2003, compared with the same period a year earlier. This level of production is higher than the annual average of approximately 500 units permitted from 1997 through 2000. More than half of the permits issued in the past year are for two new apartment complexes in the Bear area of New Castle County. In addition, a 50-unit rental development is to be located in the city of North East in Cecil County.

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

HUD Region and State	2003 Through December			2002 Through December			RATIO: 2003/2002 Through December		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	10,758	8,229	2,529	9,826	8,682	1,144	1.095	0.948	2.211
Maine	7,361	6,764	597	6,790	5,951	839	1.084	1.137	0.712
Massachusetts	19,273	12,726	6,547	16,875	13,139	3,736	1.142	0.969	1.752
New Hampshire	7,861	5,935	1,926	8,207	6,382	1,825	0.958	0.930	1.055
Rhode Island	2,349	1,984	365	2,804	2,127	677	0.838	0.933	0.539
Vermont	2,792	2,388	404	2,913	2,225	688	0.958	1.073	0.587
<b>New England</b>	<b>50,394</b>	<b>38,026</b>	<b>12,368</b>	<b>47,415</b>	<b>38,506</b>	<b>8,909</b>	<b>1.063</b>	<b>0.988</b>	<b>1.388</b>
New Jersey	32,369	21,564	10,805	30,045	22,109	7,936	1.077	0.975	1.362
New York	49,998	23,885	26,113	49,398	25,294	24,104	1.012	0.944	1.083
<b>New York/New Jersey</b>	<b>82,367</b>	<b>45,449</b>	<b>36,918</b>	<b>79,443</b>	<b>47,403</b>	<b>32,040</b>	<b>1.037</b>	<b>0.959</b>	<b>1.152</b>
Delaware	7,786	6,788	998	6,411	6,022	389	1.214	1.127	2.566
District of Columbia	1,427	152	1,275	1,591	383	1,208	0.897	0.397	1.055
Maryland	30,125	23,813	6,312	29,213	23,855	5,358	1.031	0.998	1.178
Pennsylvania	42,315	34,602	7,713	41,536	35,691	5,845	1.019	0.969	1.320
Virginia	56,951	47,048	9,903	59,847	46,017	13,830	0.952	1.022	0.716
West Virginia	4,584	4,156	428	4,654	4,097	557	0.985	1.014	0.768
<b>Mid-Atlantic</b>	<b>143,188</b>	<b>116,559</b>	<b>26,629</b>	<b>143,252</b>	<b>116,065</b>	<b>27,187</b>	<b>1.000</b>	<b>1.004</b>	<b>0.979</b>
Alabama	26,012	21,734	4,278	22,424	19,091	3,333	1.160	1.138	1.284
Florida	211,078	155,052	56,026	182,091	126,835	55,256	1.159	1.222	1.014
Georgia	94,773	78,417	16,356	97,385	74,677	22,708	0.973	1.050	0.720
Kentucky	20,183	17,265	2,918	18,862	15,947	2,915	1.070	1.083	1.001
Mississippi	12,052	10,368	1,684	10,943	8,634	2,309	1.101	1.201	0.729
North Carolina	77,982	66,127	11,855	81,045	67,411	13,634	0.962	0.981	0.870
South Carolina	36,733	31,118	5,615	32,539	27,700	4,839	1.129	1.123	1.160
Tennessee	37,427	32,754	4,673	34,695	29,686	5,009	1.079	1.103	0.933
<b>Southeast/Caribbean</b>	<b>516,240</b>	<b>412,835</b>	<b>103,405</b>	<b>479,984</b>	<b>369,981</b>	<b>110,003</b>	<b>1.076</b>	<b>1.116</b>	<b>0.940</b>
Illinois	61,411	43,829	17,582	57,791	42,200	15,591	1.063	1.039	1.128
Indiana	40,270	32,216	8,054	39,523	31,099	8,424	1.019	1.036	0.956
Michigan	51,486	43,589	7,897	48,952	41,144	7,808	1.052	1.059	1.011
Minnesota	40,086	30,915	9,171	36,544	26,810	9,734	1.097	1.153	0.942
Ohio	52,419	42,201	10,218	52,047	40,271	11,776	1.007	1.048	0.868
Wisconsin	39,212	27,769	11,443	37,875	25,305	12,570	1.035	1.097	0.910
<b>Midwest</b>	<b>284,884</b>	<b>220,519</b>	<b>64,365</b>	<b>272,732</b>	<b>206,829</b>	<b>65,903</b>	<b>1.045</b>	<b>1.066</b>	<b>0.977</b>
Arkansas	14,177	9,443	4,734	12,753	8,154	4,599	1.112	1.158	1.029
Louisiana	20,313	16,706	3,607	19,404	15,233	4,171	1.047	1.097	0.865
New Mexico	13,400	11,829	1,571	12,049	10,348	1,701	1.112	1.143	0.924
Oklahoma	15,248	12,570	2,678	13,074	11,048	2,026	1.166	1.138	1.322
Texas	174,170	133,077	41,093	160,530	120,644	39,886	1.085	1.103	1.030
<b>Southwest</b>	<b>237,308</b>	<b>183,625</b>	<b>53,683</b>	<b>217,810</b>	<b>165,427</b>	<b>52,383</b>	<b>1.090</b>	<b>1.110</b>	<b>1.025</b>
Iowa	16,654	12,851	3,803	14,394	10,140	4,254	1.157	1.267	0.894
Kansas	13,748	10,452	3,296	11,766	9,385	2,381	1.168	1.114	1.384
Missouri	27,307	21,608	5,699	27,467	19,949	7,518	0.994	1.083	0.758
Nebraska	10,130	8,514	1,616	9,315	7,005	2,310	1.087	1.215	0.700
<b>Great Plains</b>	<b>67,839</b>	<b>53,425</b>	<b>14,414</b>	<b>62,942</b>	<b>46,479</b>	<b>16,463</b>	<b>1.078</b>	<b>1.149</b>	<b>0.876</b>
Colorado	39,446	33,428	6,018	47,911	35,522	12,389	0.823	0.941	0.486
Montana	3,645	2,190	1,455	3,618	1,980	1,638	1.007	1.106	0.888
North Dakota	3,535	2,219	1,316	3,175	1,750	1,425	1.113	1.268	0.924
South Dakota	4,835	3,938	897	4,604	3,713	891	1.050	1.061	1.007
Utah	22,226	17,995	4,231	19,020	15,406	3,614	1.169	1.168	1.171
Wyoming	2,622	2,096	526	2,041	1,755	286	1.285	1.194	1.839
<b>Rocky Mountains</b>	<b>76,309</b>	<b>61,866</b>	<b>14,443</b>	<b>80,369</b>	<b>60,126</b>	<b>20,243</b>	<b>0.949</b>	<b>1.029</b>	<b>0.713</b>
Arizona	73,070	64,143	8,927	64,212	54,729	9,483	1.138	1.172	0.941
California	192,273	140,512	51,761	158,488	120,783	37,705	1.213	1.163	1.373
Hawaii	7,222	6,149	1,073	5,744	4,532	1,212	1.257	1.357	0.885
Nevada	43,140	33,033	10,107	35,332	27,284	8,048	1.221	1.211	1.256
<b>Pacific</b>	<b>315,705</b>	<b>243,837</b>	<b>71,868</b>	<b>263,776</b>	<b>207,328</b>	<b>56,448</b>	<b>1.197</b>	<b>1.176</b>	<b>1.273</b>
Alaska	3,545	1,752	1,793	3,023	1,722	1,301	1.173	1.017	1.378
Idaho	14,903	12,432	2,471	12,674	10,212	2,462	1.176	1.217	1.004
Oregon	26,103	18,799	7,304	22,543	17,977	4,566	1.158	1.046	1.600
Washington	43,580	34,480	9,100	42,593	33,090	9,503	1.023	1.042	0.958
<b>Northwest</b>	<b>88,131</b>	<b>67,463</b>	<b>20,668</b>	<b>80,833</b>	<b>63,001</b>	<b>17,832</b>	<b>1.090</b>	<b>1.071</b>	<b>1.159</b>
<b>United States</b>	<b>1,862,365</b>	<b>1,443,604</b>	<b>418,761</b>	<b>1,728,556</b>	<b>1,321,145</b>	<b>407,411</b>	<b>1.077</b>	<b>1.093</b>	<b>1.028</b>

\*Multifamily is two or more units in structure.

Source: Census Bureau, Department of Commerce



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

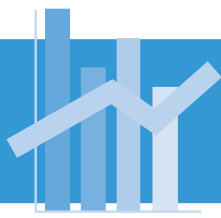
MSA/PMSA Name*	2003 Through December			2002 Through December			RATIO: 2003/2002 Through December		
	Total	Single Family	Multi-family**	Total	Single Family	Multi-family**	Total	Single Family	Multi-family**
Atlanta GA	65,098	53,753	11,345	65,660	49,952	15,708	0.991	1.076	0.722
Phoenix-Mesa AZ	54,167	46,591	7,576	47,173	39,862	7,311	1.148	1.169	1.036
Houston TX	49,980	33,965	16,015	40,825	29,059	11,766	1.224	1.169	1.361
Chicago IL	44,103	30,733	13,370	41,732	29,862	11,870	1.057	1.029	1.126
Riverside-San Bernardino CA	41,880	35,733	6,147	32,428	29,939	2,489	1.291	1.194	2.470
Las Vegas NV-AZ	39,881	30,278	9,603	31,942	24,691	7,251	1.249	1.226	1.324
Washington DC-MD-VA-WV	38,696	30,755	7,941	40,691	29,951	10,740	0.951	1.027	0.739
Dallas TX	35,865	26,905	8,960	33,880	25,002	8,878	1.059	1.076	1.009
Tampa-St. Petersburg-Clearwater FL	29,289	20,179	9,110	23,141	17,642	5,499	1.266	1.144	1.657
Orlando FL	28,357	22,385	5,972	25,849	17,293	8,556	1.097	1.294	0.698
Minneapolis-St. Paul MN-WI	27,661	20,327	7,334	25,427	17,426	8,001	1.088	1.166	0.917
New York NY	23,517	2,813	20,704	21,554	2,851	18,703	1.091	0.987	1.107
Sacramento CA	21,169	17,126	4,043	20,774	16,472	4,302	1.019	1.040	0.940
Los Angeles-Long Beach CA	20,761	10,234	10,527	16,407	8,182	8,225	1.265	1.251	1.280
Charlotte-Gastonia-Rock Hill NC-SC	20,232	17,155	3,077	20,896	17,355	3,541	0.968	0.988	0.869
Detroit MI	19,192	15,328	3,864	17,762	14,142	3,620	1.081	1.084	1.067
San Diego CA	18,061	9,885	8,176	13,493	8,689	4,804	1.339	1.138	1.702
Raleigh-Durham-Chapel Hill NC	17,483	14,072	3,411	16,705	13,999	2,706	1.047	1.005	1.261
Philadelphia PA-NJ	17,381	12,406	4,975	15,409	13,311	2,098	1.128	0.932	2.371
Fort Worth-Arlington TX	17,225	13,904	3,321	17,392	13,585	3,807	0.990	1.023	0.872
Denver CO	16,225	13,005	3,220	21,436	14,133	7,303	0.757	0.920	0.441
Columbus OH	16,161	11,693	4,468	16,692	10,455	6,237	0.968	1.118	0.716
Seattle-Bellevue-Everett WA	16,147	11,226	4,921	16,218	10,298	5,920	0.996	1.090	0.831
Miami FL	16,045	8,695	7,350	14,233	6,372	7,861	1.127	1.365	0.935
Indianapolis IN	16,028	13,062	2,966	16,680	13,176	3,504	0.961	0.991	0.846
Portland-Vancouver OR-WA	15,984	10,519	5,465	14,342	10,415	3,927	1.114	1.010	1.392
West Palm Beach-Boca Raton FL	15,879	10,880	4,999	13,052	9,143	3,909	1.217	1.190	1.279
Jacksonville FL	15,664	12,637	3,027	14,218	10,848	3,370	1.102	1.165	0.898
Fort Myers-Cape Coral FL	15,267	9,503	5,764	11,146	7,149	3,997	1.370	1.329	1.442
Kansas City MO-KS	14,620	11,661	2,959	14,238	10,657	3,581	1.027	1.094	0.826
St. Louis MO-IL	14,391	11,954	2,437	13,899	10,999	2,900	1.035	1.087	0.840
Nashville TN	12,934	11,471	1,463	11,690	10,572	1,118	1.106	1.085	1.309
San Antonio TX	11,547	9,304	2,243	11,666	8,944	2,722	0.990	1.040	0.824
Salt Lake City-Ogden UT	11,468	9,147	2,321	9,500	7,508	1,992	1.207	1.218	1.165
Oakland CA	11,224	7,159	4,065	9,151	7,361	1,790	1.227	0.973	2.271
Baltimore MD	10,799	8,189	2,610	11,015	9,310	1,705	0.980	0.880	1.531
Daytona Beach FL	10,504	8,600	1,904	7,062	6,223	839	1.487	1.382	2.269
Cincinnati OH-KY-IN	10,388	8,508	1,880	10,233	8,333	1,900	1.015	1.021	0.989
Norfolk-Virginia Beach-Newport News VA-NC	10,282	7,794	2,488	9,946	7,534	2,412	1.034	1.035	1.032
Austin-San Marcos TX	10,234	7,989	2,245	12,644	7,199	5,445	0.809	1.110	0.412
Greensboro-Winston-Salem-High Point NC	9,709	8,449	1,260	11,140	8,882	2,258	0.872	0.951	0.558
Fort Pierce-Port St. Lucie FL	9,690	8,195	1,495	5,489	4,276	1,213	1.765	1.917	1.232
Orange County CA	9,282	6,115	3,167	11,827	6,823	5,004	0.785	0.896	0.633
Memphis TN-AR-MS	9,109	8,111	998	8,627	7,109	1,518	1.056	1.141	0.657
Boston MA-NH	9,039	4,421	4,618	7,219	4,741	2,478	1.252	0.933	1.864
Sarasota-Bradenton FL	9,020	7,892	1,128	10,186	6,903	3,283	0.886	1.143	0.344
Fort Lauderdale FL	8,363	3,931	4,432	12,020	5,701	6,319	0.696	0.690	0.701
Richmond-Petersburg VA	7,938	6,373	1,565	8,644	6,879	1,765	0.918	0.926	0.887
Greenville-Spartanburg-Anderson SC	7,687	6,929	758	7,710	6,611	1,099	0.997	1.048	0.690
Oklahoma City OK	7,678	6,566	1,112	5,739	5,360	379	1.338	1.225	2.934

\*MSA=metropolitan statistical area; PMSA=primary metropolitan statistical area

\*\*Multifamily is two or more units in structure.

Source: Census Bureau, Department of Commerce





# Historical Data



**Table 1. New Privately Owned Housing Units Authorized:\* 1966–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											
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	1,332.5	997.3	32.2	31.5	271.5	1,116.8	215.8	124.2	296.6	583.2	328.5
1996	1,425.6	1,069.5	33.6	32.2	290.3	1,200.0	225.6	136.9	317.8	623.4	347.4
1997	1,441.1	1,062.4	34.9	33.6	310.3	1,220.2	220.9	141.9	299.8	635.9	363.5
1998	1,612.3	1,187.6	33.2	36.0	355.5	1,377.9	234.4	159.4	327.2	724.5	401.2
1999	1,663.5	1,246.7	32.5	33.3	351.1	1,427.4	236.1	164.9	345.4	748.9	404.3
2000	1,592.3	1,198.1	30.6	34.3	329.3	1,364.9	227.3	165.1	323.8	701.9	401.5
2001	1,636.7	1,235.6	31.8	34.2	335.2	1,410.4	226.3	159.8	333.6	730.3	413.0
2002	1,747.7	1,332.6	37.2	36.5	341.4	1,501.5	246.1	173.7	352.4	790.7	430.9
2003	1,857.3	1,440.4	40.6	40.9	335.4	1,604.6	252.7	174.6	359.9	838.1	484.7
Monthly Data (Seasonally Adjusted Annual Rates)											
2002											
October	1,813	1,390	71		352	NA		173	364	800	476
November	1,764	1,377	70		317	NA		161	340	776	487
December	1,907	1,420	77		410	NA		180	394	869	464
2003											
January	1,777	1,406	87		284	NA		157	354	796	470
February	1,786	1,319	78		389	NA		170	308	777	531
March	1,688	1,311	71		306	NA		150	324	777	437
April	1,724	1,332	82		310	NA		152	341	784	447
May	1,803	1,349	84		370	NA		166	343	819	475
June	1,823	1,427	77		319	NA		158	379	843	443
July	1,800	1,434	77		289	NA		161	364	810	465
August	1,901	1,484	84		333	NA		189	377	866	469
September	1,875	1,487	88		300	NA		164	384	841	486
October	1,981	1,539	81		361	NA		187	382	885	527
November	1,863	1,473	88		302	NA		180	378	812	493
December	1,924	1,514	74		336	NA		198	348	889	489

\*Authorized in Permit-Issuing Places.

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

Source: Census Bureau, Department of Commerce

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



**Table 2. New Privately Owned Housing Units Started: 1966–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											
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
1996	1,476.8	1,160.9	16.4	28.8	270.8	1,211.4	265.5	132.1	321.5	661.9	361.4
1997	1,474.0	1,133.7	18.1	26.4	295.8	1,221.3	252.7	136.8	303.6	670.3	363.3
1998	1,616.9	1,271.4	15.7	26.9	302.9	1,349.9	267.0	148.5	330.5	743.0	394.9
1999	1,640.9	1,302.4	15.0	16.9	306.6	1,367.7	273.2	155.7	347.3	746.0	391.9
2000	1,568.7	1,230.9	15.2	23.5	299.1	1,297.3	271.4	154.5	317.5	713.6	383.1
2001	1,602.7	1,273.3	17.2	19.3	292.8	1,329.4	273.3	149.2	330.4	732.0	391.1
2002	1,704.9	1,358.6	14.0	24.4	307.9	1,398.1	306.8	158.7	349.6	781.5	415.5
2003	1,848.4	1,498.5	15.6	17.7	316.6	1,519.1	329.3	163.9	372.5	838.4	473.6
Monthly Data (Seasonally Adjusted Annual Rates)											
2002											
October	1,653	1,366	NA		254	NA		145	321	702	485
November	1,760	1,403	NA		323	NA		144	379	807	430
December	1,815	1,462	NA		318	NA		162	386	792	475
2003											
January	1,828	1,509	NA		278	NA		145	349	820	514
February	1,640	1,312	NA		298	NA		142	279	759	460
March	1,742	1,393	NA		313	NA		155	351	814	422
April	1,627	1,357	NA		239	NA		150	319	724	434
May	1,745	1,389	NA		329	NA		151	357	791	446
June	1,844	1,499	NA		317	NA		162	353	822	507
July	1,890	1,533	NA		321	NA		186	392	866	446
August	1,831	1,490	NA		309	NA		152	401	848	430
September	1,931	1,547	NA		339	NA		186	428	861	456
October	1,977	1,640	NA		308	NA		154	389	908	526
November	2,054	1,674	NA		343	NA		193	414	897	550
December	2,088	1,664	NA		397	NA		180	396	961	551

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

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	922.0	381.1	22.8	27.3	490.8	NA	NA	197.1	189.3	359.2	176.4
1971	1,254.0	504.9	26.7	37.8	684.6	NA	NA	236.6	278.5	494.4	244.4
1972	1,542.1	612.5	36.4	46.4	846.8	NA	NA	264.4	306.8	669.1	301.8
1973	1,454.4	521.7	31.0	48.0	853.6	NA	NA	239.4	293.1	650.2	271.7
1974	1,000.8	441.1	19.4	29.1	511.3	NA	NA	178.0	218.8	418.9	185.1
1975	794.3	447.5	20.1	27.4	299.4	563.2	231.1	130.2	195.1	298.1	171.0
1976	922.0	562.6	22.7	31.8	304.9	658.5	263.5	125.4	232.1	333.3	231.2
1977	1,208.0	729.8	34.0	44.9	399.3	862.5	345.5	145.5	284.6	457.3	320.6
1978	1,310.2	764.5	36.1	47.3	462.2	968.0	342.2	158.3	309.2	497.6	345.2
1979	1,140.1	638.7	31.3	46.7	423.4	820.1	320.0	146.7	232.5	449.3	311.6
1980	896.1	514.5	28.3	40.3	313.1	620.9	275.2	120.1	171.4	376.7	227.9
1981	682.4	381.7	16.5	29.0	255.3	458.9	223.5	103.2	109.7	299.7	169.8
1982	720.0	399.7	16.5	24.9	278.9	511.7	208.3	98.6	112.4	344.0	165.0
1983	1,002.8	523.9	19.0	39.1	420.8	757.8	245.0	120.8	122.6	520.6	238.8
1984	1,050.5	556.0	20.9	42.5	431.0	814.1	236.4	152.5	137.3	488.9	271.7
1985	1,062.5	538.6	20.6	34.9	468.4	885.1	177.4	186.6	143.8	437.5	294.7
1986	1,073.5	583.1	19.3	28.4	442.7	899.7	173.8	218.9	165.7	387.3	301.5
1987	987.3	590.6	17.3	22.5	356.9	820.6	166.7	221.7	158.7	342.5	264.4
1988	919.4	569.6	16.1	24.1	309.5	757.5	161.9	201.6	148.1	308.2	261.6
1989	850.3	535.1	11.9	25.1	278.1	686.7	163.6	158.8	145.5	282.1	263.9
1990	711.4	449.1	10.9	15.1	236.3	553.9	157.5	121.6	133.4	242.3	214.1
1991	606.3	433.5	9.1	14.5	149.2	458.4	147.9	103.9	122.4	208.5	171.6
1992	612.4	472.7	5.6	11.3	122.8	453.1	159.4	81.4	137.8	228.4	164.8
1993	680.1	543.0	6.5	12.4	118.2	521.0	159.1	89.3	154.4	265.4	170.9
1994	762.2	557.8	9.1	12.9	182.5	597.6	164.5	96.3	173.5	312.1	180.3
1995	775.9	547.2	8.4	12.7	207.7	620.1	155.8	86.3	172.0	331.4	186.3
1996	792.3	550.0	9.0	19.1	214.3	629.9	162.4	85.2	178.0	337.6	191.4
1997	846.7	554.6	11.2	20.7	260.2	684.4	163.2	87.1	181.9	364.8	213.0
1998	970.8	659.1	8.3	20.5	282.9	794.8	176.0	98.5	201.2	428.5	242.6
1999	952.8	647.6	9.0	12.1	284.1	786.1	166.6	103.5	202.5	422.3	224.5
2000	933.8	623.4	10.2	19.5	280.7	759.8	173.9	110.0	186.6	397.6	239.5
2001	959.4	638.3	11.8	16.7	292.6	790.6	168.7	116.1	195.9	396.5	250.9
2002	1,001.2	668.8	10.9	15.5	306.0	817.7	183.4	125.0	207.1	413.0	256.0
2003	1,150.0	776.4	10.7	13.9	349.0	947.9	202.1	129.9	234.6	484.9	300.5
Monthly Data (Seasonally Adjusted Annual Rates)											
2002											
October	1,026	696	NA		304	NA		125	208	426	267
November	1,030	694	NA		309	NA		125	211	429	265
December	1,039	703	NA		309	NA		127	214	432	266
2003											
January	1,054	721	NA		307	NA		126	218	436	274
February	1,052	719	NA		307	NA		121	217	437	277
March	1,053	724	NA		304	NA		124	214	441	274
April	1,046	724	NA		298	NA		122	211	436	277
May	1,044	721	NA		299	NA		118	210	439	277
June	1,058	732	NA		302	NA		119	211	444	284
July	1,073	741	NA		308	NA		124	212	455	282
August	1,097	755	NA		318	NA		123	219	467	288
September	1,117	768	NA		325	NA		127	225	479	286
October	1,132	780	NA		328	NA		126	228	488	290
November	1,157	794	NA		338	NA		126	237	493	301
December	1,189	814	NA		350	NA		130	241	505	313

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

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

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



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

Period	Total	In Structures With				MSAs		Regions			
		1 Unit	2 Units	3 and 4 Units	5 Units or More	Inside	Outside	North-east	Mid-west	South	West
Annual Data											
1970	1,418.4	801.8	42.9	42.2	531.5	1,013.2	405.2	184.9	323.4	594.6	315.5
1971	1,706.1	1,014.0	50.9	55.2	586.1	1,192.5	513.6	225.8	348.1	727.0	405.2
1972	2,003.9	1,160.2	54.0	64.9	724.7	1,430.9	573.0	281.1	411.8	848.5	462.4
1973	2,100.5	1,197.2	59.9	63.6	779.8	1,541.0	559.5	294.0	441.7	906.3	458.6
1974	1,728.5	940.3	43.5	51.8	692.9	1,266.1	462.4	231.7	377.4	755.8	363.6
1975	1,317.2	874.8	31.5	29.1	381.8	922.6	394.5	185.8	313.2	531.3	286.8
1976	1,377.2	1,034.2	40.8	36.5	265.8	950.1	427.2	170.2	355.6	513.2	338.3
1977	1,657.1	1,258.4	48.9	46.1	303.7	1,161.9	495.2	176.8	400.0	636.1	444.2
1978	1,867.5	1,369.0	59.0	57.2	382.2	1,313.6	553.9	181.9	416.5	752.0	517.1
1979	1,870.8	1,301.0	60.5	64.4	444.9	1,332.0	538.8	188.4	414.7	761.7	506.0
1980	1,501.6	956.7	51.4	67.2	426.3	1,078.9	422.7	146.0	273.5	696.1	386.0
1981	1,265.7	818.5	49.2	62.4	335.7	888.4	377.4	127.3	217.7	626.4	294.3
1982	1,005.5	631.5	29.8	51.1	293.1	708.2	297.3	120.5	143.0	538.8	203.2
1983	1,390.3	923.7	37.0	55.2	374.4	1,073.9	316.5	138.9	200.8	746.0	304.6
1984	1,652.2	1,025.1	35.0	77.3	514.8	1,316.7	335.6	168.2	221.1	866.6	396.4
1985	1,703.3	1,072.5	36.4	60.7	533.6	1,422.2	281.0	213.8	230.5	812.2	446.8
1986	1,756.4	1,120.2	35.0	51.0	550.1	1,502.1	254.3	254.0	269.8	763.8	468.8
1987	1,668.8	1,122.8	29.0	42.4	474.6	1,420.4	248.4	257.4	302.3	660.4	448.7
1988	1,529.8	1,084.6	23.5	33.2	388.6	1,286.1	243.7	250.2	280.3	594.8	404.6
1989	1,422.8	1,026.3	24.1	34.6	337.9	1,181.2	241.7	218.8	267.1	549.4	387.5
1990	1,308.0	966.0	16.5	28.2	297.3	1,060.2	247.7	157.7	263.3	510.7	376.3
1991	1,090.8	837.6	16.9	19.7	216.6	862.1	228.7	120.1	240.4	438.9	291.3
1992	1,157.5	963.6	15.1	20.8	158.0	909.5	248.0	136.4	268.4	462.4	290.3
1993	1,192.7	1,039.4	9.5	16.7	127.1	943.0	249.8	117.6	273.3	512.0	290.0
1994	1,346.9	1,160.3	12.1	19.5	154.9	1,086.3	260.6	123.4	307.1	580.9	335.5
1995	1,312.6	1,065.5	14.8	19.8	212.4	1,065.0	247.6	126.9	287.9	581.1	316.7
1996	1,412.9	1,128.5	13.6	19.5	251.3	1,163.4	249.4	125.1	304.5	637.1	346.2
1997	1,400.5	1,116.4	13.6	23.4	247.1	1,152.8	247.7	134.0	295.9	634.1	336.4
1998	1,474.2	1,159.7	16.2	24.4	273.9	1,228.5	245.7	137.3	305.1	671.6	360.2
1999	1,604.9	1,270.4	12.5	22.6	299.3	1,336.8	268.0	142.7	334.7	732.7	394.8
2000	1,573.7	1,241.8	12.6	14.7	304.7	1,313.7	260.0	146.1	334.4	729.3	363.9
2001	1,570.8	1,255.9	14.3	19.6	281.0	1,305.1	265.7	144.8	316.4	726.3	383.3
2002	1,648.4	1,325.1	13.1	21.9	288.2	1,367.4	281.0	147.9	329.8	757.8	412.8
2003	1,677.7	1,386.2	13.9	17.6	260.1	1,380.0	297.7	153.4	333.0	756.6	434.8
Monthly Data (Seasonally Adjusted Annual Rates)											
2002											
October	1,591	1,286	NA	279	NA	132	311	758	390		
November	1,706	1,394	NA	284	NA	157	356	731	462		
December	1,674	1,353	NA	290	NA	134	339	763	438		
2003											
January	1,647	1,314	NA	284	NA	140	282	795	430		
February	1,672	1,326	NA	321	NA	210	309	732	421		
March	1,621	1,293	NA	281	NA	118	348	729	426		
April	1,680	1,371	NA	270	NA	149	359	766	406		
May	1,742	1,385	NA	325	NA	191	349	746	456		
June	1,663	1,363	NA	274	NA	156	332	744	431		
July	1,678	1,415	NA	234	NA	138	352	720	468		
August	1,573	1,325	NA	228	NA	151	326	695	401		
September	1,709	1,406	NA	259	NA	145	355	729	480		
October	1,717	1,473	NA	223	NA	154	317	772	474		
November	1,707	1,455	NA	229	NA	164	314	810	419		
December	1,710	1,447	NA	232	NA	133	338	831	408		

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

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

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

**Table 5. Manufactured (Mobile) Home Shipments, Residential Placements, Average Prices, and Units for Sale: 1976–Present**

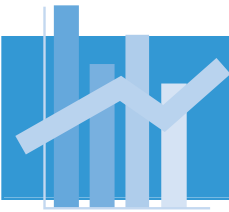


Period	Shipments*	Placed for Residential Use*					Average Price	For Sale*
	U.S.	U.S.	Northeast	Midwest	South	West		
Annual Data								
1976	246	250	17	52	115	67	\$12,300	67
1977	266	258	17	51	113	78	\$14,200	70
1978	276	280	17	50	135	78	\$15,900	74
1979	277	280	17	47	145	71	\$17,600	76
1980	222	234	12	32	140	49	\$19,800	56
1981	241	229	12	30	144	44	\$19,900	58
1982	240	234	12	26	161	35	\$19,700	58
1983	296	278	16	34	186	41	\$21,000	73
1984	295	288	20	35	193	39	\$21,500	82
1985	284	283	20	39	188	37	\$21,800	78
1986	244	256	21	37	162	35	\$22,400	67
1987	233	239	24	40	146	30	\$23,700	61
1988	218	224	23	39	131	32	\$25,100	58
1989	198	203	20	39	113	31	\$27,200	56
1990	188	195	19	38	108	31	\$27,800	49
1991	171	174	14	35	98	27	\$27,700	49
1992	211	212	15	42	124	30	\$28,400	51
1993	254	243	15	45	147	36	\$30,500	61
1994	304	291	16	53	178	44	\$32,800	70
1995	340	319	15	58	203	44	\$35,300	83
1996	363	338	16	59	218	44	\$37,200	89
1997	354	336	14	55	219	47	\$39,800	91
1998	373	374	15	58	250	50	\$41,600	83
1999	348	338	14	54	227	44	\$43,300	88
2000	251	281	15	50	177	39	\$46,400	59
2001	193	192	12	38	113	30	\$48,900	56
2002	169	172	12	33	100	27	\$51,300	51
2003	131	NA	NA	NA	NA	NA	NA	NA
Monthly Data (Seasonally Adjusted Annual Rates)								
2002								
August	166	171	12	32	103	25	\$52,700	55
September	162	154	11	31	86	26	\$51,700	55
October	156	160	10	32	90	28	\$51,200	55
November	150	152	12	30	85	25	\$53,300	54
December	144	153	11	29	89	24	\$52,000	53
2003								
January	140	151	14	29	84	23	\$54,700	50
February	137	109	4	20	64	22	\$53,700	51
March	129	138	8	20	80	30	\$51,500	50
April	130	138	9	23	82	24	\$53,600	49
May	129	135	11	24	77	23	\$54,300	49
June	131	127	7	22	75	23	\$54,400	48
July	137	123	10	24	67	22	\$55,900	49
August	130	131	14	27	66	23	\$53,900	48
September	130	138	12	23	73	30	\$54,800	46
October	126	139	12	26	75	26	\$56,800	44
November	126	139	12	25	79	23	\$56,300	43
December	125	NA	NA	NA	NA	NA	NA	NA

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

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

<http://www.census.gov/ftp/pub/const/www/mhsindex.html> (See Current Tables, Monthly Tables.)



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

Period	Sold During Period					For Sale at End of Period						Months' Supply at Current U.S. Sales Rate
	U.S.	North- east	Mid- west	South	West	U.S.	North- east	Mid- west	South	West	U.S.	
Annual Data												
1970	485	61	100	203	121	227	38	47	91	51	NA	NA
1971	656	82	127	270	176	294	45	55	131	63	NA	NA
1972	718	96	130	305	187	416	53	69	199	95	NA	NA
1973	634	95	120	257	161	422	59	81	181	102	NA	NA
1974	519	69	103	207	139	350	50	68	150	82	NA	NA
1975	549	71	106	222	150	316	43	66	133	74	NA	NA
1976	646	72	128	247	199	358	45	68	154	91	NA	NA
1977	819	86	162	317	255	408	44	73	168	123	NA	NA
1978	817	78	145	331	262	419	45	80	170	124	NA	NA
1979	709	67	112	304	225	402	42	74	172	114	NA	NA
1980	545	50	81	267	145	342	40	55	149	97	NA	NA
1981	436	46	60	219	112	278	41	34	127	76	NA	NA
1982	412	47	48	219	99	255	39	27	129	60	NA	NA
1983	623	76	71	323	152	304	42	33	149	79	NA	NA
1984	639	94	76	309	160	358	55	41	177	85	NA	NA
1985	688	112	82	323	171	350	66	34	172	79	NA	NA
1986	750	136	96	322	196	361	88	32	153	87	NA	NA
1987	671	117	97	271	186	370	103	39	149	79	NA	NA
1988	676	101	97	276	202	371	112	43	133	82	NA	NA
1989	650	86	102	260	202	366	108	41	123	93	NA	NA
1990	534	71	89	225	149	321	77	42	105	97	NA	NA
1991	509	57	93	215	144	284	62	41	97	83	NA	NA
1992	610	65	116	259	170	267	48	41	104	74	NA	NA
1993	666	60	123	295	188	295	53	48	121	73	NA	NA
1994	670	61	123	295	191	340	55	63	140	82	NA	NA
1995	667	55	125	300	187	374	62	69	158	86	NA	NA
1996	757	74	137	337	209	326	38	67	146	74	NA	NA
1997	804	78	140	363	223	287	26	65	127	69	NA	NA
1998	886	81	164	398	243	300	28	63	142	68	NA	NA
1999	880	76	168	395	242	315	28	64	153	70	NA	NA
2000	877	71	155	406	244	301	28	65	146	62	NA	NA
2001	908	66	164	439	239	310	28	70	142	69	NA	NA
2002	973	65	185	450	273	344	36	76	161	70	NA	NA
2003	1,085	79	189	512	306	382	28	99	175	81	NA	NA
	Monthly Data											(Seasonally Adjusted)
	(Seasonally Adjusted Annual Rates)					(Not Seasonally Adjusted)						
2002												
October	1,005	62	183	465	295	342	33	82	159	68	336	4.0
November	1,022	60	217	457	288	342	35	80	159	68	338	4.0
December	1,052	59	256	468	269	344	36	77	161	70	339	4.0
2003												
January	1,009	89	176	466	278	347	36	77	163	71	343	4.1
February	935	50	181	442	262	339	34	73	162	70	343	4.5
March	1,008	83	166	503	256	330	30	74	157	69	341	4.1
April	1,004	70	174	468	292	339	29	76	162	72	341	4.1
May	1,081	73	162	525	321	341	30	79	161	71	344	3.9
June	1,200	85	194	552	369	342	29	84	162	67	343	3.5
July	1,145	75	223	542	305	342	29	84	159	69	341	3.6
August	1,190	74	255	548	313	342	28	84	163	68	345	3.5
September	1,129	91	193	520	325	350	27	88	165	69	350	3.8
October	1,149	87	197	540	325	369	29	93	171	76	362	3.9
November	1,117	82	161	545	329	369	29	95	169	76	366	4.0
December	1,060	92	175	501	292	382	28	99	175	81	374	4.3

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

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





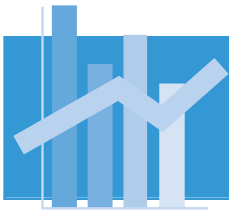
**Table 7. Existing Single-Family Home Sales: 1969–Present\***

Period	U.S.	Northeast	Midwest	South	West	For Sale	Months' Supply
<b>Annual Data</b>							
1969	1,594	240	508	538	308	NA	NA
1970	1,612	251	501	568	292	NA	NA
1971	2,018	311	583	735	389	NA	NA
1972	2,252	361	630	788	473	NA	NA
1973	2,334	367	674	847	446	NA	NA
1974	2,272	354	645	839	434	NA	NA
1975	2,476	370	701	862	543	NA	NA
1976	3,064	439	881	1,033	712	NA	NA
1977	3,650	515	1,101	1,231	803	NA	NA
1978	3,986	516	1,144	1,416	911	NA	NA
1979	3,827	526	1,061	1,353	887	NA	NA
1980	2,973	403	806	1,092	672	NA	NA
1981	2,419	353	632	917	516	NA	NA
1982	1,990	354	490	780	366	1,910	NA
1983	2,719	493	709	1,035	481	1,980	NA
1984	2,868	511	755	1,073	529	2,260	NA
1985	3,214	622	866	1,172	554	2,200	NA
1986	3,565	703	991	1,261	610	1,970	NA
1987	3,526	685	959	1,282	600	2,160	NA
1988	3,594	673	929	1,350	642	2,160	NA
1989	3,346	531	855	1,185	775	1,870	NA
1990	3,211	469	831	1,202	709	2,100	NA
1991	3,220	479	840	1,199	702	2,130	NA
1992	3,520	534	939	1,292	755	1,760	NA
1993	3,802	571	1,007	1,416	808	1,520	NA
1994	3,946	592	1,027	1,464	863	1,380	NA
1995	3,812	577	992	1,431	813	1,470	NA
1996	4,196	584	986	1,511	1,116	1,910	NA
1997	4,382	607	1,005	1,595	1,174	1,840	NA
1998	4,970	662	1,130	1,868	1,309	1,910	NA
1999	5,205	656	1,148	2,015	1,386	1,730	NA
2000	5,152	643	1,119	2,015	1,376	1,840	NA
2001	5,296	638	1,158	2,114	1,386	1,840	NA
2002	5,566	656	1,217	2,203	1,490	2,130	NA
2003	6,100	694	1,323	2,436	1,647	2,300	NA
<b>Monthly Data (Seasonally Adjusted Annual Rates)</b>							
<b>2002</b>							
October	5,630	660	1,240	2,240	1,490	2,310	4.9
November	5,670	660	1,250	2,260	1,500	2,310	4.9
December	5,940	660	1,340	2,330	1,600	2,130	4.3
<b>2003</b>							
January	5,940	700	1,210	2,440	1,590	2,290	4.6
February	5,910	690	1,300	2,330	1,590	2,150	4.4
March	5,750	650	1,270	2,290	1,550	2,240	4.7
April	5,800	650	1,270	2,290	1,590	2,490	5.2
May	5,850	680	1,330	2,290	1,550	2,360	4.8
June	5,830	650	1,290	2,290	1,600	2,500	5.1
July	6,130	700	1,340	2,460	1,630	2,360	4.6
August	6,460	710	1,370	2,620	1,760	2,430	4.5
September	6,680	750	1,430	2,640	1,850	2,400	4.3
October	6,350	730	1,360	2,570	1,680	2,460	4.6
November	6,050	700	1,270	2,450	1,640	2,480	4.9
December	6,470	720	1,390	2,580	1,770	2,300	4.3

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	Median					U.S. Average	
	U.S.	Northeast	Midwest	South	West	Houses Actually Sold	Constant-Quality House <sup>1</sup>
<b>Annual Data</b>							
1964	18,900	20,300	19,400	16,700	20,400	20,500	NA
1965	20,000	21,500	21,600	17,500	21,600	21,500	NA
1966	21,400	23,500	23,200	18,200	23,200	23,300	NA
1967	22,700	25,400	25,100	19,400	24,100	24,600	NA
1968	24,700	27,700	27,400	21,500	25,100	26,600	NA
1969	25,600	31,600	27,600	22,800	25,300	27,900	NA
1970	23,400	30,300	24,400	20,300	24,000	26,600	NA
1971	25,200	30,600	27,200	22,500	25,500	28,300	NA
1972	27,600	31,400	29,300	25,800	27,500	30,500	NA
1973	32,500	37,100	32,900	30,900	32,400	35,500	NA
1974	35,900	40,100	36,100	34,500	35,800	38,900	NA
1975	39,300	44,000	39,600	37,300	40,600	42,600	NA
1976	44,200	47,300	44,800	40,500	47,200	48,000	NA
1977	48,800	51,600	51,500	44,100	53,500	54,200	67,400
1978	55,700	58,100	59,200	50,300	61,300	62,500	77,400
1979	62,900	65,500	63,900	57,300	69,600	71,800	89,100
1980	64,600	69,500	63,400	59,600	72,300	76,400	98,100
1981	68,900	76,000	65,900	64,400	77,800	83,000	105,900
1982	69,300	78,200	68,900	66,100	75,000	83,900	108,400
1983	75,300	82,200	79,500	70,900	80,100	89,800	110,700
1984	79,900	88,600	85,400	72,000	87,300	97,600	115,100
1985	84,300	103,300	80,300	75,000	92,600	100,800	116,600
1986	92,000	125,000	88,300	80,200	95,700	111,900	121,200
1987	104,500	140,000	95,000	88,000	111,000	127,200	127,700
1988	112,500	149,000	101,600	92,000	126,500	138,300	132,400
1989	120,000	159,600	108,800	96,400	139,000	148,800	137,800
1990	122,900	159,000	107,900	99,000	147,500	149,800	140,400
1991	120,000	155,900	110,000	100,000	141,100	147,200	142,200
1992	121,500	169,000	115,600	105,500	130,400	144,100	144,100
1993	126,500	162,600	125,000	115,000	135,000	147,700	150,300
1994	130,000	169,000	132,900	116,900	140,400	154,500	157,500
1995	133,900	180,000	134,000	124,500	141,000	158,700	161,900
1996 <sup>2</sup>	140,000	186,000	138,000	126,200	153,900	166,400	166,400
1997	146,000	190,000	149,900	129,600	160,000	176,200	171,200
1998	152,500	200,000	157,500	135,800	163,500	181,900	175,600
1999	161,000	210,500	164,000	145,900	173,700	195,600	184,200
2000	169,000	227,400	169,700	148,000	196,400	207,000	192,000
2001	175,200	246,400	172,600	155,400	213,600	213,200	198,800
2002	187,600	264,300	178,000	163,400	238,500	228,700	207,700
2003	193,400	262,900	182,200	165,400	260,700	244,800	219,500
<b>Quarterly Data</b>							
<b>2002</b> 4th Quarter	190,100	287,100	179,800	165,400	244,400	232,500	213,200
<b>2003</b> 1st Quarter	186,000	208,100	178,200	165,800	253,700	233,100	215,800
2nd Quarter	191,800	279,900	176,500	164,600	245,600	241,000	215,800
3rd Quarter	191,900	259,400	184,000	163,400	272,200	248,100	222,300
4th Quarter	196,300	285,700	184,800	163,600	285,800	256,000	223,300

<sup>1</sup>The 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.

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

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

[http://www.census.gov/const/quarterly\\_sales.pdf](http://www.census.gov/const/quarterly_sales.pdf) (See Table Q6.)



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

Period	Median					Average
	U.S.	Northeast	Midwest	South	West	U.S.
<b>Annual Data</b>						
1968	20,100	21,400	18,200	19,000	22,900	22,300
1969	21,800	23,700	19,000	20,300	23,900	23,700
1970	23,000	25,200	20,100	22,200	24,300	25,700
1971	24,800	27,100	22,100	24,300	26,500	28,000
1972	26,700	29,800	23,900	26,400	28,400	30,100
1973	28,900	32,800	25,300	29,000	31,000	32,900
1974	32,000	35,800	27,700	32,300	34,800	35,800
1975	35,300	39,300	30,100	34,800	39,600	39,000
1976	38,100	41,800	32,900	36,500	46,100	42,200
1977	42,900	44,000	36,700	39,800	57,300	47,900
1978	48,700	47,900	42,200	45,100	66,700	55,500
1979	55,700	53,600	47,800	51,300	77,400	64,200
1980	62,200	60,800	51,900	58,300	89,300	72,800
1981	66,400	63,700	54,300	64,400	96,200	78,300
1982	67,800	63,500	55,100	67,100	98,900	80,500
1983	70,300	72,200	56,600	69,200	94,900	83,100
1984	72,400	78,700	57,100	71,300	95,800	86,000
1985	75,500	88,900	58,900	75,200	95,400	90,800
1986	80,300	104,800	63,500	78,200	100,900	98,500
1987	85,600	133,300	66,000	80,400	113,200	106,300
1988	89,300	143,000	68,400	82,200	124,900	112,800
1989	93,100	145,200	71,300	84,500	139,900	118,100
1990	95,500	141,200	74,000	85,900	139,600	118,600
1991	100,300	141,900	77,800	88,900	147,200	128,400
1992	103,700	140,000	81,700	92,100	143,800	130,900
1993	106,800	139,500	85,200	95,000	142,600	133,500
1994	109,900	139,100	87,900	96,000	147,000	136,800
1995	113,100	136,900	93,600	97,800	148,300	139,100
1996	115,800	127,800	101,000	103,400	147,100	141,800
1997	121,800	131,800	107,000	109,600	155,200	150,500
1998	128,400	135,900	114,300	116,200	164,800	159,100
1999	133,300	139,000	119,600	120,300	173,900	168,300
2000	139,000	139,400	123,600	128,300	183,000	176,200
2001	147,800	146,500	130,200	137,400	194,500	185,300
2002	158,100	164,300	136,000	147,300	215,400	201,600
2003	169,900	190,000	141,400	157,200	234,100	216,200
<b>Monthly Data</b>						
<b>2002</b>						
October	159,300	165,000	137,700	148,300	215,100	202,000
November	161,400	172,000	138,600	149,900	215,800	203,300
December	162,400	172,900	137,300	152,500	213,400	202,900
<b>2003</b>						
January	160,200	179,900	132,300	149,100	218,600	204,200
February	161,300	177,600	134,300	154,900	213,200	202,700
March	162,100	177,100	137,400	151,000	219,800	205,100
April	163,700	178,700	136,500	151,900	227,200	209,100
May	166,400	179,800	138,600	154,000	229,700	212,900
June	175,000	188,800	147,400	163,500	242,000	223,200
July	181,600	196,300	147,500	177,200	243,100	228,200
August	177,200	196,400	149,700	164,900	240,400	224,100
September	171,800	196,700	143,700	158,600	231,900	216,700
October	171,800	197,100	140,300	156,800	238,000	218,100
November	169,900	194,500	141,100	156,500	229,400	214,600
December	173,200	192,600	141,900	158,900	248,300	222,500

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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

Period	U.S.	New England	Middle Atlantic	South Atlantic	East South Central	West South Central	West North Central	East North Central	Mountain	Pacific
<b>Annual Average</b>										
1975	62.8	68.8	69.8	69.5	69.9	58.8	65.2	64.3	55.2	45.5
1976	66.6	71.2	71.2	71.2	72.4	63.7	69.2	68.8	60.1	53.4
1977	73.9	76.5	75.7	75.7	79.0	70.9	76.6	76.6	68.6	66.2
1978	83.8	87.4	81.5	83.8	87.7	81.4	87.6	87.2	80.6	79.0
1979	94.9	99.9	94.3	93.3	96.0	94.1	97.1	97.5	94.8	91.3
1980	102.5	104.3	103.5	102.0	100.3	103.3	103.1	100.7	102.3	104.1
1981	108.1	111.8	107.8	109.1	104.4	112.3	102.0	103.5	110.8	112.4
1982	111.3	116.7	112.3	114.6	106.3	122.9	102.7	99.9	117.2	114.6
1983	115.4	130.5	118.9	118.5	111.0	126.2	107.5	102.6	119.8	116.2
1984	120.8	154.2	133.7	123.5	114.6	125.3	111.6	105.0	119.6	120.5
1985	128.0	186.6	151.6	129.3	119.7	124.9	116.3	109.2	122.4	125.9
1986	137.9	227.9	176.0	137.2	126.0	126.0	121.1	116.0	126.4	133.6
1987	148.8	267.9	208.1	146.4	132.8	118.6	125.8	125.3	126.1	145.8
1988	158.2	286.5	229.0	156.7	136.9	112.2	128.4	134.5	124.2	166.4
1989	167.3	288.4	235.0	165.2	140.2	112.7	131.5	142.7	125.5	199.0
1990	171.6	277.1	233.8	168.7	142.6	114.1	133.8	149.6	128.4	216.7
1991	173.7	263.1	232.2	171.2	146.3	116.7	137.0	155.4	133.0	219.3
1992	177.5	259.8	236.7	175.5	151.6	120.9	141.5	161.8	139.6	218.8
1993	180.5	258.8	239.5	178.5	157.1	125.1	146.3	167.6	149.0	214.0
1994	183.9	255.8	237.3	180.5	164.9	129.2	154.2	176.1	163.4	209.1
1995	188.8	258.6	237.8	184.7	173.0	132.5	161.7	185.2	175.3	209.5
1996	195.5	265.6	242.4	191.0	181.3	136.9	169.2	195.3	184.9	213.0
1997	202.3	274.2	246.3	197.2	188.9	140.7	176.7	205.2	192.8	219.9
1998	212.7	290.7	256.6	206.8	198.4	147.6	185.4	214.8	201.8	235.3
1999	223.5	315.6	268.2	215.8	205.3	154.4	196.6	225.0	210.4	249.6
2000	239.2	353.9	288.0	228.3	211.9	162.2	210.2	237.8	223.4	274.8
2001	258.3	393.7	313.0	246.5	223.3	172.4	225.9	251.3	239.6	304.3
2002	276.8	439.1	344.4	264.5	230.7	179.0	240.5	263.1	250.3	332.7
<b>Quarterly Data</b>										
<b>2002</b>										
3rd Quarter	279.9	446.4	349.6	267.7	232.1	180.3	242.6	264.7	252.5	338.2
4th Quarter	284.5	456.2	357.1	272.2	234.5	182.4	245.8	266.9	254.8	346.3
<b>2003</b>										
1st Quarter	288.2	464.3	363.4	275.8	236.5	183.7	248.1	269.2	256.6	353.0
2nd Quarter	291.6	471.0	369.0	279.7	238.3	185.0	250.2	271.2	258.5	358.1
3rd Quarter	295.6	479.8	375.2	283.8	239.8	185.8	253.7	273.8	261.1	365.4

Base: First Quarter 1980 equals 100.

Source: Office of Federal Housing Enterprise Oversight

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

**Table 11. Housing Affordability Index: 1972–Present**



Period	U.S.				Affordability Indexes*		
	Median Existing Price	Mortgage Rate <sup>1</sup>	Median Family Income	Income To Qualify	Composite	Fixed	ARM
<b>Annual Data</b>							
1972	\$26,700	7.52	\$11,116	\$7,183	154.8	154.8	154.8
1973	\$28,900	8.01	\$12,051	\$8,151	147.9	147.9	147.9
1974	\$32,000	9.02	\$12,902	\$9,905	130.3	130.3	130.3
1975	\$35,300	9.21	\$13,719	\$11,112	123.5	123.5	123.5
1976	\$38,100	9.11	\$14,958	\$11,888	125.8	125.8	125.8
1977	\$42,900	9.02	\$16,010	\$13,279	120.6	120.6	120.6
1978	\$48,700	9.58	\$17,640	\$15,834	111.4	111.4	111.4
1979	\$55,700	10.92	\$19,680	\$20,240	97.2	97.2	97.2
1980	\$62,200	12.95	\$21,023	\$26,328	79.9	79.9	79.9
1981	\$66,400	15.12	\$22,388	\$32,485	68.9	68.9	68.9
1982	\$67,800	15.38	\$23,433	\$33,713	69.5	69.4	69.7
1983	\$70,300	12.85	\$24,580	\$29,546	83.2	81.7	85.2
1984	\$72,400	12.49	\$26,433	\$29,650	89.1	84.6	92.1
1985	\$75,500	11.74	\$27,735	\$29,243	94.8	89.6	100.6
1986	\$80,300	10.25	\$29,458	\$27,047	108.9	105.7	116.3
1987	\$85,600	9.28	\$30,970	\$27,113	114.2	107.6	122.4
1988	\$89,300	9.31	\$32,191	\$28,360	113.5	103.6	122.0
1989	\$93,100	10.11	\$34,213	\$31,662	108.1	103.6	114.3
1990	\$95,500	10.04	\$35,353	\$32,286	109.5	106.5	118.3
1991	\$100,300	9.30	\$35,939	\$31,825	112.9	109.9	124.2
1992	\$103,700	8.11	\$36,812	\$29,523	124.7	120.1	145.0
1993	\$106,800	7.16	\$36,959	\$27,727	133.3	128.4	154.9
1994	\$109,900	7.47	\$38,782	\$29,419	131.8	122.2	149.5
1995	\$113,100	7.85	\$40,611	\$31,415	129.3	123.7	140.0
1996	\$115,800	7.71	\$42,300	\$31,744	133.3	129.6	142.9
1997	\$121,800	7.68	\$44,568	\$33,282	133.9	130.8	145.2
1998	\$128,400	7.10	\$46,737	\$33,120	141.1	139.7	151.0
1999	\$133,300	7.33	\$48,950	\$35,184	139.1	136.3	150.4
2000	\$139,000	8.03	\$50,732	\$39,264	129.2	127.6	141.3
2001	\$147,800	7.03	\$51,407	\$37,872	135.7	135.7	145.5
2002	\$158,100	6.55	\$52,103	\$38,592	135.0	132.7	148.3
2003	\$169,900	5.74	\$53,463	\$38,016	140.6	127.6	142.8
<b>Monthly Data</b>							
<b>2002</b>							
October	\$159,300	6.14	\$52,478	\$37,248	140.9	139.3	153.3
November	\$161,400	6.08	\$52,585	\$37,488	140.3	138.7	151.3
December	\$162,400	6.10	\$52,692	\$37,776	139.5	137.9	151.8
<b>2003</b>							
January	\$160,200	5.96	\$52,811	\$36,720	143.8	141.8	155.8
February	\$161,300	5.93	\$52,929	\$36,864	143.6	141.6	156.2
March	\$162,100	5.80	\$53,048	\$36,528	145.2	143.3	158.3
April	\$163,700	5.72	\$53,166	\$36,576	145.4	143.3	158.0
May	\$166,400	5.62	\$53,285	\$36,768	144.9	143.2	155.7
June	\$175,000	5.40	\$53,404	\$37,728	141.6	139.9	154.1
July	\$181,600	5.39	\$53,522	\$39,120	136.8	135.3	148.5
August	\$177,200	5.66	\$53,641	\$39,312	136.4	133.5	149.0
September	\$171,800	5.94	\$53,759	\$39,312	136.7	133.8	149.3
October	\$171,800	5.83	\$53,878	\$38,832	138.7	135.2	150.7
November	\$169,900	5.85	\$53,996	\$38,496	140.3	136.5	151.0
December	\$173,200	5.82	\$54,115	\$39,120	138.3	134.5	150.3

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

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

Source: NATIONAL ASSOCIATION OF REALTORS®

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



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



Period	Unfurnished Rental Apartment Completions	Percent Rented in 3 Months	Median Asking Rent
<b>Annual Data</b>			
1970	328,400	73	\$188
1971	334,400	68	\$187
1972	497,900	68	\$191
1973	531,700	70	\$191
1974	405,500	68	\$197
1975	223,100	70	\$211
1976	157,000	80	\$219
1977	195,600	80	\$232
1978	228,700	82	\$251
1979	241,200	82	\$272
1980	196,100	75	\$308
1981	135,400	80	\$347
1982	117,000	72	\$385
1983	191,500	69	\$386
1984	313,200	67	\$393
1985	364,500	65	\$432
1986	407,600	66	\$457
1987	345,600	63	\$517
1988	284,500	66	\$550
1989	246,200	70	\$590
1990	214,300	67	\$600
1991	165,300	70	\$614
1992	110,200	74	\$586
1993	77,200	75	\$573
1994	104,000	81	\$576
1995	155,000	72	\$655
1996	191,300	72	\$672
1997	189,200	74	\$724
1998	209,900	73	\$734
1999	225,900	72	\$791
2000	226,200	72	\$841
2001	193,100	63	\$881
2002	204,100	59	\$918
<b>Quarterly Data</b>			
<b>2002</b>			
3rd Quarter	61,700	56	\$898
4th Quarter	47,700	57	\$928
<b>2003</b>			
1st Quarter	37,100	61	\$901
2nd Quarter	50,000	63	\$992
3rd Quarter	42,500	57	\$914

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

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





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

Period	Housing Market Index	Sales of Single-Family Detached Homes		Prospective Buyer Traffic
		Current Activity	Future Expectations	
Annual Data				
1979	NA	48	37	32
1980	NA	19	26	17
1981	NA	8	16	14
1982	NA	15	28	18
1983	NA	52	60	48
1984	NA	52	52	41
1985	55	58	62	47
1986	60	62	67	53
1987	56	60	60	45
1988	53	57	59	43
1989	48	50	58	37
1990	34	36	42	27
1991	36	36	49	29
1992	48	50	59	39
1993	59	62	68	49
1994	56	61	62	44
1995	47	50	56	35
1996	57	61	64	46
1997	57	60	66	45
1998	70	76	78	54
1999	73	80	80	54
2000	62	69	69	45
2001	56	61	63	41
2002	61	66	69	46
2003	64	70	72	47
Monthly Data—Seasonally Adjusted				
2002				
October	63	69	68	47
November	64	71	70	48
December	65	72	69	48
2003				
January	64	69	68	51
February	62	69	66	43
March	52	59	56	35
April	52	57	62	35
May	57	62	69	40
June	62	67	70	47
July	65	69	74	51
August	71	77	78	55
September	68	73	78	51
October	72	78	82	52
November	70	78	81	47
December	70	77	77	52
2004				
January	68	74	75	50

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



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



Period	FHA		Conventional					
	30-Year Fixed Rate		30-Year Fixed Rate		15-Year Fixed Rate		1-Year ARMs	
	Rate*	Points <sup>1</sup>	Rate	Points	Rate	Points	Rate	Points
<b>Annual Data</b>								
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	8.28	0.5	7.95	1.8	7.49	1.8	6.07	1.5
1996	8.03	0.5	7.81	1.7	7.32	1.7	5.67	1.4
1997	7.90	0.4	7.59	1.7	7.13	1.7	5.60	1.4
1998	7.12	0.3	6.95	1.1	6.59	1.1	5.59	1.1
1999	7.53	0.5	7.44	1.0	7.06	1.0	5.98	1.0
2000	NA	NA	8.05	1.0	7.72	1.0	7.04	1.0
2001	NA	NA	6.97	0.9	6.50	0.9	5.82	0.9
2002	NA	NA	6.54	0.6	5.98	0.6	4.62	0.7
2003	NA	NA	5.83	0.6	5.17	0.6	3.76	0.6
<b>Monthly Data</b>								
<b>2002</b>								
October	NA	NA	6.11	0.6	5.50	0.6	4.27	0.6
November	NA	NA	6.07	0.6	5.46	0.6	4.16	0.6
December	NA	NA	6.05	0.6	5.45	0.6	4.12	0.6
<b>2003</b>								
January	NA	NA	5.92	0.6	5.30	0.6	3.99	0.7
February	NA	NA	5.84	0.6	5.22	0.6	3.86	0.6
March	NA	NA	5.75	0.6	5.07	0.6	3.76	0.7
April	NA	NA	5.81	0.6	5.12	0.6	3.80	0.6
May	NA	NA	5.48	0.6	4.86	0.7	3.66	0.6
June	NA	NA	5.23	0.6	4.63	0.6	3.52	0.6
July	NA	NA	5.63	0.5	4.97	0.5	3.57	0.6
August	NA	NA	6.26	0.7	5.59	0.7	3.79	0.7
September	NA	NA	6.15	0.6	5.46	0.6	3.86	0.6
October	NA	NA	5.95	0.6	5.27	0.6	3.74	0.6
November	NA	NA	5.93	0.6	5.27	0.7	3.75	0.7
December	NA	NA	5.88	0.7	5.20	0.6	3.75	0.6

\*Mortgage loan interest rate data on FHA-insured loans are no longer collected by the Department of Housing and Urban Development.

<sup>1</sup>Annual data for the FHA rate are based on the most active (modal) quote and the secondary market discount (excluding origination fee) until 1994. Subsequent annual and monthly data are based on the average rate quoted and the primary market discount (excluding origination fee).

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

<http://www.freddiemac.com/pmms/pmms30.htm>

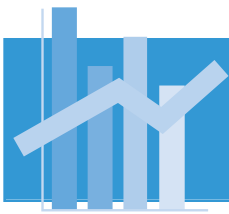
**Table 15.** Mortgage Interest Rates, Points, Effective Rates, and Average Term to Maturity on Conventional Loans Closed: 1982–Present



Period	Fixed Rate				Adjustable Rate			
	Rate	Points	Effective Rate	Term to Maturity	Rate	Points	Effective Rate	Term to Maturity
<b>Annual Data</b>								
1982	14.72	2.51	15.26	25.4	14.74	2.86	15.37	26.0
1983	12.51	2.41	12.98	25.5	11.88	2.37	12.33	26.7
1984	12.67	2.59	13.18	24.8	11.57	2.57	12.05	28.0
1985	11.93	2.56	12.43	24.1	10.44	2.47	10.87	27.7
1986	10.09	2.31	10.50	24.9	9.10	1.97	9.42	27.3
1987	9.52	2.18	9.90	25.5	8.20	1.95	8.51	28.6
1988	10.04	2.07	10.41	26.0	8.21	1.88	8.51	28.9
1989	10.21	1.92	10.54	27.0	9.15	1.79	9.44	28.9
1990	10.06	1.87	10.39	26.1	8.90	1.56	9.15	29.3
1991	9.38	1.63	9.66	25.8	8.03	1.43	8.26	28.7
1992	8.21	1.61	8.50	24.4	6.37	1.44	6.59	29.1
1993	7.27	1.21	7.48	24.7	5.56	1.20	5.74	28.8
1994	7.98	1.14	8.17	25.8	6.27	1.05	6.42	29.2
1995	8.01	1.01	8.18	26.5	7.00	0.88	7.13	29.3
1996	7.81	1.03	7.98	26.1	6.94	0.81	7.06	29.0
1997	7.73	1.01	7.89	26.9	6.76	0.87	6.90	29.4
1998	7.05	0.86	7.19	27.5	6.35	0.75	6.46	29.6
1999	7.32	0.78	7.44	27.8	6.45	0.57	6.53	29.7
2000	8.14	0.75	8.25	28.3	6.99	0.42	7.05	29.8
2001	7.03	0.56	7.11	27.3	6.34	0.33	6.39	29.8
2002	6.62	0.48	6.69	26.8	5.60	0.39	5.66	29.7
<b>Monthly Data</b>								
<b>2002</b>								
October	6.20	0.40	6.26	26.2	5.31	0.43	5.37	29.5
November	6.14	0.37	6.19	26.0	5.34	0.40	5.40	29.7
December	6.14	0.39	6.20	26.1	5.26	0.41	5.32	29.7
<b>2003</b>								
January	6.05	0.38	6.11	26.1	5.22	0.32	5.26	29.9
February	6.02	0.31	6.06	26.2	5.15	0.34	5.19	29.9
March	5.89	0.27	5.93	26.0	5.00	0.32	5.04	29.8
April	5.84	0.33	5.89	26.1	4.98	0.32	5.02	29.7
May	5.70	0.33	5.75	26.1	4.93	0.45	4.99	29.7
June	5.47	0.32	5.52	26.2	4.65	0.36	4.70	29.9
July	5.46	0.36	5.51	26.2	4.67	0.43	4.73	29.3
August	5.82	0.40	5.88	26.2	4.85	0.39	4.91	29.8
September	6.10	0.42	6.17	26.1	5.09	0.48	5.16	29.8
October	6.03	0.41	6.09	26.5	5.08	0.32	5.13	29.6
November	6.03	0.50	6.11	26.7	5.13	0.40	5.18	29.9
December	5.98	0.52	6.06	26.6	5.00	0.52	5.07	29.8

Source: Federal Housing Finance Board

<http://www.fhfb.gov/MIRS/mirstbl2.xls>



**Table 16.** FHA, VA, and PMI 1–4 Family Mortgage Insurance Activity: 1970–Present

Period	FHA *			VA Guaranties	PMI Certificates
	Applications	Total Endorsements	Purchase Endorsements		
Annual Data					
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	522,738	290,003	907,511
1993	1,740,504	1,065,832	591,243	457,596	1,198,307
1994	961,466	1,217,685	686,487	536,867	1,148,696
1995	857,364	568,399	516,380	243,719	960,756
1996	1,064,324	849,861	719,517	326,458	1,068,707
1997	1,115,434	839,712	745,524	254,670	974,698
1998	1,563,394	1,110,530	796,779	384,605	1,473,344
1999	1,407,014	1,246,433	949,516	441,606	1,455,403
2000	1,154,622	891,874	826,708	186,671	1,236,214
2001	1,760,278	1,182,368	818,035	281,505	1,987,717
2002	1,521,730	1,246,561	805,198	328,506	2,305,709
Monthly Data					
2002					
October	158,662	104,387	64,477	29,399	191,718
November	128,854	84,981	46,951	31,947	206,531
December	111,149	100,002	53,720	30,172	255,556
2003					
January	133,457	128,086	68,243	38,416	187,832
February	132,646	100,166	50,483	36,890	175,756
March	165,414	102,141	47,798	39,528	266,862
April	164,847	118,371	54,723	43,260	210,743
May	169,232	117,375	55,048	41,655	237,288
June	191,678	113,803	52,779	44,506	244,281
July	182,142	112,372	50,741	48,070	207,341
August	122,824	122,090	51,822	51,399	232,473
September	103,675	135,048	61,965	54,178	240,384
October	109,969	127,268	66,132	51,547	200,827
November	81,974	107,924	59,993	32,221	144,484
December	76,308	97,926	53,720	31,641	145,163

\*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

Historical Data



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

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

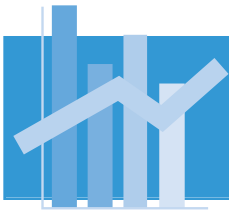
\*Mortgage insurance written—Initial endorsements. Mortgage amounts are in millions of dollars.

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

<sup>2</sup>Includes purchase or refinance of existing rental housing under Section 223.

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

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



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

Period	Delinquency Rates								Foreclosures Started			
	Total Past Due				90 Days Past Due							
	All	Conv.	FHA	VA	All	Conv.	FHA	VA	All	Conv.	FHA	VA
Annual Averages												
1986	5.56	3.80	7.16	6.58	1.01	0.67	1.29	1.24	0.26	0.19	0.32	0.30
1987	4.97	3.15	6.56	6.21	0.93	0.61	1.19	1.17	0.26	0.18	0.34	0.32
1988	4.79	2.94	6.56	6.22	0.85	0.54	1.14	1.14	0.27	0.17	0.37	0.32
1989	4.81	3.03	6.74	6.45	0.79	0.50	1.09	1.09	0.29	0.18	0.41	0.37
1990	4.66	2.99	6.68	6.35	0.71	0.39	1.10	1.04	0.31	0.21	0.43	0.40
1991	5.03	3.26	7.31	6.77	0.80	0.46	1.25	1.11	0.34	0.27	0.43	0.42
1992	4.57	2.95	7.57	6.46	0.81	0.47	1.35	1.15	0.33	0.26	0.45	0.40
1993	4.22	2.66	7.14	6.30	0.77	0.45	1.40	1.16	0.32	0.24	0.48	0.42
1994	4.10	2.60	7.26	6.26	0.76	0.45	1.44	1.19	0.33	0.23	0.56	0.48
1995	4.24	2.77	7.55	6.44	0.74	0.43	1.46	1.17	0.33	0.23	0.53	0.50
1996	4.33	2.78	8.05	6.75	0.63	0.32	1.40	1.10	0.34	0.25	0.58	0.46
1997	4.31	2.82	8.13	6.94	0.58	0.32	1.22	1.15	0.36	0.26	0.62	0.51
1998	4.07	2.62	8.58	6.80	0.59	0.28	1.51	1.24	0.31	0.22	0.59	0.44
1999	3.97	2.53	8.57	7.55	0.58	0.27	1.50	1.23	0.30	0.22	0.59	0.44
2000	4.02	2.54	9.07	6.84	0.56	0.25	1.61	1.22	0.29	0.22	0.56	0.38
2001	4.63	2.96	10.78	7.67	0.70	0.31	2.12	1.47	0.36	0.27	0.71	0.42
2002	4.65	3.07	11.53	7.86	0.77	0.40	2.36	1.61	0.37	0.27	0.85	0.46
Quarterly Data (Seasonally Adjusted)												
2002												
3rd Quarter	4.66	3.04	11.62	7.81	0.82	0.41	2.50	1.67	0.37	0.28	0.81	0.46
4th Quarter	4.53	3.08	11.45	7.82	0.78	0.43	2.39	1.65	0.35	0.25	0.86	0.43
2003												
1st Quarter	4.52	3.10	11.65	7.89	0.76	0.44	2.34	1.64	0.37	0.27	0.87	0.48
2nd Quarter	4.62	3.14	12.59	8.24	0.84	0.49	2.75	1.82	0.32	0.23	0.81	0.45
3rd Quarter	4.28	2.93	12.13	7.74	0.80	0.46	2.68	1.76	0.38	0.28	0.98	0.48

\*All data are seasonally adjusted.

Source: National Delinquency Survey, Mortgage Bankers Association

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





**Table 19. Expenditures for Existing Residential Properties: 1968–Present**

Period	Total Expenditures	Maintenance and Repairs¹	Improvements					
			Total	Additions and Alterations²			Major Replacements³	
				Total	To Structures			To Property Outside Structure
					Additions³	Alterations⁴		
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	70,597	29,307	41,291	28,023	6,044	14,604	7,375	13,268
1985	82,127	36,349	45,778	29,259	4,027	17,922	7,309	16,519
1986	94,329	37,394	56,936	39,616	7,552	21,774	10,292	17,319
1987	98,413	40,227	58,186	41,484	9,893	22,503	9,088	16,701
1988	106,864	43,580	63,284	45,371	11,868	23,789	9,715	17,912
1989	108,054	46,089	61,966	42,176	7,191	24,593	10,391	19,788
1990	115,432	55,800	59,629	39,929	9,160	23,510	7,261	19,700
1991	107,692	55,505	52,187	33,662	8,609	17,486	7,567	18,526
1992	115,569	50,821	64,748	44,041	7,401	24,870	11,771	20,705
1993	121,899	45,785	76,114	53,512	16,381	27,657	9,472	22,604
1994	130,625	47,185	83,439	56,835	12,906	30,395	13,534	26,606
1995	124,971	47,032	77,940	51,011	11,197	29,288	10,526	26,928
1996	131,362	40,108	91,253	64,513	17,388	32,889	14,235	26,738
1997	133,577	41,145	92,432	65,222	14,575	37,126	13,523	27,210
1998	133,693	41,980	91,712	62,971	11,897	38,787	12,287	28,741
1999	142,900	42,352	100,549	72,056	16,164	42,058	13,833	28,493
2000	152,975	42,236	110,739	77,979	18,189	40,384	19,407	32,760
2001	157,765	47,492	110,273	77,560	14,133	47,208	16,218	32,714
2002	173,324	47,349	125,946	88,708	20,624	49,566	18,518	37,238
Quarterly Data (Seasonally Adjusted Annual Rates)								
2002								
2nd Quarter	168,800	47,200	121,500	87,700	NA	NA	NA	33,800
3rd Quarter	173,800	45,000	128,800	89,500	NA	NA	NA	39,300
4th Quarter	175,700	52,800	122,900	86,400	NA	NA	NA	36,500
2003								
1st Quarter	179,700	53,200	126,500	90,200	NA	NA	NA	36,300
2nd Quarter	173,200	41,000	132,200	91,900	NA	NA	NA	40,300

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

<sup>2</sup>Additions and alterations to property outside the structure include walks, driveways, walls, fences, pools, garages, sheds, etc.

<sup>3</sup>Additions refer to actual enlargements of the structure.

<sup>4</sup>Alterations refer to changes or improvements made within or on the structure.

<sup>5</sup>Major replacements are relatively expensive and are not considered repairs and include furnaces, boilers, roof replacement, central air conditioning, etc.

Source: Census Bureau, Department of Commerce

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



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



Period	Total	New Housing Units			Improvements
		Total	1 Unit Structures	2 or More Unit Structures	
Annual Data (Current Dollars in Millions)					
1974	55,967	43,420	29,700	13,720	12,547
1975	51,581	36,317	29,639	6,679	15,264
1976	68,273	50,771	43,860	6,910	17,502
1977	92,004	72,231	62,214	10,017	19,773
1978	109,838	85,601	72,769	12,832	24,237
1979	116,444	89,272	72,257	17,015	27,172
1980	100,381	69,629	52,921	16,708	30,752
1981	99,241	69,424	51,965	17,460	29,817
1982	84,676	57,001	41,462	15,838	27,675
1983	125,833	94,961	72,514	22,447	30,872
1984	155,015	114,616	86,395	28,221	40,399
1985	160,520	115,888	87,350	28,539	44,632
1986	190,677	135,169	104,131	31,038	55,508
1987	199,652	142,668	117,216	25,452	56,984
1988	204,496	142,391	120,093	22,298	62,105
1989	204,255	143,232	120,929	22,304	61,023
1990	191,103	132,137	112,886	19,250	58,966
1991	166,251	114,575	99,427	15,148	51,676
1992	199,393	135,070	121,976	13,094	64,323
1993	225,067	150,911	140,123	10,788	74,156
1994	258,561	176,389	162,309	14,081	82,172
1995	247,351	171,404	153,515	17,889	75,947
1996	281,115	191,113	170,790	20,324	90,002
1997	289,014	198,063	175,179	22,883	90,951
1998	314,607	223,983	199,409	24,574	90,624
1999	350,562	251,272	223,837	27,434	99,290
2000	374,457	265,047	236,788	28,259	109,410
2001	388,705	279,772	249,086	30,686	108,933
2002	421,521	298,450	265,889	32,561	123,071
2003	465,781	340,522	306,423	34,099	125,259
Monthly Data (Seasonally Adjusted Annual Rate)					
2002					
October	429,874	305,728	273,022	32,706	NA
November	434,446	310,013	277,819	32,194	NA
December	441,476	315,609	283,163	32,446	NA
2003					
January	450,039	323,568	290,124	33,444	NA
February	448,535	322,841	289,137	33,704	NA
March	447,147	321,672	288,244	33,428	NA
April	443,880	320,300	287,623	32,677	NA
May	444,858	324,217	290,608	33,609	NA
June	444,440	326,310	292,863	33,447	NA
July	457,079	333,435	299,408	34,027	NA
August	466,782	340,218	305,801	34,417	NA
September	475,716	346,377	312,069	34,308	NA
October	487,541	359,091	324,356	34,735	NA
November	497,637	368,396	333,401	34,995	NA
December	502,160	373,222	338,275	34,947	NA

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

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



Period	Gross Domestic Product	Residential Fixed Investment	Residential Fixed Investment Percent of GDP
<b>Annual Data (Current Dollars in Billions)</b>			
1960	526.4	26.3	5.0
1961	544.7	26.4	4.8
1962	585.6	29.0	5.0
1963	617.7	32.1	5.2
1964	663.6	34.3	5.2
1965	719.1	34.2	4.8
1966	787.8	32.3	4.1
1967	832.6	32.4	3.9
1968	910.0	38.7	4.3
1969	984.6	42.6	4.3
1970	1,038.5	41.4	4.0
1971	1,127.1	55.8	5.0
1972	1,238.3	69.7	5.6
1973	1,382.7	75.3	5.4
1974	1,500.0	66.0	4.4
1975	1,638.3	62.7	3.8
1976	1,825.3	82.5	4.5
1977	2,030.9	110.3	5.4
1978	2,294.7	131.6	5.7
1979	2,563.3	141.0	5.5
1980	2,789.5	123.2	4.4
1981	3,128.4	122.6	3.9
1982	3,255.0	105.7	3.2
1983	3,536.7	152.9	4.3
1984	3,933.2	180.6	4.6
1985	4,220.3	188.2	4.5
1986	4,462.8	220.1	4.9
1987	4,739.5	233.7	4.9
1988	5,103.8	239.3	4.7
1989	5,484.4	239.5	4.4
1990	5,803.1	224.0	3.9
1991	5,995.9	205.1	3.4
1992	6,337.7	236.3	3.7
1993	6,657.4	266.0	4.0
1994	7,072.2	301.9	4.3
1995	7,397.7	302.8	4.1
1996	7,816.9	334.1	4.3
1997	8,304.3	349.1	4.2
1998	8,747.0	385.8	4.4
1999	9,268.4	424.9	4.6
2000	9,817.0	446.9	4.6
2001	10,100.8	469.2	4.6
2002	10,480.8	503.7	4.8
2003	10,983.9	562.8	5.1
<b>Quarterly Data (Seasonally Adjusted Annual Rates)</b>			
<b>2002</b> 4th Quarter	10,623.7	520.3	4.9
<b>2003</b> 1st Quarter	10,735.8	534.4	5.0
2nd Quarter	10,846.7	543.2	5.0
3rd Quarter	11,107.0	575.1	5.2
4th Quarter	11,246.3	598.6	5.3

Source: Bureau of Economic Analysis, Department of Commerce

<http://www.bea.doc.gov/bea/newsrel/gdpnewsrelease.htm> (See Table 3 in pdf format.)



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

Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Older
<b>Annual Data</b>								
1971 <sup>1</sup>	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 <sup>2</sup>	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 <sup>3</sup>	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>3</sup>	750	398	46	1	84	866	(406)	(239)
1994	681	8	(387)	47	431	424	34	124
1995	1,883	179	(72)	(193)	621	753	36	559
1996	637	(162)	(46)	(181)	312	418	177	121
1997	1,391	(122)	293	(204)	597	835	68	(78)
1998	1,510	275	(184)	(97)	120	704	603	89
1999	1,346	335	56	(270)	25	611	499	92
2000	831	90	1	(193)	(13)	769	21	156
2001	1,712	532	(213)	140	(51)	870	351	83
2002	2,880	(1)	105	329	127	411	1,260	648
<b>Quarterly Data</b>								
<b>2002</b>								
4th Quarter	183	269	(110)	(27)	(189)	239	4	(2)
<b>2003</b>								
1st Quarter	68	(203)	41	(180)	154	(35)	350	(60)
2nd Quarter	67	(85)	(13)	(65)	70	126	61	(27)
3rd Quarter	24	152	(71)	181	(424)	9	155	22
4th Quarter	359	149	181	33	(107)	(136)	26	212

\*Units in thousands.

<sup>1</sup>Implementation of new March CPS processing system.

<sup>2</sup>Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>3</sup>Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>4</sup>Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Census Bureau

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.

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



Period	Total	Families <sup>4</sup>				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 <sup>1</sup>	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 <sup>r</sup>	1,554	NA	NA	NA	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA	NA	NA	NA
1977	1,275	(191)	366	36	206	199	109	223	326
1978	1,888	(228)	114	103	497	126	93	713	470
1979	1,300	(91)	396	53	182	143	131	112	375
1980 <sup>2</sup>	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 <sup>r</sup>	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 <sup>r</sup>	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 <sup>3</sup>	750	550	83	44	364	37	87	(169)	(247)
1994	681	207	(128)	(145)	340	170	185	(4)	57
1995	1,883	250	439	308	(182)	28	(80)	700	421
1996	637	(333)	43	286	295	11	169	148	20
1997	1,391	153	(117)	340	270	204	37	154	349
1998	1,510	246	467	61	(136)	(143)	89	568	356
1999	1,346	(211)	663	63	139	280	132	(44)	323
2000	831	149	392	48	(98)	58	165	215	(97)
2001	1,712	189	99	231	(168)	221	42	356	743
2002	2,880	371	778	195	608	(106)	81	467	485
Quarterly Data									
2002 4th Quarter	183	(172)	197	87	109	76	112	(89)	(138)
2003 1st Quarter	68	17	(220)	(31)	(7)	(192)	(9)	362	147
2nd Quarter	67	87	(83)	33	(76)	128	23	(164)	121
3rd Quarter	24	(18)	339	(104)	(79)	246	(81)	(129)	(151)
4th Quarter	359	148	167	87	4	(211)	(26)	227	(37)

\*Units in thousands.

<sup>1</sup>Implementation of new March CPS processing system.

<sup>2</sup>Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>3</sup>Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>4</sup>Beginning in 1993 CPS data weighted based on the 1990 decennial census.

<sup>5</sup>Primary families only.

Source: Current Population Survey, Census Bureau

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.



**Table 24.** 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	Two or more Races <sup>4</sup>	Hispanics
<b>Annual Data</b>						
1971 <sup>1</sup>	848	NA	NA	NA	NA	NA
1972	1,898	NA	NA	NA	NA	NA
1973	1,575	NA	NA	NA	NA	NA
1974 <sup>2</sup>	1,554	NA	NA	NA	NA	NA
1975	1,358	NA	NA	NA	NA	NA
1976	1,704	NA	NA	NA	NA	NA
1977	1,275	832	288	22	NA	133
1978	1,888	1,356	190	119	NA	223
1979	1,300	1,115	96	102	NA	(13)
1980 <sup>3</sup>	3,446	2,367	488	198	NA	393
1981	1,592	903	244	223	NA	222
1982	1,159	890	129	66	NA	74
1983	391	218	(37)	105	NA	105
1984 <sup>4</sup>	1,372	434	299	58	NA	581
1985	1,499	938	250	94	NA	217
1986	1,669	954	283	102	NA	330
1987	1,021	527	116	173	NA	205
1988 <sup>5</sup>	1,645	1,053	255	113	NA	224
1989	1,706	947	382	109	NA	268
1990	517	428	(49)	115	NA	23
1991	965	540	156	(18)	NA	287
1992	1,364	590	397	218	NA	159
1993 <sup>3</sup>	750	(518)	183	312	NA	774
1994	681	590	(6)	(114)	NA	209
1995	1,883	1,307	387	(182)	NA	373
1996	637	(72)	(156)	660	NA	204
1997	1,391	308	509	288	NA	286
1998	1,510	696	363	87	NA	365
1999	1,346	641	89	145	NA	470
2000	831	242	245	85	NA	259
2001	1,712	557	483	328	NA	344
2002	2,880	1,442	(100)	702	NA	836
<b>Quarterly Data</b>						
<b>2002</b>						
4th Quarter	183	13	72	16	NA	82
<b>2003</b>						
1st Quarter	68	(619)	(76)	(534)	1,121	176
2nd Quarter	67	(15)	(46)	(3)	(25)	156
3rd Quarter	24	(162)	7	136	25	19
4th Quarter	359	105	(58)	10	(23)	324

\*Units in thousands.

<sup>1</sup>Implementation of new March CPS processing system.

<sup>2</sup>Data from 1971 to 1979 weighted based on the 1970 decennial census.

<sup>3</sup>Data from 1980 to 1992 weighted based on the 1980 decennial census.

<sup>4</sup>Beginning in 1993 CPS data weighted based on the 1990 decennial census.

<sup>5</sup>Beginning in 2003, the CPS respondents were able to answer more than one race.

Source: Current Population Survey, Census Bureau

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.





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

Period	Total <sup>3</sup>	Seasonal	Total Year Round	Total Vacant Year Round	For Rent	For Sale Only	Other Vacant	Total Occupied	Owner	Renter
<b>Annual Data</b>										
1970 <sup>1</sup>	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 <sup>1</sup>	88,411	1,718	86,693	NA	NA	NA	NA	80,390	51,795	28,595
1981 <sup>2</sup>	91,561	1,950	89,610	6,435	1,634	812	3,989	83,175	54,342	28,833
1983	93,519	1,845	91,675	7,037	1,906	955	4,176	84,638	54,724	29,914
1985	99,931	3,182	96,749	8,324	2,518	1,128	4,678	88,425	56,145	32,280
1987	102,652	2,837	99,818	8,927	2,895	1,116	4,916	90,888	58,164	32,724
1989	105,661	2,881	102,780	9,097	2,644	1,115	5,338	93,683	59,916	33,767
1990 <sup>1</sup>	102,264	NA	NA	NA	NA	NA	NA	91,947	59,025	32,923
1991	104,592	2,728	101,864	8,717	2,684	1,026	5,007	93,147	59,796	33,351
1993	106,611	3,088	103,522	8,799	2,651	889	5,258	94,724	61,252	33,472
1995	109,457	3,054	106,403	8,710	2,666	917	5,128	97,693	63,544	34,150
1997	112,357	3,166	109,191	9,704	2,884	1,043	5,777	99,487	65,487	34,000
1999	115,253	2,961	112,292	9,489	2,719	971	5,799	102,803	68,796	34,007
2001	119,116	3,078	116,038	9,777	2,916	1,243	5,618	106,261	72,265	33,996
<b>Quarterly Data</b>										
<b>2002</b>										
4th Quarter	119,875	3,542	116,333	10,993	3,466	1,244	6,283	105,340	71,903	33,437
<b>2003</b>										
1st Quarter	120,249	3,523	116,726	11,319	3,553	1,242	6,524	105,407	71,645	33,762
2nd Quarter	120,643	3,565	117,078	11,603	3,627	1,249	6,727	105,475	71,740	33,735
3rd Quarter	121,030	3,735	117,295	11,796	3,713	1,411	6,672	105,499	72,178	33,321
4th Quarter	121,415	3,750	117,665	11,807	3,809	1,331	6,667	105,858	72,650	33,208

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

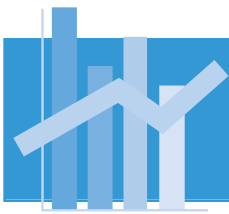
<sup>1</sup>Decennial Census of Housing

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

<sup>3</sup>Annual Housing Survey estimates through 1981 based on 1970 census weights; 1983 to 1989 estimates based on 1980 census weights; 1991 and 1995 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.

Source: 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

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



**Table 26. 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
<b>Annual Data</b>												
1979	5.4	5.4	5.7	5.1	5.4	4.5	5.7	6.1	5.3	3.2	6.6	7.6
1980	5.4	5.2	5.4	4.8	6.1	4.2	6.0	6.0	5.2	3.4	6.4	7.1
1981	5.0	4.8	5.0	4.6	5.7	3.7	5.9	5.4	5.1	3.3	6.0	6.4
1982	5.3	5.0	5.3	4.6	6.2	3.7	6.3	5.8	5.4	3.6	6.2	6.5
1983	5.7	5.5	6.0	4.8	6.3	4.0	6.1	6.9	5.2	3.7	6.7	7.1
1984	5.9	5.7	6.2	5.1	6.4	3.7	5.9	7.9	5.2	3.8	7.0	7.5
1985	6.5	6.3	6.6	6.0	7.1	3.5	5.9	9.1	6.2	3.8	7.9	8.8
1986	7.3	7.2	7.6	6.6	8.2	3.9	6.9	10.1	7.1	3.9	9.2	10.4
1987	7.7	7.7	8.3	6.9	7.8	4.1	6.8	10.9	7.3	4.0	9.7	11.2
1988	7.7	7.8	8.4	7.0	7.3	4.8	6.9	10.1	7.7	3.6	9.8	11.4
1989	7.4	7.4	7.9	6.6	7.7	4.7	6.8	9.7	7.1	4.2	9.2	10.1
1990	7.2	7.1	7.8	6.3	7.6	6.1	6.4	8.8	6.6	4.0	9.0	9.5
1991	7.4	7.5	8.0	6.8	7.3	6.9	6.7	8.9	6.5	3.9	9.4	10.4
1992	7.4	7.4	8.3	6.4	7.0	6.9	6.7	8.2	7.1	3.9	9.3	10.1
1993	7.3	7.5	8.2	6.6	6.5	7.0	6.6	7.9	7.4	3.8	9.5	10.3
1994	7.4	7.3	8.1	6.4	7.7	7.1	6.8	8.0	7.1	5.2	9.0	9.8
1995	7.6	7.6	8.4	6.6	7.9	7.2	7.2	8.3	7.5	5.4	9.0	9.5
1996	7.8	7.7	8.2	7.0	8.7	7.4	7.9	8.6	7.2	5.5	9.3	9.6
1997	7.7	7.5	8.1	6.9	8.8	6.7	8.0	9.1	6.6	5.8	9.0	9.1
1998	7.9	7.7	8.2	7.1	9.2	6.7	7.9	9.6	6.7	6.3	9.0	9.4
1999	8.1	7.8	8.4	7.2	9.6	6.3	8.6	10.3	6.2	7.3	8.7	8.7
2000	8.0	7.7	8.2	7.2	9.5	5.6	8.8	10.5	5.8	7.0	8.7	9.2
2001	8.4	8.0	8.6	7.4	10.4	5.3	9.7	11.1	6.2	7.9	8.9	9.6
2002	9.0	8.8	9.2	8.2	10.6	5.8	10.1	11.8	6.9	8.1	9.7	10.5
<b>Quarterly Data</b>												
<b>2002</b> 4th Quarter	9.3	9.1	9.3	8.9	10.6	5.6	10.2	12.6	7.0	8.4	10.0	10.3
<b>2003</b> 1st Quarter	9.4	9.3	9.4	9.2	10.1	6.0	10.2	12.4	7.3	8.1	10.3	10.8
2nd Quarter	9.6	9.4	9.8	8.9	10.9	6.8	10.6	12.3	7.2	8.2	10.6	11.3
3rd Quarter	9.9	9.7	10.2	9.2	10.9	6.6	11.0	12.4	8.1	8.6	10.9	11.5
4th Quarter	10.2	10.1	10.4	9.7	10.6	6.9	11.3	12.9	8.0	8.7	11.2	11.9

Source: Census Bureau, Department of Commerce

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

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

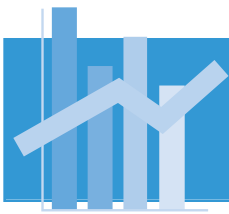


Period	Total	Less Than 25 Years	25 to 29 Years	30 to 34 Years	35 to 44 Years	45 to 54 Years	55 to 64 Years	65 Years and Over
<b>Annual Data</b>								
1982	64.8	19.3	38.6	57.1	70.0	77.4	80.0	74.4
1983	64.6	18.8	38.3	55.4	69.3	77.0	79.9	75.0
1984	64.5	17.9	38.6	54.8	68.9	76.5	80.0	75.1
1985	63.9	17.2	37.7	54.0	68.1	75.9	79.5	74.8
1986	63.8	17.2	36.7	53.6	67.3	76.0	79.9	75.0
1987	64.0	16.0	36.4	53.5	67.2	76.1	80.2	75.5
1988	63.8	15.8	35.9	53.2	66.9	75.6	79.5	75.6
1989	63.9	16.6	35.3	53.2	66.6	75.5	79.6	75.8
1990	63.9	15.7	35.2	51.8	66.3	75.2	79.3	76.3
1991	64.1	15.3	33.8	51.2	65.8	74.8	80.0	77.2
1992	64.1	14.9	33.6	50.5	65.1	75.1	80.2	77.1
1993	64.5	15.0	34.0	51.0	65.4	75.4	79.8	77.3
1993*	64.0	14.8	33.6	50.8	65.1	75.3	79.9	77.3
1994	64.0	14.9	34.1	50.6	64.5	75.2	79.3	77.4
1995	64.7	15.9	34.4	53.1	65.2	75.2	79.5	78.1
1996	65.4	18.0	34.7	53.0	65.5	75.6	80.0	78.9
1997	65.7	17.7	35.0	52.6	66.1	75.8	80.1	79.1
1998	66.3	18.2	36.2	53.6	66.9	75.7	80.9	79.3
1999	66.8	19.9	36.5	53.8	67.2	76.0	81.0	80.1
2000	67.4	21.7	38.1	54.6	67.9	76.5	80.3	80.4
2001	67.8	22.5	38.9	54.8	68.2	76.7	81.3	80.3
2002	67.9	23.0	39.0	55.0	68.6	76.3	81.1	80.5
<b>Quarterly Data</b>								
<b>2002</b> 4th Quarter	68.3	23.2	39.4	56.2	69.0	76.4	81.5	80.8
<b>2003</b> 1st Quarter	68.0	22.0	38.9	56.5	67.8	76.5	81.4	80.2
2nd Quarter	68.0	23.2	39.6	55.6	67.8	76.3	81.6	80.2
3rd Quarter	68.4	23.3	40.2	56.6	68.8	76.5	81.1	80.7
4th Quarter	68.6	22.8	40.6	57.3	69.0	77.2	81.3	80.8

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

Source: Census Bureau, Department of Commerce

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



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



Period	Total	Region				Metropolitan Status <sup>3</sup>		
		Northeast	Midwest	South	West	Inside Metropolitan Areas		Outside Metro Area
						Central City	Outside Central City	
March Supplemental Data								
1983 <sup>1</sup>	64.9	61.4	70.0	67.1	58.7	48.9	70.2	73.5
1984	64.5	60.7	69.0	67.2	58.5	49.2	69.8	72.6
1985	64.3	61.1	67.7	66.7	59.4	NA	NA	NA
1986	63.8	61.1	66.9	66.7	57.8	48.3	71.2	72.0
1987	64.0	61.4	67.1	66.9	57.9	48.7	70.9	72.5
1988	64.0	61.9	67.0	65.9	59.0	48.7	71.1	72.1
1989	64.0	61.6	67.6	66.3	58.5	48.7	70.4	73.1
1990	64.1	62.3	67.3	66.5	58.0	48.9	70.1	73.5
1991	64.0	61.9	67.3	66.1	58.8	48.3	70.4	73.2
1992	64.1	62.7	67.0	65.8	59.2	49.0	70.2	73.0
1993 <sup>2</sup>	64.1	62.4	67.0	65.5	60.0	48.9	70.2	72.9
Annual Averages of Monthly Data								
1994	64.0	61.5	67.7	65.6	59.4	48.5	70.3	72.0
1995	64.7	62.0	69.2	66.7	59.2	49.5	71.2	72.7
1996	65.4	62.2	70.6	67.5	59.2	49.7	72.2	73.5
1997	65.7	62.4	70.5	68.0	59.6	49.9	72.5	73.7
1998	66.3	62.6	71.1	68.6	60.5	50.0	73.2	74.7
1999	66.8	63.1	71.7	69.1	60.9	50.4	73.6	75.4
2000	67.4	63.4	72.6	69.6	61.7	51.4	74.0	75.2
2001	67.8	63.7	73.1	69.8	62.6	51.9	74.6	75.0
2002	67.9	64.3	73.1	69.7	62.5	51.7	74.7	75.4
2003	68.3	64.4	73.2	70.1	63.4	52.3	75.0	75.6
Quarterly Averages of Monthly Data								
2002 4th Quarter	68.3	64.8	73.3	70.3	62.5	52.0	75.1	75.8
2003 1st Quarter	68.0	64.2	72.9	69.9	62.8	51.9	74.7	75.6
2nd Quarter	68.0	64.2	72.8	69.9	63.2	52.0	74.6	75.9
3rd Quarter	68.4	64.4	73.5	70.0	63.8	52.3	75.3	75.4
4th Quarter	68.6	64.7	73.5	70.5	63.8	53.1	75.2	75.5

<sup>1</sup>From 1983 to 1992 data are weighted based on the 1980 decennial census.

<sup>2</sup>Beginning in 1993 CPS data are weighted based on the 1990 decennial census.

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

Source: Current Population Survey, Census Bureau

Note: The annual data come from two sources: For years 1983 to 1993, the source is the March demographic supplement of the Current Population Survey; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. For the quarterly data, the source is the corresponding three monthly Current Population Surveys/Housing Vacancy Surveys.

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

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



Period	Non-Hispanic			Hispanic
	White	Black	Other	
March Supplemental Data				
1983 <sup>1</sup>	69.1	45.6	53.3	41.2
1984 <sup>r</sup>	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 <sup>r</sup>	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 <sup>2</sup>	70.2	42.0	50.6	39.4
Annual Averages of Monthly Data				
1994	70.0	42.5	50.8	41.2
1995	70.9	42.9	51.5	42.0
1996	71.7	44.5	51.5	42.8
1997	72.0	45.4	53.3	43.3
1998	72.6	46.1	53.7	44.7
1999	73.2	46.7	54.1	45.5
2000	73.8	47.6	53.9	46.3
2001	74.3	48.4	54.7	47.3
2002	74.7	48.2	55.0	47.0
2003	75.4	48.8	56.7	46.7
Quarterly Averages of Monthly Data				
2002 4th Quarter	75.0	48.5	55.8	48.3
2003 1st Quarter	75.0	48.4	56.6	46.7
2nd Quarter	75.2	48.0	56.3	46.2
3rd Quarter	75.7	48.7	56.4	46.1
4th Quarter	75.5	50.1	57.3	47.7

<sup>r</sup>Implementation of new March CPS processing system.

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

<sup>2</sup>Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Census Bureau

Note: The annual data come from two sources: For years 1983 to 1993, the source is the March demographic supplement of the Current Population Survey; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. For the quarterly data, the source is the corresponding three monthly Current Population Surveys/Housing Vacancy Surveys.



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

Period	Married Couples		Other Families		Other
	With Children	Without Children	With Children	Without Children	
March Supplemental Data					
1983 <sup>1</sup>	75.0	80.8	38.3	67.5	44.5
1984 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	73.7	82.9	35.5	63.9	47.1
Annual Averages of Monthly Data					
1994	74.3	83.2	36.1	65.3	47.0
1995	74.9	84.0	37.7	66.2	47.7
1996	75.8	84.4	38.6	67.4	48.6
1997	76.5	84.9	38.5	66.4	49.2
1998	77.3	85.4	40.4	66.0	49.7
1999	77.6	85.7	41.9	65.8	50.3
2000	78.3	86.1	43.2	65.8	50.9
2001	78.8	86.6	44.2	66.1	51.7
2002	78.6	86.8	43.5	66.3	52.3
2003	79.1	87.0	43.8	66.5	52.7
Quarterly Averages of Monthly Data					
2002 4th Quarter	78.9	86.9	44.2	66.8	52.6
2003 1st Quarter	79.0	86.7	42.8	67.1	52.5
2nd Quarter	79.3	87.0	43.0	66.6	52.1
3rd Quarter	79.1	86.8	44.8	65.9	52.9
4th Quarter	78.9	87.3	44.5	66.3	53.2

<sup>1</sup>Implementation of new March CPS processing system.

<sup>2</sup>CPS data from 1983 to 1992 are weighted based on the 1980 decennial census.

<sup>3</sup>Beginning in 1993 CPS data weighted based on the 1990 decennial census.

Source: Current Population Survey, Census Bureau

Note: The annual data come from two sources: For years 1983 to 1993, the source is the March demographic supplement of the Current Population Survey; and for years 1994 and later, the data are the average of the 12 monthly Current Population Surveys/Housing Vacancy Surveys. For the quarterly data, the source is the corresponding three monthly Current Population Surveys/Housing Vacancy Surveys.

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